



General Purchasing Conditions of RETIA, a.s.

(hereinafter referred to as the "General Purchasing Conditions")

RETIA, a.s.

Registered office: Pražská 341, 530 02 Pardubice – Zelené Předměstí
Comp. Reg. No.: 252 51 929
VAT Reg. No.: CZ699003219
registration: Commercial Register maintained by the Regional Court in Hradec Králové,
File Ref. B 1440
represented by: Ing. Aleš Kvídera, Chairman of the Board of Directors

(hereinafter referred to as the "Client" or "RETIA, a.s.")

1. Validity of the General Purchasing Conditions

- 1.1 These General Purchasing Conditions are prepared in accordance with Act No. 89/2012 Coll., the Civil Code, as amended, and other regulations of the legal system of the Czech Republic, and are binding with regard to all contractual relationships entered into on the basis of an order between RETIA, a.s. (hereinafter referred to as the "Client"), as the buyer or recipient of goods and/or services (hereinafter referred to as the "Goods"), and the other party which delivers the Goods and/or services to RETIA, a.s. (hereinafter referred to as the "Supplier").
- 1.2 All contractual relationships of the Client shall be governed by these General Purchasing Conditions, unless the application of these Conditions or a part thereof is excluded, the Conditions are amended or completed with special purchasing conditions. The General Purchasing Conditions constitute an integral part of all contractual relationships entered into between RETIA, a.s. as the Client and the Supplier.
- 1.3 A contractual relationship between the Client and the Supplier will be entered into either on the basis of signing a written agreement or on the basis of issuance of an order by the Client and receipt thereof by the Supplier, or on the basis of issuance of a quotation by the Supplier and receipt thereof by the Client (hereinafter referred to as the "Agreement" or "Purchase Agreement"). A response to a quotation/order which appears to be the acceptance of a quotation/order, but contains any additions, limitations or other changes, shall always be treated as a new quotation/order and must be confirmed by the other party. The Client hereby excludes the acceptance of a quotation/order with any addition or modification.
- 1.4 Should any of the provisions of these General Purchasing Conditions become invalid or ineffective, a provision the purpose of which is as close as possible to the invalid or ineffective provision shall apply instead of the invalid or ineffective provision. The invalidity or ineffectiveness of a provision shall not affect the validity of other provisions.

RETIA, a.s.

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www.retia.eu

- 1.5 If the Purchase Agreement and the General Purchasing Conditions contain any provisions which define the same problems differently, the provision of the Purchase Agreement shall prevail over the provisions of the General Purchasing Conditions.
- 1.6 The Supplier is responsible for ensuring that the Goods are not encumbered by any third party rights which would limit or render impossible the acquisition and use thereof by the Client in any way.
- 1.7 This wording of the General Purchasing Conditions is valid and effective from 1st May 2019, and annuls the previous wording of the General Purchasing Conditions, including their parts.
- 1.8 The Client is entitled to modify these General Purchasing Conditions. The Client shall notify any change to the General Purchasing Conditions to the Supplier, and send the updated wording of the General Purchasing Conditions to the Supplier, and also publish them electronically at www.retia.cz.
- 1.9 The General Purchasing Conditions are available at the Client's registered office (Pražská 341, 530 02 Pardubice) or in electronic form at www.retia.cz.

