

GENERAL TERMS AND CONDITIONS FOR THE EXECUTION OF THE WORK

Article I. INTRODUCTORY PROVISIONS

- 1.1. Tiyo, a.s. (hereinafter referred to as the CONTRACTOR) is a renowned supplier of development services mainly in the automotive industry, in the areas of design and calculation, development testing, prototype building and tooling.
- 1.2. These General Terms and Conditions of Business (hereinafter referred to as GTC) apply within the meaning of Section 1751 of Act No. 89/2012 Coll., Civil Code, as amended, and determine the rights and obligations of the parties to a contract for work or other unnamed contract or accepted order (hereinafter referred to as Contract or CFW), where Tiyo a.s. acts as the CONTRACTOR and the other party acts as the CUSTOMER (hereinafter referred to as the CUSTOMER) and the subject matter of which is the performance of work or the provision of services. The GTC are an integral part of the Contract for Work or any other contract and form an integral part of its content. By concluding the Contract (accepting the order), the Customer agrees to the wording of these GTC, which are valid for the contractual relationship between the Customer and the Contractor as of the date of conclusion of the Contract and confirms that these GTC are an integral part of the Contract. These GTC automatically apply to other subsequent contractual relationships concluded between the Client and the Contractor.
- 1.3. The Contractor is entitled to unilaterally change these GTC. However, the GTC applicable at the time of conclusion of the contractual relationship shall apply to the contractual relationship.

Article II. CONCLUSION OF THE CONTRACT

- 2.1. The Contractor's bid shall be valid for one (1) month unless otherwise agreed in writing. The Contractor's offer is not legally binding until the order is confirmed.
- 2.2. Contract (CFW) in these GTC means and refers to a written contract or binding order of the Client, which is made in written or electronic form and which is accepted by the Contractor in written or electronic form.
- 2.3. The contract (order) must contain in particular the identification of the Contractor and the Client (registration number, registered office or place of business, authorised person), specification of the work, possibly with reference to the tender documentation, price, performance date, packaging, and other delivery conditions, if any, if they should differ from these conditions. If the Purchase Order does not contain sufficient specification, the Client shall complete the Purchase Order at the Contractor's request within two (2) working days of the Contractor's request.
- 2.4. For the specification and scope of the work, the concluded Contract and the documents demonstrably submitted by the Client, which do not show any defects, are decisive. The Client is obliged to provide the Contractor with a relevant and factually correct technical specification, to acquaint the Contractor with the required functional or quality parameters, to acquaint the Contractor with the purpose of the work and the relevant circumstances (environment and operating conditions for which the work is intended).
- 2.5. In the event that subsequently submitted by the CLIENT documents or modified documents for the execution of the work mean a change in the scope of the work or the method of execution, or such facts appear during the execution of the work that the CONTRACTOR could not have foreseen from the submitted documents at the time of the conclusion of the Contract even with the exercise of all professional care, the CLIENT undertakes to compensate the CONTRACTOR for these works and deliveries as extra works.
- 2.6. In the case of continuously or repeatedly delivered work or parts thereof, the quantity of take-up specified in the Contract or in the notice or other written communication specified by the Customer shall be deemed binding, unless otherwise expressly agreed by the parties. If the Customer subsequently fails or refuses to accept the agreed quantity or withdraws from the contract, the Customer is obliged to compensate the Contractor for damages in the form of lost profits and demonstrably incurred costs. This is without prejudice to the Contractor's entitlement to liquidated damages.

Article III. CONDITIONS FOR THE EXECUTION OF THE WORK

- 3.1. In the event of technical discrepancies arising from the Client's specification or other Client's instructions provided to the Contractor, the Contractor is entitled to ask the Client for clarification or to decide on further action. In the meantime, the Contractor is not obliged to continue the work and is not in default.

