

General Purchasing Terms

1. Scope of Validity; Concluding a Contract

1.1 Unless agreed otherwise, these General Purchasing Terms shall apply to deliveries and the performance of the supplier. These General Purchasing Terms are an integral part of every contract between the Client and Supplier and determine a part of their content, unless a specific contract specifies otherwise.

1.2 An order of the Client and its acceptance by the Supplier must be in writing. An order must be accepted using the form on the order intended for this purpose, unless agreed otherwise in a specific case.

1.3 In order to be effective, verbal agreements of any kind shall require the written confirmation of the Client. The written form shall also be fulfilled on the basis of remote data transfer or fax.

1.4 If the Supplier does not accept an order 5 days from its delivery, after expiration of such a period the Client shall be entitled to recall it.

2. Delivery; Consequences of Exceeding the Deadline

2.1 The agreed deadlines shall be binding for the Supplier. The Client must be immediately notified of circumstances that prevent or delay compliance with deadlines. Crucial to meeting delivery/fulfilment deadlines is the delivery of goods or completion of fulfilment at the Client's premises, or at the point of delivery/fulfilment specified in the order ("place of fulfilment").

2.2 Partial deliveries shall require the written consent of the Client.

2.3 The Supplier shall be obliged to ensure that spare parts for the delivered goods can be delivered to the Client under reasonable conditions for a period of 5 years from the last delivery of goods. If the Supplier intends to stop the delivery of any goods or their spare parts, the Supplier shall immediately inform the Client of such a fact in writing and allow the Client to place final orders.

2.4 If the Supplier is overdue in meeting the agreed delivery/fulfilment deadlines, the Client – unless expressly agreed otherwise – may request, for each begun week of being overdue, a contractual penalty in the amount of 2% of the total value of the order. Agreeing on a contractual penalty shall not affect the entitlement of the Client to compensation for damage to the full extent. Acceptance of late goods or performance shall not be considered waiving of a right to compensation for damages or other rights of the Client. The Supplier shall also be obliged to pay the contractual penalty even if the Client does not express any objections when the goods/fulfilments are received.

3. Prices; Payment Terms; Transfer of Risks

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3.1 The price specified in an order shall be binding for the Supplier. If no special agreement is concluded, it is understood that prices are meant for duty-paid goods with the delivery to the destination (DDP according to Incoterms 2010), including packaging costs.

The applicable Value Added Tax shall be added to the specified price.

3.2 Invoices shall only be considered duly issued and delivered if they include – according to how they are entered in the order – the order number as well as other required assignment characters, and if they contain all of the requisites required by the relevant legal regulations; the Supplier shall be responsible for all consequences arising from failure to meet such obligations.

3.3 If no special agreement is concluded, the invoices shall be paid within 60 days from the delivery of the invoice. The Supplier shall be entitled to issue an invoice after the delivery of the good, or after performance is provided.

3.4 The Supplier shall bear the risk for random termination and random worsening of goods until the time the goods are received by the Client, or by the client's agent at the place of fulfilment.

4. Receiving

If an official inspection or receiving of goods, and/or performances or part thereof is required, then it shall take place at the place of fulfilment, unless agreed otherwise.

5. Shipping

5.1 Shipping of goods must be reported at the latest when the shipments are sent by the Supplier. The shipping notes, waybills and addresses of packages must specify the sender's address and the order number. The shipments of which the Client bears the transportation costs in whole or in part must be shipped at reasonable freight rates, or according to the instructions of the Client. Transportation costs shall be paid via a bank transfer. The requirements of the Client for the method of transport, in particular the place of delivery, which is also the place of fulfilment, must be specified in the order.

5.2 In order to limit damages during transport on the basis of a missing or insufficient securing of cargo, the Supplier must have the loaded goods secured by the carrier picking up the goods.

6. Packaging

6.1 The Supplier undertakes that the goods it manufactures or processes shall only be sent in packaging that is ecologically suitable in terms of its type, form and size, and that it will meet the relevant legal regulations on packaging of goods.