2. Quantity, Quality, Design and Packaging of Goods

- 2.1 The Supplier shall deliver the Goods to the Client in the quantity specified by the Purchase Agreement.
If the Supplier delivers a larger quantity of the Goods than as specified by the Purchase Agreement to the Client, the Purchase Agreement shall not be entered into for the excess Goods, even if the Client does not reject the excess Goods without undue delay after the handover of the Goods to the Client. Should there be any difference between the recorded quantity unit of the Supplier and the Client, the Supplier shall deliver the quantity as required by the Client.
- 2.2 The Supplier shall deliver the Goods to the Client in the quality and design as expressly specified by the Purchase Agreement. If the quality or design of the Goods are not expressly defined by the Purchase Agreement, or only partially, the Supplier shall hand over the Goods to the Client in the quality and design which are suitable for the purpose for which the Goods are to be used by the Client. If the Supplier does not have enough information about the purpose for which the Goods are to be used by the Client, the Supplier shall ask the Client to provide the necessary information about the purpose for which the Goods are to be used to the Supplier in a timely manner.
- 2.3 A delivery note or an invoice, identical to the delivery note and including the number of the Agreement, as well as the numbers of Client's orders, number of Client's Goods, details of the Client, quantity and exact identification of the Goods, shall be attached to each delivery.
- 2.4 If transportation is required, the Supplier shall package or otherwise equip the Goods in the manner as specified in the Purchase Agreement. If the method of packaging or other equipment of the Goods for transportation is not expressly stipulated by the Purchase Agreement, the Supplier shall package the or otherwise equip the Goods for transportation in the manner that is necessary for preservation and protection of the Goods and is usual for such Goods in business relations. If the Goods are collected by the Client, the Supplier shall prepare the Goods for the collection in compliance with the above requirements.
- 2.5 If the Goods are not packaged or otherwise equipped in a manner that is determined by these General Purchasing Conditions, this fact shall be treated as a defect entitling the Client to refuse to take over the Goods, and if such Goods are taken over, the Client is entitled to

complain about it as a defect and fully exercise the rights arising in case of defective performance as stipulated by law for defects of the Goods.

- 2.6 Together with the Goods, the Supplier shall hand over the certificates and documents as expressly specified by the Purchase Agreement, and/or other documents which are usually handed over together with the Goods. Upon Client's request, the Supplier shall provide the Declaration of Conformity. The Goods must fulfil all technical requirements. If the Supplier does not hand over these documents and certificates, the Goods shall not be treated as properly handed over, and the Supplier shall become delayed with the handover thereof.
- 2.7 For the purpose of this article of the General Purchasing Conditions, the Purchase Agreement also means the drawings and other technical documents referred to in the Purchase Agreement or attached to the Purchase Agreement.
- 2.8 For the quantities of units, dimensions, weight and quality of delivery, the values established by the Client in the receiving inspection of the Goods shall be decisive, unless the Supplier otherwise proves.
- 2.9 If any incomplete delivery is accepted, which is visually damaged or the packages are damaged, a report on the established faults shall be drawn up with the forwarder (carrier), which shall be signed by both parties. If such a report is not drawn up, the Client is entitled to refuse to accept the Goods.
- 2.10 The Client's signature in the delivery note or other documents confirming the acceptance of the Goods, which were not delivered in compliance with the conditions agreed in the order, does not mean the Client's consent to any change to the contractual conditions, unless such a change to the fulfilment of the relevant order was agreed between the Supplier and the Client in advance in writing.
- 2.11 The Supplier is not entitled to delay delivery of the Goods due to Client's delay in any other contractual relationship between the Client and the Supplier.
- 2.12 Any change to the Goods must be approved by both parties in advance.

3. Place of Performance

- 3.1 The location at which the Supplier shall hand over the Goods to the Client is specified by the Purchase Agreement.
- 3.2 If the location of the Goods handover is not expressly specified in the Purchase Agreement, the handover place is the Client's registered office (Pražská 341, 530 02 Pardubice). In this case the Supplier has fulfilled its obligation to hand over the Goods to the Client by transporting the Goods to the Client's registered office and handing them over to the Client within the delivery term as specified by the Purchase Agreement or these General Purchasing Conditions.
- 3.3 The time that the Client's obligation to hand over the Goods has been fulfilled means the date of delivery of the Goods.

4. Date of Performance

- 4.1 The date of performance is the time when the Goods are to be handed over between the parties.
- 4.2 The date of performance is specified in the Purchase Agreement.