- 3.2. If the basis for the work is the Customer's drawings or other documents, the Customer is responsible for their accuracy and quality. Likewise, the Client shall be responsible for the quality of the material supplied to the Contractor by the Client or expressly specified by the Client. It shall also be liable to the Contractor for the work and work of subcontractors expressly designated by the Client who participate in the Contractor's work.
- 3.3. The Contractor shall invite the Client for written approval during the execution of the work:
- a) the drawings, if produced by the Contractor,
 - b) prototypes or samples, if agreed,
 - c) inspection and testing of the work by the Contractor, if agreed,
 - d) test operation (including the signing of a report), if agreed by the parties,
 - e) handover and acceptance of the work (including signing of the handover report).
- 3.4. Unless the Contract specifies the time for performance of the Work as binding, the Contractor's time limit for performance of the Work shall be approximate and failure to meet it shall not be considered a material breach of the Contract.

Article IV. HANDOVER AND ACCEPTANCE OF THE WORK

- 4.1. The Customer shall not be entitled to refuse to accept work that shows minor defects and imperfections that do not prevent the use of the work.
- 4.2. The final handover and acceptance of the work shall take place on the basis of a written protocol.
- 4.3. The Customer shall accept the work with the delivery condition INCOTERMS 2020 EXW Tiyo, a.s., Hořice, unless otherwise agreed in writing. The cost of transporting the Work to the Customer shall be borne by the Customer and transport shall be at the Customer's own risk.
- 4.4. If the Customer refuses to take over the work without reason, or does not actually take over the work, or does not provide the necessary cooperation for handing over the work, the work shall be deemed to have been handed over on the day which the Contractor specifies in the notice as the day designated for handing over the work. The Contractor shall thereafter be entitled to invoice the Client for the price of the Work, payable fourteen (14) days from the date of invoice, and to invoice the usual storage costs for the Work.

Article V. PRICE AND ITS MATURITY

- 5.1. The price will be paid to the Contractor's bank account specified in the Contract, based on tax documents issued by the Contractor. The date of payment shall be the date of crediting the Contractor's bank account.
- 5.2. The Price, as well as any other monetary amounts quoted in the Contract, are quoted exclusive of VAT. VAT will be added to the Price in accordance with the relevant regulations at the rate applicable on the date of the taxable transaction.
- 5.3. The Contractor reserves the right to change the prices accordingly and to a reasonable extent if the Customer changes the specification or scope of the work or the time of performance of the Contract.
- 5.4. The Customer is obliged to pay the price of the work in the amount, in the manner and within the period agreed in the Contract, otherwise within fourteen (14) days of the invoice.
- 5.5. The Contractor reserves the right to demand payment of the price or part of it in advance for justified reasons.
- 5.6. In the case of a financially or temporally more extensive work or work requiring tests, the Contractor shall be entitled to charge the Client for the advance and partial performance. Unless otherwise agreed, the Contractor shall be entitled to invoice the price of the work as follows:
- a) 30% + VAT upon conclusion of the contract,
 - b) 60 % + VAT after delivery of the work (part, tool, prototype),
 - c) 10 % + VAT after trial operation, no later than 15 days after handover of the work.
- 5.7. If the Customer is in default in the payment of the price of the work or part thereof or the advance payment, the Contractor shall be entitled to suspend work on the Work or withhold delivery of the unfulfilled parts of the Work or refuse a new order without being in default and without this constituting a breach of the Contract by the Contractor. The Contractor's deadline for completion and delivery of the Work shall be extended by the period of the Customer's delay in performance.
- 5.8. The Contractor may require the Customer to provide an irrevocable bank guarantee or other security for the Customer's obligation to pay the price of the work, e.g. a security promissory note, surety of a natural person, bank guarantee, etc. If a bank guarantee is issued, it must be issued by a reputable bank, up to the amount of the price of the work, with a validity that does not expire within 3 months of the date agreed for handing over the work, and must also be payable without examination at the first call of the Contractor. If proof of security, including the issuance of a bank guarantee, is not provided to the Contractor no later than three (3)

working days prior to the date agreed for delivery of the Work, the Contractor shall be entitled to suspend performance of its obligations, without incurring default or otherwise violating its obligations under the Contract, until proper proof of security is provided or payment of the price of the Work is made.

Article VI. OWNERSHIP OF THE WORK

- 6.1. Ownership of the work shall pass to the Customer only upon full payment of the price of the work. The Contractor agrees to the Customer that the Customer shall use the work exclusively for his/her own needs, properly and in accordance with the purpose for which the work is intended, and shall not allow a third party to use the work until full payment has been made and thus ownership has passed.
- 6.2. The risk of damage to the object of performance passes from the Contractor to the Customer at the moment of acceptance of the work or at the moment according to Article 4.4 of the GTC.

