

General Purchasing Terms and Conditions for the Supply of Goods and Services to Mobis Automotive Czech s.r.o.
(hereinafter referred to as "General Terms and Conditions")

1. Validity of the General Terms and Conditions

- 1.1 The subject matter, content. These General Terms govern the terms and conditions for purchase of goods and services by Mobis Automotive Czech s.r.o., Co. ID No. 27786269, with registered office at Hyundai 171/2, 739 51 Nošovice, Czech Republic, incorporated at the Regional Court in Ostrava, File No. 29651, Insert C as the purchaser, that is as the ordering party or client (hereinafter referred to as "MCZ").
- 1.2 Content of the contract. These General Terms are always considered to form an integral part of a contract entered into between MCZ and a contractor, i.e. in particular a purchase agreement, contract for goods and services, etc. (hereinafter referred to as a "contract") and not only if the contract makes references to these General Terms in the sense of Section 1751, Paragraph 1 of the Civil Code, but also if the contract was entered into after the contractor expressly accepted these General Terms and Conditions (e.g. by signature on a printed copy delivered by MCZ, or by other means).
- 1.3 Binding effect. By entering into the contract the contractor (hereinafter referred to as the "contractor") expressly agrees with all the rights and obligations contained in these General Terms and Conditions and arising therefrom.
- 1.4 Precedence of the contract. Other provisions contained in the contract shall take precedence over the provisions of these General Terms.
- 1.5 Terms & Conditions of the Contractor Terms and conditions of the contractor which have not been expressly agreed upon in writing by MCZ as part of the contract between the Contracting Parties, are not effective against MCZ. Terms and conditions of the contractor which will become part of the contract, and were held to be in conflict with these General Terms and Conditions or the contract, are thus without effect, unless MCZ states express written agreement with such conflicting terms. Without the express written consent of MCZ, terms and conditions of the contractor do not become part of the contract to which, for example, the contractor makes reference in any legal proceedings in respect of MCZ even if MCZ does not refuse such reference.
- 1.6 Governing Law. Mutual relationships not governed by the contract or these General Terms and Conditions shall be governed by the provisions of the legal code of the Czech Republic, in particular Act No. 89/2012 Coll., the Civil Code, as amended by later regulations (hereinafter referred to as the "Civil Code").

2. Definition of individual terms

- 2.1 INCOTERMS 2010. If the contract contains a reference to the INCOTERMS this shall mean a reference to the International Rules for the Interpretation of Delivery Clauses of INCOTERMS 2010, the publication of the International Chamber of Commerce in Paris.
- 2.2 The Purchase Contract. The purchase contract shall mean a contract that in its content corresponds to the contractual type of 'purchase' in accordance with the provisions of Sec. 2079 et seq. of the Civil Code. Unless specified otherwise, the purchase contract according to these General Terms and Conditions shall also mean any framework purchase contract on the basis of which the purchase contract shall be entered into in accordance with the Clause 3. of these General Terms and Conditions.

For entered-into purchase contracts it applies that the contractor undertakes to duly and in a timely manner deliver goods and services and transfer onto MCZ the appertaining ownership rights and MCZ undertakes to duly and in a timely manner accept the goods delivered into its exclusive ownership and make good the negotiated the purchase price to the contractor.

- 2.3 The Contractor. The contractor under these General Terms and Conditions shall mean in particular the seller within the meaning of the provisions of Section 2079 et seq. of the Civil Code, regardless of whether it is in the contract designated as the seller, manufacturer, contractor, or other; furthermore a contractor within the meaning of Section 2586 et seq. of the Civil Code, regardless of whether it is in the contract designated as a contractor, manufacturer, contractor, provider, etc., or any other provider of performance (such as services) under the contract, whether the latter is of a nominate or innominate character.

- 2.4 Contract for Work Contract for work shall mean a contract that in its content corresponds to a contractual type of 'work' in accordance with the provisions of Section 2586 et seq. of the Civil Code. Unless otherwise specified, contract for work under these General Terms and Conditions shall also mean any framework contract for work on the basis of which the contract for work will be entered into in accordance with the Clause 3. of these General Terms and Conditions.

For entered-into contracts for work it shall apply that the contractor shall at its own expense and risk implement the work for MCZ and transfer onto the latter the title to the subject matter of the work, and MCZ undertakes to duly and on time accept and make good the price negotiated to the contractor.

- 2.5 The Contracting Parties, Contracting Party. The contractor and MCZ are hereinafter jointly to be referred to also as the contracting parties or individually also as the contracting party.
- 2.6 The Subcontractor. A subcontractor shall mean a third party that will deliver to the contractor a part or the whole of the subject matter for the implementation of the contract on the basis of a separate contractual relationship between such entity and the contractor.
- 2.7 Goods. Goods within these General Terms and Conditions shall mean artefacts and their components, which, based on a purchase contract, the contractor undertakes to deliver to MCZ, and do so regardless of whether in the purchase contract the goods are designated as goods, material, objects, etc.

If the goods have not been specified in the purchase contract in an unambiguous manner or due to the specification of the goods it would not be clear what goods the contractor has to deliver to MCZ, or if such doubts could arise, the contractor is obliged to without undue delay to inform MCZ of such fact in writing through a holder of a postal licence, through telefax or by electronic mail, or also by means of personal delivery of the notice; and to postpone the delivery of the goods till a specification of the goods is received.

- 2.8 Work. The work in these General Terms and Conditions means the carrying out of a specific task if such does not fall under a purchase contract, and furthermore maintenance, repairs, or alterations, or any other activity with a similar objective that the contractor undertakes to perform on the basis of a contract for work.

- 2.9 The EU. The European Union

3. Entering into a contract

- 3.1 Entering into a contract A proposal of entering into a contract is a written order by MCZ. The order shall be made in writing and delivered to the contractor either through the postal license holder or by telefax or by electronic mail or by other means (e.g. electronic ordering system, which is used by both contracting parties, for example VAATZ), or by personal delivery. The entering into the contract shall be effected by the delivery of an order confirmed by the contractor in writing to MCZ.