- 4.3 If the date of performance is not expressly specified in the Purchase Agreement, the Supplier shall hand over the Goods to the Client within a reasonable period, taking into account the nature of the Goods and place of handover, but no longer than within 30 days, unless otherwise agreed between the parties.
- 4.4 The Supplier shall meet the delivery terms and dates of performance which are specified in the order. The Client receives deliveries on business days from 7 a.m. to 2 p.m., unless otherwise agreed.
- 4.5 The Client is entitled to refuse any Goods delivered by the Supplier before the determined term of delivery. Performance ahead of schedule is only possible with the Client's consent, all legal consequences shall be derived from the agreed date (the term of payment, warranty, passage of risk, storage, etc.) in any case.
- 4.6 If the Client accepts any delayed delivery from the Supplier, the Client shall have all rights arising as a result of Supplier's delay, including the right to full compensation for damages and lost profit.
- 4.7 If the Supplier becomes delayed with the fulfilment of the obligation to hand over the Goods or any part thereof to the Client, the Client is entitled to claim a contractual penalty from the Supplier, equal to 0.1% of the purchase price of the Goods specified in the Purchase Agreement for each day of delay with the handover of the Goods. This provision regarding the contractual penalty shall not affect in any way the Client's right to compensation for damages incurred by the Client as a result of the Supplier's breach of the obligation to hand over the Goods at the date specified in the Purchase Agreement.
- 4.8 If the Client exercises its right to the payment of the contractual penalty by the Supplier, the Supplier must pay it, even after delivery of the Goods. Invoices issued for contractual penalties shall be due within 30 days from delivery thereof to the Supplier.
- 4.9 If the Client is delayed with the payment of the purchase price, the Client is entitled to claim the payment of default interest by the Client, the amount of which shall be determined according to Government Decree No. 351/2013 Coll., laying down the amount of interest on late payment and costs associated with the claim.
- 4.10 The Client is entitled to set off its claims against the Supplier for the payment of a contractual penalty or compensation for damages incurred under the Purchase Agreement including these General Purchasing Conditions.
- 4.11 The Supplier shall notify the Client in advance in writing of all circumstances which could affect proper and timely fulfilment of the Supplier's obligation under an order agreed with the Client and associated consequences, as well as of the fact that the Supplier will not be able to ensure the Goods ordered. The Supplier shall provide the information to the Client without delay after the Supplier becomes aware of such an obstacle. The Client is entitled to check the fulfilment of an agreed order on an ongoing basis, and upon Client's request, the Supplier shall prove to the Client that the Supplier is able to fulfil the order as agreed.
- 4.12 If the Client notifies the Supplier in writing no later than 10 days before the date of performance of an order that the date of performance is to be postponed, the Client is entitled to postpone the agreed date of performance, but by no more than 90 days, without entitling the Supplier to charge any costs incurred by the Supplier as a consequence of such postponement.

5. Purchase Price

- 5.1 The purchase price is determined by the Purchase Agreement.
- 5.2 Unless otherwise expressly stated in the Purchase Agreement, it applies that the purchase price specified in the Agreement does not include value added tax and includes the price of packaging or transportation of the Goods and other similar expenses incurred in connection with the handover of the Goods to the Client.

6. Payment of the Purchase Price

- 6.1 The due date for the payment of the purchase price is specified by the Purchase Agreement.
- 6.2 If the due date for the payment of the purchase price is not expressly specified by the Purchase Agreement, the Supplier is entitled to issue an invoice - tax document for the purchase price with a term of payment specified by the Purchase Agreement when the Supplier hands over the Goods to the Client and the Client takes over the defect-free Goods specified by the Purchase Agreement, including all documents and other certificates which the Supplier must provide to the Client. If the term of payment of an invoice - tax document is not specified by the Purchase Agreement, this term shall be 30 days from delivery of the invoice - tax document by the Supplier to the Client. The Client shall pay the purchase price within the term of payment as specified in the invoice - tax document, issued in this way. But if an invoice - tax document does not contain any of the details determined for tax documents by the applicable legal regulation and/or based on agreement between the Client and the Supplier, the Client is entitled to return the invoice - tax document to the Supplier and ask the Supplier to issue a proper tax document. In this case, the Client shall pay the purchase price to the Supplier within the term of payment specified by the Purchase Agreement, commencing from delivery of a proper tax document by the Supplier to the Client.
- 6.3 The Supplier is entitled to deliver invoices to the Client either in hard copy form, signed by the Supplier, or in the form of a scanned document, signed and sent by email to the email address as notified for this purpose by the Client.
- 6.4 The purchase price shall be paid by bank transfer into the Supplier's account, specified in the invoice.
- 6.5 If the purchase price is paid by bank transfer, the date of payment is the day that the amount is debited by the bank from Client's account to the Supplier's current account.
- 6.6 Without Client's written consent, the Supplier is not entitled to assign any claim arising to the Supplier under the Purchase Agreement against the Client (including a claim for the payment of the purchase price) to a third party.
- 6.7 If there is any defect in the Goods and the Client notifies the Supplier of the defect, the term of payment of the purchase price of the defective Goods shall be extended by the number of days expired from the defect notification by the Client to the Supplier till the obligations arising under defective delivery are fulfilled.

