



## **GENERAL TERMS AND CONDITIONS OF PURCHASE**

### **1 Purpose**

1.1 The purpose of these General Terms and Conditions of Purchase (hereinafter referred to as the "GTCP") is to define the general terms and conditions for the purchase of goods and services in cases where the commercial company NC Line a.s., RN 04020022, with its registered office at Komenského 233, Suchdol nad Odrou, registered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, Insert 11100, acts as the customer, buyer, consignee, etc. (hereinafter referred to as the "Buyer"), and another person acts as the supplier, contractor, seller, consignor, etc. (hereinafter referred to as the "Seller").

1.2 The GTCP have been drafted in accordance with Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"). Unless otherwise specified in a contract, these terms and conditions govern the legal relationship between the Buyer and the Seller, regardless of the specific type of contract entered into between them. Where reference is made to goods in the GTCP or in a contract referencing the GTCP, such term shall, depending on the nature of the concluded contract, also include services. Where reference is made to a service in the GTCP or in a contract referencing the GTCP, such term shall, depending on the nature of the concluded contract, also include goods.

1.3 If the Seller's terms and conditions apply alongside the GTCP, the GTCP shall prevail in the event of any conflict between them. The Seller shall be obliged to thoroughly familiarize themselves with all provisions of the GTCP and any amendments thereto, expressly accept them, and comply with them.

### **2 Subject Matter**

2.1 The subject matter of the GTCP is the purchase of goods and services in accordance with the Buyer's specific requirements set forth in the electronic order, which is subsequently confirmed by the Seller. The Seller undertakes to provide the Buyer with deliveries of the ordered goods in accordance with individual orders and the GTCP.

2.2 All deliveries shall be made in the required quality in accordance with applicable international, European, Czech or other national technical standards, and in accordance with the details specified in the order or in the drawings. Unless quality is defined by generally applicable regulations, standards, or the Buyer's order, the Seller shall deliver goods of standard quality suitable for the purpose evident from a contract or from other business dealings with the Buyer.

### **3 Conclusion of the Purchase Contract**

3.1 The Buyer's order constitutes an offer to enter into a contract. Orders must be placed in writing, by fax, or via electronic means (e-mail, data box). If the Seller has access to the Buyer's information system, the order may also be placed by generating an order in the information system of NC Line a.s. The purchase contract (hereinafter referred to as the Contract) shall be concluded upon the Seller's acceptance of the Buyer's order, or upon the order being generated in the information system of NC Line a.s. with the Seller's participation.

3.2 The Seller shall send the Buyer a written response to the order (acceptance, rejection, or reservations) via electronic means no later than three business days after the order is placed. If the Seller does not respond to the Buyer within this period, the Seller shall be deemed to have accepted the order without reservation, and the Contract shall be concluded.

3.3 The delivery date specified in the accepted order shall be binding.

3.4 The Buyer may cancel the order no later than three business days after it has been sent to the Seller without incurring any penalty from the Seller, even if the Seller has already accepted the order.

### **4 Rights and Obligations of the Seller**

4.1 The Seller undertakes to deliver the goods to the Buyer in accordance with the Buyer's requirements as specified in the Contract or its annexes, and to grant the Buyer title to the goods in accordance with the Contract, or to grant the Buyer another right depending on the type of contract entered into.

4.2 The Seller shall retain the labelling of individual components as used by the Buyer and shall use the Buyer's abbreviations and labelling in their mutual communication.

4.3 The Seller declares the goods supplied comply with applicable international, European, Czech or other national standards specified in the order and are harmless to health. The Seller shall include the relevant valid certificates with the deliveries, if specified in the applicable purchase order. If the delivery consists of a chemical substance, the Seller shall also include technical and safety data sheets with the first delivery, providing information on personal safety, environmental protection, and the handling of hazardous substances. The delivery will be considered incomplete if all documents required by the Contract, commercial practice, or generally applicable regulations are not included.

4.4 Upon receipt of the goods, the Seller shall provide a delivery note, which the Buyer shall sign to acknowledge receipt. Signing the delivery note does not preclude the Buyer from claiming that the delivery is defective.

4.5 The Seller shall be obliged to pack the goods and prepare them for shipment in the customary manner to prevent damage or destruction. The cost of packaging is included in the product price.

