

## Purchasing Terms and Conditions

PUNCH Precision Detva, s.r.o. "PPD"

Effective from 14th November 2019

These Purchasing Terms and Conditions establish the general rules governing any contractual relationship between PUNCH PRECISION DETVA (PUNCH) and suppliers of productive and unproductive equipment or services. These terms, which set out the principles of a balanced relationship based on the acceptance of responsibilities by each of the Parties, convey respective and/or reciprocal legal obligations and are particularly designed to foresee and mitigate legal disputes between the Parties or with third parties.

The present terms apply at any point and cannot be modified or voided by specific conditions stipulated in the purchase order, if applicable. The Parties undertake to keep each other informed of any facts likely to affect the implementation of their agreements.

### ARTICLE 1 - DEFINITIONS

**Order** = A request by PUNCH addressed to the Supplier so that the latter delivers a certain quantity of goods or performs specified services. The Order consists of purchase orders issued by PUNCH, which are integral to the present terms, documents that define the characteristics of the goods and/or services (drawings, technical or functional specifications...) and any other document required for the accuracy of the Order.

**Contract** = The Contract with the Supplier consists of the purchase order together with its appendices, the Supplier's offer and the acknowledgement of receipt of the order, in decreasing order of importance as shown below:

- the Order (including the purchase order together with its appendices);
- special conditions;
- the acknowledgement of receipt of Order;
- the Supplier's offer.

**Supplier** = The co-contracting party of PUNCH who supplies the latter with the goods or services specified in the Order.

**Delivery** = The obligation of the Supplier to provide PUNCH with the goods or services specified in the Order.

**Partners** = The Contracting Parties, namely PUNCH and its Supplier.

**Service** = This corresponds in particular to the provision of non-market goods, intellectual works or service provided by the Supplier.

**Receipt** = The logistics process of quantitative and qualitative inspection in accordance with the Order of the goods or services provided. This inspection cannot modify the duties of the Supplier, who remains fully responsible for complying with the provisions of the Order and the regulations in force.

### ARTICLE 2 - ORDERS

For any order for goods and/or services PUNCH will send a purchase order to the Supplier by email or by post.

The acceptance of the Order by the Supplier is done by sending acknowledgement of receipt no later than eight (8) working days after the Order's issuance date. Any order for which receipt is not acknowledged but which is executed by the Supplier, in whole or in part, is deemed to have been accepted.

No amendment of the provisions of the Order or the of the Contract shall be permitted without prior express written consent of the Partners.

In the event of concluding a framework Contract or a framework Order, the amounts shown only have an indicative value and do not constitute a commitment by PUNCH. The framework Contract or the framework Order is completed, if necessary, by periodic delivery calls establishing the quantities to be delivered and the Delivery dates.

### ARTICLE 3 - DELIVERY

#### 3.1 - PACKAGING

In order to protect them against any damage whatsoever, the Supplier will deliver the goods with appropriate packaging that is suitable for the modes of transport and storage that are used. The Supplier will be wholly responsible for any damage incurred due to inadequate or improper packaging.

On the outside, each packaging unit will display the following in clear and readable form, namely:

- Information prescribed by applicable regulations, notably in relation to transportation;
- Indications relating to special handling or storage conditions;

- The Order and lot number, a description and quantity of goods supplied, the gross and net weight of the parcel, the names and addresses of the sender and the recipient.

### 3.2 - SECURITY AND ON-SITE ACCESS

Upon Delivery, the Supplier will issue PUNCH a delivery note accompanied with, where appropriate, any security information.

In the event of access being granted to the PUNCH premises, the Supplier, its representatives and/or members of staff, promise to fully respect the site's internal rules and provisions, as well as the legal and regulatory provisions in force, including those concerning health and safety. In this regard, the Supplier shall, prior to any access being granted, contact the Head of Security for the establishment concerned, in order to gather all necessary information and to prepare the documents required by PUNCH procedures and by regulation.

Except for negligence or wilful misconduct on its part, PUNCH can in no way be held liable for the occurrence of accidents on its site, to which the aforementioned persons could fall victim.