- 3.2 Alternative proposal of the contractor. MCZ hereby disclaims acceptance of the order with an addendum or a variation, even if such a response would mean only a minor change in the terms. Confirmation of an order containing addenda, reservations, limitations or other modifications is considered as rejection of an order by MCZ and forms a new proposal of the contractor to enter into a contract. In this case, the contract is entered into only if such proposal of the contractor is confirmed in writing by MCZ and delivered back to the contractor in the manner specified in the provisions of Clause 3.1 of these General Terms and Conditions.
- 3.3 Time limit for receipt and rejection of an order. The contractor is obliged to confirm in writing an order received within 3 days from the date of its delivery, and to deliver the thus confirmed order to MCZ or to communicate to MCZ within that time period that it rejects the order. The confirmation and rejection of an order by the contractor shall be made in writing and delivered by the postal license holder to MCZ, by telefax or by electronic mail, or by personal delivery. Until the thus confirmed order in writing is posted back by the contractor to MCZ or until such is duly refused by the contractor, the order may be on the part of MCZ cancelled in writing, orally, or by means of remote data transfer without any further action and without compensation for any damages. This provision applies to framework agreements only in a case that the order under this provision is made by MCZ above and beyond the scope, quantity or subject matter agreed upon under the entered-into framework agreement. In case of a framework agreement it therefore applies, that the contractor is obliged to accept all the orders by MCZ within the agreed framework, range, volume or the subject matter of a framework contract and the contract to the extent of the delivered order is entered into at the moment of delivery of the order to the contractor.
- 3.4 In the event that the goods are delivered in more than one shipment, the contractor is obliged to inform MCZ of this fact in writing, providing an accurate number of shipments and the expected date of delivery, together with a written confirmation of the order.
4. Quantity, quality, design and packaging of goods – quality and execution of the work
- 4.1 Quality and design of the goods. The goods shall be shipped to MCZ in quality and design explicitly specified by the purchase contract. In the case that the quality and design of the goods are not explicitly specified within the contract, the contractor is obliged to deliver to MCZ goods in such quality and design, which fully correspond to the purpose for which such goods are delivered, and if such purpose has not been agreed upon, the purpose for which such goods are generally used. Goods must meet all the legislative and technical requirements and technical and safety standards effective for the type of the goods at the time of delivery; both standards binding as well as those recommended. Goods and components used in its production shall be new, unused, undamaged and made of requisite quality of material. If the goods are supplied on the basis of samples, designs or drawings, then the goods shall be fully correspond to such samples or drawings. The goods shall be able continuously to perform to standard in accordance with the characteristics and quality set out in the purchase contract and fully correspond to the purpose for which supplied. The goods shall not be burdened with legal defects; for example a lien or charge. Prior to delivery, the goods shall not be subject of accountancy treatment on the relevant asset accounts of the 02 accounting unit - Tangible fixed assets depreciated - but only in the inventory. The contractor is obliged to inform MCZ within a time limit not later than the due handover of goods of the country of origin of the goods. In the case where a country of origin is different from the country of origin of the components or material from which the goods are produced or composed, the contractor is obliged to provide both sets of data. In respect of components or material, it shall be sufficient if the contractor has disclosed to MCZ information on those components or material that is crucial for the given type of goods.
- 4.2 Compliance with Legislation. The contractor is responsible that in the manufacture of goods or execution of works no laws were violated, for example those governing the production, use and other handling of hazardous and toxic substances, and that the goods meet the requirements set by the legislation. In the case of breach of this obligation, the contractor is liable for any damaged incurred on the part of MCZ.
- 4.3 Special tools or equipment. If special tools or equipment are required for the installation or assembly (in the case that installation or assembly does not form a constituent part of the delivery of goods) or a routine or even exceptional maintenance and repair of goods or work, the contractor is obliged to notify MCZ in writing of this fact prior entering into a contract, including information on the availability and current costs of provision of such tools or equipment. In the case that it does not do so, it is considered that such special tools or equipment is included in the price of the goods or works and its delivery forms an integral part of a due delivery of the goods, i.e. a due execution of the work.
- 4.4 Packaging, collateral, and security measures in respect of the goods. For any transport purposes the contractor is obliged to bear the cost of packaging of the goods, to ensure or otherwise provide transportation in a manner expressly provided by the purchase contract. In the case that the method of packaging and security provisions appertaining to the goods for transportation is not expressly provided for by the contract, the contractor is obliged to package the goods for shipment or to ensure that in the course of it, including loading and unloading, damage or impairment of the goods is prevented. When packaging and in the provision of security measures in respect of shipment of the goods, the contractor is obliged to respect the instructions of MCZ. The contractor shall notify MCZ of unsuitability of MCZ instructions. If the contractor does not draw attention of MCZ to the unsuitability of its instructions, the contractor shall be liable also for any damage caused by carrying out inappropriate instructions of MCZ. The entire cost of packaging (including the costs or recyclable packaging) and security measures appertaining to the goods according to the provisions of this Clause are already included in the price under the contract.
- 4.5 Requirements of the packaging of the goods. The packaging must allow safe storage of the goods without any loss of quality. The packaging of the goods must in an accessible place bear legible labelling of the contractor, MCZ- and instructions for safe handling of the goods, i.e. especially handling markup for labelling of shipment packaging and labelling required by the laws and regulations governing the production, use and other handling of the goods; for example laws and regulations governing dangerous and toxic substances. The packaging must be environmentally friendly. The packaging of the goods shall further contain an indication of the gross weight of the goods and measurements of the packaging designated by a label, colour or other clearly-visible and legible manner; the exception is the goods in such packaging (e.g. sachets) in which case, from the nature of things, there is objectively no risk when handling by MCZ of injury and whose gross weight does not exceed 5 kg. The packaging shall be labelled in accordance with the legislation of the EU and the Czech Republic. Any goods without the provision of the stated requirements on the packaging are considered as defective.
- 4.6 The originator of the packaging. The contractor shall always be, in relation to the packaging used for the packing of goods or works, considered to be the originator of the packaging, i.e. the entity, that is placing the subject packaging or packaged product on the market or putting it into circulation within the meaning of the relevant provisions of Act No. 477/2001 Sb. (Coll.), on packaging, as amended, and, therefore, is obliged to comply with all the obligations arising from the Act stated above.
- 4.7 Quality and design of the work. The contractor shall duly perform the work in a timely manner, i.e. in the scope, quality, time limit and under the conditions specified in the contract. In the case that the quality and execution of the work is not explicitly specified within the contract, the contractor is obliged to implement the work in quality and design, which fully meets the purpose for which the work is intended, and if such purpose is not agreed, for the purpose for which such a work is typically used; if this relates to the

execution of an activity, the latter shall always be provided in the highest available quality. The implemented subject of the work shall meet all the relevant technical requirements, technical and safety standards (that is, in particular the ČSN, EN, etc.) for the given type of work, services delivered, activities, services etc., of binding character as well as those recommended.

The implemented subject matter of the work shall also conform to the generally-binding legal regulations of the Czech Republic effective at the time of implementation and handover and acceptance of the work, especially on hygiene, fire prevention, ecological, etc. Goods and their parts, components and material used in its production shall be new, unused, undamaged and made of requisite quality of material. If the work is carried out on the basis of proposals, drawings, projections, etc., it shall reflect these proposals, drawings, projections, etc. The contractor undertakes to comply with the technological processes stipulated by the producers of the individual components or materials or technological procedures of MCZ, if provided by the latter; at the same time, the contractor undertakes to comply with all the standards and other regulations and guidelines of manufacturers and suppliers of materials and technical equipment to be used in the implementation of the work.

The contractor undertakes that the work, and the total sum of properties of the work will have the ability to meet the needs of MCZ, i.e. in particular the usability, safety, availability, reliability, maintainability and efficiency while respecting the principles of protection of human health and the environment. The work must not be burdened with legal defects, i.e. in particular, it must not be burdened with the rights of third parties and at the same time must not interfere with or infringe upon the rights of third parties.

The contractor undertakes not use when implementing the work and not to incorporate into the work itself any materials harmful to health, dangerous or otherwise posing a risk, nor allowing their use, unless it has received a prior written consent of MCZ. With any harmful, dangerous or otherwise risky material used by the contractor with a written consent of the MCZ the contractor is obliged to handle such in accordance with the generally-binding legal regulations; or possibly in accordance with instructions of MCZ, if such instructions are more stringent than the generally-binding legal regulations.

The contractor undertakes to perform the work so that it does not contain defects or unfinished elements. In the performance of the work the contractor is obliged to be guided by the instructions of MCZ. The contractor is obliged to duly keep records on the implementation of the work, i.e. the assembly journal, journal of construction, etc. and to pass one copy of such record to MCZ.

5. Goods and Work Documentation

- 5.1 Goods and Work Documentation The contractor is obliged to always pass all the documents required for the handover, discretionary handling, customs duty and the use of the goods or works (installation / assembly instructions in the Czech language, instructions for use/operation manual in the Czech language), in particular documents governing the technical conditions of installation, operation and maintenance of the goods and works, and other generally-binding regulations required by the documentation, as well as the documents referred to in the contract.

Certificates. The contractor shall always pass onto MCZ the relevant certificates appertaining to the goods or work respectively, as specified in the contract or required for the goods/work by the legislation of the Czech Republic or directly by the EU. These certificates shall be handed over by the contractor to MCZ so that MCZ shall always have a valid certificate available. Certificates under this provision shall mean in particular declaration of conformity of products, work, system, furthermore attests, reports on the passing of prescribed tests, quality certificates, certificates of the materials used within the meaning of the relevant generally-binding legal

regulations and in particular within the meaning of Act No. 22/1997 Sb. (Coll.), on technical requirements for products, as amended, etc.