7. Defects in Goods, Warranty

- 7.1 The Supplier grants a warranty for the Goods delivered under the Purchase Agreement to the Client.
- 7.2 Through the warranty, the Supplier undertakes to the Client that the Goods handed over under the Purchase Agreement shall be suitable for the purpose for which the Goods are to be used by the Client and shall retain the properties specified in the Purchase Agreement. If the Purchase Agreement does not specify some properties of the Goods, the Supplier undertakes to the Client through the warranty that during the warranty period the Goods handed over under the Purchase Agreement shall retain the properties required for the purpose for which the Client intends to use the Goods.
If the Supplier does not have enough information about the purpose for which the Goods are to be used by the Client, the Supplier shall ask the Client to provide the necessary information about the purpose for which the Goods are to be used to the Supplier in a timely manner.
For the purposes of this paragraph, the Purchase Agreement also means the drawings and other technical documents referred to in the Purchase Agreement or attached to the Purchase Agreement as an annex.
- 7.3 Liability for defects is governed by the provisions of the Civil Code.
- 7.4 The Supplier is aware that defects in the Goods may be discovered during the use thereof or after delivery thereof to Client's customer, in this case these are hidden defects which are subject to the same warranties as other defects under Art. 7 of these General Purchasing Conditions.
- 7.5 If a defect becomes apparent during the warranty period, it means that the Goods were defective upon acceptance thereof.
- 7.6 The Supplier undertakes to grant a 36-month warranty to the Client from the Goods acceptance, unless otherwise agreed in the Purchase Agreement.
- 7.7 The Supplier shall ensure the post-warranty service and deliveries of spare parts or generation successors thereof at least for a period of 10 years from finishing deliveries. The Supplier shall notify the Client in writing of any planned termination of availability and related deliveries of spare parts or generation successors thereof, always at least 3 months before the planned termination of their availability ("End-of-Life").
- 7.8 In case of any defects discovered, the Client shall solely choose the way of settling its claims arising from defective Goods, in accordance with the provisions of Sections 2106 and 2107 of the Civil Code. The Supplier is not entitled to choose the way of settling a claim arising from defective Goods without the Client's written consent.
- 7.9 If the Supplier does not eliminate defects in the Goods within a determined period, or if it is obvious that the Supplier is to be delayed with elimination thereof, the Client is entitled to eliminate the defects itself or to use third parties for their elimination, at Supplier's expense.
- 7.10 The Client is entitled to verify whether the quality assurance measures meet the Client's needs by an audit on the premises of the Supplier or Supplier's subcontractors contributing in any way to delivery of the Goods, where the audit may focus on the entire system, manufacturing process or product. The Supplier must allow the Client to conduct this audit.
- 7.11 If any nonconformities are established during the audit conducted as per the previous provision of the General Purchasing Conditions, the Supplier must, after agreement with the Client, prepare and implement a plan of corrective measures for elimination of the nonconformities, or must withdraw from the Purchase Agreement.
- 7.12 The Supplier is liable for damages which would be claimed against the Client by a third party due to defects in the Goods delivered by the Supplier to the Client.

- 7.13 Supplier's subcontractors contributing to delivery of the Goods in any way are subject to the same regulations regarding the quality management system as the Seller, which the Supplier must ensure.
- 7.14 If a certain defect or a defect of the same nature occurs in at least 5% of the Goods delivered by the Supplier under the Purchase Agreement, in addition to other rights arising from defects in the Goods, the Client is entitled to extend the warranty period for all such Goods to 48 months by a written notice delivered to the Supplier, and
- a) to demand replacement of all such Goods by defect-free Goods from the Supplier, or
 - b) to demand from the Supplier that all such Goods would be repaired, using a procedure proposed by the Supplier and approved by the Client, or
 - c) to terminate the Purchase Agreements for delivery of the relevant Goods (including the ones which have not been performed yet).
- 7.15 The Supplier represents expressly that it assumes the risk of altered circumstances according to Section 1765 of the Civil Code.
- 7.16 If the Supplier becomes delayed with the fulfilment of a certain obligation resulting from defective performance (the obligation to eliminate a defect in the Goods by delivering new or missing Goods, obligation to eliminate legal defects in the Goods, obligation to eliminate the defects in the Goods by their repair, or obligation to grant a reasonable discount from the purchase price), the Client is entitled to a contractual penalty, equal 0,1% of the purchase price of the relevant Goods for each day of delay with the fulfilment of obligation resulting from defective performance regarding the Goods.
- This provision on the contractual penalty shall not in any way affect the Client's right to compensation for damages incurred by the Client as a result of breaching the obligation to fulfil a certain obligation resulting from defective performance regarding the Goods under the Purchase Agreement by the Supplier.

