

GENERAL PURCHASING CONDITIONS

In effect from 2013-06-01

1 BUYER

1.1 In these General Purchasing Conditions (hereinafter referred to as "GPC") the Buyer always means the business corporation MOTORPAL, a.s., with its registered office at Humpolecká 313/5, 587 41 Jihlava – Staré Hory, incorporated in the Commercial Register kept by the Regional Court in Brno, File No. B 5156 (hereinafter referred to as "MOTORPAL").

2 SUPPLIER

2.1 If mentioned "Supplier" here, it is understood as company providing the material, components, moulds, tools, control and checking fixtures or services to MOTORPAL.

3 DESIGNATION OF REPRESENTATIVES

3.1 The Supplier is required to designate the "window persons" for both the regular and emergency communication with MOTORPAL; the Supplier has to notify MOTORPAL within 5 business days if the contact persons are changed. The Supplier's new-projects team and its changes have to be announced likewise to MOTORPAL.

4 SUPPLIER QUALITY ASSURANCE MANUAL (SQAM)

4.1 MOTORPAL shall deliver a single copy of SQAM to the designated Supplier's representative. If necessary, the Supplier shall be responsible to distribute any additional controlled copy of SQAM within the Supplier's organization. In case of changes in the SQAM the designated Supplier's representative shall be provided with a single copy of the revised document.

5 QUALITY SYSTEM REQUIREMENTS

5.1 The Supplier is expected to be conforming to the latest valid revision of IATF 16949; the minimum mandatory prerequisite for deliveries to MOTORPAL is the Supplier's quality system certification in accordance with ISO 9001. Additional advice to the Supplier is registration to ISO 14001 (Environmental Management System) and to OHSAS 18001 (Occupational Health and Safety Management System).

5.2 Specific requirements of MOTORPAL supersede the requirements of MOTORPAL's customer if and only if those requirements are stricter or in addition to the MOTORPAL customers' requirements.

6 GOODS

6.1 Whenever these GPC mention "Goods" it shall mean: materials, components, moulds, tools, control and measuring fixtures.

7 RAW MATERIALS AND INPUT MATERIALS

7.1 Unless settled otherwise, the Supplier shall be fully responsible for purchase of raw materials and other input materials and all the Goods to be manufactured using virgin materials; the freight charges for purchased materials are the Supplier's responsibility.

8 CUSTOMER OWNED TOOLS

8.1 MOTORPAL may from time to time provide tools and any necessary manufacturing, test, inspection tooling and equipment (such "Tooling" can be property of MOTORPAL or MOTORPAL's customer) for the manufacture and/or repair of the Goods to the Supplier under separate agreement. The Supplier shall be obliged to mark the Tooling permanently so that the ownership of each item is visible and can be determined; unless agreed otherwise the appropriate plates shall be submitted by MOTORPAL to the Supplier.

8.2 The Supplier shall keep and handle the Tooling carefully and shall use them only for the purpose of manufacturing the Goods for MOTORPAL. Furthermore, the Supplier shall not transfer such Tooling to any other party for any purpose whatsoever, including but not limited to assignment, lease or loan without the prior written consent of MOTORPAL. Unless agreed otherwise, the Supplier is not entitled to copy or manufacture the tooling, directly or indirectly, or to authorize any other person to do so.

8.3 The Supplier is obliged to insure the provided Tools at his own expense against property damage to their replacement value. The Supplier shall restrict the right of disposal to any insurance payments from the insurance for the MOTORPAL's benefit.

8.4 The Supplier shall not be entitled to relocate the Tools without a prior written approval of MOTORPAL.

9 TOOLS MAINTENANCE

9.1 Costs of the Tools maintenance shall be borne by the Supplier. The Supplier shall be responsible to procure and store all spare parts necessary to support the tooling requirements during the contracted production period. Unless agreed otherwise, the Supplier shall perform at its costs regularly scheduled preventive maintenance on the tooling no later than every three months; all tooling preventive maintenances, inspections, overhauls and repairs has to be documented.

10 PACKAGING

10.1 Unless agreed otherwise, it is the Supplier responsibility to propose suitable packaging for every supplied Goods. Such packaging has to be approved by MOTORPAL during a sampling of purchased product, before starting of serial deliveries or before implementation of any change on the packaging.