4.6 The Seller shall be obliged to affix a label to each package containing, among other things, the following information:

- product designation (drawing number or name);
- item number;
- quantity per package;
- Buyer's order number;
- complaint report number, if the delivery is made in response to a complaint.

4.7 Upon the Buyer's request, the Seller shall be obliged to present to the Buyer a valid and effective insurance for product liability insurance. Failure to comply with this obligation constitutes a material breach of the Contract.

## **5 Rights and Obligations of the Buyer**

5.1 The Buyer shall be entitled to conduct an external audit of the Seller, subject to prior mutual agreement.

5.2 The Buyer may withdraw from the Contract without penalty and without the Seller being entitled to claim damages in the event of a material breach of the Contract, as well as in the event that the Seller breaches the obligations set forth in Articles 4 and 7 of the GTCP.

## **6 Purchase Price**

6.1 The purchase price for properly delivered goods shall be paid upon receipt of the issued invoice, with a maturity period of 60 days following its delivery to the Buyer, or 45 days from the delivery of the tax document with the application of a 0.5% discount on the price agreed in the Contract (including VAT), or 30 days from the delivery of the tax document with the application of a 1% discount on the price agreed in the Contract (including VAT), or 15 days from the delivery of the tax document with the application of a 2% discount on the price agreed in the Contract (including VAT). The choice between the options shall be at the Seller's discretion. If the Seller chooses a maturity variant other than the standard 60 days, i.e., a variant with the application of a discount, the Seller shall be obliged to state this fact in the tax document and quantify the specific discount.

6.2 In the event of late payment for the delivered goods, the Seller may charge the Buyer late payment interest at a rate of 0.02% per day on the amount outstanding past the specified due date.

6.3 The Seller agrees that any accounting documents the Seller issues shall meet the requirements of a tax document and shall include the order number and the delivery note number. Either Party has the right to return a document that is missing any required information without payment before the due date. The reason for the return must be indicated in the returned document. Depending on the nature of the inaccurate information, both Parties are required to correct the document or issue a new one. The due date does not commence until the corrected or newly issued tax document is delivered.

6.4 The Seller shall be entitled to issue and deliver a tax document (invoice) to the Buyer only after the complete delivery of the ordered goods or services has been made. If the delivery does not include any item specified in the order (such as a delivery note, quality certificate, etc.), the delivery is considered incomplete and the payment due date shall not commence.

6.5 The Seller shall not be entitled to assign any claim against the Buyer to a third party without the Buyer's prior written consent.

6.6 The Seller may not assign the Contract to a third party without the Buyer's prior written consent.

6.7 Should mutual claims arise between the Parties, the Seller shall not be entitled to perform a unilateral set-off.

6.8 The prices agreed upon in the Contract are considered fixed and include all costs associated with performance.

## **7 Place and Date of Delivery of Goods**

7.1 The Seller undertakes to make the delivery in accordance with INCOTERMS 2020, DDP at the Buyer's registered office, unless agreed otherwise.

7.2 If the delivery involves the payment of bank fees, each Party shall bear the fees associated with their bank account.

7.3 The delivery date shall be specified in each individual purchase order or the Contract. If the delivery date is not specified in the purchase order or in the Contract, the Seller shall be required to deliver the goods to the Buyer within 14 days of the Contract's conclusion or the purchase order's acceptance.

7.4 In the event of a late delivery, the Buyer may charge the Seller a contractual penalty of 0.1% of the total price of the subject matter of the Contract, excluding VAT, with a minimum of 500 CZK for each day of delay or part thereof; however, this contractual penalty does not preclude the right to claim damages. The contractual penalty shall be payable within 14 days from the verifiable sending of its billing to the Seller and is eligible for the set-off of mutual obligations.

7.5 The provisions of Section 2093 of the Civil Code shall not apply to the contractual relationship entered into.

7.6 If the late delivery exceeds 15 business days, the Buyer shall be entitled to cancel the Contract, even if it has already been partially fulfilled. Upon withdrawal from the Contract, the Seller shall invoice the purchase price for the partial performance in a manner similar to Section 6 above, unless the Buyer states in the withdrawal from the Contract that the partial performance will be returned.

7.7 A Party invoking force majeure (e.g., a natural disaster, war, embargo, government intervention, or pandemic) shall be required to immediately notify the other Party in writing, provide evidence of its duration, and take all measures to minimize its impact. Force majeure shall not affect obligations that have already been fulfilled or are due. If the force majeure event lasts longer than 30 days, the Buyer shall have the right to withdraw from the Contract.

