

General conditions of purchase Gumotex a. s. (The Buyer)

I. Introductory provision

1. Legal relations between the Seller and the Buyer follow these conditions. Alternative other agreements, changes, or amendments must be made in written form. Any other general commercial conditions are not in force even if there is no express appeal against them.
2. Subjects of delivery must comply with technical data prescribed by the Buyer and requirements according to technical the technical grounds presented by the Buyer to the Seller. These data and requirements are apprehended as „guaranteed qualities“ of delivery subjects, save for particular data and requirements have given expressly specified written exception.

II. Contract relation

1. Order must be issued in uniform form of Buyer. Supply contracts (order and confirmation) and supply cancellations, as well as their changes and supplements must be made in written form. Supply cancellations can be also executed via long-distance data transmission (e.g. e-mail).
2. If the Seller does not confirm the order in two weeks from its delivery, Buyer possesses the authority to its cancellation. Supply cancellations are binding if they are not refused by Seller in two days after their delivery at the latest.
3. If object of delivery is intended for use in some plant of Buyer, deliveries are cancelled and paid by this plant.
4. The Buyer can demand from the Seller changes of object of delivery in its construction and design. Consequences, concerning especially cost reduction and increase, as well as dates of deliveries, must be solved in a regular manner after mutual agreement.
5. The Buyer is entitled to withdraw from the contract relation if the Seller breaks provisions of this purchase conditions in the essential manner.

III. Payments, payment terms, and invoicing

1. If the Buyer has verifiable invoices available at the date of last day of the month, payment is realized on the 25th. day of the month following the month of delivery accomplishment, unless otherwise agreed. In case of receiving of deliveries ahead of schedule, maturity date follows the agreed delivery date.
2. Payment is realized by bank transfer. Any change of maturity date must be agreed by both contractual partners. The Buyer is entitled to debit immediately the Seller's account with changes accruing from the price or quantity differences. In case of changes of prices with retrospective force the procedure is identical.
3. In the event of defective delivery Buyer is entitled to block the payment till the date of proper fulfillment.
4. Without previous written Buyer's permission, which cannot be refused for unessential reasons, Seller is not entitled to assign or transfer the receivables due from Buyer to use of third parties.
5. The Seller will participate in mutual collation of receivables and liabilities.

IV. Complaints

If the Buyer discovers discrepancy from order or delivery note as for example differences in quantity or quality, and damage by transport, the Buyer is entitled to return or accept the delivery without loss of his legal claims.

V. Confidentiality

1. Contractual partners engage themselves to adopt a cautious approach to all economical and technical details, which they come to know about through their business relations, as to trade secret.
2. Designs, models, templates, patterns and other items cannot be transferred or in other way declassified to unqualified third parties. Copying of these items is permissible only within operating needs and copyright provisions.
3. Subcontractors must enter into engagement in the appropriate way.
4. Contractual partners can provide advertising and promotion by their business connection only after previous written permission.

VI. Goods delivery

Agreed dates, time limits and quality are obligatory. After observing the date or delivery period accept of goods by Buyer is decisive. Seller must prepare goods on time with respect to usual periods necessary for loading and dispatch. Deliveries are realized in accordance with the Buyer's instructions. The Seller is obligated to attach documents accompanying the goods delivered by him (packing list, delivery note and invoice in case of foreign deliveries) and provenance of goods document at the same time. Nondelivery of provenance of goods document means that delivery is considered as incomplete and Buyer is entitled to block the payment for the delivery according to the Article III. The Seller is further obliged to settle all claims caused by nondelivery of the provenance of goods document.

INCOTERMS 2000 is in operation for all business items.

VII. Delay in delivery

The Seller is obliged to make compensation for all Buyer's damages in accordance with statutory regulations (Statutory liability for damages).