6.2 Irrespective of whether the packages are meant

for transport, sales or sending, the Supplier shall be obliged, upon the request of the Client, to take back such packages free of charge after they have been used and transport them for new use or recycling of material outside of public waste liquidation. The Client undertakes to duly handle the packages that the Client recognizes as returnable packaging, and, after their use, to make them available to the Supplier free of charge in the best possible condition.

7. Complaints on Defects

The Client shall attempt to check the arrived deliveries in terms of their quantity, damage during transport and obvious material defects, if and when it is possible based on the Client's proper business activities. Defects shall be claimed by the Client immediately after they are ascertained.

8. Responsibility for Defects

8.1 The Supplier shall be responsible to the Client that the ordered goods or performance of its fulfilment shall be without material and legal defects at the time of the transfer of risks. The Supplier shall further provide to the Client a 24-month warranty on the quality of the delivered goods/fulfilment.

8.2 If the Client imparts to the Supplier the purpose of use and place of use of the delivered goods, the Supplier shall ensure that its delivery and performance are suitable for this purpose/place.

8.3 If there are material or legal defects, non-reduced statutory claims for defects shall pertain to the Client, unless otherwise agreed in a particular case.

8.4 The right to selecting the method of dealing with defective fulfilment shall exclusively pertain to the Client. If, after being requested to do so by the Client the Supplier does not immediately begin to deal with the complaint according to exercised claims of the Client, i.e. in particular by the removal of defects or by a replacement delivery, then to the Client shall pertain, in urgent cases, particularly in order to avert danger or avoid / minimize damage, the right to carry out additional fulfilment itself, or through third parties at the expense of the Supplier on the basis of the method of resolving the complaint selected by the Client. The Client shall have the same right in the event of a failure or refusal to resolve the complaint on the part of the Supplier.

8.5 If third parties exercise a claim with the Client because the rights of third parties are breached in relation to a delivery/performance of fulfilment of the Supplier, the Supplier shall be obliged, on the basis of a first written request of the Client, to compensate the Client for all damage that the Client incurred. The Supplier's obligation to pay for the damage relates to all costs that the Client incurred, if necessary from, or in relation to the exercised claims of third parties.

8.6 The claims of the Client from defective fulfilment shall be forfeited – with the exception of intentional causing of such defects – after a period of 36 months from the transfer of risks to the Client, unless the Contracting Parties agree otherwise. If the Leadec General Purchase Terms | Status as of 03/2017

Supplier fulfils its obligation from defective fulfilment via a replacement delivery, the forfeiting period for the goods delivered as a replacement shall begin to run again in the same length.

9. Software

9.1 The Client shall acquire the right to use the software that is a part of the delivery, including its documentation with the agreed performance characteristics and in the scope necessary for the use of the software according to the Contract, or to the extent permitted by law.

10. Quality Assurance

10.1 The Supplier undertakes to ensure permanent quality of its goods using a suitable quality assurance system, e.g. DIN EN ISO 9001 or other similar system required by the Client, or other suitable verification and quality control during and after the completion of its goods/carrying out of the fulfilment. The Supplier shall be obliged to create the necessary documentation for these checks.

10.2 The Client shall be entitled to request of the Supplier proof of the quality assurance system, and to verify with the Supplier the method of carrying out verifications and checks, or also with its subcontractors, as well as to audit the Supplier for this purpose via a qualified individual determined by the Client.

10.3 Without being requested to do so, the Supplier must immediately inform the Client of changes to the composition of the prepared materials or construction design of its deliveries or performance. Changes shall require the written consent of the Client.

10.4 Instructions and documents of the Client for ensuring quality which the Supplier was informed of, or agreements regarding quality assurance concluded with the Supplier are a part of the Contract.