### 3.3 - PLACE, DATE AND DELIVERY TIMES

The goods are delivered to the location specified in the Order.

The delivery time indicated in the Order or on a delivery call are essential in nature for PUNCH and the Supplier is expected to strictly comply with this time upon acceptance of the Order. Any early Delivery will have to be subject to prior written consent from PUNCH.

### 3.4 - LATE DELIVERIES AND DEFECTS

Except in cases of force majeure, any late Delivery will automatically, after reminders and/or formal notice from the Supplier and confirmation of a delay, result in PUNCH being paid an indemnity fee equal to 1% of the pre-tax amount of the Order per week of delay, up to a maximum limit of 5% of this amount, excluding taxes. Payment of this indemnity does not extinguish the right of PUNCH to resort to any other recourse or action, including seeking compensation for any damages or for early termination of the contract.

In the case of Failure on its part, the Supplier expressly authorises PUNCH to use the tools as its disposal to produce, manufacture or ensure that the products that were to be delivered are made compliant, and this applies

for as long as the default persists, irrespective of the rights of the Supplier regarding the tools or products.

If the Supplier cannot meet the delivery requirements of PUNCH, and if the latter requests faster means of transportation than originally planned, the Supplier must dispatch the goods according to the new means of transport established and at its own expense.

### 3.5 - RECEIPT – REFUSAL

PUNCH may entirely or partially refuse any delivery that is late, incomplete or excessive, or non-compliant with the Order.

Receipt occurs, at the earliest, upon Delivery at the specified location for the delivery of the goods or services and, at the latest, after the lapse of a reasonable deadline allowing for sufficient time to identify any potential defects.

The absence of stock or of a claim at the time of delivery does not constitute final acceptance of the goods or services by PUNCH, who shall retain its right to subsequent recourse in the event of non-compliance or in the case of hidden or visible defects to the goods or services. Therefore, the Supplier undertakes to allow PUNCH, its representatives and/or members of staff, access to the establishments concerned by the Order so that they can perform all checks, tests, or other verification operations.

### 3.6 - SUB-CONTRACTING

Except for prior written agreement from PUNCH, the Supplier cannot under any circumstances use a subcontractor to execute its contractual obligations, whether in whole or in part, directly or indirectly.

In the event of exceptional authorisation to use of a subcontractor, the latter must comply with all contractual, legal and regulatory provisions in force, as well as with the internal rules and regulations of PUNCH, including safety and confidentiality. The Supplier alone will remain fully responsible to PUNCH for the perfect execution of the Order.

## ARTICLE 4 – COMPLIANCE AND QUALITY

The Supplier guarantees that the products delivered and/or services provided conform to the functional and contractual specifications as well as to the legal and regulatory requirements in force. In particular, the Supplier guarantees that the delivered products are new, of high quality, free from material, design and manufacturing defects, and suitable for the use for which they are intended. Therefore, if a certificate of compliance of the goods to the specifications defined in the purchase

order is required, the Supplier must prepare it before shipment.

The Supplier cannot make any changes to the goods or services provided, it is prohibited from change any components, material, process or place of manufacture in the absence of prior written agreement from PUNCH. Furthermore, the Supplier undertakes to communicate to PUNCH, in French, operation, maintenance or installation instructions as well as instructions for proper use and proper maintenance of any goods delivered.

In the event of non-compliance or a defect in the goods or services provided, the Supplier will be required to proceed with any immediate replacement at its own cost, and then to carry out any necessary repairs as required. The Supplier will also be liable for any potential the damages that these defects may bring upon PUNCH, its customers and/or partners, or any third party. In the event that, for whatever reason, it proves impossible for the Supplier to ensure such compliance, PUNCH reserves the right to employ a third party to carry out the necessary work at the expense of the Supplier, without prejudice to the application of article 12 (TERMINATION) of the present terms and to a claim for damages.