- 5.2 Assistance in the obtaining of documents. The contractor is obliged to provide MCZ at its request with full assistance in obtaining the documents or equivalent electronic reports issued or published in the Czech Republic or in the country of origin, which MCZ may require for exportation or importation of goods or works (including its components) and, if necessary, also for transit of goods on the territory of a third State.
- 5.3 The form, some of the particulars of documents. The documents that the contractor is required to deliver to MCZ pursuant to the contract must be originals, which must be readable in all constituent parts, well set out and free of error. The document shall be delivered in printed form, which cannot be replaced by a record on a carrier of information data. In the event that the MCZ makes a request to the contractor, the latter is obliged to deliver to MCZ documentation also in the form of a record on a carrier of information data; and do so in freely-accessible data format specified by MCZ. The contractor is obliged to deliver documents relating to the goods or a component in languages designated by MCZ. Costs associated with the creation and delivery of all documents in the required number including their amendments, supplementation, replacement delivery and delivery in the form of a record on a carrier of information data shall be borne by the contractor. By delivery of documents to MCZ these become the property of MCZ, which is automatically entitled to freely dispose of them, even in the case that these constitute a work of authorship, for completeness of which the contractor grants a free-of-charge, non-exclusive license unlimited locally not time-wise, within the meaning of the relevant provisions of Act No. 121/2000 Sb. (Coll.), the Copyright Act, as amended.
- 5.4 Cost recovery. All costs such as customs, storage and other charges (including any tax penalty, etc.), incurred on the part of MCZ due to the late transmission of the due documents by the contractor shall be charged to the contractor and the contractor hereby expressly agrees to meet them in full. If these costs were paid by MCZ the contractor undertakes without any further ado to reimburse MCZ on request.
6. **Location of delivery of goods – Location of performance of the work**
- 6.1 Location of delivery of the goods. Unless otherwise specified in the purchase contract and unless MCZ designated at any time prior to delivery another location of delivery, the contractor shall, at its own expense and risk deliver the goods to MCZ to the location of its registered address registered in the commercial register.
- 6.2 Consignment Notes. Delivery of goods within the EU is governed by the consignment conditions DDP Hyundai 171/2, 739 51 Nošovice, CZE, according to the rules of INCOTERMS 2010. Delivery of goods from countries outside the EU is governed by the consignment conditions DAP Hyundai 171/2, 739 51 Nošovice, CZE, according to the rules of INCOTERMS 2010. In the case that another consignment note is negotiated between the Contracting Parties, unless the purchase contract provides otherwise, the provisions laid down in Clause 8. and 9. of these General Terms and Conditions shall remain unaffected and valid.
- 6.3 The location of performance of the work. Unless the contract for work provides otherwise, the location of performance of the work shall always be the MCZ registered address or place of business.

If the contract for work designates as the place of performance of the work as a site to be provided by MCZ, the contractor is obliged in sufficient time before proceeding with any works in respect of the work, to request MCZ in writing, to allow access to the place of performance and its inspection, on the basis of which will take place the handover and acceptance of the place of performance on the basis of a written protocol, in which the contractor shall be obliged to provide all information on possible obstacles that could hinder the performance of the work. At the same time, the contractor shall

request MCZ in writing that it may become familiar with all possible risks of the place of performance and with all safety (including laws on safety and health at workplace), fire protection and other prerequisite internal regulations of MCZ.

7. Due date

7.1 Due date The due date of performance shall be determined by the contract or by a confirmed order. If the due date is not specified within the contract, the contractor is obliged to deliver the goods to MCZ, i.e. the work within 30 days from the date of entering into the contract. The contractor is obliged to notify MCZ of delivery of the goods, and do so in writing, by telephone or through electronic communication at least 1 day in advance.

7.2 Delivery on business days and during working hours. If the place of delivery of goods or performance of the work place is the registered address or place of business of MCZ, the contractor is obliged to deliver the goods or the work on business days and during working hours of MCZ, i.e. from 6:00 am to 2:00 p.m., unless otherwise specified by MCZ. The contractor shall not in any way interfere with the consignment of the goods or work, compromise or halt the operation of the manufacturing plant of MCZ (or even a part of it, such as a single production line) while in the case of a violation of this provision it shall be liable for any damages to the full extent, including lost profits and penalties against MCZ charged by third parties; the contractor acknowledges that by such disruption or threat or stoppage of operation of the manufacturing plant or even its part, MCZ may be incur damages of unlimited extent. The contractor undertakes to not to disrupt the performance of work at registered office of MCZ, of the staff or any third parties, especially by noise, dust, odour, vibrations or any other disruptive or negative influence.

7.3 Notification of transfer of performed work. The performed work shall be transmitted by the contractor to MCZ within the deadline agreed upon in the contract or within the term in accordance with the provisions of Clause 7.1 of these General Terms and Conditions and if MCZ does not refuse to accept the work due to defects (including legal defects and/or defective accompanying documentation) or part-completion of the work, it shall be formally accepted by means of a written certificate.

7.4 The handover of the work. The work is considered as handed over by the signing of the written certificate of the transmission and acceptance of the work (i.e. FAC – Final Acceptance Certificate) by both contracting parties. The signing of the FAC does not imply endorsement of the contracting parties that the work is free of defect, or that the work is accepted without reservations. The work is accepted without reservations only if it is explicitly stated in the FAC.

The FAC shall contain in particular:

- designation of the Contracting Parties;
- identification of the work;
- date of transmission and acceptance of the work;
- description of the course and outcome of the handover procedure;
- an inventory of the documents transmitted relating to the work and protocols on the testing carried out;
- evaluation of test operation, if a required by MCZ;
- text part (statement of MCZ);
- a description of any apparent defects and the state of being short of full completion that do not impede the normal and safe use of the work for the purpose for which it is intended as a work free of defects, and also the terms for removal of such defects and part completion;
- the signatures of authorised representatives of MCZ and the contractor; After the signing of the FAC by authorised representatives of both contracting parties all provisions and terms indicated therein shall be considered as binding and agreed upon.

8. Location of delivery of the goods.

8.1 The due and timely handover of the goods. The contractor is obliged to duly deliver the goods in a timely manner to MCZ. The goods shall be deemed submitted on time if delivered within the agreed time-limit of performance. The goods shall be deemed as submitted upon the fulfilment of all the following conditions:

- a) the goods are duly delivered by the contractor to the location of delivery,
- b) together with the goods is delivered the complete and free of defect documentation appertaining to the goods,
- c) the item is formally accepted by MCZ (e.g. by confirmation of the consignment note),
- d) the goods are shipped to MCZ free of any defects, including faulty quantity.

Acceptance of the goods, by MCZ however does not constitute confirmation that the goods delivered are free of defects and claims of MCZ for liability for defects are not prejudiced by such acceptance in any way.

9. Risk of damage to the goods and work, transition of ownership rights to the goods and the work

9.1 Passing of risk of damage onto the goods and works. Risk of damage to the goods or works passes to MCZ always at the moment of acceptance of the goods, i.e. at the moment of handing over and acceptance of the work accompanied by a written protocol (regardless of which location was agreed upon as the place of performance of the work). This provision does not apply to transition of risk of damage to a component part of the goods or a component part of the work, where the risk of damage is passes from a contractor onto MCZ only at the moment of delivery of the complete consignment of goods, i.e. the whole work.

9.2 Risk of damage to MCZ property and materials. Risk of damage to all property and materials passed by MCZ to the contractor for processing, such as patterns, patterns, presses, technical drawings, forms, devices, tools, material, etc., which are in the ownership of MCZ and were provided to the contractor in order to fulfill the subject of the contract, or have been specifically ordered by MCZ, is borne by the contractor (as a storer) from the moment of acceptance until their return to MCZ. MCZ remains at all times the owner of such property or materials. The contractor further agrees that the property or materials according to the previous clause will be used exclusively and only for the supply of goods or execution of the work under a contract for MCZ and undertakes that otherwise it shall not use this property or materials and at the same time shall ensure that these materials have not been used by any third party, except with prior written consent of MCZ. The contractor undertakes to clearly identify such property or material by markings of such as the property of MCZ and store this property or material separately from other property and material. The contractor is obliged to compensate MCZ in full extent for damage caused by failure to observe the obligations stated under this Clause, irrespective of whether it has been caused by itself or a third party.

9.3 Acquisition of ownership to the goods. The title to the goods delivered under a purchase contract shall be transferred to MCZ by means of one of the following circumstances depending on which occurs first:

- a) at the moment of transfer of the risk of damage to goods onto MCZ in accordance with and within the meaning of the provisions of Clause 9.1 of these General Terms and Conditions; or
- b) at the moment of payment of the purchase price for the goods or its part.

9.4 The acquisition of title to the work or its constituent parts. The right of ownership to the work or its constituent parts shall be acquired by MCZ by means of one of the following circumstances depending which occurs first:

- a) the incorporation or in-building of the work into the property in exclusive ownership of MCZ; or
- b) the start of incorporation of property in exclusive ownership of MCZ pursuant to Clause 9.2 hereof; or
- c) by passing and acceptance of the work accompanied by a written protocol; or
- d) at the moment of payment of the price of the work or its part.

