

General Buyer Terms of RETIA, a. s.

1. Introduction

- 1.1 These General Buyer Terms („General Terms“) are a part of all purchase orders concluded by RETIA, a. s. with registered office at Pražská 341, 530 02 Pardubice, Czech Republic, ID:25251929 and also a part of all framework supply contracts, the subject of which are the conditions and negotiation of more detailed terms of cooperation between the Parties regarding the purchase of goods and the conclusion of partial contracts. These General Terms shall not apply if the contract expressly excludes their use. For the purpose of these General Terms, a purchase contract shall also mean a partial contract or an order.
- 1.2 The agreement of the Parties in the specific contract shall prevail over the provisions of these General Terms.
- 1.3 In case of differences between these General Terms and General Terms of the other Party, the General Terms of the other Party is not effective towards RETIA, a. s. within these differences.

2. General provisions

- 2.1 In the Purchase contract the Seller undertakes to deliver to the Buyer goods specified individually or in quantity and kind and to transfer to him the ownership to such goods. The Buyer then undertakes to pay the purchase price for the goods. These General Terms shall also apply, to the extent possible, to cases where services (e.g. servicing or other activities) are supplied instead of the goods. For these cases and for the purpose of these General Terms the subject matter of which is the provision of services shall also be deemed to be a purchase contract.
- 2.2 The purchase contract has to be in writing and may be also in the form of a confirmed order. In this case, the Seller shall confirm the order within 5 working days of receipt of the order. If the Seller fails to do so, the order shall be deemed to have been confirmed and accepted.
- 2.3 Any response to an offer or order that contains additions to the limitations or any other changes is a new offer or order and requires written acceptance by the other Party. Acceptance of a quotation or order with an amendment or deviation is hereby excluded in advance.
- 2.4 The early acceptance of the proposal shall take effect when the consent to the content of the proposal is demonstrably received by the applicant. Late acceptance of a proposal shall take effect only if the proponent accepts such acceptance and notifies the Party making the late acceptance.
- 2.5 The concluded purchase contract of which these General Terms are part supersedes all previous agreement in the matter, unless their further effects are expressly agreed by the contract.

- 2.6 The subject of the purchase contract are only the goods and services expressly mentioned in the purchase contract.
- 2.7 The Seller is responsible for the fact that the goods are not encumbered by any third party's rights that would in any way limit or prevent their acquisition or use.
- 2.8 Individual items of goods are always marked so that there is no mistake in their identification.
- 2.9 In addition to the requirements set out in the legislation, the delivery period or the delivery date is an essential element of the purchase contract.

3. Price

- 3.1 The purchase price is based on the agreement of the Parties.
- 3.2 The negotiation of the purchase price may also take the form of a price list, usually for repeated deliveries. In this case, the order, offer or purchase contract must contain a reference to a precisely defined price list. Changes to the price list are only possible by written agreement of the Parties.

4. Payment terms

- 4.1 The Buyer undertakes to pay the purchase price on the basis of an invoice issued by the Seller and delivered to the contact e-mail invoicing@retia.cz.
- 4.2 The Seller is entitled to issue an invoice on the basis of a proper performance of the delivery, in particular the Buyer's acceptance of the goods or services. Unless the Parties agree otherwise in the purchase contract, partial performance is not possible.
- 4.3 The Seller is obliged to send the invoice to the Buyer without undue delay, 14 days after the taking over the goods at the latest.
- 4.4 The invoice must have all the requirements according to the relevant legislation. The invoice must contain, among other things, the quantity of goods, the number or other designation of the purchase order or the purchase contract, the date of the taxable performance, the date of issue and dispatch of the invoice and the bank details of the Parties. If the invoice does not contain these particulars, it will not be accepted and will be returned for rectifying.
- 4.5 The invoice is payable within 30 days of the stated date of tax performance, unless the Parties agree otherwise.
- 4.6 The purchase price shall be paid by wire transfer to the Seller's bank account indicated in the invoice.
- 4.7 Payment means debiting the agreed purchase price from the Buyer's account to the Seller's account.
- 4.8 In the case of a failure to deliver properly, the invoice due date is extended by the period during which the complaint procedure and any subsequent rectification of defects takes place.
- 4.9 The Seller is not entitled to assign or pledge claims against the Buyer to third parties without the written consent of the Buyer.