#### **ARTICLE 5 - INVOICING AND SETTLEMENT**

All Contracts or Orders are concluded at a set price that is non-revisable and which includes any goods or services specified in the purchase order and according to the Incoterm displayed on it. These prices are exclusive of VAT. Unless otherwise agreed at the time of Order, no advances shall be paid by PUNCH.

For every Delivery, it is compulsory for the Supplier to issue an invoice to the billing address shown on the purchase order, on the Delivery date of the goods or on the effective date when the provision of services is completed. Each invoice will contain all the Order information allowing for the identification and inspection of the goods or the services provided.

Unless differently mutually agreed, PUNCH settles invoices by bank transfer sixty (60) days after the issuance date. The amount paid corresponds to that indicated on the purchase order and/or to the goods or services actually provided. PUNCH reserves the right to refuse the invoicing, delivery and payment for any goods or services that do not duly appear in the Order. In the event of non-compliance or defective goods or services provided, PUNCH may withhold payment of the corresponding amount until Delivery is correctly executed.

#### **ARTICLE 6 – TRANSFER OF RISK AND TRANSFER OF OWNERSHIP**

The transfer of risk associated with the goods or services is determined in accordance with the Incoterm reference of the Order.

As for the transfer of ownership, this takes place upon delivery of the goods at the destination, independently of payment by PUNCH. However, in the event of down payments made by PUNCH, the transfer of ownership will take place, for the portion of the goods covered by the amount of these payments at the time of the said payment.

The equipment that is fully or partly financed by PUNCH remains or incrementally becomes the property of PUNCH and cannot be used but to execute its Orders, except in the case of written consent from PUNCH. The Supplier will ensure custody, maintenance, restoration and the capability of the equipment concerned. It will then proceed, at its own expense, with their renewal and their identification, according to the indications given by PUNCH, by fixing a visible plate bearing an identification number and the name of the owner of the equipment, followed by the words “non-transferable and non-seizable property”. No modification can be made to the equipment without prior written consent from PUNCH.

#### **ARTICLE 7 - RESPECT FOR LEGISLATION AND REGULATION**

##### **7.1 - GENERAL**

The Supplier undertakes to comply with all legal and regulatory provisions concerning the goods and/or services specified in the Order, and in force on the day of the Order.

##### **7.2 - ENVIRONMENT**

The materials and production methods used must be respectful of the environment and ensure the safety of users and consumers; on the day and place of delivery, they must adhere to the traceability, hygiene and security standards in force. The Supplier, who shall be solely responsible, specifically agrees to comply with all legal and regulatory French and European provisions, and in particular the provisions of Book V of the French regulatory Code on the environment and European Regulation EC 1907/2006 on the registration, assessment and authorisation of chemical substances.

Consequently, by its own acceptance of the Order, the Supplier guarantees that the goods or services provided are come with all the regulatory or habitually-adopted safety features, and that it will supplement each order with a compliance certificate in accordance with the regulations governing the goods or services provided.

## **ARTICLE 8 - INTELLECTUAL PROPERTY**

The goods and services provided must at all times respect intellectual property rights, in particular rules relating to drawings, models and patents, copyright as well as rules on unfair competition. The Supplier acknowledges being the legitimate holder of the intellectual property rights attached to the goods and services provided, and having full rights notably with regard to any potential exclusivity contracts them stem from them.

PUNCH is the owner of the study results, prototypes, pre-production models, mock-ups, moulds and tools, documents and data that it has financed and that have been made on its behalf. Consequently, the Supplier cannot claim any new industrial or intellectual property whatsoever relating to know-how or manufacturing secrets about these elements which cannot, without prior written consent from PUNCH, be used by the Supplier for other purposes than those contractually defined, nor can they be recopied, reproduced or transmitted to third parties.

Under no circumstances and in no form can Orders placed by PUNCH result in direct or indirect advertising, unless prior written consent is given by PUNCH.

## **ARTICLE 9 - GUARANTEES AND INSURANCE**

The Supplier is bound by a duty to ensure a compliant delivery. This thus insures PUNCH against any lack of conformity whatsoever, of the goods or services provided, and this applies for a contractually defined period beginning from the actual receipt of the goods or services provided.