10.2 When returnable packaging is agreed, its quantity has to be mutually setup and has to reflect all safety stocks and both logistics and production requirements as well. If returnable packaging is MOTORPAL's property, the Supplier is responsible for store the one in the area not affected by weather condition; the Supplier is not entitled to use such packaging for any third party or for other purposes than specified in the agreement. The Supplier is not entitled to request or charge on the invoices any repayable deposit for the returnable packaging in the Supplier's property.

10.3 From time to time, MOTORPAL is entitled to require the Supplier to pick-up and dispose any non-returnable packaging material or such material can be disposed by MOTORPAL and related costs charged to the Supplier.

10.4 Regardless the ownership and type of the packaging, the Supplier is responsible for deliveries of Goods in clean, not broken and properly labelled packaging.

10.5 Any non-compliance on the packaging could be reason for rejection of delivery of the Goods.

11 LABELLING

- 11.1 Any packaging of the Goods (i.e. containers, pallets, stands, drums, boxes, bags etc.) has to be clearly labelled; all labels has to conform to MOTORPAL's specification and ensure the correct label size is being used and fitted within a label holder unless other specified by agreed packaging specification. On the box (bag, drum...) label has to be mentioned at least Supplier name and address, customer (MOTORPAL) name and address, MOTORPAL's purchase order/call-off number (hereinafter referred to as the "Purchase Order"), Goods identification number, their name, quantity including the unit of measure (if applicable or if required by MOTORPAL); all the numbers/letters have to be expressed both alphanumerically and by Code128 barcodes. On the pallet (container etc.) label has to be mentioned at least Supplier name and address, list of Goods on the pallet including total quantity and unit of measure, pallet number and total quantity of pallets in the delivery batch.
- 11.2 In case of first delivery of the Goods after Engineering Change Implementation ("ECI") the packaging has to be labelled by additional yellow label in accordance MOTORPAL specification.
- 11.3 Any non-compliance on the labelling could be reason for rejection of delivery of the Goods.

12 PACKING SLIP AND DELIVERY NOTE

- 12.1 The packing list or the bill of delivery must specify at least the following information: date of issue, date of the Goods delivery to MOTORPAL, Supplier's name and address, customer's (MOTORPAL's) name and address, delivery clause according to INCOTERMS 2010 including the type of transport, Purchase Order number, Goods number (as used by MOTORPAL) including the ECI-level index, Goods description, HS-code (TARIC), quantity and net weight including unit of measure, lot size, batch number, number of boxes (packing slip only) and total quantity and weight (both net and gross). Missing or incomplete packaging slip and/or delivery note should cause rejection of Goods delivery.
- 12.2 If delivery address differs from seat of MOTORPAL, the Supplier is required to send copy of delivery note to MOTORPAL by fax or email as well.
- 12.3 Unless settled otherwise and/or required by mandatory law, all Czech and/or English and/or German versions of the packaging slips and the delivery notes are acceptable.