5. Delivery conditions

- 5.1 The Seller is obliged to deliver the goods properly and on time within the period agreed by the Parties in the purchase contract.
- 5.2 All delivery terms are governed by the international INCOTERMS 2020 rules, unless otherwise stated in the purchase contract.
- 5.3 The Seller is obliged to inform the Buyer about the readiness of the delivery of performance at least 3 working days in advance to the e-mail address specified as the contact address in the purchase contract.
- 5.4 The Seller is obliged to attach a delivery note to each delivery. This note always contain the number or designation of the order or purchase contract, the date of delivery of the goods, the name, type designation and quantity of each item of the goods, the type and number of packages and the method of transport.

6. Packaging

- 6.1 The goods will be delivered and packed in accordance with the requirements set in the purchase contract or order.
- 6.2 The goods will be delivered on a pallet or in such way as to allow manipulation by forklifts, if applicable.
- 6.3 The goods must be packed in such way as to prevent damage from mechanical, atmospheric, climatic or other influences.
- 6.4 Packages must be marked as confirmed by the Parties and must contain at least the name of the Buyer and the Seller, the designation or number of order or purchase contract, dimensions and weight of the package. The marking must be made in such way as to prevent deterioration or destruction during transport or storage.
- 6.5 Packaging of the goods must be carried out in accordance with the relevant applicable legislation.

7. Default interest, contractual penalties, damages

- 7.1 If the Buyer is in delay with payment of the purchase price, the Seller has the right to demand payment of interest on the delay in the amount of 0.1 % of the total purchase price agreed in the purchase contract for each day of delay, up to a maximum of 10 % of the total purchase price agreed in the purchase contract.
- 7.2 If the Seller is in delay with the delivery of the goods, the Buyer has the right to demand payment of interest on the delay in the amount of 0.1 % of the total purchase price agreed in the purchase contract for each day of delay, up to a maximum of 10 % of the total purchase price agreed in the purchase contract.
- 7.3 In the event of a breach of obligations relating to the protection of information and industrial and intellectual property rights, the contractual penalty shall be CZK 500, 000 for each such breach.
- 7.4 Parties may agree on a different contractual penalties than are stated in these General Terms in the contract.
- 7.5 The contractual penalties arrangement does not affect liability for damages and any compenstaion. The contractual penalty shall be payable on the day following the day on which it becomes due.

- 7.6 Any limitation of the Seller's responsibility regarding any damage or other claims of the Buyer is invalid towards the Buyer, if such limitation is not specifically stated in written in Purchase contract.

8. Quality requirements

- 8.1 The Seller is obliged to produce the goods or ensure their production in such way that their quality and characteristics fully comply with the purchase contract, relevant technical documentation, technical standards, required defence standards and other related legal regulations.
- 8.2 If the Seller has a quality system in place in accordance with ISO 9001, he is responsible for ensuring that the goods are manufactured and monitored in accordance with this standard.
- 8.3 Due to periodical evaluation of suppliers, RETIA continue to perform regular assesment of the suppliers according to the requirements of ISO 9001. The goal of this assesment is to provide quality of the deliveries and constant improvement of supplier chain. Criterias used in this assesment, as well as the frequency of the assesment and procedures used are described in Quality manual document, which is accessible on [Information for suppliers – RETIA](#) and also General requirements. Supplies are obliged to make themselves acquainted with these requirements and with the signature of the agreement or confirmation of the purchase order they declare that they have acquainted themselves with these requirements and agree with them. Suppliers are also obliged to cooperate during the assesment process according to conditions set in above mentioend documents.
- 8.4 Any change to the goods must be approved in advance by both Parties.
- 8.5 When ordering the goods, the Buyer has the right to explicitly set specific requirements for the quality of the goods, their appearance, functionality or features. The Seller is obliged to ensure compliance of the goods with these requirements or inform the Buyer in writing about the impossibility of ensuring compliance of the goods with the Buyer's requirements and about the differences of the delivered goods from the Buyer's requirements.
- 8.6 The drawings or technical specification of the goods shall always explicitly include a definition of the required material. If the Seller is unable to meet the Buyer's requirement for a specific material and offers an alternative, this alternative is only accepted by the Buyer's explicit acceptance. If the Seller does not communicate a proposal for a change, the responsibility for compliance of the material specification according to the technical documentation rests with the Seller.
- 8.7 The Seller is entitled to create production documentation for the goods. In such case, he is then responsible for ensuring that such documentation fully complies with the Buyer's requirements, including any changes.
- 8.8 Each individual item of goods must be marked. If its marking is not based on the technical documentation, the Parties shall agree on it in the respektive purchase contract.