10. Amendments to the Contract

10.1 Assignment of the contract. The contractor hereby grants to MCZ an express consent to assignment of the contract in accordance with the provisions of Section 1897 of the Civil Code on the part of MCZ without any previous permission or notification. MCZ is obliged to notify the contractor in writing of the transfer the rights and obligations arising from the contract onto a third party. The effectiveness of the transfer of rights and obligations occurs upon delivery of a notice under this provision to the contractor, or the moment at which the assignee documents the assignment of the contract to the contractor, depending which occurs the earlier. The provisions of Section 1899 of the Civil Code shall not apply.

11. Guarantee of Quality

11.1 Guarantee for the quality of the delivered goods/Warranty for the quality of the work. The contractor provides MCZ guarantee of quality in respect of goods delivered, or work implemented. The contractor undertakes that the goods or work supplied under the contract, shall be after the warranty period fully fit for use for the purpose specified in the contract, or otherwise for the usual purpose, and that it shall maintain the properties set by the contract, or otherwise usual properties.

11.2 The length and the beginning of the warranty period of the goods. If the length of the warranty period is not expressly set by the contract, the length of the warranty period on goods delivered shall be 24 months, starting on the date of due delivery of the goods.

11.3 The term and commencement of the warranty period in respect of the work. If the length of the warranty period is not explicitly provided by the contract for work, the length of the warranty period in respect of the work shall be 24 months; 60 months in the case of a work that is constituted by alteration to immovable property or by the construction, repair or modification of a building structure, especially if it contains structural elements, support structures, etc., or includes intervention into existing building elements or structures. It shall start to run from the later of the following circumstances: (i) the moment of handover and acceptance of the work accompanied by a written certificate; or (ii) the moment of confirmation by means of a protocol, of removal of the last defects or incompleteness of the work established by MCZ in the handover and acceptance of the work. The agreed warranty period also applies to the repair of any defects of the work and shall start to run on the date of transmission of the repaired work free of defects and incompleteness.

11.4 Designation of the warranty period. The warranty period for the goods or the work shall not run during any time for which MCZ cannot use the goods or work for defects for which the contractor is responsible, as well as the period of time for which such are being removed by the supplier.

12. Liability for defects

12.1 Defects of the goods. Goods are regarded as having defects, if not delivered duly packaged and secured for shipment, in quantity, and finish laid down by the contract or these General Terms and Conditions. Goods are regarded as having defects also in other cases as stipulated by the law.

12.2 Defects of the work. The work is regarded as having defects, if not implemented in accordance with the contract or these General Terms and Conditions. The work is also regarded as being defective in other cases stipulated by law.

12.3 Defects in Documentation. Defective goods or work shall also be considered as any defects of the documents, that the contractor is obliged to deliver to MCZ according to the contract, these General Terms and Conditions or the legislation. In the case that the documents are defective, MCZ is entitled to return such to the contractor at the latter's expense, or to request the contractor to deliver documents free of defects. The contractor shall, without undue delay, at the latest within 7 days of return of defective documents or from the receipt of the request by MCZ to deliver complete documents free of defects.

12.4 Legal defects. The goods have legal defects, if burdened by rights of any third party unless MCZ expressed a explicit written consent with such circumstance.

12.5 Liability from defects and/or arising from warranty The contractor is responsible for the entire duration of the warranty period for any defects that manifest themselves on the goods, work or subject matter of the work during this period, regardless of when these defects were created. MCZ is entitled to notify the contractor of these defects any time during the warranty period. MCZ is not obliged to inspect the goods or work upon receipt nor immediately after it. The contractor is liable, based on the guarantee, for defects according to the rules agreed in the contract and these General Terms and Conditions.

The application of provisions of Sections 2104, 2105, 2110, 2111, 2112, 2618, 2629 of the Civil Code is excluded.

12.6 Apparent defects at delivery. If the goods or work bears apparent defects when passed to MCZ, the latter is entitled to:

- a) request from the contractor to perform inspection of the goods or work in a place and time designated by MCZ;
- b) refuse acceptance of defective performance and return it at the expense of the supplier without the MCZ entering into arrears in terms its acceptance obligations and without the obligation of the vendor to deliver under the contract to be extinguished; or
- c) accept defective performance provided that MCZ has a right to claim liability for defects at any time during the warranty period.

MCZ is entitled to exercise one, more or all of the claims referred to in this provision, if from the nature of things these can be exercised jointly.

12.7 Claiming for defects. MCZ is obliged to claim each defect at the contractor in writing immediately upon its determination, but not later than before the end of the agreed guaranteed period of quality under the contract, i.e. pursuant to these General Terms and Conditions, while also a claim posted to the contractor by MCZ on the last day of the warranty period shall be deemed as applied in timely manner. In a claim, MCZ shall apply a particular claim from liability for defects.

12.8 The form and receipt of a claim. Claims can be posted to the contractor in writing, through a postal license holder, electronically or by fax, or by personal delivery. If the contrary is not proven, it is considered that a claim sent by any means under the first sentence of this Clause, with the exception of posting electronically or by fax, which is deemed as delivered at the moment of its documented posting, was delivered to the contractor on the fifth business day from the moment of its posting to the contractor, while it is wholly irrelevant whether the contractor has received the claim or not.

After the receipt of a claim the contractor is obliged to immediately notify MCZ in writing of acceptance of the claimed defect, or defects, or to state legitimate objective grounds for their non-acceptance. If it shall fail to do so within the subsequent 3 business days after receipt of the claim, it shall apply that it fully accepts the claim lodged by MCZ in respect of defects in its entirety and without reservation.

12.9 The choice of claims from liability for defects, determination of the manner and time limits for the removal of defects. The choice of claims vis a vis liability for defects of goods as well as the choice of the manner in which the defects are to be removed, lies exclusively with MCZ.

12.10 Claims arising from liability for defects. MCZ is, regardless of the nature of the defects and the seriousness of the breach of contract due to the occurrence of defects, always entitled to:

- a) request removal of defects through delivery of the replacement of a defective performance, the delivery of missing goods,
- b) require the removal of legal defects,
- c) require rectification of defects by the repairing of the goods or work, if the defects are repairable,
- d) request a reasonable discount from the price
- e) withdraw from the contract,
- f) itself or through a third party and at the expense of the contractor to inspect the performance, carry out the necessary tasks to detect any defects, to remedy, fix, or provide a substitute delivery. The contractor undertakes fully reimburse MCZ in respect of these costs incurred. MCZ is in this case obliged to substantiate the costs incurred under the previous sentence and provide documentation clearly demonstrating the defects (photo documentation, video documentation, etc.);

the choice between these alternatives lies exclusively with MCZ.

If MCZ requires the removal of defects, the contractor undertakes to start their removal within 2 days from the date on which it was notified of the defect, if there is no agreement upon another date; and to remove the defects always as soon as technically possible, if the nature of the defect and conditions so allow. The term of removal of the defects is to be agreed between the parties in writing. In the event of an accident the contractor initiates works in order to remove the defects at the latest within 24 hours of notification of their existence. For the purposes of this contract an emergency situation shall mean in particular such an event which may cause property damage or that may endanger the health or lives of people, which such event concerns. After completion of the works MCZ shall confirm the removal of defects in writing to the contractor.

If MCZ claims liability for defects according to the provisions of 12.9 letter f) of these General Terms and Conditions. MCZ is entitled to remove the defect at the costs of the contractor through a third party, without prejudice to its rights under the warranty, from the payment of damages or any other rights.

12.11 Additional option to claim liability. If it transpires subsequently that the defects of the goods or work are beyond repair or such repairs are associated with excessive costs, MCZ may require delivery of substitute goods or work provided that it notifies the contractor of its decision without undue delay after it notified the contractor of the facts stated.

12.12 Non-removal of defects. If MCZ claims liability for defects according to the provisions of Clause 12.9, letter a), b) and c) of these General Terms and Conditions and the contractor fails to remove the defects in a manner and within the time specified by MCZ, or if the prior to the expiry of the deadline the contractor notifies MCZ that it shall not remove the defects, MCZ may:

- a) withdraw from the contract; or
- b) require any other entitlement according to the provisions of Clause 12.10 of these General Terms and Conditions.