VIII. Force majeure

Force majeure, strikes, uprisings, provisions of authorities, and other unexpectable, inevitable and serious events free contractual partners of their fulfilment for the duration of disturbance and in the extent of its impact from its impact. This is in force even when these events happen at the moment of affected partner's delay. Contractual partners are within their resources obliged to give necessary information immediately and bona fide accommodate their obligations to changed conditions

IX. Quality and documentation

1. Every delivery must be free and clear.

The Seller is responsible for quality of objects of delivery and engages himself to provide efficient quality and documentation assurance and substantiates this fact to Buyer.

2. Objects of delivery must always correspond with relevant latest state of competition in view of latest state of science and technology.
The Seller will inform Buyer about actual situation. If discrepancies arise, both contractors open negotiation to achieve accommodation to the competition. Besides it the Seller is obliged to inform the Buyer about planned changes in production procedure and/or control procedure.
3. The Seller gives the Buyer the right to make sure that arrangements for quality assurance are realized in needed extent and related obligation to keep documentation is fulfilled. For this purpose the Seller anytime enables the Buyer after mutual agreement to inspect production and control equipments, or production and control grounds, including documentation. Related to confidentiality the Article V is in force in full extent.

X. Warranty

1. In case of defective goods deliveries before begin of production (processing or assembly) the Seller has reserved possibility to select, to repair or to deliver parts subsequently, if it is acceptable for the Buyer. If the Seller is not able to realize this, or if the Seller does not ensure redress immediately, the Buyer can cancel a contract in the extent of the delivery with defective fulfilment and dispatch the goods back at the Seller's risk. In emergency the Buyer can make correction himself or have it done by third party after agreement with the Seller. Costs of the Buyer, accruing in connection with deliveries of defected goods are borne by the Seller. If the same goods are delivered defective repeatedly, after written agreement the Buyer is entitled to cancel even unexecuted deliveries.
2. If the defect is discovered as late as after start of production, the Buyer can besides the regulations according to the subsection 1 claim compensation for incurred additional costs.
In emergency the Buyer can make corrections himself or have it done by third party.
3. The Buyer is obliged to put the parts, which must be replaced by the Seller, to the Seller's disposal, upon the Seller's application and at the Seller's expense.
4. Delivered goods warranty expires by lapse of 24 months from the vehicle registration, installation or sale of a spare part, but by lapse of 30 months from delivery by the Seller to Buyer at the latest. Warranty in the long-term storage of spare parts for vehicles of older generation is prolonged in dependance on planned time of storage.
This is in force for utility cars unless otherwise agreed.

5. Guarantee claims does not accrue when the defect was caused by the breach of operating, maintenance, or assembly instructions, inappropriate or unprofessional use, incorrect or negligent treatment and natural amortization, as well as intervention into the object of delivery executed by Buyer or third party.

6. Unless otherwise hereinabove agreed, warranty follows statutory regulations.

XI. Responsibility

1. Unless other responsibility regulations are specified in other part of these General conditions, the Seller is only obliged to make undermentioned compensation for damage, incurred by the Buyer directly or mediately in consequence of defective delivery, breach of statutory safety regulations, or other legal grounds, which can be imputed to the Seller.

2. If a claim to the Buyer is made on the basis of the unlimited responsibility of right untransferable to third parties, the Seller acts towards the Buyer in the extent of his possible direct responsibility.

Applicable statutory regulations are invoked for compensation for damages between Buyer and Seller. The same rule is applicable also in the case of direct claim on the Seller.

3. Duty to make compensation for damage is out of the question, if the Buyer effectively reduces his responsibility towards his customer. At the same time **the Buyer** will try to negotiate restriction of responsibility in the legally admissible extent even in favour of the Seller.
4. Claims of the Buyer are excluded, when damage was caused by the Buyer in consequence of breach of operating, maintenance, and assembling directives, incorrect or unqualified use, wrong or negligent manipulation, ordinary wear and tear or incorrect mend.
5. If the Seller is under the legal obligation, he is responsible for justified remedies of Buyer for the damage prevention (e.g. withdrawal from sale actions)
6. If the Buyer intends to lay claim against the Seller in accordance with above mentioned regulations, the Buyer immediately informs the Seller in details and consults it. The Buyer must give the Seller a chance to investigate actual case of damage. Contractual partners will agree on measures, which will be taken, especially in settlement negotiations.