13 INVOICE

- 13.1 Unless agreed otherwise each invoice must be delivered to MOTORPAL electronically in *.pdf format exclusively to the address e-podatelna@motorpal.cz; parallel (i.e. duplicate) sending of invoices by post or enclosing copies thereof to shipping documents shall not be accepted unless required in connection with customs clearance of the Goods.
- 13.2 Any invoice issued by a Supplier with his registered office in the Czech Republic must contain all particulars prescribed by Act No. 235/2004 Coll., as amended (VAT Act). In addition to the particulars defined by law the invoice has to specify the relevant Purchase Order number and individual invoiced items must contain identification number of the Goods as used by MOTORPAL. Supplier's account number (to be specified in the invoice including SWIFT and IBAN codes) must be identical with any of the Supplier's accounts specified in VAT payer's registration and published in the Register of VAT Payers (see §96 of Act No. 235/2004 Coll., as amended); the Supplier shall declare in the invoice that as of the date of issuing the invoice he has not been declared an unreliable payer. Should the Supplier request the payment to be made to an account other than the one published in the Register of VAT Payers MOTORPAL shall be entitled to suspend payment of such invoices until the correct account number is notified; MOTORPAL shall not be considered to be in arrears when acting in this way and the Supplier shall not be entitled to claim interest on late payment or contractual penalty and no Supplier's claim for any damages shall rise. Should the tax administrator declare the Supplier an unreliable payer under §106a of Act No. 235/2004 Coll. MOTORPAL shall be entitled not to pay the Supplier the VAT otherwise due by MOTORPAL and MOTORPAL undertakes to pay the relevant amount of VAT directly to the tax administrator; such VAT payment shall be considered a partial settlement of MOTORPAL's liability to the Supplier and MOTORPAL shall not be considered to be in arrears when acting in this way and the Supplier shall not be entitled to claim interest on late payment or any contractual penalty and no Supplier's claim for any compensation shall rise.
- 13.3 Any invoice issued by a Supplier with his registered office outside the Czech Republic must contain the following information: exact name and registered office of the Supplier including VAT-number; name and registered office of the invoice recipient (MOTORPAL) including VAT-number; tax document (invoice) registration number; document issue date; date of rendering taxable supplies or date of payment acceptance; due date, information on Supplier's bank account including the exact name and address of the Supplier's bank, account number, bank code and SWIFT and IBAN codes; number of the Purchase Order issued by MOTORPAL according to which the invoiced Goods are supplied; identification number and description of the Goods as used by MOTORPAL, quantity, unit of measure, unit price net of tax, discount (unless included in the unit price), tax rate, total price of the Goods including and net of VAT; total price of all invoiced items including and net of VAT; total invoiced amount of VAT (Suppliers with registered office outside EU shall not specify the tax rate and VAT amount in the invoice).
- 13.4 The address of MOTORPAL to be specified in the invoice must be identical with the address in the column "invoicing address" in the Purchase Order of MOTORPAL; no additions, e.g. contact person's name, are permitted. Documents longer than one page must be clearly numbered in each page (including the total number of pages).
- 13.5 In case of repeated deliveries in the course of a single calendar month MOTORPAL prefers cumulative invoices to be issued on a ten-day basis; such accounting document must specify the relevant Purchase Order number for each invoiced item or the invoiced items must be divided into sections by relevant Purchase Orders.
- 13.6 Unless settled otherwise and/or required by mandatory law, all Czech and/or English and/or German versions of the invoices are acceptable.
- 13.7 Any non-compliance with above mentioned conditions can cause refusing of the invoice that means the invoice will be immediately returned to the Supplier and the payment should be late (due to procedural reasons the payment shall not be settled earlier than 10 working days counted from date of repaired invoice receipt).

14 DELIVERY SCHEDULE

- 14.1 Unless agreed otherwise, all Goods from the Supplier is ordered by issuance of an individual Purchase Order that corresponds with the "Framework Agreement / Price Agreement"; Purchase Orders are issued on weekly basis and are accompanied by item-by-item forecast. Purchase Orders and the forecasts are communicated by fax, e-mail or via Electronic Data Interchange (EDI).
- 14.2 The Purchase Order becomes binding on the Supplier in its whole extent at the moment when the one is delivered to the Supplier and the Supplier expressly declares that on delivery he shall consider the Purchase Order fully confirmed by him with regard to the subject matter, quantity and date of delivery. Therefore provided that the quantity and the delivery date comply with Article 14.4 hereof the Purchase Order becomes binding.
- 14.3 Unless agreed otherwise the delivery forecasts sent to the Supplier together with the Purchase Order issued under Article 14.1 shall cover the period of 6 weeks.

14.4 If need be, MOTORPAL is entitled to revise the Purchase Orders and forecasts; the Supplier shall maintain the ability to absorb a 15 % volume increase at all time, and has to be able to accommodate a 30 % volume increase within 48 hours prior notice. Should an increase of greater than 30 % of original Purchase Order be required within the agreed lead-time, MOTORPAL may be responsible for expedited costs for the particular items; however, the Supplier is still responsible for the delivery of the other items. MOTORPAL is entitled to issue the Emergency Purchase Order in case the original fulfilment of regular Purchase Order caused rejection of Goods as well. In this case the Supplier is responsible for all related costs for immediate delivery of Goods, limited by quantity of rejected Goods.