Article VII. LIABILITY FOR DEFECTS, WARRANTY

- 7.1. The Customer is obliged to inspect the work for obvious and quantitative defects upon acceptance of the work. If the Work is to be shipped to the Customer, the Customer must make the inspection within three (3) working days of receipt of the Work. If he fails to make such inspection, he shall lose the right to claim liability for defects which he would otherwise have discovered by such inspection.
- 7.2. The Contractor shall provide the Customer with a guarantee for the quality of the work within a guarantee period of six (6) months from the handover of the work.
- 7.3. If the Customer discovers defects in the work during a proper inspection, the Customer shall submit them in writing to the Contractor without undue delay. Delay in pointing out defects shall result in termination of the Client's right to claim the Contractor's liability for defective performance.
- 7.4. The Contractor shall not be liable for defects in the work caused by unprofessional or unusual intervention in the work, handling contrary to the operating instructions and training, neglect of routine maintenance and repairs, damage, adverse weather conditions or the elements.
- 7.5. The Contractor is also not liable for defects caused by incorrect or insufficient documents and documentation provided by the Customer.
- 7.6. The Customer is obliged to notify the Contractor in writing of hidden defects without undue delay after they have been detected. In the notification, the Client must describe the defect and provide the Contractor with all documents and samples proving the defect for examination. If the work is to be used under operating conditions, the Customer shall prove to the Contractor what physical and chemical influences and conditions the work has been subjected to, etc. If the Customer fails to fulfil this obligation and/or does not allow the Contractor to physically inspect the condition of the work, the Contractor's liability for any defect shall cease.
- 7.7. In the event of a dispute as to whether the Contractor is responsible for the defect in the work, the decision will be made by an independent expert. Pending the decision, all costs shall be borne equally by the parties. Payment of the cost of repair shall be made by the Party whose responsibility is determined by the independent expert in assessing the defect and liability for that defect within thirty (30) calendar days at the latest.
- 7.8. The Contractor shall propose solutions to the defects claimed by the Customer for their elimination.
- 7.9. In the event of a decision on the Customer's bankruptcy or a decision on the rejection of the insolvency petition due to the Customer's lack of assets, the Contractor's liability for defects in the work shall cease.

Article VIII. INTELLECTUAL PROPERTY

- 8.1. All information and know-how, however materially captured in the work, especially technical drawings, sketches, plans, documentation, models, samples, protocols, preparations, handed over or made available to the Customer by the Contractor in the performance of the Contract remain the intellectual property of the Contractor. The Contractor reserves the right of intellectual and industrial property.
- 8.2. The Contractor grants the Customer a non-transferable license to use this intellectual property exclusively for the normal use of the work. The Customer is not entitled to reproduce or disclose this information to a third party without the express written consent of the Contractor.
- 8.3. For the avoidance of doubt, it is expressly stipulated that the remuneration and reimbursement of the costs for the activities and performance of the Contractor (for the provision of a license) under this article of the GTC is included in the price.

Article IX. CONFIDENTIAL INFORMATION, ADVERTISING, PROTECTION OF INTERESTS

- 9.1. The Customer undertakes not to disclose or publish confidential information concerning the Contractor and his activities, which he will become acquainted with in the implementation of the Agreement, to third parties and not to use it for himself or for a third party. The Customer is obliged to keep confidential information confidential and to disclose it exclusively to its employees or subcontractors who are entrusted with the performance of the Contract, and for this purpose is entitled to become acquainted with this information to the extent necessary.
- 9.2. The obligation of confidentiality shall continue regardless of termination of the Contract until such time as confidential information becomes generally known, provided that it does not constitute a breach of the Customer's duty of confidentiality.
- 9.3. The Customer is not entitled to disclose information about cooperation with the Contractor without the prior written consent of the Contractor, whether in the form of information communication, press release, use in advertising, presentation, sales materials or otherwise.
- 9.4. For the duration of the contractual relationship and two (2) years after its termination, the Customer undertakes not to contact the offer of employment or to close an employment relationship or other similar contractual relationship with any employee of the Contractor without the express written consent of the Contractor.
- 9.5. The Customer undertakes to inform the Contractor without delay if he becomes aware of an unauthorized attempt by the Contractor's employee to provide development, engineering, consulting or other services on his own behalf or on his own account.

