

General Conditions of Purchase of Senior Flexonics Czech s.r.o.

1. General Provisions

1.1 The present General Conditions of Purchase (hereinafter referred to as "GCP") are effective for, govern and apply to all relations, in which Senior Flexonics Czech s.r.o., with its registered office at Olomouc, Průmyslová 722/9, Corporate ID No. 26421658, acts as the Buyer. The present GCP form an integral part of all purchase agreements and exclude any general or other conditions of delivery of the Seller. Any deviations from these conditions are only possible if a valid agreement between the Buyer and the Seller stipulates so. Any changes of or amendments to the present GCP shall be confirmed in writing by both the Buyer and the Seller.

2. Confidentiality

2.1 Any confidential information of technical or commercial nature which the Buyer discloses to the Seller is deemed, by the Buyer, to be its trade secret. The Seller agrees not to disclose such information to third parties, and shall not use it for itself or for anyone else. The Seller may only provide information about the contractual relationship with the Buyer (including the very existence of the relation) to third parties subject to the Buyer's written approval. Should the Seller breach this obligation, it shall compensate the Buyer for the incurred damage.

3. Purchase Agreement

3.1 As a rule, Purchase Agreements are made on the basis of Buyer's written Purchase Order and its unconditional confirmation by the Seller. The Purchase Order shall be confirmed not later than 3 business days after its delivery. If the Purchase Order is not confirmed within that period of time, it will be deemed to be unconditionally accepted by the Seller. Should the Seller make any changes in the Purchase Order placed by the Buyer, then the Purchase Agreement is not entered into. In such a case, it shall constitute an offer to enter into a Purchase Agreement submitted by the Seller to the Buyer, and the Agreement shall be made only on the date of delivery of Buyer's approval of such an offer by.

3.2 Purchase Agreements may also be entered into on the basis of Buyer's written Purchase Order if the ordered goods are delivered by the Seller and accepted by the Buyer.

3.3 The following details, which form material elements of a Purchase Agreement, shall be provided in the Purchase Order by the Buyer:

- Identification of the Buyer including its business name, registered office and Corporate Id No.
- Specification of the ordered goods,
- Ordered quantity,
- Unit Purchase Price,
- Date and place of delivery.

3.4 Until the Buyer receives a written confirmation of the Purchase Order or until the Purchase Order is accepted in accordance with Article 3.1., the Buyer may cancel the Purchase Order without Seller's entitlement to damages, in writing or by phone followed by a confirmation in writing of such a cancellation.

3.5 Seller's deviations from and amendments to the Purchase Order are valid only if subsequently expressly approved by the Buyer in writing. Otherwise, such deviations and amendments are deemed not to have been made. Buyer's acceptance of or payment for the delivery does not imply its acceptance of Seller's Conditions of Sale.

3.6 After the Purchase Agreement has been entered into, it may only be changed subject to the agreement of both Contracting Parties and in writing.

3.7 A document sent by fax or e-mail shall also be deemed to be a Purchase Order or a confirmation thereof made in writing.

4. Purchase Price

4.1 The agreed Purchase Price is fixed, exclusive of VAT and includes any additional costs of the Seller. The Seller may only change the Purchase Price if expressly agreed so in the Purchase Agreement.

5. Delivery Terms

5.1 Unless stated otherwise in the confirmed Purchase Order, the delivery period shall be of 7 days starting upon the delivery of the Purchase Order to the Buyer. Deliveries before the agreed deadline may only be made if approved by the Buyer. Deliveries received ahead of time, if not approved by the Buyer, will be rejected, or stored by the Buyer at the expense of the Seller. The Seller is obliged to carry out, at its own cost, all measures necessary to keep the delivery period.

5.2 The Seller is obliged to deliver the goods to the place stated in the Purchase Order with an applicable delivery note. Should the place of delivery not be stated in the Purchase Order, then the DAP delivery term (Buyer's premises) under INCOTERMS 2010 applies.

5.3 A dispatch note containing at least the following details shall be issued for each delivery:

- Identification of the Seller and the Buyer,
- Dispatch note number,
- Purchase Order Number,
- Quantity and type of goods, including the specification of Buyer's article,
- Date of delivery,
- Seller's stamp and signature.

5.4 The risk of damage to the goods and the ownership thereof shall always pass to the Buyer upon the acceptance of the goods, irrespective of the agreed delivery terms.

5.5 The Seller is obliged to protect the goods with such packaging which will ensure appropriate protection of goods against damage, and at the same time will make it possible to manipulate with the goods using standard manipulation methods.

5.6 For the particular case of chemical substances or agents, the Seller is obliged to ensure that all requirements arising from the applicable laws are complied with (an up-to-date safety sheet, package labels), and attach them to the shipment.

5.7 Should the Seller default on the delivery of the goods, the Buyer shall be entitled to charge the Seller a penalty amounting to 0.5% of the purchase price of the goods not supplied under the Agreement, including VAT, for each day of such a delay. This shall be without prejudice to the right of the Buyer to claim compensation for damage incurred by the non-delivery of the agreed quantity of the goods. Any delay of the Seller in the delivery of the goods by more than 30 calendar days shall be deemed to be a fundamental breach of the Agreement. In addition to the contractual penalty, the Buyer shall be entitled to claim compensation for all additional costs incurred by the Buyer as a result of the delay in the delivery. The Buyer represents to actively seek ways to minimize such additional costs.