12.13 Non-payment of part of the price until defects have been eliminated. Pending the elimination of all defects MCZ is not obliged to pay the contractor any portion of the consideration for a defective performance which has not yet been paid to the contractor.

12.14 Further claims of MCZ. In addition to claims of liability for defects MCZ is entitled claim a contractual penalty according to

these General Terms and Conditions, as well as to compensation for any damages.

13. The purchase price of the goods - Price for work performed

13.1 Amount of the purchase price – schedule of prices for the work performed. MCZ is obliged to pay the contractor purchase price or the price for work performed provided in the contract (the purchase price of the goods and the price for work performed hereinafter jointly referred to as the "price"). The price is a fixed price (without the option of claiming additional costs or extra work on the part of the contractor) and shall include all direct and indirect costs relating to the goods and the work designated by the conditions of delivery in accordance with INCOTERMS 2010. The price will be reduced by any discount to which MCZ is entitled on the basis of a contract or any other agreement, even if MCZ does not request the contractor to deduct the discount or does not specify its concrete amount. The contractor is responsible for the fact that the discount was enumerated correctly. If there is no agreed delivery terms according to INCOTERMS 2010, the price includes, in particular, the cost of packaging, shipment, insurance, liability insurance, and insurance of liability for defects, the costs associated with the obtaining of documentation relating to goods and work, labelling, customs duties, taxes, storage costs, etc., including, where appropriate any increase of input costs.

13.2 Liability of the contractor. The contractor shall be responsible that the price set in the contract or any such additionally-modified by mutual agreement of the contracting parties, is at the time of entering into the contract in accordance with the applicable laws and regulations governing the price formation in the Czech Republic and in the country of the contractor. Furthermore, the contractor shall be responsible for the fact that the price is not less favourable than the price for which, at the time of entering into the contract, is being offered the same or similar goods or work in a similar quantity to other customers.

13.3 The emergence of the obligation to meet the price. MCZ undertakes the obligation to make the price good to the contractor as soon as it assumes the ownership rights to the goods, or after the acceptance of the work, unless the contract provides otherwise. The provisions of Section 2611 of the Civil Code shall not apply.

13.4 The original of the invoice. Payment of the price shall be carried out by the MCZ strictly through a non-cash bank transfer, and only on the basis of an original invoice delivered by the contractor either through the postal license holder or by electronic mail to the e-mail address invoices@mobis-auto.cz. If it is not apparent from the relevant agreement of the contracting parties, the terms 'invoice' and a 'tax document'; are used as synonyms.

13.5 Obligatory constituents of an invoice. The contractor is entitled to and at the same time obliged to issue the invoice, only when there arises the obligation to meet the price on the part of MCZ. The invoice shall contain the particulars of an invoice and an accounting document, and furthermore in particular:

- a) the order number;
- b) designation and specification of the goods/work, including any serial numbers;
- c) the quantity of the goods;
- d) the unit price and the total price;
- e) the amount of a discount, to which MCZ was entitled;
- f) the total price after deduction of any discount, separately stating costs of the foreign, European and domestic section;
- g) location of where the costs were incurred;
- h) origin of the goods;
- i) delivery terms in accordance with INCOTERMS 2010.

The invoice must be accompanied by a document proving the due delivery of the goods, which will be confirmed by MCZ or respectively the handover protocol to the work, which will be duly signed by the contractor as well as the MCZ.

In the case of a Korean preferential origin of the goods, the contractor is obliged to provide the invoice with a Certificate of Approved Exporter. Without this certificate the preference shall not be exercised. The contractor shall bear full responsibility for the origin of the goods stated on the invoice and shall be liable for a compensation of all financial costs, caused by incorrect information.

For each contract the contractor is obliged always to issue a separate invoice.

13.6 Correction, invoice amendments. In the event that the invoice of the contractor does not have the prescribed formalities, contains information contrary to the contract or these General Terms and Conditions or does not comply with other terms and conditions laid down by the provisions of Clause 13.5 of these General Terms and Conditions, it shall not be honoured by MCZ and will be returned immediately to the contractor for completion or correction; this shall not constitute MCZ to be in arrears with the payment of the price.

13.7 Due Date of Payment. The maturity of the invoice is laid down in the contract. In the case that the maturity of the invoice is not set in the contract, MCZ is obliged to pay the price within 30 days from the date of receipt of the invoice. In case of corrections or completion of details of the invoice, the issue and delivery of a duly-completed invoice shall be deemed the issue and delivery of a duly-completed or corrected defective invoice.

13.8 Payment. The date of payment of the invoice in case of cashless payment is the day on which the bank debits the sum of the price from the MCZ account.

13.9 Setting off of receivables. MCZ is entitled unilaterally to set off against the receivables of the contractor under the contract or in its connection, any of its own debts or debts acquired by assignment, due as well as not due, subject to statutes of limitation or not so. The contractor is not entitled to implement a unilateral set-off against the receivables of MCZ under the contract or these General Terms and Conditions or in connection with them.

13.10 Assignment of receivables of the contractor. The contractor shall be entitled to assign receivables against MCZ only with the written express consent of MCZ.

13.11 Barring of receivables of the contractor against MCZ. The contractor undertakes not to in any way burden its receivables against MCZ, especially by lien in favour of a third party.

13.12 Interest on arrears. In case of arrears in payment of MCZ with the due payment of the price the contractor shall be entitled to charge MCZ default interest at the rate of 0.1% from the amount due for each initiated day of delay.

14. Termination of the contract

14.1 Manners of termination of the contract In addition to legal reasons the contract may be terminated by (i.) withdrawal from the contract, if permitted by the nature of the contract, in particular in respect of contracts for an indefinite period of time (e.g. framework contracts, etc.); the notice of withdrawal shall always be delivered to the other contracting party, while the period of notice starts to run on the first day of the month following that in which the notice of withdrawal was delivered to the other contracting party and the notice period amounts to 1 month; (ii) resignation of the entitled contracting party for reasons referred to in the contract and the General Terms and Conditions.

14.2 Material breach of contract. Material breach of contract shall be in particular considered especially the delay in complying with the obligations of the contractor:

- a) duly to deliver the goods on time to MCZ;
- b) duly and in a timely manner to execute and pass the work to MCZ;

- c) to meet the demands of MCZ resulting from liability of the contractor for defects and under warranty.

14.3 Withdrawal from the contract. Unless otherwise provided in the contract or these General Terms and Conditions, MCZ is entitled to withdraw from the contract apart from legal reasons, if at least one of the following conditions is met:

- a) if the contractor is materially in breach of the contract;
- b) if the contractor breaches the contract in a non-material manner and fails to meet its obligations even within additional period specified by MCZ;
- c) if the event of force majeure preventing the fulfilment of the obligations under the contract lasts for a period longer than one month;
- d) before a due delivery of goods or performance of the work without stating a reason.

14.4 Withdrawal from a part of the obligation. If a breach of the obligation of the contractor relates only to a part of the obligation, MCZ may withdraw from this part of obligation or from the contract as a whole.

14.5 Form and effects of withdrawal. The withdrawal shall be effected in writing and served to the other party.

14.6 Continuing claims and arrangements. In the event of withdrawal this contract and these General Terms and Conditions inclusive become void and invalid. Withdrawal nor termination of the contract in any other way does not constitute expiration of:

- a) claims for damages arising from breach of the contract;
- b) claims arising from the liability for defects;
- c) claims for payment of contractual penalties resulting from breach of the contract;
- d) agreements in respect of a guarantee and liability for defects;
- e) agreements on the settlement of the contracting parties in the event of withdrawal;
- f) confidentiality agreements, agreements on the maintenance of professional secrecy and the protection of know-how;
- g) agreement on the choice of law and resolution of disputes;
- h) other matters, as laid down by law.

