

1 GENERAL PROVISIONS, SCOPE OF APPLICATION

- 1.1 The following General Conditions of Sale are an integral part of our offers, order confirmations and deliveries. They shall apply exclusively and even if Buyer objects to our General Conditions of Sale or if Buyer takes its own conditions of sale as a basis for its order or if we, being aware of conditions of the Customer conflicting with or deviating from our General Conditions of Sale, effect a delivery to the Buyer without any reservation.
- 1.2 All agreements between the Customer and KES – kabelové a elektrické systémy, spol. s r.o. concerning the performance of the contract shall be made in writing.
- 1.3 The Contract means the Contract between the KES and the Buyer for the sale of the goods of which these conditions form part. The Goods means the goods to be supplied by the KES under these Contract terms.

2 OFFER, ORDER CONFIRMATION

- 2.1 For all orders our written order confirmation along with these General Conditions of Sale shall be required and/or decisive.
- 2.2 Entitlement to delivery shall only exist if we have confirmed such delivery in writing with regards to goods, type, delivery time, and price.
- 2.3 If a Buyer declines an order confirmed by us in whole or in part, it must compensate us for all damages (goods, material deadstock etc.) including any lost profit unless mandatory legal provisions expressly provide otherwise.
- 2.4 KES retain ownership and copyright for all offers and estimates of cost issued by us as well as for all drawings, samples, components, models, tools, calculations and other documents and auxiliary means made available to the Buyer. Buyer shall not make these objects available themselves or with regards to content to third parties, disclose them, use them directly or through third parties or reproduce them without our express consent. Upon our request the Customer shall return these objects to us in whole and destroy any copies made.

3 PRICES, PPAP (COST FOR DRAWING & DOCUMENTATION), CHANGES AND CHARGES

- 3.1 Prices are calculated based on the production costs applicable at the time of calculation. We reserve the right to adjust prices to any possible changes at the request of the Buyer and agreed by the KES in costs.
- 3.2 Prices shall be valid based on the metal bases indicated in the offers and are exclusive of VAT, which is shown separately in every invoice date of dispatch and will be subject to Value Added Tax and any other duty or tax applicable.
- 3.3 Our prices for product (wires harnesses, components, materials) are considered according to „FCA Vratimov “ Incoterm 2010.

The Official List of Charges is an integral part of these General Conditions of Sales.

4 PAYMENT

- 4.1 Unless agreed upon otherwise, all invoices are payable net without any deduction within 30 days from acceptance of our delivery. For accepting deliveries shall be considered a situation where KES proven to deliver and the buyer fails to unduly or unreasonably fails to confirm delivery of the consignment.

- 4.2 KES shall have the right to suspend all further deliveries until payments by the Buyer are brought into line these Terms and Conditions.

5 DELIVERY PERIOD

- 5.1 Delivery of goods will take place as specifically agreed in writing between the KES and the Buyer and risk will pass to the Buyer in line with Incoterm 2010 agreement.
- 5.2 Standard delivery period for serial parts is 4 weeks from KES written order confirmation.
- 5.3 Delivery period for aftermarket parts will be confirmed always separately based on agreed MOQ and & component lead time.
- 5.4 KES is entitled to partial deliveries before expiration of the agreed delivery period if such partial delivery is agreed with the Buyer. Delivery of remaining goods ordered must be ensured.
- 5.5 The delivery period is deemed fulfilled if the goods have left the factory or the warehouse within the delivery period. If shipment or collection is delayed for reasons beyond our control, the delivery period shall be deemed met if readiness for shipment is notified within the period agreed.
- 5.6 If we default on a delivery for reasons for which we are responsible, legal liability shall apply in the event that the delay is based upon intent or gross negligence or if it represents a grave breach of duty, in the event of negligent breach of duty, liability shall be limited to the damage foreseeable in each case.
- 5.7 If the Buyer causes a delay in delivery or shipment, we shall be entitled to charge it for the additional costs incurred, subject to proof of higher or lower storage costs in any case a storage fee of 1,0% of the price of the objects of delivery for each full week of storage, at the most, however, a total of 10% of the price of the objects of delivery.

6 TITLE

- 6.1 Title to the goods will pass to the Buyer when full payment for the goods has been made to the KES.

7 SPECIFICATIONS

- 7.1 KES reserves the right to make any changes in the specification of any goods within the admissible tolerances and if required to conform any applicable safety or other statutory requirements.
- 7.2 Where goods are manufactured in accordance with information or drawings supplied by the Buyer or to its design or specification or where standard goods of the KES are altered in accordance with the Buyers instructions then, without prejudice to any other Contract Terms, no guarantee is given by the KES as to the practicality, efficiency, safety or otherwise of the goods. In addition the Buyer will indemnify KES against any such goods infringing any intellectual property, patents, registered designs and copyright or the provision of any statute, statutory instrument or regulation.