8. Industrial Property Rights

- 8.1 The Supplier is responsible for ensuring that the Goods, whether as a whole or individual components and parts thereof, do not infringe any industrial property or other similar rights of third parties.
- 8.2 Under the Purchase Agreement, no license to use is granted, nor any right to inventions, patents, industrial designs, utility models, trademarks, a company, know-how, copyright or any other forms of industrial or intellectual property is transferred in any way, unless otherwise agreed in the Purchase Agreement.
- 8.3 If the Goods are manufactured according to the Client's technical documentation which the Client provided to the Supplier for this purpose or otherwise made available to the Supplier, the Supplier is not entitled to manufacture and deliver the Goods to any third party on the basis of this technical documentation.
- 8.4 The Supplier is not entitled to register, or allow a third party to register, any technical solution which is contained in the technical documentation as specified in the previous paragraph.

9. Liability Insurance

- 9.1 The Supplier shall have and maintain a properly concluded Insurance Agreement for damages liability insurance and product liability insurance, in a scope as the Client finds adequate to a specific case, for the entire duration of the contractual relationship with the Client. The Supplier shall maintain the insurance until all claims and rights arising under the concluded Purchase Agreement, including claims under the quality warranty, have been settled.

10. Know-How, Trade Secrets, Subcontractors

- 10.1 As part of their business cooperation, the Client and the Supplier intend to exchange information and data which the Client protects against disclosure. In this relation, the Supplier shall receive or has received, or shall have or has already had access to, certain confidential, proprietary and technical information and facts relating to the Client and/or Client's related parties. The Client and the Supplier are aware of a potential value of the information for the Supplier or third parties and the resulting risks of unauthorized disclosure or misuse of the information, arising to the Client and/or Client's related parties. Therefore the Client and the Supplier intend to define clear conditions, under which the information may be provided by the Client and received by the Supplier.

"Confidential Information" means any information regarding the agreed prices, raw materials, business partners, suppliers, products, manufacturing procedures, technology, marketing and any other information, data, records, experience and know-how relating directly or indirectly to the Client's manufacturing or business activities, including financial, technical, operational, business, personal, legal, accounting and other information concerning the Client, which the Client discloses to the Supplier and Supplier's workers or authorized persons.

"Trade Secret", means any information and facts, regardless of the form and method of their disclosure or recording, in particular all facts of commercial, production and technical nature associated with the Client's business which may have an actual or at least potential material or immaterial value, and are not freely available in the business community, and the Client intends to keep them confidential, and ensures their confidentiality accordingly.

"Personal Data", means any information relating to the entity specified or specifiable based on which the given entity may be identified, directly or indirectly, on the basis of one or several features specific for their physical, physiological, mental, economic, cultural or social identity, including any sensitive data.

"Provided Data" means any information or data provided by the Client to the Supplier, which can be defined as Confidential Information and/or Trade Secrets and/or Personal Data according to the previous provision of this article of the General Purchasing Conditions.