14.5 The Supplier need to maintain sufficient safety stock and finished Goods inventory to accommodate 100 % on-time delivery. Prior to start of serial deliveries ("SOP") the minimal level of safety stock proposal has to be submitted to MOTORPAL; such safety stock level is subject of MOTORPAL approval, and MOTORPAL is entitled from time to time require the safety stock inventory and/or even inspect the safety stock level at the Supplier's premises. Short-shipments must be communicated immediately, along with a corrective action and recovery plan. Additionally the Supplier shall be responsible for arranging transportation of Goods that MOTORPAL deems necessary, at the Supplier's costs, to insure such short-shipments are not missed to the MOTORPAL's Customer, and shall be responsible for any costs MOTORPAL may incur due to this short-shipment (those costs may include, but not limited to, expedited freight, expedited labour and line stoppage at MOTORPAL and MOTORPAL's Customer).

15 PRECISE AND ON-TIME DELIVERY

15.1 Precise delivery means that delivery of required Goods by the Supplier shall be completed at the time, quantity and quality specified by MOTORPAL; correct marking/labelling of delivered cost is understood as significant quality issue. Each delivery has to be accompanied by all transportation documents, packaging list, delivery note, Goods certification and/or material certification and other documents required by MOTORPAL (i.e. documents specified by different chapters of this GPC, SQAM, Price Agreement or Purchase Order) and/or required by applicable law as a mandatory ones.

15.2 Deliveries to more than one of the MOTORPAL's production plants have to be split and accompanied by separate documentation.

15.3 Every other delivery is not precise and timed delivery, and MOTORPAL is entitled to refuse the one on Supplier's costs.

16 DELAY

16.1 The Supplier is responsible for precise delivery on the due date. Supplier shall pay a contractual penalty in amount of 0,2 % from the price of undelivered Goods for every day of delay, total amount shall be minimally 100 EUR. If MOTORPAL production lines are stopped due to late delivery, the Supplier shall be charged at 250 EUR per minute of stopping the production line as contractual penalty. The amount of these penalties is fully reasoned by penalties that MOTORPAL is obliged to pay to its business partners in analogous cases. The Supplier declares these penalties as adequate.

16.2 The rights of MOTORPAL to indemnification remain unaffected by Article 16.1.

17 PRICE OF THE GOODS

17.1 Unless agreed otherwise in the Price Agreement, prices of the Goods are understood including packaging and transportation to the relevant production plant of MOTORPAL ("Price B" in the Price Agreement, delivery condition DAP in accordance with Incoterms 2010); MOTORPAL reserves the right to arrange, in certain cases, the transport of the Goods from the Supplier to its production plants at its own expense through its own transport and/or hired carrier ("Price A" in the Price Agreement, delivery condition FCA in accordance with Incoterms 2010).

17.2 Unless agreed otherwise in the Price Agreement, all prices of the Goods are calculated in EUR and the actual evolution of the exchange rate between EUR and any other currency have no effect on their amount.

17.3 Unless agreed otherwise in the Price Agreement, MOTORPAL shall pay the full price of the Goods once it receives the relevant invoice within 90 days from delivery of the Goods or with a discount of 3 % if paid within 45 days from delivery of the Goods. Should the Supplier require the Goods to be paid prior the delivery thereof for any reason (i.e. according to a proforma invoice) the discount for advance payment of 6 % must be included directly in prices of the Goods.

17.4 Unless MOTORPAL and the Supplier agree otherwise, prices of the Goods shall be calculated as fixed ones valid for the entire supply of the Goods to MOTORPAL except for possible effects of raw material prices as specified in Article 17.7.

17.5 On MOTORPAL's request, the Supplier is obliged to present a detailed cost-breakdown of the delivered Goods during the entire cooperation with MOTORPAL.

17.6 The Supplier agrees to suggest MOTORPAL by technical improvements of the delivered Goods within the continuous improvement activities and on basis of value analysis ("VA/VE") with the aim to improve the prices; provided that implementation of these VA/VE activities is approved, the net savings resulting from such VA/VE activities shall be shared between the Supplier and MOTORPAL in a ratio of 1:1 except for those VA/VE activities initiated by MOTORPAL or MOTORPAL's customers.

