

## ŠKODA AUTO DigiLab DigiLab s.r.o. General Purchase Terms and Conditions

### I. Application of the General Purchase Terms and Conditions

These terms and conditions apply to any relations between ŠKODA AUTO DigiLab DigiLab s.r.o. registered office at Jankovcova 1603/47a, Holešovice, 170 00 Praha 7, Id. No. 05976359, registered in the Commercial Register at the Municipal Court in Prague under C 274001 (hereinafter referred to as 'ŠKODA AUTO DigiLab DigiLab') and the supplier, established on the basis of or in connection with a purchase order placed by ŠKODA AUTO DigiLab, unless previously agreed otherwise in writing.

### II. Purchase Orders and Concluding a Contract

1. Contracts (purchase order and its acceptance) as well as any changes and addenda are regarded as binding for ŠKODA AUTO DigiLab only if they are executed in writing and signed by ŠKODA AUTO DigiLab.
2. For purchase orders concluded in writing, a purchase order is considered accepted and a contract concluded upon the delivery of one copy of the purchase order to ŠKODA AUTO DigiLab duly signed by the supplier or purchase order is accepted and contract concluded after delivery of the duly signed purchase order scan to the ŠKODA AUTO DigiLab.
3. An acceptance of the offer with any modifications doesn't result in execution of the agreement even if the modification does not affect the original terms in a significant way. The same shall be valid for negotiation of any changes of this agreement or conclusion of consequential partial agreements.
4. If a notice of accepting a purchase order is not delivered to ŠKODA AUTO DigiLab within 30 days of being issued, ŠKODA AUTO DigiLab reserves the right to cancel the purchase order.

### III. Form and Content of the Contract

1. Unless agreed otherwise in writing in advance, contracts with ŠKODA AUTO DigiLab must only be concluded in writing and signed by representatives of both contractual parties. Furthermore, all changes to the documents made in relation to carrying out the subject of the contract must be done in writing. This also includes the requirement of a written form.
2. The supplier agrees with ŠKODA AUTO DigiLab that business practices shall not take precedence over the provisions of the Act that are not mandatory in nature. Furthermore, the application of sections 1799 and 1800 of Act No. 89/2012 Coll., Civil Code, related to form contracts, shall be excluded.
3. Unless agreed otherwise, the contract with ŠKODA AUTO DigiLab comprises ŠKODA AUTO DigiLab's inquiry, latest version of the General Purchase Terms and Conditions of ŠKODA AUTO DigiLab, technical specifications, the Volkswagen Group requirements regarding sustainability in its relationships with business partners (Code of Conduct for Business Partners), Requirements for the Suppliers of ŠKODA AUTO DigiLab a.s. Concerning the Compliance with the Code of Conduct and Declaration on social rights and industrial relationships at Volkswagen. If the inquiry or order assignment does not include the General Purchase Terms and Conditions and the Volkswagen Group requirements regarding sustainability in its relationships with business partners (Code of Conduct for Business Partners), Requirements for the Suppliers of ŠKODA AUTO DigiLab a.s. Concerning the Compliance with the Code of Conduct and Declaration on social rights and industrial relationships at Volkswagen. These documents are available at [www.skodaautodigilab.com](http://www.skodaautodigilab.com) or they are attached to the purchase order.
4. Every supplier operating on ŠKODA AUTO DigiLab premises must comply with the 'Requirements for Suppliers Operating on ŠKODA AUTO DigiLab premises with Regard to Protection of the Environment, Working Conditions, Occupational Safety, Health Protection, Binding conditions and regulations of occupational health and safety for business partners supplying services in ŠKODA AUTO DigiLab production plants and other requirements arising from the documents published at [www.skodaautodigilab.com](http://www.skodaautodigilab.com) or they are attached to the purchase order.

5. **IV. Confidentiality**
1. The supplier must treat the contract and any business and technical information connected with carrying out the contract as a trade secret of ŠKODA AUTO DigiLab.
2. The business relationship with ŠKODA AUTO DigiLab can only be referred to in the supplier's advertisements if previously approved in writing by ŠKODA AUTO DigiLab.
3. Regardless of whether the contract has been concluded, the obligation to confidentiality applies to the information received in the offer phase and even after the contract has expired.