- 8.9 The Seller shall be responsible for the fact that the Seller's system of tests and controls creates the conditions for the goods to be released by the Buyer without subsequent inspections by the Buyer.
- 8.10 Upon the Buyer's request, the Seller is obliged to submit the methodology according to which he carries out the tests and controls.
- 8.11 The Seller is obliged to keep a conclusive report of all inspections, measurements and tests during the manufacture of the goods as required by the approved documentation. The records shall be kept for a minimum period of 5 years.
- 8.12 At the Buyer's request, the Seller is obliged to submit the reports of inspections, measurements and tests of the goods that were carried out during the manufacture of the goods, even if according to the purchase contract these reports are not a part of delivery of such goods.
- 8.13 The Seller is obliged to deliver goods with a „Goods quality certificate“ confirming that the goods comply with the approved technical documentation and have been released for the delivery by the Seller. Without such certificate, delivery shall not be deemed to have been duly completed.
- 8.14 If stipulated in the purchase contract or if the Parties so agree, the Seller is obliged to deliver the documentation for the goods as a part of the delivery. Without such documentation, delivery shall not be deemed to have been duly completed.
- 8.15 The Seller is responsible for the fact that the goods, which are subject to Act No. 22/1997 Coll., on technical requirements for products and on amendments and supplements to certain acts, as amended, meet the requirements of the relevant technical regulations and that the Seller has complied with the procedure for assessing their conformity.
- 8.16 The Seller is responsible for the fact that the goods supplied by him are genuine goods in accordance with COS 051001.
- 8.17 The Seller declares and guarantees, that the deliveries of the Goods are not in conflict with international sanctions regimes, export controls and/or embargoes and that the Goods are not encumbered with any limitations that will prevent its possible use or export of the final product of the Buyer.
- 8.18 If necessary under applicable law and Customer's requirements, the Seller shall deliver to the Buyer:
- a) EU Declaration of conformity
 - b) Certificate of Conformity (CoC)
 - c) ROHS Declaration of Conformity (Government regulation 481/2012 Sb, Directive 2011/65/EU)
 - d) REACH declaration on the SVHC content of substances
 - e) WEEE declaration (Directive 2012/19/EU)
 - f) Safety data sheet
- 8.19 The Buyer is entitled to carry out at its own discretion tests and inspections of the goods to verify compliance with the agreed quality characteristics and parameters of the goods.
- 8.20 The Buyer is entitled to verify with the Seller or its subcontractors involved in the delivery of the goods by way of an audit whether the quality assurance measures meet

the Buyer's needs. The Seller is obliged to allot the Buyer to carry out this audit. The Buyer shall give the Seller at least 5 days' notice of the audit.

- 8.21 If, during the aforementioned audit, non-conformities are found, the Seller shall, in agreement with the Buyer, draw up and implement a corrective action plan to eliminate them.
- 8.22 The Seller's subcontractors involved in supply and delivery of the goods are subject to the same quality management rules as the Seller, which the Seller is obliged to ensure. The Seller shall be responsible for the quality and grade of products used by subcontractors for the manufacture of the goods in the same way as if he had supplied them himself.
- 8.23 Any change of material, manufacturing process, manufacturing site, subcontractor or control mechanisms without prior written authorization by the Buyer is considered a material breach of the contract and establish a right of Buyer to withdraw from the contract and demand compensation of all damages.
- 8.24 The Seller is responsible for the continuity of the deliveries of Goods even in the case of subcontractors stoppage and is not allowed to be exempted from this responsibility by the reference on the third parties' actions.