7.8 During a force majeure event, the Parties shall be required to seek alternative solutions (substitute materials, alternative transportation). The Seller shall be responsible for the management and activities of its subcontractors.

## **8 Documents Relating to the Goods**

8.1 The Seller shall deliver the products in the quantity specified in the Contract. The Seller confirms that, for the purposes of performing the Contract, the relevant provisions of legal and technical regulations are binding. The Seller shall be obliged to provide the Buyer with the documents necessary for the acceptance and use of the goods, as well as any other documents specified in the purchase order or required by generally applicable regulations, at the place of performance upon delivery of the goods.

8.2 Each initial delivery includes an inspection report in accordance with ČSN EN 10204 /3.1, a measurement report, and certificates for the materials used, confirming the quality of the product and its conformity with the purchase order.

8.3 When delivering materials for drawn parts, the delivery shall include the FAI, Control Plan, technical documentation, approval of deviations, etc. Any requirement for the submission of PPAP documentation shall be specified when NC Line a.s. places a purchase order.

8.4 The Seller agrees to perform all necessary inspections and tests of the products, in particular to determine whether the requirements of the Contract and the GTCP are being met. The Seller shall perform these inspections and tests in accordance with its quality assurance program and in compliance with applicable laws, technical standards, and the Buyer's internal regulations. The current version of the Buyer's internal regulations is available on the Buyer's website.

8.5 The Seller agrees to provide the Buyer, upon request, with any additional documents not listed above that confirm compliance with the specified product requirements.

## **9 Defects, Liability for Defects, Warranty**

9.1 The Seller declares that the delivered goods or services are delivered in the quantity, design, and quality specified in the agreed terms and conditions and will have the usual characteristics so as to be fit for the defined purpose known to the Seller, or for the usual use.

9.2 Goods or services are considered defective if they are not delivered properly packaged and prepared for transport, if they do not meet the quantity, quality, and specifications set out in the Contract or the GTCP, or if they are not properly identified.

9.3 The Seller guarantees that the quantity and quality of the delivered goods, as well as the completeness of the accompanying documents, conform both to the terms of the Contract and to the information specified in the delivery note. The acceptance process also covers the documentation provided with the delivery.

9.3.1 If, during the acceptance inspection, the Seller finds that the quantity of goods or services delivered does not correspond to the Contract or the information in the delivery note, the Buyer shall, in addition to the rights arising from the law and the Contract, have the right to choose, at its discretion, one of the following:

- a) accept the discrepancy, provided that the next delivery is adjusted accordingly;
- b) accept the discrepancy, provided that the agreed price is adjusted accordingly;
- c) reject the excess part of the delivery, with the Seller being obligated to remove it at its own expense and risk no later than 10 business days after the Buyer's notification;
- d) request immediate delivery of the missing part of the delivery, with a delivery deadline of 2 business days.

The Seller shall be notified of the claim for performance under (a) through (c) no later than 10 business days from the date of delivery of the goods. The Seller shall be notified of the claim under (d) immediately after the goods are accepted, either by phone or e-mail.

9.3.2 If, during acceptance or at any time thereafter, the Buyer finds that the quality of the delivered goods or services does not comply with the Contract or the information in the delivery note, or if doubts arise regarding the quality of the delivered goods, the Buyer shall, in addition to the rights arising from the law and the Contract, have the right to request the issuance of an 8D report, and the Seller shall be obligated to provide it within 10 business days.

9.3.3 Should a delivery defect consist of deficiencies in the documents relating to the goods, the Buyer shall be entitled, in addition to statutory and contractual claims, to return the documents to the Seller at the Seller's expense or to request the Seller to deliver defect-free documents. The Seller shall be obliged to provide the Buyer with complete, defect-free documents without undue delay, but no later than within 5 days of the return of the defective documents or the receipt of the Buyer's request.

9.4 Quality warranty. The Seller shall be liable for any defects in the delivery that become apparent during the warranty period, regardless of when such defects arise. The Buyer shall be entitled to report these defects to the Seller at any time during the warranty period. The warranty period is 24 months from the date of receipt of the goods. If the manufacturer provides a longer warranty, then such longer warranty applies.