17.7 In case of a non-foreseeable increase of the price for raw material required for the production of the Goods, the Supplier and MOTORPAL shall enter into price negotiations. Material price change of $\pm 10\%$ per calendar year shall not be considered. Until mutual agreement is to be reached between Supplier and MOTORPAL, the Supplier is not entitled to unilaterally increase prices of the Goods even if the price of raw materials rises by more than 10 %.

17.8 The price of the delivered Goods as specified in the foregoing articles shall be competitive during the entire period of the deliveries of the Goods by Supplier to MOTORPAL and shall be considered the maximum price (except for any change due to increase of prices of raw materials under Article 17.7). The price of the Goods shall be considered non-competitive if the Goods or an equivalent product can be supplied by a third party below the actual price of the Goods considering the terms and conditions customary in the business.

18 CHARGING THE COSTS, ADMINISTRATIVE FEES AND CONTRACTUAL PENALTIES

18.1 The Supplier should be charged in case of any quality, delivery or invoicing non-conformity and in case of violation of any other rules specified by those GPC, SQAM and Framework Agreement / Price Agreement as well; the detail of amounts is specified in Exhibit A. The MOTORPAL's right for contractual penalties due to delayed delivery – see Article 16.1 – is not touched.

19 INFORMATION ON GOODS SHIPMENT

19.1 The Supplier is responsible for sending an Advance Shipping Notice ("ASN") for each shipment, namely in written form by e-mail and at least one day in advance; where EDI communication is agreed, the ASN should be submitted as EDI-message. The ASN shall include the Supplier name, MOTORPAL's Purchase Order release number, MOTORPAL's Goods number, KANBAN number (where KANBAN is implemented), description of Goods, shipped quantity including unit of measure and ship-date. If mutually agreed between the Supplier and MOTORPAL, the use of copy of the delivery note as the ASN is acceptable (Article 12.1).

20 MATERIAL CERTIFICATE

20.1 Unless agreed otherwise the Supplier has to send Material Safety Data Sheet ("MSDS") in accordance with the Law of the Czech Republic and Technical Data Sheet ("TDS") to MOTORPAL prior first delivery of the Goods. Both MSDS and TDS shall be delivered

to the purchasing department of MOTORPAL at the very latest in the moment of Goods delivery, otherwise MOTORPAL is entitled to refuse Goods delivery at the Supplier's costs.

- 20.2 Material certification and/or list of measurements has to be submitted to quality department of MOTORPAL prior shipment of each new lot of Goods, or at the very latest together with delivery of the Goods, otherwise MOTORPAL is entitled to refuse Goods delivery at the Supplier's costs.

21 SAMPLES SUBMISSION

- 21.1 Prior to SOP the following have to be submitted to MOTORPAL: Part Submission Warrant, Performance Test Results, Dimensional Results with marked drawings, Material test Results, Appearance Approval Reports (if applicable), Inspection Standard, Process Control Plan, Process FMEA, Process Flow Diagram, Initial Process Studies, Gage R&R, Boundary Samples, Sample Products and Countermeasure Reports (when applicable), Engineering Change documentation (if applicable) and Records of Compliance with MOTORPAL and/or MOTORPAL's Customer Specific Requirements.
- 21.2 Approval by quality department of MOTORPAL is required prior to first delivery of Goods for serial production. All deliveries of the Samples has to be marked on Packaging Slip and/or Delivery Note as well as on the packaging (box, drum...) as "SAMPLES" with the name of person who the delivery is addressed for.

22 DELIVERY OF THE GOODS

- 22.1 If transportation of the Goods to the production plants of MOTORPAL (or any other location specified by MOTORPAL) is not included in the delivery terms specified in the contract with the Supplier, MOTORPAL arranges the transport by specific carrier at its own expense. In specific cases when MOTORPAL is responsible for transport of the Goods MOTORPAL can ask the Supplier to arrange the transport specifying the carrier to be used; if Goods shipped on a carrier other than specified by MOTORPAL without prior written approval, the cost of the carrier shall be debited back to the Supplier.