14.7 Goods or work after the transition of ownership rights. Unless the contract provides otherwise, the goods supplied or the work transferred to which the rights of ownership were transferred or passed onto MCZ prior to the withdrawal from the contract:

- a) remain after the withdrawal from the contract in the ownership of MCZ. In such cases, the contractor has the right to substitute financial claims to the amount in which MCZ profited from the stated goods. If in respect of the goods delivered, or transferred work the purchase price has already been already paid, the contractor is obliged to return to MCZ the difference between the price and the entitlement to substitutive cash performance under the previous clause. If the price for the goods delivered or the work transferred before withdrawal from the contract has not been paid, MCZ is obliged to provide the contractor with substitutive financial performance reduced by any claims of MCZ to a contractual penalty, compensation for damages, etc.; or
- b) after withdrawal from the contract MCZ may return such goods to the contractor at the expense of the contractor within 30 days of the withdrawal. In this case, the contractor is obliged to return to MCZ the already paid price or its part thereof.

14.8 Goods or work prior to the transfer of ownership rights. If the goods supplied or the work transferred in respect of which the rights of ownership were not transferred or passed onto MCZ prior to the withdrawal from the contract they shall be returned by MCZ at the expense of the contractor.

15. Know-how

15.1 Technical and other documentation of MCZ. All technical and other documentation that MCZ supplies to the contractor in connection with the goods or work in to fulfill the contract, remains in exclusive ownership of MCZ. Subject to the exclusive ownership of MCZ are all technical materials in respect of solutions and procedures captured by the technical documentation, while MCZ does not grant in connection with the referred-to know-how any license to the contractor nor grants any rights associated with intellectual property, etc.

15.2 The use of technical and other documentation of MCZ by the contractor. The contractor is not entitled to publish or disclose or make available to any third party or use the technical and other documentation within the meaning of Clause 15.1 of these General Terms and Conditions for its own benefit or the benefit of any third party. The contractor is entitled to use this documentation only in connection with the goods or the work in order to implement the subject of the contract. This obligation does not apply to administrative or other public authorities, if they are carrying out legislatively-governed controlling or other type of supervision in accordance with the relevant legislation. After completion of the contract or after its termination in any other way the contractor is obliged to return this documentation to MCZ and destroy all copies, if any were made in order to fulfil the contract.

15.3 Additional technical and other documentation. The contractor undertakes that any further technical and other documentation not listed in Clause 15.1 (especially documentation created by the contractor for the purpose of performance of the contract), the creation of which MCZ participated in or financed or co-financed, shall not be published or made available to any third party or used for the benefit of any third party. The contractor is entitled to use this documentation only in connection with the goods or the work in order to implement the subject of the contract. After completion of the contract or after its termination in any other manner the contractor is obliged to return this documentation to MCZ free of charge, transfer onto the latter the rights of ownership and destroy all copies, if any were made in order to fulfil the contract.

16. Other arrangements

16.1 Subcontractors. On request by MCZ, the contractor is obliged to provide a list of subcontractors employed to implement the subject matter of the contract. The contractor is obliged not to use such subcontractors for the implementation of the contract that MCZ designates as undesirable.

The contractor is responsible to MCZ for defects in performance or component parts of the goods or work delivered for the implementation of the contract by any subcontractors, as if such were to be implemented by itself.

16.2 Stocks. The contractor is obliged to maintain at its own expense for the duration of the warranty period for the goods, or to the work, in accordance with the contract a reserve stock of such goods or spare components to the work, so as to be able to meet its commitments under liability for defects or warranties without undue delay.

16.3 Performance carried out by the contractor at MCZ. If the contractor carries out the implementation of the subject matter of the contract on the premises of MCZ or at a location designated by MCZ, it is obliged to move for this purpose only within the premises or handling areas designated by MCZ. Any object or other property which can be used either for the implementation of the contract, or become its part, the contractor is obliged to duly store on the premises designated for this purpose by MCZ and duly secure these to prevent their theft and to keep them in good clean and organized state. After completion of the subject of the contract the contractor is obliged to put these areas back into their original state or such otherwise agreed-upon condition, and hand them over to MCZ on the basis of a written protocol at the agreed date, but no later than 14 days after the fulfilment of the subject of the contract.

16.4 Illegal employment. The contractor hereby declares that he shall keep all rules concerning illegal employment according to the act No. 235/2004 Sb., about employment, as amended (hereinafter referred to as "Act about employment") and shall fulfill all obligations arising from the Act about employment and concerning laws. If the MCZ finds out that the contractor will allow the illegal employment or will breach any of concerning rules, the MCZ is entitled to:

- cancel the contract; the cancellation is effective since the delivery to the second contract party; and/or
- demand a contractual penalty in the amount of 100 000,- CZK for each breach, repeatedly in case the contractor will not remove the defective state within a specified period; and/or
- demand all damages, material and non-material, caused to the MCZ because of contractor's breach, including penalties and other sanctions decided by the competent state authority.

The maturity of payments mentioned in this contractual provision is 30 days after delivery of the MCZ' appeal to the contractor.

16.5 The Contracting Parties use their best endeavors to prevent crime. Each of the Contracting Parties is therefore obliged to take all necessary preventive measures. In such a case that a Contracting Party becomes aware of circumstances which might establish criminal liability of either Contracting Party, it shall without delay communicate this information to the other Contracting Party.

16.6 The contractor hereby declares

- that the goods which is produced, stored, or shipped or transported at the order by authorized economic operators (AEO), which is supplied to AEO or is accepted from AEO for delivery,
 - is produced, stored, prepared and loaded in safe operating areas and loading cargo areas and areas for dispatch and
 - is protected against unauthorized interference during production, storage, preparation, loading and transport,
- in the production, storage, preparation, loading and transport of these goods it employees reliable staff,
- business associates who act on behalf of the contractor, are informed of also being obliged to ensure the security of the supply chain in accordance with the above information.

17. Non-application of contractual rights

17.1 Non-application of contractual rights The omission of any of the Contracting Parties in application of any term, condition or a claim against the other Contracting Party shall not be deemed a waiver of any rights arising from the contract or these General Terms and Conditions.

18. Obligation of professional secrecy, confidentiality of information

18.1 Information about the existence of the contract. The contractor undertakes without prior written consent not pass to third parties information on the existence of the contract and its content. The contractor is liable for all damages incurred by MCZ through breach of this obligation.

18.2 Mutually provided information and documents. The contractor undertakes that without a prior express written consent it shall not provide to third parties any information or documents relating to the contract, supplied by MCZ. The contractor is liable for all damages incurred by MCZ through breach of this obligation.

19. Rights of industrial or other intellectual property

19.1 The contractor is obliged to ensure that no provisions of the contract or their application unduly infringe upon the rights of intellectual or industrial property rights of any third parties enjoying legal protection according to the legal code of any State.

19.2 The contractor is obliged to ensure that it is fully entitled to exercise the rights to industrial and intellectual property rights to

the goods or to the work and undertakes to ensure the due and undisturbed use of the goods or work and the subject matter of the work by MCZ or the MCZ customers.

The contractor is obliged to ensure that the goods or subject matter of the work belong from the date of receipt of the goods, or the subject matter of the work to MCZ with unlimited non-exclusive rights of use of the goods or work in the widest possible extent, in accordance with the applicable legislation of the respective type of industrial or intellectual property rights. The right of usage is unlimited in time, in territory, is transferred for no pecuniary reward, a transferable right with the right to sub-license and an assignable right without the need of consent of the originator or owner of industrial or intellectual property. Any remuneration for the granting of these rights is included in the price for the implementation under the contract.

- 19.3 Copyright. In the case that the subject matter of the work under the contract for work is work within the meaning of the Act No. 121/2000 Sb. (Coll.), Copyright Act, as amended, it shall apply that this is a work to order within the meaning of the provisions of Section 61 of the Copyright Act and its delivery the contractor at the same time grants MCZ an time and locally unlimited exclusive license authorizing MCZ to full and free exercise of all ownership rights to the copyright work, i.e. in particular to all the rights referred to in the provision of Section 12, Paragraph 4 of the Copyright Act, as well as the right to alter the work, process or incorporate it into another work; as regards the price of such a license, it applies that this is in full extent a part of the agreed price for the work.

20. Liability for damages

- 20.1 Liability for damages Liability for damages shall be governed by the provisions of the Civil Code. However, the following rules also apply:

- Damages caused by a defect in the goods, work or subject matter of the work are to be paid in full.
- The contractor is liable for any damage caused to MCZ, MCZ customers or third parties in connection with breach of its obligations under the contract or the legislation. The contractor is obliged to pay damages to MCZ, in particular all sums, which MCZ expends in relation with the breach of obligations of the contractor, costs of MCZ proceedings carried out in connection with breach of obligations by the contractor, as well as costs incurred in connection with defects of the goods or work, including the cost of dismantling of the goods or the subject matter of the work, the cost of the new assembly of the goods or the subject matter of the work as well as the cost of decommissioning of the final product, in which the defective goods or the subject matter of the work was incorporated.