Article X. MEASURES IN CASE OF BREACH OF CONTRACT BY THE CUSTOMER

- 10.1. In the event of the Customer's delay in providing the necessary cooperation or giving the necessary instructions, as well as in the case of the Customer's delay in taking over the work or in the event of delay in paying the due price of the work or part thereof, the Contractor is entitled to interrupt the work on the work until the Customer has made a correction. The Contractor is not in default for this period and the deadline for completion of the work is postponed by the Customer by seven (7) calendar days.
- 10.2. In the event of the Customer's delay in providing the necessary assistance or giving the necessary instruction, as well as the Customer's delay in accepting the work or in the event of the Customer's delay in paying the due price of the work or part thereof, is longer than ten (10) working days, it is a material breach of contract and the Contractor is entitled to withdraw from the contract.
- 10.3. If the obligation to perform the work is terminated as a result of withdrawal from the contract, the Customer is obliged to reimburse the Contractor for all costs incurred and lost profit.

Article XI. CONTRACTUAL PENALTIES, COMPENSATION FOR DAMAGES

- 11.1. The Customer is obliged to pay the Contractor the contractual penalty:
 - a) 0.05% of the price for each day of delay if the Client is in default in payment of the price of the work or part thereof for the first ten (10) calendar days after the due date,
 - b) at the rate of 0.5% of the price of the Work for each day of delay in the event that the Customer is in default of payment of the price of the Work or part thereof after the first ten (10) calendar days after the due date,
 - c) at the rate of 0.05% of the price of the Work for each day the Customer is in default in accepting the Work or part thereof, ,
 - d) in the amount of CZK 1,000.00 for each day of delay by the Customer in providing the necessary assistance,
 - e) in the amount of CZK 300,000 for each case of violation of the Customer's obligation to maintain the confidentiality of information pursuant to Articles 9.1 to 9.3 of the GTC,
 - f) in the amount of CZK 1,400,000 for each case of breach of the Customer's obligation under Article 6.4 of the GTC not to enter into an employment relationship or other similar contractual relationship with an employee of the Contractor without the written consent of the Contractor.
- 11.2. The contractual penalty shall be payable within thirty (30) calendar days from the date of receipt of the invoice.
- 11.3. The application of any contractual penalty shall in no way affect the right to be compensated for damages arising from the causal link between the professional misconduct and the defect. The compensation for damages which the Contractor is obliged to compensate is limited to CZK 1,000,000.
- 11.4. The Contractor shall not be liable for unforeseeable damage caused by the Customer in connection with the work, for lack of economic success, indirect or consequential damage (in particular loss of profit), nor shall he be liable for any damage resulting from claims of third parties, unless such liability is provided for by law.

Article XII. FINAL PROVISIONS

- 12.1. The Parties agree that the provisions of §1799 and §1800 of the Civil Code shall not apply.
- 12.2. These GTC shall be binding on the parties on the same day on which the Contract becomes effective.
- 12.3. The Contract may be amended and supplemented only by written continuously numbered amendments signed by both parties.
- 12.4. Any disputes arising from the contractual relationship shall be submitted in accordance with the provisions of Section 89a of the Civil Procedure Code to the court of the Czech Republic having local jurisdiction according to the Contractor's registered office.
- 12.5. The Agreement and the GTC are governed by Czech law.
- 12.6. If any provision of the GTC becomes or is found to be invalid, unenforceable or ineffective, such invalidity, unenforceability or ineffectiveness shall not affect the other provisions of the Agreement and the GTC. The Parties undertake to replace the invalid, unenforceable or ineffective provision with a valid, enforceable and effective provision with the same or similar commercial and legal effect or to enter into a new contract within fifteen (15) business days after receipt of a notice from either Party.

Note: The Agreement is executed in English and Czech language. In event of any discrepancies between the Czech and English version, the Czech version shall prevail.

Translated with DeepL.com

These GTC are valid from 01.09.2024