11. Requirement to Bring Products into Circulation; Responsibility of the Manufacturer

11.1 For product deliveries that are subject to legal regulations of the European Union in the area of use with regard to first being put into circulation, e.g. Directive No. 2006/42/EC on Machinery, Directive No. 2004/108/EC on EMC, etc., the Supplier undertakes to adhere to the decisive requirements and procedures contained therein regarding safety and health protection procedures. If specified as such therein, the Supplier must issue for these products a European Declaration on Conformity and label them with the CE marking. For incomplete machinery pursuant to Directive No. 2006/42/EC on Machinery, the Supplier must submit to the Client a declaration on installation pursuant to Addendum II B to the Directive in the form required by the Client (expanded installation declaration), and submit an instruction manual pursuant to Addendum I, Item 1.7.4 of the Directive. Upon request and according to the choice of the Client, the Supplier shall be obliged to submit to the Client a risk evaluation compiled by the Supplier,

or allow the Client to view it.

11.2 If the Supplier is responsible for damage outside of the delivered goods and third parties exercise claims toward the Client in relation to the responsibility of the manufacturer, the Supplier shall be obliged to compensate the Client for the damage incurred in relation to the exercising of claims by third parties in the scope in which the cause of the damage is the responsibility of the Supplier, or in which the Supplier is solely responsible in an external relation.

11.3 Within the Supplier's responsibility pursuant to Item 11.2, the Supplier shall further be obliged to compensate potential expenses of the Client that arise from or in relation to the necessary warning or revocation action carried out by the Client. The Client shall inform the Supplier of the content and extent of the carried out measures, or approve them with the Supplier, if it is possible and feasible. Other legal claims of the Client in connection with the manufacturer's responsibility shall remain unaffected.

11.4 The Supplier shall be obliged to conclude liability insurance for covering the risks specified in Items 11.2 and 11.3, the sum insured of which should be a minimum of 10,000,000 CZK for each individual insured loss.

12. Work Safety; Environmental Protection

12.1 The Supplier shall be obliged to ensure that its deliveries and performance comply – if the Client informs the Supplier of the relevant regulations in this area – with legal regulations on environmental protection, safety rules and regulations on work safety applicable in the territory of the Client's registered office or other place of fulfilment, as well as other relevant safety-technical rules and regulations to avoid negative impacts on humans and the environment, or to reduce these impacts. For this purpose the Supplier shall create or shall continue to develop a suitable control system, e.g. according to DIN EN ISO 14001, or other similar control system. The Client shall be entitled to request proof from the Supplier of the control system operated by the Supplier, and to audit the Supplier for this purpose through a qualified person determined by the Client.

12.2 The Supplier must adhere to or apply the relevant legal regulations for handling dangerous substances, and for putting them into circulation, in particular Regulation No. 1907/2006 (REACH) and Act No. 356/2003 Coll., on Chemical Substances and Preparations, as amended.

Furthermore, the Supplier must respect the relevant legal regulations for disposal of waste and residual substances, and inform the Client of any requirements regarding the handling of these materials, their storage and disposal.

13. Models and Tools; Secrecy

13.1 The right of ownership to the models and tools manufactured by the Supplier at the expense of the Client for the purpose of fulfilling the deliveries/performance under the contract shall pass to Leadec General Purchase Terms | Status as of 03/2017

the Client upon payment. The Supplier must handle them carefully, mark them as the property of Client and

store them - if possible - separately from other products of the Supplier, and insure them at the Supplier's expense against events such as fire, water, theft, loss and other damages.

Other production and sale of parts manufactured according to these models and tools shall not be permitted without the written consent of the Client.

13.2 Documents, drawings, plans and sketches, and other know-how of the Client that the Client provides to the Supplier for the purpose of completing the ordered deliveries and/or performance in any form (in writing, by fax, e-mail or on electronic storage media), shall remain the property of the Client. They are trade secrets of the Client and must be treated confidentially. The Supplier undertakes to handle them carefully and only make them available to those employees who need them to carry out the contract and are bound to secrecy, the Supplier shall not make it available to third parties and only make copies for the purpose of carrying out an order and that, upon delivery, the Supplier shall send back to the Client all of the documents, including copies.