9.5 The Buyer shall report any apparent defects or other external damage within 15 business days of discovering the defect. The delivery shall be subject to random sampling inspections within the scope specified in the Seller's acceptance plan. If no acceptance plan has been defined, the acceptance of the delivery shall be carried out in accordance with the Buyer's internal quality management system regulations. Sampling for inspection shall be conducted by random selection so that every product in the lot is included in the potential selection. If the lot is delivered in several transport units, the sampling shall be distributed such that at least one sample is selected from each transport unit. If one or more non-conforming samples are found in the selection, the Buyer shall be entitled to consider the delivery unacceptable and return it to the Seller.

9.6 The Buyer shall be obliged to report defects to the Seller in writing no later than 15 business days after discovering them and to allow the Seller to assess the complaint. The Seller shall be obliged to provide a specific proposal for resolving the complaint in writing within two business days of the defect being reported (unless decided otherwise), including the planned dates for implementing the corrective measures. Complaints may be submitted by e-mail, fax, or any other means that can be recorded. If the Seller has access to the Buyer's information system, the complaint may also be filed by recording it in the Buyer's information system.

9.7 If the Seller fails to submit a proposal for resolving the complaint within the specified term, or if the Buyer disagrees with the proposed solution, the Buyer may exercise one of the statutory rights arising from liability for defects. If the defect can be removed by the Buyer, the Buyer shall be entitled to remove the defect, and the associated costs shall be charged to the Seller.

9.8 If a defect in the goods is discovered after production has begun or the goods have been put into use, the Buyer may demand compensation for the resulting damage, including reimbursement for any additional costs incurred.

9.9 In the event of a defect in the goods, the due date of the invoice for the delivery of the defective goods may be suspended and extended by the time necessary to fully resolve the reported defect. During the period when the invoice's due date is extended due to the resolution of a complaint, the Buyer shall not be required to pay any default interest or contractual penalty. In the event of a valid complaint, the Buyer shall be entitled to charge the Seller for the costs of inspecting, identifying, and verifying the defect, as well as for accepting the defective delivery.

9.10 The Seller agrees to remove any reported defects during the warranty period at its own expense and within a maximum of 5 business days from the date the Buyer files the complaint.

9.11 If the Buyer asserts a claim for liability for defects and the Seller fails to remove the defects in the goods in the manner and within the period specified in the preceding sentence, or if, before the expiration of that period, the Seller informs the Buyer that it will not remove the defects, the Buyer may:

- a) withdraw from the Contract;
- b) request that the defect be removed by delivering replacement goods or the missing goods;
- c) request the removal of repairable defects;
- d) request a reasonable discount on the purchase price;
- e) remove the defect itself or through another person and invoice the associated costs to the Seller.

9.12 Unless otherwise provided for in the GTCP, the Seller shall be liable to indemnify the Buyer for any damage arising as a result of a defective delivery, a breach of statutory safety regulations, or other legal grounds.

9.13 Claims arising from defects in goods and the procedure for asserting such claims that are not expressly governed by the GTCP or a contract referring to the GTCP shall be governed by Section 2099 of the Civil Code and the subsequent provisions of the chapter on Rights from Defective Performance.

9.14 The Seller shall be obliged to reimburse the Buyer for all direct and indirect costs incurred as a result of defective performance, including costs related to disassembly, reassembly, logistics, and testing.

9.15 The warranty period shall be extended by the length of time during which the product could not be used to its full extent due to a warranty claim.

## **10 Non-Compete Clause**

10.1 The Parties have agreed that if the subject matter of the purchase order consists of goods developed, even in part, at the Buyer's expense, the Seller shall not be entitled to supply identical goods to third parties either during the term of the contractual relationship between the Parties or after its termination. If any third party expresses interest in the delivery of the same goods, the Seller shall refer such third party to the Buyer, who shall determine whether and under what conditions the delivery can be made. If the Seller makes a design change to the subject matter of the Contract, the Seller shall be obliged to notify the Buyer of such change and request the Buyer's approval of the change.

10.2 Should it be necessary, as part of product development, to create jigs or tools for future production, the Party that paid for these components shall be the owner of such components. The use of components by a third party is subject to the prior written consent of the Buyer.

10.3 The Seller agrees not to take any action aimed at identifying the Buyer's business partners; if the Seller becomes aware of information regarding the Buyer's business partners, the Seller may not contact them with direct offers of goods.