5.8 The Buyer may not accept goods if these are not delivered timely and duly, i.e. have defects. The Buyer may accept such delivery in its entirety, partly, or reject it. All costs related to such a situation (repackaging, storing etc.) shall be borne by the Seller.

5.9 The Seller is obliged to comply with the agreed method of transportation, or with the method determined by the Buyer. The delivery shall take place at the agreed time and place of delivery. The Seller is obliged to take out insurance for the goods until their place of delivery. Any invoiced returnable packaging will not be paid for by the Buyer, but free returned, unless the Contracting Parties have agreed otherwise. The Seller shall be liable for any damage to the goods incurred during the transportation caused by insufficient or unsuitable packaging, even if the Buyer accepts the goods at the agreed place.

6. Terms of Payment

6.1 Unless agreed otherwise, the Purchase Price shall be invoiced after each delivery has been accepted by the Buyer. The maturity of the invoices shall be 30 days of the invoice date. The invoice must include all details and data of a tax document and the Seller is obliged to deliver it to the Buyer within 5 calendar days of the invoice date.

7. Documents and Background Materials

7.1 Any drawings, calculations, models, samples and other background materials provided to the Seller constitute intellectual property of the Buyer. Unless the Buyer agrees so in writing, these may not be disclosed to third parties nor used by the Seller for purposes other than the deliveries for the Buyer.

8. Warranty and Complaints

8.1 The Seller represents and warrants that the supplied goods are without any factual or legal defects and that for at least 24 months, unless a different warranty period is agreed in a separate Purchase Agreement, the goods will be fit for both the contractually defined and the standard purposes and that they will maintain the contractually defined and standard properties. If the delivery concerns parts which are to be incorporated into the final product, the Seller shall grant a warranty for the quality of the product for 24 months after the final product has been accepted by the final customer.

8.2 The warranty period shall commence on the day following the date of the delivery of the goods to the Buyer. The Buyer is not obliged to perform any check, including a random check, of the supplied goods. This provision shall not relieve the Seller of its liability for the quality of the supplied goods. Defective goods may be claimed at any time during the warranty period.

8.3 The Buyer shall complain of any quantity irregularities within 15 business days of the receipt of the goods by written notice to the Seller's address, and shall enable the Seller to inspect the goods.

8.4 The Seller shall be obliged to comment on the complaint within 3 business days of the receipt of the complaint. For the assessment of any defects, the opinion arising from Buyer's initial inspection shall be decisive.

8.5 Should the complaint be accepted, the Buyer may require that the Seller should:

- Remedy the defects by replacing the defective goods with replacement goods, deliver the missing goods, and/or remedy legal defects;
- Remedy the defects by repairing the goods if the defects are repairable;
- Grant a reasonable discount off the Purchase Price;
- Withdraw from the Purchase Agreement.

8.6 The Buyer shall solely be entitled to choose from the aforementioned claims. The Buyer shall exercise the aforementioned claims either for the whole supply or only a part of that supply. Should the goods be repaired or replacement goods be supplied, the warranty period shall commence anew on the day following the date of the delivery of the repaired or replacement goods. If the Seller accepts the complaint, the Buyer becomes entitled to require the compensation of any incurred additional costs. The Buyer undertakes to make efforts to minimize such costs.

8.7 Should the Seller fail to respond within 5 business days, the Buyer shall be entitled to return the goods complained of at the Seller's expense and risk.

8.8 The Seller as a producer, importer, and distributor shall be liable for any demonstrable damage caused by improper workmanship.

9. Industrial Property Rights

9.1 The Seller agrees to relieve the Buyer of any third party claims regarding the breach of their industrial property rights. This provision also applies to breaches of industrial property rights by Seller's subcontractors.

9.2 The only exception to the previous provision is the case when the Seller manufactures in accordance with Buyer's drawings or reference samples, of which it does not know that they are in breach of industrial property rights of third parties.

9.3 If requested to do so by the Buyer, the Seller is obliged to provide the Buyer with information on the industrial property rights, which the Seller owns or is licensed for to manufacture goods supplied to the Buyer.

9.4 The Buyer and the Seller will inform each other on possible risks of breach of industrial property rights, and will cooperate in order to prevent such breaches.

10. Final Provisions

10.1 Should any of the contractual provisions be or become invalid, this shall be without prejudice to the validity of other provisions.

10.2 The rights and obligations of the Buyer and the Seller created on the basis of these General Conditions of Purchase shall be governed by the laws of the Czech Republic.

10.3 Any disputes arising from the present General Conditions of Purchase and Purchase Agreements, related to their origin, performance or termination, as well as disputes on their validity shall be intended to be solved by the Contracting Parties by negotiations and agreement. Should they fail to solve the dispute in such a manner, the dispute shall be finally resolved by one arbitrator of the Arbitration Court of the Czech Chamber of Commerce and the Czech Chamber of Agriculture in Olomouc in accordance with its Rules of Procedure. The arbitration proceedings shall be conducted in Czech.

10.4 The present General Conditions of Purchase become effective as of 1 January 2012.