14. Protection of Personal Data

Within the business relationship the Client shall process and store personal data provided by the supplier (in particular the contact information of employees and statutory bodies) in an internal database in order to fulfil contractual and legal obligations, and for commercial and marketing purposes until further notice. Processing and storage of such personal data shall be in accordance with the provisions of Act No. 101/2000 Coll., on the Protection of Personal Data, as amended. The Supplier agrees that for the above purposes the Client may transfer personal data to the headquarters of LEADEC GmbH, St. Pöltener Straße 43. Personal data shall be transferred on the condition that statutory requirements for such transfer are met and an adequate level of relevant technical, organizational and personnel measures related to the processing are maintained.

15. Control of Exports

15.1 Upon the request of the Client, the Supplier shall be obliged to prepare declarations of the Supplier, satisfying the requirements of Regulation EC No. 1207/2001. The Supplier shall make such declarations available on time, at the latest when an order is accepted. If long-term declarations of the Supplier are used, the Supplier must notify the Client, without being asked to do so, of changes to the origin in relation to the acceptance of an order. In each case the actual country of origin must be specified in delivery documents, even if no preferential rights exist.

15.2 The Supplier shall be obliged to inform the Client of potential approval obligations during (re-)exports of its goods pursuant to the relevant export and customs legislation, particularly the European Union and the USA. In addition to this, if such information is not

already included in the Supplier's offer, upon the request of the Client, at the time of acceptance of an order, and on every delivery sheet for the goods items in question, the Supplier shall specify the following information:

- Statistical number of goods (HS-code)
- AL-No. (No. of the list of goods subject to an export permit) pursuant to Addendums I and IV to Regulation EC No. 428/2009
- ECCN (Export Control Classification Number) pursuant to the export laws of the USA.

15.3 On the basis of the request of the Client, the Supplier shall be obliged to inform the Client in writing of all other data relating to foreign trade and related to the goods and part thereof, and to immediately inform the Client in writing of all changes to the data referred to in paragraph 15.2.

15.4 In the event that the data specified above are not provided, or if untrue information is provided, the Client shall be entitled to withdraw from the Contract, regardless of its other potential claims.

16. Insolvency of the Supplier

If the Supplier discontinues its payments, or if the Supplier or one of its creditors files a petition for insolvency proceedings in relation to its assets or other similar proceedings, the Client, regardless of its other legal or contractual rights, may give notice to the Contract without a notice period, or the Client may withdraw from the Contract.

17. Business Responsibilities; Code of Conduct

Within its business responsibilities, the Supplier acknowledges that during the manufacturing and sale of its goods or providing of services or in relation to it, the Supplier shall adhere to the legal regulations relating to environmental protection, labour rights and the preservation of the health of workers, and that child labour and forced labour shall not be tolerated. In addition, by accepting an order the Supplier confirms that in no way shall the Supplier commit any form of bribery and corruption, and that it does not tolerate such acts.

18. General Provisions

18.1 Assignment of receivables without the prior express written consent of the Client is excluded.

18.2 The Contract and other legal relationships between the Client and the Supplier arising from the Contract or in relation to it shall be governed by Czech law. Application of the provisions of the UN Convention on the International Sale of Goods is excluded.

18.3 Irrespective of the place fulfilment, the competent court for both parties shall be the court at the location of the headquarters of the Client. Notwithstanding the foregoing, the Client shall also be entitled to sue the Supplier at the location of its headquarters.

18.4 If, after the Contract is concluded the circumstances change to such an extent that the fulfilment shall become more difficult for the Supplier, this shall not affect its obligation to fulfil its

obligations; the provisions of Section 1765, paragraph 1 and 1766 Act No. 89/2012 Coll., Civil

Code, as amended ("Civil Code") shall not be applied and Supplier takes over the risk of changes to circumstances pursuant to Section 1765, paragraph 2, Civil Code.

18.5 The response of the Supplier to the draft of the Contract by the Client containing addendums or deviations shall not be considered the acceptance of the proposal to conclude the Contract.

18.6 If the individual provisions of these General Purchasing Terms are or shall become wholly or partially invalid, such a fact shall not affect the effect of the remaining provisions.