10.4 The Parties hereby agree to treat any business transaction as confidential and subject to trade secret protection, and to treat any information obtained in the course of their cooperation as confidential both during the term of the Contract and after its termination, and not to disclose or use such information for the benefit of any third party.

10.5 In the event of a breach of the obligations specified in this Article, the Parties have agreed that the Party in breach shall pay the other Party a contractual penalty of 1,000,000 CZK (one million Czech crowns) within 14 days of receiving a demand for payment from the aggrieved Party. A contractual penalty does not preclude the aggrieved Party's right to claim damages.

10.6 The rights and obligations under the GTCP shall pass to the Parties' legal successors.

10.7 Any and all drawings, design solutions, software, know-how, and other intellectual property items created in connection with the performance of the Contract shall be the property of the Buyer, unless expressly agreed otherwise.

## **11 Final Provisions**

11.1 Any amendments to the GTCP and any supplements thereto may be made only in writing and shall take effect upon notification to the other Party. The date of posting of the GTCP on the Buyer's website shall also be considered the date of notification.

11.2 The content of the GTCP shall be considered a trade secret and, as such, may not be disclosed to third parties without the written consent of both Parties.

11.3 Legal relationships not governed by the GTCP shall be governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code.

11.4 Written provisions agreed upon by the Parties in the Contract take precedence over the GTCP.

11.5 The GTCP shall be drawn up in three (3) copies; two (2) copies are intended for the Buyer.

11.6 The validity of the GTCP has been established for an indefinite period. The Buyer's purchase orders shall contain only a reference to the GTCP, and the Parties are obligated to comply with them. This provision shall remain in effect until the Parties agree otherwise in writing.

## **12 Cybersecurity and Information Protection**

12.1 The Seller undertakes to protect all information, documents, and access credentials to the Buyer's systems from misuse, unauthorized access, or loss.

12.2 When processing personal data, the Seller shall be required to comply with Regulation (EU) 2016/679 (GDPR) and other applicable laws and regulations.

12.3 A breach of this obligation shall be considered a material breach of the Contract and entitles the Buyer to terminate the Contract.

## **13 Anti-Corruption and Ethical Conduct**

13.1 The Seller undertakes to act honestly and transparently, in accordance with the laws of the Czech Republic, the principles of fair business conduct, the Buyer's policy on ethical conduct, and the principles set forth in Act No. 159/2006 Coll., on Conflicts of Interest, and in Act No. 253/2008 Coll., on Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism.

13.2 The Seller, its employees, representatives, subcontractors, or persons acting on its behalf shall refrain from any conduct that could be considered corrupt, fraudulent, unfair, or unethical. In particular, they shall refrain from:

- offering, providing, accepting, or arranging any gift, payment, service, benefit, or other consideration that could influence the decision-making of the Buyer's employee or representative;
- entering into agreements or coordinating with other suppliers for the purpose of distorting competition;
- concealing facts that could lead to a conflict of interest;
- using the Buyer's inside information for their own benefit or for the benefit of third parties.

13.3 The Seller undertakes to implement and maintain an adequate system of internal audits and measures to prevent corruption, bribery, and conflicts of interest, including training for its employees, if the nature of its business requires such measures.

13.4 The Seller undertakes to notify the Buyer of any corrupt, fraudulent, unfair, or unethical conduct, as defined in Section 13.2, committed against the Seller by an employee or contractual partner of the Buyer with whom the Seller dealt in connection with the conclusion of the Contract or its performance.

13.5 If the Buyer has reasonable grounds to suspect a violation of this Article, the Buyer shall be entitled to immediately suspend all payments and performance obligations to the Seller until the situation is clarified. If it is proven that the Seller, its employees, or persons acting on its behalf have engaged in corrupt, fraudulent, or other unethical conduct, the Buyer shall have the right to immediately terminate the Contract with immediate effect.

13.6 The Seller acknowledges that any breach of the obligations specified in this Article shall be deemed a material breach of the Contract and shall entitle the Buyer to compensation for all damages incurred, including reputational harm.

13.7 The Buyer is committed to the principles of social responsibility, transparency, and ethical conduct. The Seller agrees to act in accordance with these principles and the Code of Ethics of NC Line a.s., if available, including in its dealings with its subcontractors and partners.

Suchdol nad Odrou on 2026-01-27

**Bohumil Sobotka**  
*Managing Director*