8 WARRANTY AGAINST DEFECTS, LIABILITY

- 8.1 The products are manufactured according to the instructions known to us at the time of manufacture unless, in special cases, otherwise agreed in advance in writing. Liability for technical amendments required by the Buyer after written confirmation of the order and any damages resulting therefrom shall be borne by the Buyer.
- 8.2 The KES warrants that the Goods shall at the time of delivery to the Buyer be free from defects in

workmanship and materials. If any of the Goods do not conform to that warranty than KES will at its option

- a) Replace such Goods found not to conform to the warranty
- b) Or take such steps as the Buyer deems necessary to bring the Goods into a state were they are free from such defects

- 8.3. In no event shall the liability of the KES exceed the purchase price of the defective Goods and the performance of either one of the above options shall constitute the entire discharge of the KES liability under this warranty.
- 8.4 KES shall be under no liability in respect of any defect arising from fair wear and tear willful damage abnormal working conditions failure to follow the KES instructions misuse alteration or repair of the Goods without the KES approval.
- 8.5 A delivery is deemed approved if in the event of recognizable defects we do not receive a written notification of defects from the Buyer within five working days from delivery.
- 8.6 The warranty period is 12 months, commencing with the delivery of goods. Claims for damages shall become time barred within the above written period.

9 FORCE MAJEURE

- 9.1 Neither party shall be liable for any delay in performance caused by circumstances beyond its reasonable control nor shall the party in delay be entitled to a reasonable extension of time for performance.

9.2 FORCE MAJEURE - Coronavirus cases

The agreed delivery date of the ordered performance may be postponed by the supplier (KES– kabelové a elektrické systémy, spol. s r.o.) by a reasonable period of time required in connection with limitation of the supplier's production as a consequence of quarantines of employees, obstacles affecting the supplier's contractual partners, or other restrictions that may affect the supplier in connection with the Coronavirus disease outbreak, whether restrictions based on the decision of government authorities or obstacles at work affecting the supplier's employees, or other relevant reasons related to Coronavirus disease, that have or will have an impact on the operation of the supplier's plants or possibility to deliver goods to the buyer/client through external carriers. The supplier must inform the buyer/client without undue delay about the facts that may have an impact on postponing the delivery date of the ordered performance and notify in this relation the new delivery date if it is obvious that the original agreed delivery date cannot be met by the supplier.

Should the supplier be delayed with delivery of the ordered performance for any reasons related to Coronavirus disease and the buyer/client incurs damage or other loss and there is a causal link between the delay and the damage, the parties have expressly agreed that they shall exclude the supplier's liability for damage or other loss incurred by the buyer/client and there is a causal link between the delay and the damage. The buyer/client is required to accept the ordered performance also in case of supplier's delay with performance of an order which is caused by any reasons relating to Coronavirus disease, and is not entitled to terminate the contract for these reasons.

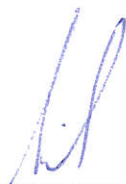
10 TERMINATION

- 10.1 KES shall have the right to suspend or terminate the contract partially or entirely by notice


forthwith if the Buyer fails to comply with any of its obligations or shall be put into liquidation or have an administrative receiver or a receiver appointed of its assets or undertaking or of any part thereof or an administrative order made in respect of it.

11 PLACE OF JURISDICTION, CHOICE OF LAW

- 11.1 The exclusive place of jurisdiction for all claims and disputes directly or indirectly arising from the contractual relationship shall be governed by The District Court in Frýdek-Místek or the Regional Court in Ostrava.
- 11.2 Our entire business relationship with the Buyer shall be exclusively governed by the laws of the Czech Republic.



Ing. Martin Svozil, MBA
CEO KES spol. s r.o.



Ing. Daniel Otáhal, Ph.D.
CSO KES spol. s.r.o.

Charge list

Charged to	Descriptions	Cost	Unit
Customer	Change after nomination before PPAP	300	€
Customer	Change after nomination after PPAP (Level 1)	800	€
Customer	Change after nomination after PPAP (Level 2)	1500	€
Customer	Change after nomination after PPAP (Level 3)	1800	€
Supplier	Change request fee	300	€
Supplier/Customer	Rework of cable	min. 3,5	x pc price
Supplier/Customer	Claim administration fee	60	€
Supplier/Customer	Repeated claim administration fee	150	€
Supplier	Cost for pallet place for blocked products	20	€ / day / pallet
Supplier	Scraping of rejected parts in KES	250	€ / pallet
Supplier	Sorting/rework cost (KES Employees)	24	€ / hour
Supplier	Late delivery (not acc. contract, more than one day acc. the contract)	100	€/ hour
Supplier/Customer	Failure the unloading windows more than 60 minutes	100	€ / delivery
Customer	Storage fee - from the value of the objects of delivery	1%	/ week
Customer	Storage fee for unused tooling after EOP	20	pallet per week
Customer	Extra shift (for 1 assembly board)	1100	€ / shift
Supplier/Customer	Additional assembly board / shift (up to max. 5 boards)	300	€ / each board
Supplier	Line stop in KES	min. 500	€ / hour
Supplier	Cost for wrong price in invoice	50	€ / invoice
Customer	Cost for tooling revision in the case of EOP prolongation	min. 180	€ acc. the scope of control