

PURCHASE ORDER TERMS AND CONDITIONS OF TACONOVA PRODUCTION S.R.O.

These general terms shall apply to the purchasing of Products of any kind (incl. Goods and Services), unless otherwise separately and in writing agreed upon between Taconova Production s.r.o. (hereinafter "Buyer") and the Seller (each referred to as a "Party" and together the "Parties").

I. Acceptance

Seller, by accepting this order, agrees that it is fully responsible to Buyer to furnish the materials and/or services supplied herein, in accordance with Buyer's conditions of purchase and any and all applicable Supplier Agreements between the parties. No changes or modification will be accepted by Buyer without its prior written consent. Seller will be responsible for consequential and incidental damages due to any unauthorized changes. All Purchase Orders must be acknowledged by Seller with binding prices and lead time latest within 2 business days of the Purchase Order date. Buyer will not be bound by any provisions, printed or otherwise at variance with this order, that may appear on any acknowledgment form used by Seller (or communicated to Seller in any other manner), such provisions being hereby expressly rejected. Delivery shall constitute acceptance on Buyers' conditions only.

II. Price

All prices are fixed and binding. Seller represents that the price charged for the items or services covered by this order is the lowest price charged by the Seller to Buyers of a class similar to Buyer under conditions similar to those specified in this order and that prices comply with applicable statutes and government regulations in effect at time of quotation, sales or delivery. Seller agrees that any general price reduction made in merchandise of the type covered by this order subsequent to the placement of this order and prior to receipt of shipment will be applicable to this order. Buyer's part number, where applicable, must appear on all documentation, including all invoices, packing slips, product packaging, CofC, CoA, Import and Domestic Shipping Documents and all other documents as required for legal transportation of the goods. Failure to do so will possibly delay payment. Discounting will be calculated from the date of receipt of materials if all necessary information is on invoice. If information is missing, discounts will be calculated from date of acceptable invoice.

III. Packing

Seller shall be responsible for safe packing which must conform to the requirements of carriers' tariffs. Buyer's part number where applicable must appear on the exterior of all shipping containers. Quantity in the shipping container must also be marked on each container. Packaging carton should only contain 1 unique part number and may not contain mixed parts in any carton. Cartons should not exceed 20 kg in weight and barcode labeling is preferred.

IV. Delivery

Time is of the essence in this agreement and if delivery of items or rendering of services is not completed by the time promised, the Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this agreement by written notice effective when mailed by Buyer, as to stated items not yet shipped and services not yet rendered, and to purchase items or services elsewhere and charge the Seller with any loss incurred. Buyer has also the right to request a non-performance penalty in the amount of 0,5% of the order value for each breached calendar week of the delay up to a maximum of 5% of the total order value.

Generally, no split shipments shall be permitted unless specified and approved by the Buyer on the Purchase Order. Any partial shipments must be approved by the Buyer on the Purchase Order prior to shipment. Shipments sent without Buyer's written consent will not be accepted and will be at Seller's risk. Unless otherwise stated, all deliveries shall be transported DDP in accordance to Incoterms 2020. Seller is liable for all transport damages caused by insufficient or unsuitable packaging.

V. Notice of Delay

Whenever Seller has knowledge of any actual or potential problem which threatens to delay on-time performance under this purchase order, Seller will immediately give written notice thereof to Buyer. This notice will not remove the obligation of the Seller under this contract.

VI. Inspections-Rejections

Materials and/or equipment purchased hereunder are subject to inspection and approval at Buyer's destination. Buyer reserves the right to reject and receive full credit for any article which is defective as to material, workmanship, quality or otherwise, or which is not in conformity with the specifications, drawings of the sample approved by Buyer. Rejected material will be returned to Seller and may be subject to cost recovery fees. Any Corrective Actions issued to Seller must be answered within 10 business days.

VII. Termination

Buyer may at any time terminate order in whole or in part by written or verbal notice confirmed in writing. If this order is terminated for convenience of Buyer, any claim of Seller shall be settled on the basis of reasonable actual cost it has incurred in the performance of this order. However, the Buyer may terminate this agreement without any liability to the Seller in the following circumstances: (A) the breach by the Seller of any of the conditions contained in this order including breach of warranty; (B) if the Seller becomes insolvent or makes a general assignment for the benefit of creditors or if a petition under the Bankruptcy Code is filed by or against the Seller; or (C) if at time the Seller shall default in performance or fail to make progress in the work so as to endanger performance and provided that Seller shall not remedy such default within ten (10) days after written notice to the Buyer.

VIII. Indemnification

Seller agrees to indemnify and hold Buyer its affiliates, successors, assigns, officers, directors, employees, agents and customers harmless from and against any and all damages, liability, claims, losses, costs, expenses and fees (including reasonable attorneys' fees) ("Losses") to the extent arising out of (a) Seller's negligent act or omission, or (b) breach of this Purchase Order or applicable law.

IX. Insurance

Seller shall maintain commercially reasonable insurance policies that protect against Seller's risks and the liabilities arising under this Purchase Order and provide Buyer with a certificate of insurance evidencing such coverage upon request. At the Buyer's request, the Seller undertakes to prove that he has financial capacities to cover damages, if any, that might arise from the contractual relation. At the Buyer's request, the Seller is obligated to take out liability insurance for damage for which the Seller is, or should be, liable in the scope of the mutual contractual relation (i.e. including the liability for defects caused by product defects, financial and consequential damage) to enable the Seller to fulfil all their obligations to the Buyer and to have sufficient financial backing. The insurance coverage shall be at least € 1.000.000 per event.