23 REJECTED GOODS

- 23.1 In case of a defective and/or damaged delivery of the Goods, a quality and/or delivery complaint notice shall be submitted to the Supplier by fax or e-mail. The Supplier is responsible to take appropriate countermeasures immediately and to submit 8D-Report to MOTORPAL within 24 hours counted from the moment of the complaint notice sending; late answering of MOTORPAL's complaint notice has effect of automatic understanding the claim is fully accepted. The Supplier is obliged to collect non-conforming Goods within 10 working days from the complaint notice submission; non-conforming Goods uncollected within specified period of time will be scrapped by MOTORPAL on the Supplier's costs, unless agreed otherwise for each separate event. Unless agreed otherwise, the Supplier is not entitled to deliver substitution of rejected Goods by its own decision – once the Goods is delivered in full quantity, related Purchase Order is closed regardless the possible rejection and/or return of Goods in the future.
- 23.2 The Supplier is obliged to issue a corrective tax document (credit note) covering all rejected and/or returned Goods within 15 calendar days from the complaint notice submission. Regardless the fact of a corrective tax document (credit-note) for the rejected and/or returned Goods issuing, MOTORPAL is entitled to charge the Supplier other costs related to the claimed Goods, such as namely but not exclusively internal/external sorting costs, transportation costs, the value of damaged products into which the refused Goods have been assembled, and administrative fees for the complaint notice issue.

24 REJECTED GOODS SORTING

- 24.1 MOTORPAL is entitled to decide on inspection and sorting of all deliveries in which defective or damaged Goods have been identified in order to find defective and select acceptable Goods (instead of returning all the lot of Goods to the Supplier). The Supplier is obliged to assure start of sorting the rejected Goods at MOTORPAL premises within 2 hours from announcement by MOTORPAL; to avoid stopping the production MOTORPAL is entitled to start such sorting immediately by MOTORPAL inspectors or by third party at the Supplier's expense.
- 24.2 Under no circumstances the Supplier shall rely on MOTORPAL's receiving inspection activities to confirm Goods quality and/or detect nonconforming Goods.

25 SUPPLIER EVALUATION

- 25.1 The purchasing and the quality departments of MOTORPAL rate regularly the Suppliers based on of their ongoing quality, on-time deliveries, technical support and commercial activities performing to MOTORPAL.
- 25.2 "Zero ppm" and "100% on-time deliveries" are the key requirements on each Supplier; any deviation from those essential requirements will require the implementation of documented corrective actions to meet the ones regardless delivered commodity and ratings in others criteria as well.

26 OBSOLESCENCE

- 26.1 MOTORPAL is entitled to change the design or technical specification of the required Goods during the business relationship with the Supplier. The Supplier shall receive a written notification about supposed plan of engineering change from the purchasing department of MOTORPAL. The Supplier shall inform MOTORPAL of the quantity of Goods on the stock and/or work-in-progress and the time of required ECI; such information including draft of the schedule of necessary steps will submit to purchasing department of MOTORPAL within 5 days unless settled otherwise. Having checked all issues related to the engineering change MOTORPAL may authorize the Supplier to implement the ECI. Based on the notification the engineering change is released, the Supplier is obliged to issue detailed implementation schedule of the ECI and to present progress reports to the purchase department of MOTORPAL on a weekly basis. The Supplier is not entitled to implement any changes before receiving the ECI notification.
- 26.2 It is the Supplier's obligation to follow ECI-levels mentioned on MOTORPAL's individual Purchase Orders; unless agreed otherwise, submission of another ECI-level of the Goods than specified by individual Purchase Order could cause rejection of delivery of the Goods at the Supplier's costs.
- 26.3 All executed changes are required to be approved in accordance to the PPAP requirements prior to production implementation.
- 26.4 The Supplier shall deliver the Goods to MOTORPAL only and strictly in accordance to the actual Purchase Orders of MOTORPAL, respectively the customer of MOTORPAL. MOTORPAL does not guarantee to order a specific volume of the Goods and, therefore, is not obliged to pay the Supplier any kind of compensation for the Goods produced by the Supplier in excess of the volumes specified in the Purchase Orders, except for the volume of Goods (and/or work-in-progress) corresponding to MOTORPAL's average requirements in the course of 2 weeks and volume of raw materials (or purchased parts as the case may be) corresponding to 4 weeks of MOTORPAL's usual requirements for deliveries of the Goods.