9. Government quality assurance

- 9.1 The Seller agrees that in cases where the Buyer uses the goods on its own or together with final products within the framework of state (government) orders, the goods may be subject to Government quality assurance according to Act No. 309/2000 Coll., on defence standardization, catalogization and government quality assurance of products and services designed to ensure state defense and on amendments to the Trade licensing act, as amended.
- 9.2 Any requirement for government quality assurance and its scope shall be addressed in a separate annex to the purchase contract.
- 9.3 The Seller acknowledges that the goods listed in the purchase contract may be subject to catalogization pursuant to Act No. 309/2000 Coll. In this case the Seller undertakes to provide all the needed assistance in supplying the necessary data for catalogization.

10. Warranty

The Seller provide a warranty for the goods for a duration of 12 (twelve) months from the delivery of the goods to the Buyer, unless the Parties agree otherwise in the purchase contract.

11. Liability for defects, claims

- 11.1 The Seller is obliged to deliver the goods in quality, quantity and design specified in these General Terms and purchase contract.
- 11.2 The Seller is obliged to pack the goods and provide them for transport in the manner set in these General Terms and purchase contract.
- 11.3 If the Seller breaches the obligations set in these General Terms or the purchase contract relating to claims for the goods, their quality, quantity and performance, the goods are defective.

- 11.4 Defects of goods shall also include delivery of goods other than those specified in the purchase contract and defects in related documents.
- 11.5 Liability for defects is governed by the provision of Act No. 89/2012 Coll., Civil Code, as amended, unless otherwise stated in these General Terms or the purchase contract.
- 11.6 Any defect of the goods shall be claimed at any time within the warranty period. Defects in the delivered quantity can be claimed within 10 days from the receipt of the goods by the Buyer. For the avoidance of the doubt, the Parties have expressly excluded the application of Par. 1921, 1965, 2103,2104, 2111 and 2112 of the Civil Code to the relationship established by the purchase contract.
- 11.7 A defect in the goods may be complained about by written notification sent to the Seller by registered letter to the address of its registered office or by e-mail.
- 11.8 If the Buyer claims a right to the Seller for a defect of the goods, which he has discovered before its integration into the final product, then the agreement of the contracting Parties applies that he demands the removal of the defect by delivery of a new item, i.e. new goods, unless otherwise agreed with the Seller in a specific case. The new goods shall be delivered by the Seller without delay, but no later than five (5) days after the notification of the defect. After the expiration of the said time limit, the Buyer is entitled to withdraw from the purchase contract in whole or in a part (to the extent of the defective goods) or to choose any other procedure for resolving the claim provided for by the law. The Seller shall be liable for all damages that the Buyer incurs by failing to remedy the defect of the goods properly and in a timely manner.
- 11.9 In the event that the Buyer or its customer discovers a defect after integration of the goods into the final product, the Buyer shall have full right to decide on any remedy provided by the law, regardless of whether the defect is material or not. The Buyer shall be entitled to change the chosen method of claim settlement in the event that the chosen method of claim settlement proves impossible to settle the claim within 30 days of the claim being made.
- 11.10 The Seller is obliged to inform the Buyer without undue delay, but no later than 5 working days after the Buyer submits the claim, whether the claim is accepted or not. Together with this information, the Seller is obliged to inform the Buyer of a binding deadline within which the defect will be rectified. The deadline for the removal of a defect must not exceed 30 days without a serious reason, or the Seller must state and prove this serious reason. After the expiration of the said deadline, the Buyer shall be entitled to withdraw from the purchase contract in whole or in a part (to the extent of the defective goods) or to choose any other procedure for resolving the claim provided for by law.

12. Spare parts

- 12.1 The Seller shall be obliged to provide the Buyer with the supply of spare parts for the goods for a period of at least 10 years from the end of the performance of the delivery under the purchase contract. This period may be determined differently by agreement of the Parties.

12.2 The Seller is obliged to inform the Buyer sufficiently in advance of changes of the essential parameters, external appearance or the way of construction of the goods, as well as of the intention to discontinue the production of previously supplied goods.

12.3 In the event of the Seller's inability to meet its obligations, the Parties shall agree on a valid solution. The Buyer has the right to request the provision of the necessary technical documentation to ensure the replacement of the original goods.

13. Liability insurance

13.1 At the conclusion of purchase contract (but no later than upon entry into force of the main purchase contract) the Seller undertakes to provide the Buyer with a document proving that the Seller has a duly concluded insurance policy for liability and product liability insurance, to the extent the Buyer considers appropriate in the specific case.