- 20.2 Responsibility for non-pecuniary damage. The contractor is obliged to make good even non-pecuniary damage caused to MCZ as a result of breach of the obligation of the contractor.

- 20.3 The contractor shall be liable for damages caused to MCZ by whomever was charged with the performance of any part of its obligations in respect of MCZ, including a carrier or subcontractor, even if not liable for such damage directly or jointly with such a person.

21. Force majeure

- 21.1 Force majeure In the case of occurrence of an event of force majeure, such period time for which force majeure takes effect extends the deadlines for the fulfilment of obligations laid down by the relevant Contracting Parties. The contractor is obliged to inform in writing MCZ without undue delay of the occurrence and termination of the force majeure event on its part or that of its subcontractor. A force majeure event, in particular, are not considered to be such events as a strike, lock-out, delivery delays of the subcontractors (if not caused by events of force majeure), insolvency, lack of work force or material. Events of force majeure

shall primarily be considered such events as an earthquake, flood, fire or war.

22. Applicable law - choice of law

- 22.1 Applicable law - choice of law The rights and obligations of the Contracting Parties, including the entering into the contract, its validity and effect shall be governed by the laws of the Czech Republic. The Contracting Parties hereby elect in accordance with the relevant legislation of private international law the law of the Czech Republic as applicable.

- 22.2 Exclusion of the application of the UN Convention on contracts for international purchase of goods. The United Nations Convention on contracts on international purchase of goods, published by the Ministry of Foreign Affairs notice No. 106/1991 Sb.(Coll.), shall not be applied at legal relations between MCZ and the contractor established by the contract, including these General Terms and Conditions; nor shall be applied the United Nations Convention on the limitation period in international purchase of goods, published by a Decree of the Ministry of Foreign Affairs No. 123/1988 Coll.

- 22.3 Exclusion of statutory provisions. The provisions of Section 1729, 1740 Paragraph 3, Section 1765, 1888, Paragraph 2 of the Civil Code shall not apply.

23. Resolution of disputes

- 23.1 Any disputes arising in connection with the contract between the Contracting Parties shall be always ruled upon by a locally, materially and functionally-competent court of MCZ.

24. Severability clause

- 24.1 Severability clause If any of the provisions of the contract or these General Terms and Conditions is or will become invalid or unenforceable, it shall not affect the validity and effectiveness of the other provisions of the contract or of these General Terms and Conditions. The Contracting Parties in this case undertake by agreement to replace the provisions invalid or ineffective by new provisions that would best fit the originally-intended application of the original provision.

25. Contractual penalties

- 25.1 If the contractor fails to comply with its obligation to duly and in a timely manner deliver the goods to MCZ within the meaning of Clause 8.1 of these General Terms and Conditions, or duly to perform the work for MCZ within the meaning of the provisions of Clause 7.4 of these General Terms and Conditions, or the contractor gets into arrears with satisfaction of the claim of MCZ arising from the liability of the contractor for defects in the goods or for defects of the work within the meaning of the provisions of Clause 11 and 12 of these General Terms and Conditions, MCZ shall be entitled to claim against the contractor for payment of a contractual penalty of 0.1% of the total price of the goods or work according to the contract for each day of delay in complying with the fulfilment of obligation.

- 25.2 In the case of a breach of any other obligation under these General Terms and Conditions, the contractor is obliged to pay a contractual penalty to MCZ in the amount of CZK 50,000.00 for each individual breach, even repeatedly. The above violation means any obligation of the contractor under these General Terms and Conditions, other than those referred to in Clause 25.1, in particular but not limited to infringement of the provisions of Clause 4.1, 4.6, 13.9, 13.10, 13.11, 15.1, 15.2, 15.3, 16.1, 16.5, 16.6, all the provisions of Clauses 27, 28 and 29 of these General Terms and Conditions.

- 25.3 If the breach of any obligation under the contract or these General Terms and Conditions constitutes a reason for the emergence of multiple claims for a contractual penalty, then the entitled party may also exercise all such claims. The contractual penalty is due

within 30 days from the delivery of invoice of contractual fine to the obliged party.

25.4 The payment of a contractual penalty, interest, or fine is without prejudice to the right of the entitled party to claim damages arising from the breach of the obligation, for which the penalty, interest on arrears or fine was paid, beyond the sum of the penalty, interest, or fine.

26. Statutes of limitation

26.1 Any rights of MCZ as a creditor, purchaser, principal, etc., under the contract or these General Terms and Conditions, against the contractor become statute-barred after ten (10) years.

27. Environmental protection and compliance with the Occupational Health and Safety policy

27.1 The contractor is familiar with the fact that on the premises of the registered office of MCZ is put into operation ecologically-oriented quality management system, i.e. environmental management system (EMS) according to ISO 14001 and the EMAS program.

27.2 The contractor is familiar with the fact that in the premises of the company MCZ there is introduced management of health and safety at work in accordance with OHSAS 18001 standards.

27.3 The contractor in the case that it enters the premises of MCZ, undertakes to:

- a) respect the conditions ensuring environmental protection during work and movement of foreign legal entities and private individuals on the premises of the registered office of MCZ;
- b) disposal of waste, packaging, chemical and harmful substances and any materials in accordance with valid and effective legislation, in particular with the legislation on water, waste, packaging, air pollution, chemical substances and preparations and their implementing provisions and guidelines of the competent authorities, as well as the European regulations in the field of the environment (e.g., the REACH regulation, Green and Yellow list of wastes, etc.);
- c) to restrict or discontinue its activities on the basis of request of the representative of the MCZ management for EMS reasoned by non-compliance with some specific conditions ensuring environmental protection at work and the movement of foreign legal entities and natural persons on the premises of the registered office of MCZ and immediately provide remedy;
- d) to commit its own employees, or any authorized third party on entry into the premises of MCZ to the obligation to comply with the conditions of MCZ for environmental protection;
- e) to comply with the internal regulations of MCZ in the area of environmental protection, with which it was acquainted, i.e. of which is otherwise aware.

27.4 The contractor in the case of entering the premises of MCZ agrees to comply with all applicable legislation and standards in the field of health and safety at work, fire regulations, public health rules and regulations on the protection of human health, as well as the internal regulations of MCZ on safety and protection at work, fire regulations and related provisions, with which it was made familiar, or which it is aware by other means. In particular, it undertakes to:

- a) in the performance of the contract on the premises of MCZ to use the prescribed personal protective equipment ("PPE"), i.e. in particular, protective helmets, safety glasses, work boots, work wear, reflective vests, welding goggles, etc. and other protective equipment, and at the same time to ensure that this protective working equipment and aids are used by all individuals, who carry out activities in employment relationship or other contractual relationship;
- b) in the performance of the contract on the premises of MCZ to ensure that all private individuals who perform work in employment relationship or any other contractual relationship have been, while performing the work (on clothing or PPE)

clearly marked with the trade name, or other clear indication (identifier) of the contractor or entity for which they carry out their activities on the premises of MCZ;