X. Payments and invoicing

Payments shall be made after the receipt of deliveries and the subsequent invoice within 60 days net unless otherwise agreed. If delivery of the necessary documentation is delayed, Buyer reserves the right to hold back payment accordingly. Seller has to indicate the origin of the goods for each item delivered on the invoice. In cases of missed deadlines, expired non-performance penalties can be deducted from the invoice amounts. If advance payment is agreed, upon request, the supplier has to provide a reasonable bank or insurance guarantee. All invoices shall be provided in electronic form, accompanied by a delivery note with a Buyer's order number stated clearly on both documents.

XI. Assignments and Subcontracts

This order shall not be assigned or transferred by Seller without written consent of Buyer. Seller agrees that it will not subcontract for the furnishing of any of the completed or substantially completed articles required by this order, without written approval of Buyer.

XII. Setoffs and Counterclaims

All claims for moneys due or to become due from the Buyer shall be subject to deduction by the Buyer for any setoff or counterclaim arising out of this or any other of the Buyer's Purchase Orders with the Seller, whether such setoff or counterclaim arose before or after any such assignment by the Seller.

XIII. Changes in Specifications

The Buyer reserves the right at any time to make changes to any one or more of the following: (A) work to be performed on materials furnished; (B) methods of shipping or packing; (C) place of delivery and; (D) time of delivery. Any changes so authorized must be in writing from the Purchasing Department.

XIV. Property Furnished to Seller by Buyer

Unless otherwise agreed in writing, all special dies, molds, patterns, jigs and any other property furnished to the Seller by the Buyer or paid for by the Buyer, for use in the performance of this agreement shall be and remain the property of the Buyer and shall be subject to removal upon Buyer's instruction at no additional charge. Such materials shall be used only in filling orders from the Buyer and will be considered confidential. Seller shall use reasonable care in the protection and preservation of such materials while in its custody or control. Seller shall be liable for loss or damage to such materials. Any changes to this property must be approved in writing by the Buyer before proceeding with any work. Seller's invoices for special tools, dies, jigs, fixtures, molds, patterns and the like shown as a separate item on the face of this order will not be paid until production quantities or samples are received from Seller and are accepted by Buyer.

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XV. No Waiver of Conditions

Failure of Buyer to insist upon strict performance of any of the conditions shall not constitute a waiver of such conditions or a waiver of any default.

XVI. Modification of Agreement

This order contains all the agreements and conditions of this transaction and no agreement or other understanding in any way modifying or waiving the conditions hereof will be binding unless made in writing as a change order or supplement and signed by Buyer.

XVII. Supplier Requirements

Seller must adhere to any supplier agreement. For customer specific products Seller must communicate any proposed changes in product specification or manufacturing process in writing to the Buyer a minimum of 6 months prior to the planned change in order for Buyer to review its potential impact to the business. All proposed changes must be submitted for First Article Inspection and review. Changes are defined as a change in Material, Process and/or Location.

XVIII. Conflict Minerals

As a supplier to publicly traded companies, Buyer must be able to declare to its customers Buyer's compliance to the "US Dodd-Frank Wall Street Reform and Protection Act". It is critical that Buyer is following this requirement. The Seller must ensure Conflict Minerals are not used in the product that is sold to Buyer.

XIX. Applicable Law

This Order has been concluded under the Czech law, when this law shall be decisive for relations between the Contracting Parties to this Contract. Any and all disputes arising from or in connection to this Contract shall be finally settled in Prague by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agrarian Chamber of the Czech Republic in accordance to the Code and Rules of the Arbitration Court by three arbitrators.

XX. Warranty

The Seller warrants all materials or services delivered hereunder to be free from defect of material or workmanship and to conform strictly to the specifications, drawings or approved samples, specified or furnished. This warranty shall survive any inspection, delivery, acceptance, or payment by the Buyer of the materials or services and it is the Seller's responsibility that the Goods are fit for the purpose of its use and comply with the generally binding legal regulations and technical standards concerning the given type of the Goods. The Seller shall provide a 24-month guarantee for the Goods from the moment of delivery of the Goods, unless otherwise agreed in writing. The Seller guarantees that during the guarantee period the Goods shall be fit for the purpose of their intended use and that the Goods shall have the characteristics or customary features required by Buyer and undertakes to compensate Buyer for all expenses that Buyer incurs with regard to its customers as a result of the guarantee for damaged or defective deliveries by the supplier.

XXI. Supplementary Information

Any specification, drawings, notes, instructions, engineering notices, or technical data referred to in this Purchase Order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, the Seller shall refer to the Buyer for decision or instructions or for interpretation.

XXII. Title to Drawing, Specifications and Confidentiality

The Buyer shall at all times have title to drawings and specifications, furnished by the Buyer to the Seller and intended for use in connection with this Purchase Order. The Seller is obligated to maintain confidentiality as to all information (business, production, technical information in particular), coming to the Seller's knowledge during the conclusion hereof or when performing agreements concluded with the Buyer, unless such information is provably in the public domain. The duty of non-disclosure shall survive the termination of the contractual relationship with the Buyer.

XXIII. Patents

The Seller shall defend, at Seller's expense, the Buyer, its distributors and dealers, and users of the product of the Buyer and indemnify them with respect to any and all claims that the products or materials furnished by the Seller under this Purchase Order infringe any patent, and with respect to any and all suits, controversies, demands, and liabilities arising out of any such claim.

XIV. Employment Practices

Seller shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations relating to employment practices, including those pertaining to Child Labor laws. Seller will comply with all applicable local, national and international child labor laws.

XV. Environmental requirements

Seller shall be responsible for all environmental aspects of the Goods. He shall not use materials, which are dangerous or harmful to health or the environment or cause other similar risks and warrants that the Goods comply with any requirements or restrictions in the REACH (EC/1907/2006) and RoHS Directive (EC/95/2005).

Velešín, August 2021