13.2 The Seller must keep the insurance in force until all claims and rights under the concluded purchase contract including claims under the quality guarantee, are settled.

14. Cataloguing and codification

14.1 If the subject of the purchase contract are goods manufactured in Czech Republic, the Seller is obliged to catalogue the goods in accordance with applicable legislation and the principles of NATO codification system upon the Buyer's request made in the form of a cataloguing clause.

14.2 If the subject of the purchase contract are goods manufactured in NATO member state with the exception of Czech Republic, the Seller shall then supply the relevant National Codification Office with data of the necessary scope and quality for the purpose of cataloguing.

14.3 If the subject of the purchase contract are goods manufactured in countries other than those specified in preceding paragraphs of this Article, the Seller is obliged to supply the data necessary for cataloguing the items in Czech Republic or in the country of the end user of the Buyer's final product.

14.4 The Seller is obliged to deliver without undue delay information on changes affecting the codification data of the goods to the relevant National Codification Office and the Buyer.

15. Protection of information

15.1 The Seller undertakes to keep confidential any information disclosed or otherwise provided by the Buyer in connection with the purchase contract or negotiations for its conclusion:

- a) shall not disclose or otherwise make available to third parties;
- b) shall not use otherwise or for a purpose other than the agreed;
- c) shall not copy or make copies, backup copies etc. in any way without the prior consent of the Buyer;
- d) shall maintain, handle and process them in such a way as to avoid any breach of the provisions of the purchase contract, these General Terms or legal regulations;
- e) shall not use them for his own benefit or for the benefit of a third party, unless the Parties agree otherwise in the purchase contract;
- f) shall not otherwise abuse them against the interests of the Buyer.

- 15.2 Confidential information shall mean any commercial, technical, financial, organizational and other information relating directly or indirectly to the Buyer, its specific employees, business partners, customers or suppliers, captured in any form on any medium, as well as information provided or otherwise made available to the Seller orally during the negotiations for the conclusion of the purchase contract on the basis of and within the framework of the concluded purchase contract by the Buyer, members of his bodies, his employees, consultants, persons controlled by the Buyer etc.
- 15.3 The term confidential information does not include:
- a) Information that is or that becomes public knowledge during the term of the purchase contract or these General Terms;
 - b) Information that is demonstrably known to the Seller prior to disclosure by the Buyer, without such knowledge having been caused by the unlawful conduct of the Seller or third party.
- 15.4 The obligations set forth in these General Terms or the purchase contract do not limit any obligation to provide information and disclosures to governmental and other authorities, in particular courts, police and administrative authorities, if such obligation arises from generally applicable law or a final decision issued pursuant to such law.
- 15.5 The Seller undertakes to return the received confidential information within 10 days from the date on which he is requested to do so by the Buyer. At the same time, the Seller is obliged to destroy all copies of the confidential information within the same period of time and irretrievably erase them from all media. This shall be confirmed by the Seller in an affidavit addressed to the Buyer.

16. Intellectual and industrial property rights

- 16.1 The Seller shall be responsible for the fact that the goods as a whole and their individual components and parts do not infringe intellectual, industrial or other similar rights of third parties.
- 16.2 The purchase contract does not grant any license to use, nor does it transfer in any way any right to inventions, patents, industrial designs, utility models, trademarks, trade names, know-how, copyright, or other forms of industrial or intellectual property. In the event that the subject of the purchase contract is goods subjected to intellectual property rights protection, the Seller hereby grants the Buyer and, where applicable, all his customers an unlimited, non-exclusive, royalty-free and irrevocable license to use the goods.
- 16.3 In the event that the goods are manufactured in accordance with the Buyer's technical documentation provided to the Seller for this purpose, the Seller is not entitled to manufacture and provide goods to any third party in accordance with such technical documentation.
- 16.4 The Seller is not entitled to apply or allow any technical solution contained in the Buyer's technical documentation to be applied for industrial property protection by a third party and shall not be entitled to use the technical solutions in any other way that could cause the Buyer harm, including reverse – engineering.