### V. Technical Data and Production Means

1. ŠKODA AUTO DigiLab reserves proprietary and intellectual property rights to all graphical representations, drawings, calculations, technical descriptions and other data and models, samples, matrices, templates ('technical data' hereinafter) that ŠKODA AUTO DigiLab makes available to the supplier. Technical data must not be made available to a third party without the prior express written consent of ŠKODA AUTO DigiLab. The same applies to products created using these technical data; such products may only be supplied to ŠKODA AUTO DigiLab.
2. If, for whatever reason, the contract is not concluded or business not conducted, all technical data must be returned to ŠKODA AUTO DigiLab.
3. These technical data are to be used exclusively for carrying out the concluded contract and must be returned to ŠKODA AUTO DigiLab without prior request immediately after the contract has expired.

4. Products that have been developed or perfected by ŠKODA AUTO DigiLab in cooperation with the supplier may only be supplied to ŠKODA AUTO DigiLab.
5. If there are any special delivery, technical or testing conditions and specifications, packaging, labelling and dispatching instructions attached to the order, they comprise an integral part of the contract and are binding to both contractual parties.
6. The supplier must review ŠKODA AUTO DigiLab's inquiry and contents with regard to correctness, completeness, feasibility and compatibility, and to factor into the quotation all expenses that may incur when completing the delivery. The supplier must point out any potential deficiencies in the quotation. By submitting the quotation, the supplier assumes the risk of fulfilling the contract for the offered price and for the purpose specified in ŠKODA AUTO DigiLab's inquiry.
7. If dual-use goods (in the sense of USA regulations as well as in the sense of the Annex I to the Council Regulation (EC) No. 428/2009) are the subject of the delivery, the supplier must inform ŠKODA about this and adhere to the Terms of contract for supply chain security and proof of origin which are available at [www.vwgroupsupply.com](http://www.vwgroupsupply.com).
8. In connection to the performance for ŠKODA AUTO DigiLab, the supplier must submit all documents and certificates for further export within and outside the European Union (e.g. E-Mark, COP) to ŠKODA AUTO DigiLab without prior request.

**VI. Subcontractors**

1. Unless agreed otherwise in the contract, the supplier is entitled to authorize subcontractors to fulfil the supplier's obligations. In that case, the supplier must ensure that the subcontractors observe all the conditions of the contract between the supplier and ŠKODA AUTO DigiLab, as well as all of ŠKODA AUTO DigiLab's relevant internal standards. The supplier bears the same responsibility towards ŠKODA AUTO DigiLab for the performance and potential faults of the subcontractors as if the obligations concerned were fulfilled by the supplier.
2. If using subcontractors to perform a part of the assigned order, the supplier, upon ŠKODA AUTO DigiLab's request, shall present a list of subcontractors, including the scope and specification of work. The supplier must inform ŠKODA AUTO DigiLab about any change to subcontractors and request written approval for such a change. ŠKODA AUTO DigiLab is entitled to request a change of subcontractor in justified cases.
3. If the obligations listed above are breached, ŠKODA AUTO DigiLab is entitled to terminate or withdraw from the contract with immediate effect.

**VII. Performance**

1. The place of performance is Prague, Czech Republic, unless stated otherwise by ŠKODA AUTO DigiLab.
2. Performance must correspond exactly to the agreed terms and conditions, and must be completed by the agreed deadline.
3. ŠKODA AUTO DigiLab is not obligated to accept unapproved partial performance or performance exceeding the agreed quantity. Performance before the agreed date is possible only with written approval from ŠKODA AUTO DigiLab.
4. The supplier assumes the risk of change of circumstances.