XII. Industrial and Intellectual Property Rights and marking of products

1. The Seller is reliable for the fact, that goods delivered to Buyer in total as well as in individual components does not break Industrial and Intellectual Property Rights (of patents, utility and industrial designs) of any third party and that the goods is not encumbered with rights of third parties both in inland and abroad.
2. The Seller is obliged to inform the Buyer about use of all his own patents, utility and industrial designs as well as about licence use of patents, utility and industrial designs owned by third parties for goods delivered to the Buyer. Used licence must allow export of goods to all destination countries of the Buyer.

The Seller discharges the Buyer and his customers from all rights from using such Industrial, Intellectual, or Patent Rights.

3. This is not in force, if the Seller produced objects of the delivery according to designs, models or other comparable descriptions or dates given by the Buyer and the Seller does not know, or in connection with the products developed by him, does not have to know, that Industrial, Intellectual, or Patent Rights are broken by it.
4. If pursuant the subsection 3. the Seller is not responsible, the Buyer discharges him from any claims of third parties.
5. Contractual partners engage themselves to inform immediately each other about discovered risks of breach or about supposed case of breach and that they will give each other possibility to act against such claims after mutual agreement.
6. Based on the Buyer's application, the Seller gives details about use of promulgated own or licenced Industrial, Intellectual, or Patent Rights and application for these rights applied to the object of delivery.
7. Solutions and procedures in intellectual possession of the Buyer cannot be used by the Seller for the purposes different from production of goods for the Buyer.

The Seller cannot file a patent, utility or industrial design application for any solution in intellectual possession of the Buyer, which was given to the Seller in documents or was developed in connection with the Buyer's development order as well as within consultation with the Buyer's experts. None of these solutions cannot be admitted and awarded as a proposal for innovation.

If the Seller obtained Industrial, Intellectual, or Patent Rights in contradiction with regulations of the previous subsection, he is obliged to cede the rights to the Buyer immediately and free of charge.

8. The Seller is obliged to mark appointed delivered goods or its covers with symbols or signs in accordance with Buyer's instructions.

XIII. Use of productive instruments and confidential data of the Buyer

Models, moulds, patterns, designs, tools and other instruments of production as well as confidential data put by the Buyer at the Seller's proposal or fully paid up, cannot be used for deliveries to third parties without written permission of the Buyer.

The Seller engages himself not to sell to third parties the goods, which is the object of delivery to the Buyer and which is specific for use in the Buyer's products without permission of the Buyer.

The Seller is obliged to inform the Buyer about the place of use of tools, or about the intent to relocate the tools to other place of production.

The Seller is obliged to inform the Buyer about property rights of third parties to the tools.

The Seller is in case of intent to sell or in the other way to hand over the tools, the Seller is obliged to offer them preferentially for purchase to the Buyer.

Maintenance and restoration of the tools is paid by the Seller.

XIV. Spare parts and delivers to third parties

The Seller engages himself to deliver spare parts after the ending of the lot production on conditions usual on the market for 15 years at minimum.

XV. General provisions

1. The Seller and the Buyer declare, that they are acquainted with all legal regulations and standards quoted in this General Conditions of Purchase.

The Buyer will inform the Seller about possible changes of these grounds.

2. If some regulations of these General Conditions or other concluded contracts were or became imperfect, force of all other parts of the contract stay unaffected. Contractual partners are obliged to replace the imperfect regulation with other enactment with as comparable economical impact as possible.
4. All disputes, which can originate between the Seller and the Buyer in execution of purchase orders, complaints, payments for deliveries, or with interpretation of these General Conditions of Purchase will be resolved primarily by amicable settlement. For the case of not coming to an agreement, rights and duties and legal relations resulting, arising from this agreement and connecting with this agreement, follow valid laws of the Czech Republic.
5. In case of the Sellers with residence in the Czech Republic ruling is Czech version of these General Conditions of Purchase and in case of the Sellers with residence abroad the English version.