- 16.5 The Seller is obliged to inform in writing about the use of all his own patents, utility and industrial designs on the goods, as well as about the licensed use of patents, utility and industrial designs. Neither the ownership nor the licensing of industrial rights in the goods shall exclude or restrict the export of the Buyer's final products.
- 16.6 The Parties agree that any improvements made to the goods during the term of the purchase contract, whether proposed, conceived, developed, invented or authorized by the Seller at the request of the Buyer are and shall be the exclusive property of the Buyer and the Seller shall assign all such rights to the Buyer. In the event and to the extent such transfer of the ownership is not legally permissible, the Seller hereby grants and/or irrevocably agrees to grant the Buyer an unrestricted, royalty-free, irrevocable, worldwide, sublicensable license to use such intellectual property rights. In the event that such improvements are paid for by the Buyer, this license is granted as exclusive.
- 16.7 The Seller and the Buyer shall without undue delay inform each other of counterfeit goods of which they become aware in their area of operation and shall provide each other with reasonable assistance necessary to prevent the sale of counterfeit goods in an orderly and timely manner.

17. Force majeure

- 17.1 Neither Party shall be liable to the other Party if it is in default in the performance of any or all its obligations if such default is caused by circumstances beyond the control of that Party, including but not limited to: fire, storm, flood, earthquake, explosion, accident, war, act of terrorism, sabotage, epidemic, quarantine restrictions, embargoes etc. (hereafter referred to as Force majeure). The Party claiming the Force majeure shall notify the other Party in writing without undue delay of the occurrence of Force majeure event.
- 17.2 If the Force majeure event lasts for more than three (3) months without interruption, the other Party is entitled to withdraw from the purchase contract by written notice to the Party invoking the Force majeure event.
- 17.3 If the Seller invokes Force majeure in accordance with this Article, he shall inform the Buyer at least 21 days before the date of the performance of the fact that he will not be able to perform due to Force majeure.
- 17.4 Economical causes, lack of capacity, personal issues, input price increase, change of Seller's business strategy or subcontractors' issues are not considered Force majeure events.

18. Applicable law, disputes

- 18.1 All legal relations between the Parties arising in connection with and on the basis of the concluded purchase contract and these General Terms shall be governed by law of Czech Republic.
- 18.2 In case that the Seller is a person established in Czech Republic, any disputes arising between the Parties from the concluded purchase contracts and these General Terms shall be resolved primarily by mutual negotiations between the Parties. If a particular dispute is not settled in this way within 30 (thirty) days after the dispute between the

Parties has arisen, the dispute shall be resolved at the request of any Party by a court of competent jurisdiction according to the registered office of the Buyer.

18.3 In case that the Seller is a person who does not have registered office in Czech Republic, any disputes that arise between the Parties from the concluded purchase contract and these General Terms will be resolved by mutual negotiations between the Parties within 30 (thirty) days after the dispute between the Parties arose. If a particular dispute is not settled in this way within 30 (thirty) days after the dispute between the Parties has arisen, the dispute shall be settled exclusively and finally by the Arbitration Court of the Czech Chamber of Commerce and the Agrarian Chamber of Czech Republic with its seat in Prague, Czech Republic, on the basis of a proposal of either of the Parties, in accordance with its rules, by a panel of 3 (three) arbitrators, appointed in accordance with the rules and regulations of Arbitration Court. The arbitration shall be held in Prague in Czech language.

19. Final provisions

19.1 Annexes are integral part of the purchase contract.

19.2 The purchase contract may only be amended and supplemented by written amendments. However, the Buyer reserves the right to change these General terms, whereby the Buyer is obliged to inform the Seller in writing no later than 15 days before these changes takes effect. The Seller shall be entitled to refuse to amend the General Terms within 15 days of receipt of the notice, otherwise the Seller shall be deemed to have agreed to the amendment. In the event that the Buyer does not notify the Seller within 7 days from the Seller's rejection of the changes to General Terms that it withdraws the proposal to change the General Terms, the Seller shall have the right to terminate the contractual relationship with the Buyer within 14 days' notice; if the Seller fails to do so without undue delay, but no later 15 working days after the expiry of the period for withdrawal of the proposal by the Buyer, the Seller shall be deemed to have accepted the change and the rejection shall not be taken into account.

In Pardubice on

Jan Mikulecký
Chief executive officer
RETIA, a. s.