- c) in the performance of the contract on the premises of MCZ to prevent the presence of a person without the MCZ-authorized admission (or without an identification card) into the MCZ premises;
- d) in the performance of the contract on the premises of MCZ to prevent the presence of persons not stated on the list of persons authorized to enter the premises of MCZ;
- e) in the performance of the contract on the premises of MCZ to ensure that all persons carrying out activities in employment relationship or other contractual relationship, have a valid periodic training on Occupational Safety and Health, all other prescribed training (e.g. operation of lifting equipment, welding, work at height) and were medically fit for the activity carried out by them;
- f) in the performance of the contract on the premises of MCZ to prevent the use of ladders in breach of Article III of the Annex to the government directive No. 362/2005 Sb. (Coll.), or any damaged ladders;
- g) in the performance of the contract on the premises of MCZ to prevent the use of damaged or non-conforming machinery, equipment, dedicated technical equipment, electrical equipment, extension cables, or other damaged movable property, including the use of electrical appliances and other devices without valid certificates;
- h) in the framework of the implementation of the contract in the premises of MCZ to secure any free edges against the fall of persons and material (especially into an excavation, from height, into dangerous spaces above deep spaces, etc.) and also comply with the requirements laid down in the Annex of the government directive No. 362/2005 Sb. (Coll.);
- i) in the performance of the contract on the premises of MCZ to prevent the failure of securing persons working at height against falls from heights (personal protective equipment against falls or work positioning system, technical construction, rails, nets), failure to process technological (working) procedure, failure to designate anchor points in the technological (working) procedure for the implementation of work at the workplace with danger of falling from a height or into a deep space;
- j) in the performance of the contract on the premises of MCZ to ensure the covering of openings to prevent creating a risk of a fall, securing of objects against falling from a height;
- k) in the performance of the contract on the premises of MCZ to perform work with temporary building constructions and scaffolding in accordance with the legislation and in particular in accordance with Article VII. of the Annex of the government directive No. 362/2005 Sb. (Coll.);
- l) in the performance of the contract on the premises of MCZ to prevent dangerous or inadequate methods of securing, binding and transporting of loads;
- m) in the performance of the contract on the premises of MCZ to prevent the use of damaged means of securing loads;
- n) to process documentation to a lifting device in the range of the ČSN ISO 12-480-1 standard, in the case that lifting equipment is used in the performance of the contract on the premises of MCZ;
- o) When the performance of the contract on the premises of MCZ to prevent the entry and movement of workers on the premises of MCZ under the influence of alcohol or other substance abuse;
- p) in the performance of the contract on the premises of MCZ to keep away from the operating area of a machine (device) or movement of persons at such place unrelated to the performance under the contract or at a site with prohibited entry by unauthorized persons;
- q) in the performance of the contract on the premises of MCZ to without delay report every work-related injury to MCZ, and

provide MCZ with assistance in the investigation of causes of such accident at work, as well as report to MCZ any extraordinary incident;

- r) to comply, in the performance of the contract on the premises of MCZ all other, in these General Terms and Conditions explicitly unstated obligations, prohibitions and directives that are provided for the safety and health at work by mutually-contracted rules, internal regulations of MCZ, instructions of MCZ or generally-binding legal regulations and standards;
- s) in the performance of the contract on the premises of MCZ not to misuse the means of fire protection by persons carrying out activities for the contractor in employment relationship or any other contractual relationship;
- t) in the performance of work on the premises of MCZ to ensure that all persons carrying out activities in its employment or other contractual relationship respect ban on smoking in the workplace or at a construction;
- u) in the implementation of works on the premises of MCZ to ensure that all persons working for it in employment or any other contractual relationship shall not use in the workplace or construction site open fires in places i) in which the use of open fire is prohibited or ii) in which the use of open fire is dangerous, or iii) in breach to the generally-binding legal regulations;
- v) in the performance of the contract on the premises of MCZ, to without delay report any fire to MCZ, to provide assistance in the investigation of its causes and to report to MCZ any breach of obligations in area of fire protection legislation;
- w) in the performance of the contract on the premises of MCZ to ensure permanent open access to emergency exits, to requisite sources of electric power, to water and gas mains and means of fire protection, as well as a secure free escape route;
- x) to comply, in the performance of the contract on the premises of MCZ all other, in these General Terms and Conditions explicitly unstated obligations, prohibitions and directives that are provided for the area of fire protection by mutually-contracted rules, internal regulations of MCZ, instructions of MCZ or generally-binding legal regulations and standards;

28. Taxes

28.1 Prices are quoted exclusive of VAT. If the contractor is liable for VAT, it shall duly issue in a timely manner an invoice with details of VAT in accordance with the laws of the countries of the European Union, including the law on VAT of the Czech Republic. If the contractor is obliged to charge a sales tax or any other tax of MCZ under the laws of any country outside the Czech Republic, in which it is resident or has a permanent establishment it is obliged to disclose this fact to MCZ. Unless expressly agreed otherwise by MCZ, any such sales or other tax is payable by the contractor from the total price of the goods. The contractor is obliged to indemnify, pay damages and relieve MCZ of liability in respect of all liability for any and all sales taxes, taxes from use and other taxes that are imposed on the sums or in respect of sums or assessed in respect of sums expended by the contractor on the goods under the contract as well as on wages, salaries and other remuneration paid by persons employed in connection with the production or delivery of the goods.

28.2 Tax deduction. MCZ is entitled to deduct any tax from payments to the contractor required by the Czech law, including, in particular, provisory tax, withholding tax and taxes relating to economically-active employees and is required to provide the contractor with details about any tax thus deducted. MCZ is hereby authorized to notify the Czech tax authorities or any other Office of the entering into a contract with the contractor, if so required by Czech law.

28.3 Registration of permanent establishment. After signing of the contract at any time during its performance on the territory of the Czech Republic, the contractor is obliged to take all the necessary steps to determine whether activities in the Czech Republic lead to the creation of a permanent establishment ("PE") for tax purposes in the Czech Republic under the Czech legislation and the relevant double taxation treaty (if applied). If the contractors finds that the

performance of its activities under this contract establishes or may establish the creation of PE in the Czech Republic, the contractor undertakes to register this PE at the competent tax authority without delay and shall comply with all the administrative steps required in respect of the PE in the Czech Republic. In addition, the contractor is obliged to provide, without delay, any confirmation to MCZ of respective tax authorities that the PE pays tax prepayments and therefore deductions of provisory tax. Until such confirmation MCZ is entitled deduct provisory tax from payments in accordance with Czech law. The contractor shall compensate and indemnify MCZ in respect of any and all taxes, penalties, fines and charges, which may arise from the omission of the contractor to register PE in the Czech Republic or to notify MCZ of such registration. After registration of the PE invoices under this contract will be issued by the PE of the contractor.

28.4 The respecting of foreign taxes. The contractor is responsible for and is obliged to relieve MCZ from the obligation for the calculation, reporting and payment of any income taxes, VAT, customs duties, indirect taxes and any other taxes and duties of any nature (including associated interest or penalties) imposed on the contractor, its employees or its subcontractors by any tax authority outside the Czech Republic as a result of performance under the contract.

28.5 Czech Republic Tax Compliance. The contractor is responsible for and is obliged to relieve MCZ from the liability for the calculation, reporting and payment of any income taxes, customs duties, indirect taxes and any other taxes and customs duties of any nature (including associated interest or penalties) imposed on the contractor, its employees or its subcontractors by any tax authority of the Czech Republic as a result of performance under the contract.

29. Compliance of MCZ with mandatory rules and ethical standards

29.1 MCZ as one of its main priorities consistently promotes the achievement of maximum compliance with all of its legal proceedings, internal procedures and business practices that are outwardly implemented through the MCZ employees, statutory authorities, attorneys-in-fact, business representatives and all other persons acting on behalf of MCZ or whose conduct may be objectively attributed to MCZ, with all generally binding regulations, decisions of public authorities and the generally-accepted rules of ethics (hereinafter referred to as "binding rules").

29.2 MCZ for the purpose expressed in the previous paragraph is continually introducing and improving its internal procedures and regulations. Enforcement of these procedures and regulations within MCZ falls primarily within the scope of the legal department, which is thus authorized, *inter alia*, to receive notifications, complaints, suggestions and requests (hereinafter referred to as "notifications"), in particular in the following areas: corruption (bribery), conflict of interest, extortion, protection of economic competition, environmental protection, discrimination, protection of personal data (hereinafter referred to as "compliance").

29.3 MCZ calls on all, and at this point, especially its business associates that if confronted with any breach of the binding rules of compliance that has or may have a direct or indirect relation to MCZ, or if they have reasonable grounds for suspecting a breach of binding rules, to report such fact or suspicion to email: compliance@mobis-auto.cz.

On behalf of MCZ

Business name: Mobis Automotive Czech s.r.o.

On the day of: 24. 2. 2014

Name, surname and function: Jaeseong Lee, due to the delegation

Signature:



Mobis Automotive Czech s.r.o.
Hyundai 171/2, 739 51 Nošovice
incorporated in the commercial register maintained by the
Regional Court in Ostrava, Section C, Insert 29651
Co. ID No.: 27786269
www.mobis-auto.cz