**VIII. Payment Terms**

1. Verifiable and legally correct tax documents must be submitted to ŠKODA AUTO DigiLab to enable payment of supplier's claims.
2. The complete order number and supplier number must be stated on any items of correspondence, delivery notes, accounts, invoices, etc. to ensure the prompt processing of all relevant documents – this is in the mutual interest of both parties, and is strongly emphasised by ŠKODA AUTO DigiLab.
3. The supplier must use electronic invoicing, unless otherwise agreed in writing, specifically the following e-mail address: [invoice@skodaautodigilab.com](mailto:invoice@skodaautodigilab.com) or another address that ŠKODA AUTO DigiLab submits to them.
4. In the event of defective performance, ŠKODA AUTO DigiLab has the right to withhold payment, even if it is claimed on other legal grounds, until the performance is rendered in full.
5. The supplier is not entitled to assign or pledge its receivables towards ŠKODA AUTO DigiLab, unless otherwise agreed in writing.
6. ŠKODA AUTO DigiLab is entitled to unilaterally set-off due or undue claims against any supplier's due and undue claims on ŠKODA AUTO DigiLab.
7. ŠKODA AUTO DigiLab is entitled to pay the part of its liability corresponding to the amount of Czech VAT (DPH) charged by the supplier on the account of the supplier's Tax Authority. ŠKODA AUTO DigiLab must inform the supplier about the payment accordingly.
8. The supplier may be requested by ŠKODA AUTO DigiLab to prove ownership of the bank account that will be used for commercial payments in accordance with the contract concluded with ŠKODA AUTO DigiLab. The same is valid for any other bank account that may be used in the commercial relationship with ŠKODA AUTO DigiLab. ŠKODA AUTO DigiLab is entitled to suspend all payments until the supplier provides sufficient respective evidence.
9. The supplier may be requested by ŠKODA AUTO DigiLab to report all pending accounting items relating to the commercial relationship with ŠKODA AUTO DigiLab on the specific date. The supplier shall clarify and solve with ŠKODA AUTO DigiLab all differences with the relevant items recorded in accounting of ŠKODA AUTO DigiLab. ŠKODA AUTO DigiLab usually

sends to the supplier confirmation about the pending accounting items in the accounting of ŠKODA AUTO DigiLab. Such confirmation is based exclusively on the accounting reports and has no relevance for possible claims of the supplier, no legal consequences and in particular cannot be used as an acknowledgement of debt.

**IX. Right of Lien and Setoff**

ŠKODA AUTO DigiLab's entitlement to exercise its right of lien towards the supplier, and ŠKODA AUTO DigiLab's right to set off mutual claims may not be restricted.

**X. Transport – Costs – Attachment of Risk**

1. ŠKODA AUTO DigiLab reserves the right to determine type of transport, as well as the means of transport and packaging.
2. The delivery is governed by the latest version of INCOTERMS as of the date the contract is concluded.

**XI. Force Majeure**

1. Circumstances arising after concluding the contract due to extraordinary events that are unforeseeable and unavoidable by the contracting parties, such as natural disasters or war, shall be regarded as force majeure. The contractual party that is prevented from performing its contractual obligations must immediately inform the other contractual party in writing when such a circumstance arises and expires, presenting evidence that the circumstance had a decisive impact on the performance of contractual obligations. Defective material, delayed sub-deliveries and strikes cannot be considered as force majeure and therefore do not substantiate any right to extend a confirmed delivery term.
2. If force majeure prevents ŠKODA AUTO DigiLab from accepting the performance at the agreed location, this shall not be considered, for the duration of the obstacle, as a default on the part of ŠKODA AUTO DigiLab in receiving the delivery, and the supplier is not entitled to a consideration or compensation for damages. For the duration of such an obstacle, the supplier must store the goods at their own expenses and risk.
3. If the unforeseen circumstances are expected to last longer than 6 months for the performance with a deadline not exceeding 1 year or more than 9 months for the performance with a deadline exceeding 1 year, ŠKODA AUTO DigiLab has the right to withdraw from the contract. If this is the case, the supplier must return the payments made by ŠKODA AUTO DigiLab, plus the interest determined based on valid legal regulations on late interests.