In the event of a defect, the guarantee period is suspended for the duration of time required for a compliance upgrade, and restarts from the effective date of repair or replacement.

Furthermore, the Supplier is fully responsible, in accordance with common law and beyond the contractual guarantee period, for all hidden defects that may adversely impact the goods or the implementation process and the outcomes of the services.

The Supplier expressly insures PUNCH, and its customers and/or partners, against any potential claims or lawsuits, whether amicable or judicial, by any third party whatsoever, including sub-contractors and insurers. Similarly, the Supplier is prohibited from engaging in any legal action against PUNCH or its representatives for damages that may occur while carrying out its delivery duties, including in the case of theft.

Notwithstanding any clause to the contrary, the Supplier declares that the goods supplied and the services performed are covered by an insurance policy taken out

with a well-known and solvent company and for sums sufficient to cover any damages that may arise including the transfer of risks. Upon a first request from PUNCH, the Supplier promises to present an insurance certificate to this effect, and provide proof of payment of the corresponding insurance premiums.

## **ARTICLE 10 – LIABILITY OF THE SUPPLIER**

The Supplier shall bear full risk and assume compensation for bodily, material or immaterial damage inflicted upon PUNCH, its representatives, employees or third parties, when carrying out its contractual obligations or which may result, for any reason whatsoever, from carrying them out.

## **ARTICLE 11 – FORCE MAJEURE AND LACK OF FORESIGHT**

Force majeure applies when an event beyond the control of the debtor, who could not have been reasonably forewarned at the time the contract was signed and who could not have avoided the effects by taking appropriate measures, completely prevent the debtor from fulfilling its obligations. Cases of force majeure include widespread labour disputes, the disturbance of public order or action taken by governmental authorities. If the hindrance is temporary, reciprocal obligations are suspended, including the execution of the obligation for Delivery and PUNCH may resort to using a third party Supplier, unless the delay resulting from said hindrance does not warrant rescinding the contract. If the hindrance is final, the contract is rescinded ipso jure and the Partners will be released from their obligations from the date of occurrence of the hindrance.

Any unforeseeable change in circumstances at the time of the contract was concluded and which makes its execution excessively onerous for the Partners will lead to no adverse consequences, and under no circumstances will it lead to an adaptation of the contract either by agreement or judicially.

## **ARTICLE 12 - CONFIDENTIALITY**

The Supplier undertakes to not disclose and to treat as strictly confidential any information gathered through communication with PUNCH, including technical, industrial, commercial or financial data, and including in particular samples, prototypes, drawings, diagrams, specifications, reports, microfilms, electronic material, software, and related documentation. The Supplier undertakes to obtain the same written commitment from its own suppliers and sub-contractors where appropriate.

This obligation of confidentiality is set for the duration of the contract and for 5 (five) years after its termination. Upon a first request from PUNCH, the Supplier will return

all communicated documents, whether confidential or not, without the right to keep a copy on any format whatsoever, without prior written agreement from PUNCH.

ON an exceptional basis, PUNCH may authorise the Supplier to disclose certain information, the nature and the conditions of which will be precisely defined and strictly limited.

#### **ARTICLE 13 - TERMINATION**

No tacit renewal of contracts will be allowed unless expressly stipulated in the purchase order. Partners can terminate their relationship in advance by common agreement and according to the terms and conditions defined and approved by them in writing.

Without prejudice to the provisions of article 3.4 of the present terms and concurrently to it, in the event of the Supplier failing to fulfil its obligations except in cases of force majeure, PUNCH shall have the right, after a formal notification by registered letter with an acknowledgement of receipt has had no effect for a period of 1 (one) month, to terminate the contract , without prejudice to claim for damages.

#### **ARTICLE 14 – SETTLEMENT OF DISPUTES AND APPLICABLE LAW**

The relationship between the Partners and potential legal disputes arising on this occasion are entirely governed by Slovak law and will be settled, where appropriate, by the courts that have jurisdiction over the location of PUNCH's registered office.