- 10.2 For duration of the Purchase Agreement, as well as after expiry or termination thereof, the Supplier undertakes:
- a) without the prior Client's written consent, not to disclose or otherwise make available the Provided Data to any third party, nor to allow any disclosure of the Provided Data, nor to use the Provided Data for its benefit or benefit of a third party, nor to misuse the Provided Data to the detriment of the Client;
 - b) to handle the Provided Data with the same care as the Supplier handles its own Confidential Information, Trade Secrets or Personal Data, but at least with care of a careful manager;
 - c) to use, forward and reproduce the Provided Data only in a necessary scope and solely for the purpose for which the data was provided;

d) to restrict the access to Confidential Information only to its workers and authorized persons who need to know the Confidential Information for the purpose of cooperation, and familiarize these workers and authorized persons with their duties. Should these workers and authorized persons breach the duty of confidentiality or another obligation, the Supplier shall be liable as if the Supplier breached the duty or obligation;

e) The Supplier undertakes to notify the Client without undue delay in writing of any actual or threatening breach of the obligations under this paragraph of the General Purchasing Conditions by the Supplier or other persons who received the Provided Data, or who were allowed to have access to any materials containing the Provided Data.

10.3 The Supplier's obligation under this paragraph of the General Purchasing Conditions shall not apply to any Provided Data which provably:

- a) is known or available to the public; and/or
- b) must be disclosed by the Supplier on the basis of an obligation stipulated by the law, order of the court or any competent public authority; in this case, the Supplier shall inform the Client without delay, provided that it is feasible and legal, before the information or data is disclosed, and shall collaborate with the Client with respect to the time and contents of such notification or disclosure; and/or
- c) has become known or available to the public otherwise than by breaching the obligations under this article of the General Purchasing Conditions, or obligations of other persons to protect the Client's Confidential Information, Trade Secrets or Personal Data.

10.4 Should the Supplier breach its obligation stipulated in this paragraph of the General Purchasing Conditions, the Supplier undertakes to pay a contractual penalty to the Client, upon Client's request, equal to CZK 1,000,000 (in words: one million Czech crowns). The contractual penalty under this provision is not a generalized compensation for damages, therefore the Client and the Supplier exclude the application of prov. of Section 2050 of the Civil Code. The contractual penalty shall be paid within fifteen (15) days from delivery of Client's request to the Supplier. In respect of the nature and importance of the Provided Data for the Client, the parties treat the agreed amount of the contractual penalty as adequate.

11. Disputes, Governing Law

11.1 The Purchase Agreement, these General Purchasing Conditions and all rights and obligations of the Client and the Supplier arising under them shall be governed by the laws of the Czech Republic.

11.2 *The parties have agreed that any disputes arising out of or in relation to the Purchase Agreement which cannot be settled by compromise shall be resolved by the ordinary courts of the Czech Republic.*

12. Standard-Form Contracts

12.1 *Both of the parties state that they enter into the mutual contractual relationships in connection with their business, and that with respect to the circumstances of conclusion thereof, they shall not use the provisions of Section 1798 et seq. of the Civil Code; for the avoidance of any doubt,*

the Client and the Supplier hereby agree that they exclude the application of the provisions of Sections 1799 and 1800 of the Civil Code. The Supplier states expressly that the Supplier is not a weaker party.

13. Termination of the Purchase Agreement

- 13.1 Should the Supplier be delayed with delivery, the Client is entitled to cancel the relevant order in whole, even if the Supplier is only delayed with the fulfilment of a part of its obligation. A notice of cancellation shall always be delivered to the Supplier in writing to the address of the Supplier's registered office or branch as specified by the Supplier. The Client's right to compensation for damages incurred shall not expire as a result of the cancellation.
- 13.2 In the following cases, the Client is entitled to cancel or withdraw from an order with immediate effect:
- a) insolvency or similar proceedings were instituted against the Supplier;
 - b) the Supplier has entered into liquidation;
 - c) the Supplier terminated one of its activities, without which the fulfilment of the order purpose is impossible,
 - d) the Supplier is delayed with delivery of the Goods for more than 14 calendar days;
 - e) if delivery contains more than 5% of defective Goods, delivered under a certain Purchase Agreement.
- 13.3 If the Supplier is affected by an event of force majeure and, as a result of this event, is not able to fulfil its obligations under the Purchase Agreement in a way and by the dates as specified by the Purchase Agreement for a longer period than 1 month, the Client is entitled to terminate the Purchase Agreement. The events of force majeure include, but are not limited to, earthquakes, war, major fires or floods. Some events, such as strikes, stoppages, lack of available labour or materials, insolvency or delays of subcontractors, cannot be treated as force majeure.
- 13.4 If the Purchase Agreement is terminated according to the above items of this article, the obligation established by the Purchase Agreement shall be cancelled. If the Purchase Agreement has already been fulfilled in part, the party, provided that the conditions for termination specified in the above individual items of this article have been fulfilled, shall be entitled to terminate the full Purchase Agreement, or only with respect to the remaining unfulfilled obligations. The parties shall settle their mutual rights and obligations in connection with the cancellation of the obligation under the Purchase Agreement in accordance with applicable law.
- 13.5 Before the Goods are handed over to the Client by the Supplier, the Client is entitled to terminate the Purchase Agreement at any time, even if any of the cases as stated in the above individual items did not occur. In this case, the Client shall pay a provable amount to the Supplier, equal to a difference between the costs which the Supplier reasonably incurred before the Client's termination of the Purchase Agreement for the manufacture and handover of the Goods to the Client, and the value of the Goods already manufactured, or a part thereof, which the Supplier is able to use in business, including selling, but only up to a maximum of the purchase price agreed by the Purchase Agreement. The Supplier must quantify, explain and prove these costs to the Client.