27 WARRANTY

- 27.1 The Supplier warrants that the Goods is free of any defects and complies with the agreed requirements and the technical specifications and is state-of-the-art. As far as MOTORPAL's customer will not require different terms, the warranty term shall be 36

months commencing the delivery of product into which product the Goods has been integrated, however, the latest 42 months after delivery of the Goods to MOTORPAL.

28 SPARE PARTS

28.1 The Supplier is obliged to supply the product to MOTORPAL over a period of 15 years, commencing with the end of the delivery of serial parts. If the products cannot be produced within economically reasonable cost, Supplier may supply suitable substitute. The last price valid for the serial deliveries plus additional costs for special packaging, if any, shall be applied regarding the spare parts for a period of three years after the end of (serial) deliveries; the price for spare parts shall be determined new after such three years on the basis of a cost analysis.

29 CONFIDENTIALITY

29.1 The Supplier is obliged to keep strictly confidential all information disclosed by MOTORPAL or the companies affiliated to MOTORPAL and to treat them as business and trade secret and to ensure that third parties will not have access to such information. This does not apply for information for which the Supplier can prove: a) are publicly available, b) are provided to the Supplier by a third party which was entitled to provide such information and which was not subject to a confidentiality obligation or, c) was already known to the Supplier prior to the receipt of the information from MOTORPAL.

29.2 The Supplier is obliged to immediately inform MOTORPAL in case he is aware that third parties gained access to confidential information or in case such confidential information had been destroyed or lost.

29.3 The Supplier agrees not to make use of the confidential information outside the scope of their relationship without the prior written approval of MOTORPAL.

29.4 This confidential obligation applies to all persons engaged by the Supplier independent of their contractual relationship. The Supplier undertakes to bind all those persons and employees or any other third parties which have access to the confidential information. The Supplier will keep the number of such persons as small as possible with respect to the confidentiality.

29.5 This confidentiality and use restriction obligation applies during the term of the business relationship between MOTORPAL and the Supplier and for a period of 10 years after its termination.

30 ADVERTISING

30.1 The use of requests for quotations submitted to Supplier by MOTORPAL, Purchase Orders, acceptance of such Purchase Orders and the connected correspondence and the business relationship as such for promotion purposes is strictly prohibited.

30.2 Only upon the prior written approval of MOTORPAL shall the Supplier be allowed to engage in promotional activities regarding the business relationship with MOTORPAL.

31 GENERAL PROVISIONS

31.1 Unless agreed otherwise all contracts between MOTORPAL and the Supplier shall be governed by, interpreted and performed in accordance with laws of the Czech Republic.

31.2 Any provision which shall be or become deemed invalid shall not affect the validity and enforceability of the other valid provisions. Both MOTORPAL and the Supplier agree that such invalid provisions shall be replaced by a valid provision which, in its commercial and legal effect, is approximate so close to the one which shall be substituted of which it may reasonably be assumed the new provision corresponds to the conditions under which MOTORPAL and the Supplier reached the original agreement.

31.3 All disputes arising from or in connection with these GPC shall be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic in accordance with its Rules and Regulations by three arbitrators; hearings in heard cases shall be held at the seat of the Arbitration Court in Prague.

32 COMMUNICATION

32.1 All official communication between MOTORPAL and the Supplier, in particular but not limited, all business correspondence, all types of contracts and agreements, quotations, PPAPs, complaint notices, 8D-reports etc. will be in Czech and/or English and/or German. If there will be any bilingual or multilingual documents that appeared different in their Czech and the other language versions, English version will be decisive.

32.2 It is the Supplier's daily obligation to check the "supplier's section" of MOTORPAL's internet presentation (<http://www.motorpal.cz>) where different kind of mandatory requirements such as important messages, MOTORPAL's specific requirements, blanket-forms, GPC and SQAM should be published. Access to specific parts of such presentation could be locked by password. MOTORPAL is entitled to announce the above mentioned commercially and legally binding information directly by publishing on the website without prior/subsequent supplier notification; the information and/or documents are assumed to be delivered 12 hours after the ones has been published on the website.

33 AMENDMENTS

33.1 MOTORPAL may from time to time revise both GPC and SQAM. The latest versions of both documents shall be available through the "supplier's section" of MOTORPAL's internet presentation. The GPC and its revisions are considered to be accepted by any potential fulfilment from the Supplier (e.g. submission of quotation or shipping any Goods), if the Supplier has been announced of GPC and its revision latest at the time when fulfilment has been required.