**XII. Liability and Warranty**

1. Unless another agreement is reached regarding liability for improper and non-timeous performance, the supplier accepts liability as per the legal regulations.
2. In the case of delayed or defective performance, the supplier must compensate ŠKODA AUTO DigiLab with the incurred loss (direct or indirect) and any other damages.
3. The warranty period for machinery is 24 months from being commissioned. The warranty period for spare parts is 24 months from the date of their installation, but no more than 30 months from their delivery date. For other goods and services the warranty period is 24 months from their delivery. For complete machinery, the warranty period commences on the date of delivering the last part of the machinery. If the supplier performs the assembly, the warranty period commences on the date when the whole piece of machinery is commissioned.
4. Defects are remedied through repairs or replacement of defective parts. If the supplier fails to remove the defects in time or in an appropriate manner despite being requested to do so, ŠKODA AUTO DigiLab is entitled to remedy the defects or have them remedied at the supplier's expense, without detriment to ŠKODA AUTO DigiLab's rights resulting from warranty and liability for defects. If this is not possible, ŠKODA AUTO DigiLab is entitled to withdraw from the contract. Legal withdrawal from the contract shall come into force by failing to meet the obligations by the end of the extension period. Minor defects or defects that need to be remedied immediately shall be performed by ŠKODA AUTO DigiLab, with the supplier reimbursing ŠKODA AUTO DigiLab for the actual expenses. Upon exchanges or repairs of parts, the warranty period is extended by the time needed for the exchange or repair.
5. After the complaint has been settled, the cost incurred due to the defective machinery, related production downtime and personnel cost of the staff participating in the repair of the above-stated defect shall be debited to the supplier. **XIII.**

**Contractual Penalty**

1. If the supplier does not duly perform their obligations in time, they shall pay ŠKODA AUTO DigiLab a contractual penalty of 0.5 % of the total price of performance for every week commenced, but no more than 5 % of the total price of performance. ŠKODA AUTO DigiLab has the right to set off the contractual penalty claim against the supplier's claim for payment for performance.
2. Paying a contractual penalty and late interest shall not affect ŠKODA AUTO DigiLab's entitlement to compensation for any greater damage. The obligation to pay the contractual penalty does not expire along with the contract.

**XIV. Governing Law and Jurisdiction**

1. The contract, as well as legal relations arising from violating it, shall be governed by Czech law, whereas the application of s. 1726, s. 1728, s. 1729, s. 1740 subs. 3, s. 1757 subs. 2 and 3, s. 1765 and s. 1950 of Act no. 89/2012 Coll., Civil Code, shall be excluded.
2. The application of international private law and the 'Convention on Contracts for the International Sale of Goods' is excluded.

3. All disputes arising out of or in connection with the contract shall be resolved by the relevant Czech court having jurisdiction over the registered office of ŠKODA AUTO DigiLab.

**XV. Termination**

ŠKODA AUTO DigiLab is entitled to terminate the contract with immediate effect or withdraw from the contract in the following situations:

- a) The supplier has stopped making payments;
- b) There are insolvency or similar proceedings pending against the supplier;
- c) The supplier has gone into liquidation;
- d) One of supplier's activities that is necessary to fulfil the purpose of the contract has been terminated;
- e) The supplier has not carried out the subject of the contract in time or appropriate manner;
- f) The supplier has directly or indirectly offered a bribe or another unfair advantage to a ŠKODA AUTO DigiLab employee or representative;
- g) The supplier has influenced or attempted to influence the selection procedure announced by ŠKODA AUTO DigiLab;
- h) The supplier has violated another obligation ensuing from the documents that are binding in accordance with these General Purchase Terms and Conditions, e.g. in the area of environmental protection or ensuing from the Volkswagen Group requirements regarding sustainability in its relationships with business partners (Code of Conduct for Business Partners) or Declaration on social rights and industrial relationships at Volkswagen, and they fail to remove the breach despite sufficient deadline.
- i) The supplier has been sentenced for an offence in keeping with Act no. 418/2011 Coll., on the criminal liability of legal entities and proceedings against them, as amended;
- j) Any member of the supplier's statutory body or a physical entity has been sentenced for an offence, and the offence is related to the subject of their business activities.

**XVI. Special provisions**

1. The supplier undertakes to comply with all legal regulations related to environmental protection. The best evidence of the supplier's environmentally friendly behaviour is an ISO 14001 or EMAS certification.
2. The supplier undertakes to have a quality management system implemented at their company. The best evidence of a quality management system is an ISO 9001 certification.

**XVII. Effective date**

These General Purchase Terms are effective as of 1 June 2017.