- 13.6 The Client is also entitled to terminate the Agreement in the way detailed in these items of these General Purchasing Conditions only with respect to a part of the obligation which has not been fulfilled so far.
- 13.7 A notice of termination must be in writing and must be delivered to the other party. The termination and cancellation of the obligation under the Purchase Agreement shall not affect the right to compensation for damages incurred as a result of a breach of the Agreement, the right to individual contractual penalties agreed in the Purchase Agreement or these General Purchasing Conditions, or the provisions regarding the choice of law and dispute resolution, or the provision regarding know-how and protection of Trade Secrets and Confidential Information.

14. Final Provisions

- 14.1 If the Purchase Agreement contains a reference to Incoterms, this means a reference to the international rules for the interpretation of delivery terms – Incoterms 2010, unless otherwise specified by the Purchase Agreement.
- 14.2 The Purchase Agreement together with these General Purchasing Conditions constitute a complete agreement of the Supplier and the Client regarding their mutual rights and obligations relating to the handover of the Goods. The Purchase Agreement together with these General Purchasing Conditions fully replaces all previous agreements or arrangements between the Supplier and the Client relating to the handover of the Goods.
- 14.3 In any matters relating to the Purchase Agreement, the parties shall communicate in writing or electronically (by email without using the secured electronic signature). This form may be used to notify actions, such as a notice of dispatch of the Goods, complaints about defects in the Goods, request for compensation for costs of repair of the Goods, etc. Orders, order refusals or confirmations, or individual Purchase Agreements may be entered into in writing or electronically; in the case of electronic communication, a scanned copy of the original document, signed by the relevant party, must be attached to the electronic message.
- 14.4 The Client enters into the Purchase Agreement in order to ensure the Goods which the Client needs for fulfilling its obligation to provide the Goods and/or to perform work to its customers. As a consequence of failure to meet the date of the handover of the Goods by the Supplier, or handing over defective Goods by the Supplier, or failure to fulfil other obligations under the Purchase Agreement by the Supplier, the Client may incur damage exceeding the purchase price agreed in the Purchase Agreement, whether as a consequence of the Client's termination of an agreement concluded between the Client and its customer or as a consequence of exercise of the right to a contractual penalty for late handover or defects in the Goods by Client's customer, etc. The Supplier takes due note of this notice of the Client.
- 14.5 If any provision of the Purchase Agreement or these General Purchasing Conditions is or becomes invalid, void or ineffective, this fact shall not cause the invalidity, voidness and ineffectiveness of the Purchase Agreement as a whole or of its other provisions, as long as the invalid, void or ineffective provision is severable from the rest of the Purchase Agreement. The parties undertake to replace the invalid, void or ineffective provision by a new valid or effective provision, whose content shall best correspond to the sense and meaning of the original provision of the Purchase Agreement.



Version of the General Purchasing Conditions of RETIA a.s.:

1st

This version of the General Purchasing Conditions of RETIA a.s. was issued on: 1st May 2019

A handwritten signature in blue ink, which appears to read "Kvídera", is written over a horizontal line.

RETIA, a.s.

Ing. Aleš Kvídera, Chairman of the Board of Directors

RETIA, a.s.

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