Please, read these GPC those are mandatory and inseparable part of any contracts between MOTORPAL and the Suppliers, carefully. If you should have any questions concerning GPC, please contact the purchasing department of MOTORPAL. Should you be interested in cooperation with MOTORPAL please sign these GPC and return one copy thereof to MOTORPAL.

Date:

Supplier – company name and statutory representative's signature:

Sales Department authorized representative's signature:

Quality Department authorized representative's signature:

Exhibit A

Costs, Administrative Fees and Contractual Penalties			
Quality	issuing a complaint notice	administrative fee	25 EUR
	no reaction to the complaint notice issued by MOTORPAL within 24 hours from its delivery and/or a missing 8D-report	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	non-conforming Goods sorting by MOTORPAL	costs	all costs related to sorting, minimum of 30 EUR per hour
	non-conforming Goods sorting by a third party	costs + administrative fee	real costs charged by a third party + 15 EUR per hour of sorting at the MOTORPAL's premises, minimum of 150 EUR per incident
	non-conforming Goods sorting by the Supplier (at MOTORPAL's premises)	administrative fee	15 EUR per hour of sorting at the MOTORPAL's premises, minimum of 150 EUR per incident
	rejected Goods returning to the Supplier	costs + administrative fees	real transportation costs charged by a third party + 25 EUR per incident
	scrapping of non-collected rejected Goods	costs + administrative fees	real costs of scrapping + 25 EUR per incident, minimum of 100 EUR
Deliveries	issuing a complaint notice	administrative fee	25 EUR
	Mistake on transportation documents (e.g. weight discrepancy)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	quantity discrepancy (comparing real delivery of the Goods with delivery documents and/or invoice)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	packaging non-conformance (wrong, damaged or dirty packaging, under-/over-shipment, wrong material)	contractual penalty	50 EUR per individual incident
	labels non-conformance (missing or non-standard labels, wrong information on the label etc.)	contractual penalty	50 EUR per each label
	delivery notes non-conformance (missing delivery note, unmatched data, lack of information on delivery note)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	rejected Goods returning to the Supplier	costs + administrative fees	real transportation costs charged by a third party + 25 EUR per incident
Invoices	return of invoice (due to, for example, missing mandatory information of the Supplier and/or MOTORPAL, incorrect prices, quantities, description of the Goods etc.)	administrative fee	25 EUR
	duplicate invoice sent by post or enclosed to the delivery of the Goods (except when a copy of the invoice forms a part of shipping documents used for customs clearance)	administrative fee	25 EUR
	missing invoice, late submission of invoice	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
Tooling	submission of tooling inventory report later than 5 working days after the end of every six months of the MOTORPAL's fiscal year	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	Non-documented preventive maintenance, inspections, overhauls and repairs of tooling	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	tooling repairs without prior announcement to MOTORPAL	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
PPAP and Engineering/Process Changes	late submission of PPAP (i.e. later than before the start of serial production, whether for a new project or after engineering/process changes implementation)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	requesting supplementary information to PPAP if documentation from Supplier does not correspond with the required PPAP-level and/or return of incomplete PPAP documentation to the Supplier	administrative fee	25 EUR
	late answering a written notification about supposed plan of engineering change	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	implementation of process changes without prior announcement and before approval of such changes by MOTORPAL	contractual penalty	500 EUR first occurrence, 1.500 EUR when repeated
	missing "yellow label" on the first delivery of parts after implementation of an engineering change	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	no improvement action within 48 hours after delivery of the Goods with a missing "yellow label" on the first delivery of parts after implementation of an engineering change	costs + contractual penalty	real costs for marking the Goods + 500 EUR first occurrence; real costs for marking the Goods + 1.500 EUR when repeated
Supplier Evaluation	corrective actions plan is not submitted by Supplier within 10 days after receiving the regular supplier evaluation (if required)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated
	updates of the corrective actions plan issued based on the regular supplier evaluation are not submitted in agreed frequency (if required)	contractual penalty	50 EUR first occurrence, 500 EUR when repeated

Date:

Supplier – company name and statutory representative's signature:

Sales Department authorized representative's signature:

Quality Department authorized representative's signature: