



BRANO GROUP Supplier Manual

GENERAL TERMS AND CONDITIONS OF PURCHASE

BRANO GROUP, a.s.

a company inscribed in the Commercial Register maintained by the Regional Court in Ostrava, Part B, Entry 1213

with its registered office at Hradec nad Moravicí, Opavská 1 000, Postal Code 747 41, ID No.: 646 09 898,

(and companies forming a group with BRANO GROUP, a.s.)

Article 1

Subject-Matter of the General Terms and Conditions of Purchase

1.1 The Subject-Matter of these General Terms and Conditions of Purchase is the regulation of mutual rights and obligations of the contracting parties entering into commercial and legal relations with BRANO GROUP, a.s. or companies forming a group with BRANO GROUP, a.s. (hereinafter also referred to the "Buyer"), when concluding individual purchase contracts by which the Seller sells and the Buyer buys objects of purchase into its exclusive ownership.

1.2 All contractual relationships where BRANO GROUP, a.s. or a company forming a group with BRANO GROUP, a.s. acts on the side of the Buyer shall be governed by these General Terms and Conditions of Purchase, unless an individual purchase contract, a framework purchase contract is concluded with the Seller or unless expressly agreed upon otherwise by the contracting parties.

1.3 The Seller undertakes to deliver to the Buyer a duly ordered object of purchase (hereinafter referred to the "Goods") and the Buyer undertakes to pay to the Seller, duly and in a timely manner, the purchase price of the Goods for the Goods delivered. The Seller acknowledges that it is absolutely essential to comply with the delivery dates and the quality of the Goods.

1.4 The Seller acknowledges that the delivered Goods are or may be intended for production in the automotive industry, and any delay with the delivery or any failure to meet the quality of the Goods may cause suspension of a passenger car production line and thus cause multi-million damage.

Article 2

Purchase Contract Conclusion

2.1 Individual Purchase Contracts shall be concluded in such manner that the Buyer shall send a written purchase order (an individual purchase contract – a draft contract) to the Seller, specifying the ordered type of the Goods, the ordered quantity and the price and the required delivery date. An e-mail message sent from

an email account with the domain [@brano.eu](mailto:brano.eu) shall also be deemed a written purchase order.

2.2 The Seller undertakes to accept the purchase order within 2 working days from the date of its delivery. Should the Buyer not dispute the purchase order within such period of time, the purchase order shall be deemed accepted by the Seller. An individual purchase contract is concluded as of the moment of the purchase order confirmation or the deadline for its acceptance expiry.

2.3 The Parties acknowledge that they are bound by the concluded purchase contracts, while the so-called outlooks or "forecasts" are merely a tool of a declaratory and guiding nature for the Seller, to give the Seller an idea about the Buyer's expected demand in the future and to prepare for the performance.

Article 3

Purchase Price of the Goods and Invoicing

Purchase Price and Maturity Periods:

3.1 The price of the Goods is set by an agreement of the contracting parties for the particular business case or determined according to the Seller's valid price list. If a price list is agreed upon between the Seller and the Buyer, the purchase price stipulated in such a price list may only be changed by a bilateral agreement of the parties.

3.2 Unless stipulated otherwise, all prices are deemed to be exclusive of VAT and the Seller is entitled to charge VAT, at the statutory rate, to the purchase price.

3.3 Unless agreed upon otherwise, the Seller is not entitled to demand any advance payments from the Buyer.

3.3 The Buyer undertakes to pay the price for the delivered Goods within the maturity period agreed upon by the parties as follows: on the first Monday after 60 days from the issue date of the invoice - tax document by the Seller to the Buyer. The purchase price payment is subject to duly issuance and delivery of the invoice (accounting document) for the delivered Goods by the Seller to the Buyer. The purchase price of the Goods shall not become due and payable without delivery of a duly and perfect accounting document. Invoices will be delivered



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exclusively electronically. The delivery address for accounting documents is: ebilling@brano.eu.

3.4 Should the Buyer submit a claim in respect of the delivered Goods, the maturity period of the purchase price shall be extended by the duration of the claim procedure relating to such Goods. This shall be applicable even if only a few items from one batch are claimed, which results in the inspection (sorting) of the Goods from the entire batch or delivery.

3.5 The Seller is not entitled to unilaterally assign any of its receivables from the Buyer to any third party without the Buyer's written consent.

3.6 Should the Buyer be in a delay with payment of the invoices, the Seller shall not be entitled to suspend deliveries of the Goods.

3.7 Should the Seller fail to pay to a tax administrator the VAT for the delivered Goods, which the Seller is obliged to pay, and should the Buyer be called by the tax administrator to pay the VAT or should it become obliged to pay the VAT on the Goods taken over, the Buyer shall be entitled to charge to the Seller a contractual penalty corresponding to the quintuple of the VAT amount, which the Buyer was obliged to pay to the tax administrator on behalf of the Seller.

3.8 The Seller declares that the bank account stated in the invoices is a bank account that is published by the tax administrator in a manner allowing remote access and also that the bank account is held with a payment service provider in the Czech Republic.

3.9 Should, during the term of the contractual relationship, the Seller become an unreliable payer or should the bank account stated in the invoices be no longer published in a manner allowing remote access, the Seller shall immediately notify the Buyer of such facts. In such a case, the Buyer reserves the right to make use of the tax security institute pursuant to Sec. 109a of Act No. 235/2004 Coll., on VAT, and the Buyer shall not pay to the Seller the full amount of the Buyer's liability based on the issued tax document, but only the amount equal to the tax base, without the VAT. The amount corresponding to the VAT stated in the tax document will be paid by the Buyer directly to the bank account of the tax administrator. The Buyer's liability towards the Seller shall be fully settled by the tax base paying to the Seller to the above-mentioned bank account and by the amount corresponding to the amount of VAT stated in the tax document paying to the account of the tax administrator.

Invoicing:

3.10 Basic requirements regarding electronic sending of invoices:

3.10.1 Format: PDF, preferably generated directly by the information system.¹

3.10.2 file size up to 10 MB

3.10.3 resolution 200-300 dpi, black and white (for less legible documents in "grayscale")

3.10.4 send each invoice in a separate email and include the invoice number in the subject of the email.

3.10.5 in the case of corrected invoice sending, enter the word "OPRAVA" /"CORRECTION"/ in the subject of the email

3.10.6 send delivery notes or handover records forming a part of the invoice in one file with the invoice (invoice on the first page – followed by other related documents)

3.11 An invoice (a tax document) must contain namely the following details:

3.11.1 identification of the tax document and its number;

3.11.2 business name, registered office and ID No. of the Buyer and the Seller and addresses;

3.11.3 specification of the delivery;

3.11.4 invoice issue date and its due date;

3.11.5 bank specification and the account number to which the payment should be sent;

3.11.6 unit price and other pricing details;

3.11.7 an invoice - a tax document must contain the particulars according to Act No. 235/2004 Coll. on VAT, as amended;

3.11.8 the Buyer's purchase order number must be stated in the invoice.

3.12 If the required particulars are not stated in the invoice - tax document, the Buyer has the right to return it to the Seller for amendment.

¹If the Seller demands that invoices are sent in a different format (e.g. ISDOC(x)) or that a self-billing process (invoices are issued by the Buyer on the Seller's behalf) is implemented, please contact the CFO's department.



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Article 4

Quality, Quantity and Packing of the Goods

4.1 The Seller is obliged to deliver the Goods in the quantity, quality and workmanship specified in the purchase order. The Goods must correspond to the drawing documentation, if being delivered according to the drawing documentation. If the quality and workmanship is not specified in more detail, the Seller is obliged to deliver the Goods in the quality and workmanship corresponding to the purpose of the contract and the usual purpose of the Goods, all in accordance with the legal regulations of the Czech Republic, EU and the ČSN and EN.

4.2 Detail terms and conditions and quality requirements in respect of the Seller, as the supplier, have been published by the Buyer at: <https://www.branogroup.com/download#documentsforsuppliers>. The Seller declares that it has acquainted itself and undertakes to comply with the "Quality Assurance Manual for Purchased Parts, Especially for the Automotive Industry Within BRANO GROUP, a.s.".

4.3 Should the Seller be asked to declare the quality of the Goods by a certificate or to send Reports or Protocols, the Seller is obliged to send it electronically to the e-mail with the domain @brano.eu which will be given to the Buyer upon request. The certificate shall always be issued for each individual shipment (production batch). Should the Seller fail to deliver the certificate together with the Goods, the Buyer shall not be obliged to take over the Goods and if it takes the Goods over, the Goods shall not be deemed duly delivered until the moment of the certificate relating to the delivered Goods delivery.

4.4 The Seller declares that all its products (delivered Goods) comply with the environmental and health and safety legislation.

4.5 If the Goods are intended for the automotive industry, all Goods (materials and parts) delivered will comply with the information provided in the IMDS (International Material Data System). The IMDS must not contain prohibited substances. The Seller undertakes to fill in into the IMDS system all required data for all delivered parts or materials. The Seller undertakes to implement and improve its quality assurance system in accordance with the quality system IATF 16949 and EMS according to ISO 14001. The Seller is also obliged to be certified according to ISO 9001. However, the Seller is obliged to keep the quality assurance system current (i.e. also if the year of the quality assurance system changes). At the same time, the Seller is obliged to re-certify in such manner so that it would always hold a current and valid certificate (i.e. ISO in the current and latest version of the year). If a new certificate is issued, if any changes are

made to the scope of activities or validity or if the certificate is withdrawn, the Seller must immediately inform the Buyer in writing within three working days to the following email address: purchase@brano.eu. The above is applicable for the entire duration of deliveries to the Buyer. The Seller shall keep proper and provable records of all measurements and tests during the production process, which the Seller shall submit to the Buyer upon request. The Seller shall archive such records for 15 years.

4.6 If the Goods are intended for production in the automotive industry, the Seller must submit to the Buyer reference samples of the Goods according to the Buyer's requirements and specifications before the serial deliveries commencement. The Seller shall also be obliged to submit new reference samples in case of technical changes and changes in the production process affecting compliance with the quality parameters of the Goods. Serial deliveries can only be made after the reference samples have been approved

4.7 The Seller is obliged to ensure the necessary capacity for the average monthly need based on the previous three months. Should the Seller fail to comply with the delivery date, product quality or ordered quantity of the products under the individual contracts, the Buyer shall be entitled to withdraw from the already concluded individual contracts without any sanctions.

4.8 In order to ensure uninterrupted deliveries the Seller is obliged to hold a security stock of the Goods in a quantity corresponding to the 14-day average quantity delivered to the Buyer. If necessary, the Seller shall, upon the Buyer's request, immediately release the security stock for the Buyer and supply it. Subsequently, the Seller shall be obliged to replenish the security stock within 5 days.

4.9 The Seller is obliged to deliver the Goods properly packed and labeled so that the Goods are easy to handle, so that the Goods are not damaged or exchanged during transport. Unless stipulated otherwise, the Seller shall in particular:

- 4.9.1 dispatch the Goods in safe transportation units (EUR pallets or MARS pallets or cardboard boxes) allowing for handling by fork lift carts;
- 4.9.2 affix an accompanying document to each pallet, which accompanying document shall indicate the Seller's company, the name of the Goods, the number of items and the date of manufacture, who packed it, who inspected it;
- 4.9.3 the Seller is obliged to provide a delivery note to each delivery, which delivery note shall indicate at least: the supplier, delivery note number, purchase order number, name and number of the part and quantity;



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- 4.9.4 the Seller is obliged to mark the packaging units (EUR pallets, MARS pallets, cardboard boxes, etc.) with a bar code or other code according to the Buyer's requirements.
- 4.10 Due to the new logistics concept change in company BRANO a.s., the Buyer will be asked to deliver the goods in returnable KLT packaging of the following designation, or alternatively, cardboard boxes of the following dimensions may be used:
- 4.10.1 KLT 6147: box size 350 mm x 530 mm and height max. 125 mm
- 4.10.2 KLT 6280: box size 350 mm x 530 mm and height max. 250 mm
- 4.10.3 KLT 4147: box size 260 mm x 340 mm and height max. 125 mm
- 4.11 Principles relating to mineral resources from conflict and high risk areas
- 4.11.1 The Buyer expects that its suppliers do not use materials produced by melting of mineral substances from conflict sources. Mineral substances originating from conflict sources are those, extraction, transport, trading, handling/processing or export of which directly or indirectly supports non-governmental armed groups.
- 4.11.2 Upon request, the Buyer shall be provided with information on foundries or refineries used by suppliers or subcontractors of minerals such as tin, tantalum, wolfram and gold. A standard form (Conflict Minerals Reporting Template) issued by the Conflict-Free Sourcing Initiative (CFSI), which is available for download at: <http://www.responsiblemineralsinitiative.org>, shall be used for such purpose.

Article 5

Goods Deliveries and Defects

- 5.1 The place of the Goods delivery is the place specified in the Buyer's purchase order. Unless stated otherwise, it is the Buyer's registered office.
- 5.2 The Seller undertakes to deliver the object of purchase to the Buyer within the period specified in the individual purchase contract.
- 5.3 The title to the object of purchase passes from the Seller to the Buyer as of the moment of the Goods handing over to the Buyer (delivery). The risk of accidental destruction of the Goods passes from the Seller to the Buyer as of the moment of the object of purchase handing over to the Buyer.
- 5.4 Should the Seller get in delay with duly and timely delivery of the Goods to the Buyer, the Seller shall be obliged to pay to the Buyer a contractual penalty amounting to 0.05% of the purchase price of the entire delivery, for each even commenced day of the delay. Should the Seller be in delay with the Goods delivery for more than 30 days, the Buyer shall not be obliged to take the Goods over, however the Seller shall be obliged to offer the Goods to the Buyer for take over. Also during such period of time, the Buyer shall be entitled to a contractual penalty pursuant to this Article and paragraph hereof until the Goods delivery or withdrawal according to the following sentence. Should the Seller's delay with the Goods delivery under any particular individual purchase contract exceed 30 days, the Buyer shall be entitled to withdraw from such individual purchase contract.
- 5.5 The Seller provides the Buyer with a warranty for all defects appearing on the Goods as of the moment of the Goods take over by the Buyer. Hidden defects shall also be deemed such defects. The warranty applies to any Goods delivered by the Seller. Under such warranty terms and conditions the Seller assumes the liability that the Goods are free of any defects that could threaten or affect their functionality if the Buyer uses the Goods or any part thereof in accordance with the Seller's instructions or in accordance with the usual use of such Goods or any part thereof, as can be generally expected in respect of such type of the Goods.
- 5.6 Without any undue delay upon a defect discovery the Buyer shall cease to use the defective Goods or Goods, a part of which is defective, and the Buyer shall notify the Seller of the defect and allow the Seller to dismantle and/or repair the Goods or any parts thereof. Should the Goods be delivered to a third party, the Seller shall be obliged to make such a service intervention at the third party's site.
- 5.7 Should the Buyer discover that the Goods show defects for which the Goods cannot be duly used, the Buyer shall, simultaneously with (or after) a written claim arising from liability for defects submission, choose from the following options of the Buyer's claim resulting from the Seller's defective performance satisfaction:
- 5.7.1 removal of defects by delivery of a new perfect item or a new perfect part of an item,
- 5.7.2 delivery of a missing item or a missing part of an item,
- 5.7.3 removal of legal defects,
- 5.7.4 removal of defects of an item or a part of an item by the item or a part of an item repairing,



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5.7.5 provision of a reasonable discount on the purchase price; or

5.7.6 withdrawal from the contract,

5.7.7 sorting of the delivered Goods or arranging for a sorting by a third party and subsequently delivering the missing perfect Goods.

5.8 Should the Buyer demand removal of the defect by repair, the Seller shall be obliged to remove the defect within 24 hours from the moment its claiming by the Buyer. Similarly, should the Buyer demand sorting of the delivered Goods, the Seller shall be obliged to do so in order not to limit or stop the production. Should the Buyer fail to do so, the Buyer shall be entitled to have the defect removed by a third party or to sort the Goods by its own personnel or by a third party and to charge the costs of defect removal or sorting to the Seller.

5.9 The Seller is obliged to ensure deliveries of spare parts for the Goods being sold to the Buyer in case the need arises, for the period of 15 years from the date of the last delivery of that kind of Goods for the last serial price.

5.10 The Seller declares that it has acquainted itself with the document: "The Tariff Scale of Generalized Reimbursements of the Costs and Damages of BRANO GROUP, a.s." current as of this day, which is available at <https://www.brano.group/download#documentsforsuppliers>

5.11 If the circumstances foreseen by the relevant price list arise in a contractual relationship the rights and obligations of which are governed by these General Terms and Conditions of Purchase, the Seller undertakes to pay to the Buyer all and any damages, contractual penalties or other compensations according to the relevant price list.

Article 6

Title, Intellectual Property Rights, Confidentiality

6.1 The Seller declares that it is the sole owner of all the Goods sold to the Buyer and that its title or the disposal right to the Goods is not limited by anybody. The Seller is liable for ensuring that the Goods are free of any legal defects. If the delivered Goods are protected by any industrial property right, the right to exercise such right in respect of the delivered Goods passes to the Buyer by the Goods delivery. At the same time the Seller declares that the Goods delivered to the Buyer are not encumbered by any industrial property rights of third parties. If, despite the aforementioned declaration, any third party rights are violated as a result of the use or sale of the delivered Goods, the Seller shall fully reimburse any claims of such third parties directly or as a compensation of damages to the Buyer.

6.2 Both parties undertake to keep all business and operating secrets, drawings, documents and other information confidential and not to disclose them to any third parties without a prior written consent of the other party, or to use them for purposes other than the tasks assumed under this Agreement. All documents, documentation and production methods provided by the Buyer to the Seller are the Buyer's trade secret.

6.3 The Seller undertakes to inform all employees who will have access to the information about the commitments hereunder and also bind them by the obligation to maintain confidentiality.

6.4 The aforementioned limitations, uses and confidentiality obligations are not applicable to knowledge, experience and documentation if they belong to or become a part of the knowledge available to the public, however especially not to such knowledge, experience and documentation, which the Seller have provable had in his possession before being provided by the Buyer or which the Seller has legally received from a third party at a later time.

6.5 The Seller is not entitled to produce and use for its own purposes or deliver to third parties any parts created or manufactured according to the documentation, documents and information provided by the Buyer. Likewise, the Seller is not entitled to use the Buyer's tools.

6.6 In the event of any breach of any declaration or obligation under this Article hereof, the infringer shall pay the other party a contractual penalty of EUR 50,000.

Article 7

Individual Contract Termination

7.1 The individual purchase contract may be terminated by an agreement of the parties or by withdrawal from the individual purchase contract, if permitted by the individual purchase contract, these General Terms and Conditions of Purchase or the law.

7.2 The Buyer shall also be entitled to withdraw from the individual purchase contract if it cannot be reasonably required of it to take over the Goods or any part thereof with regard to the circumstances (e.g. cancellation of a purchase order by the end customer).

7.3 The Buyer shall be entitled to withdraw from the individual purchase contract at any time or not to take over the ordered Goods or any part thereof, without any sanctions or liability for damage.

Article 8

Seller's Insurance of Damages Caused by the Deliveries

8.1 The seller undertakes to be contractually insured in the event of liability for damage caused by a defect in the goods, at least to the extent and limits of insurance coverage according to the following points:

- 8.1.1 General liability insurance for damage and damage caused by a defect in the product up to the limit of insurance coverage in the amount of 400,000 Euros for each individual case of liability for damage.
- 8.1.2 Insurance of costs related to the removal, dismantling, removal or release of a defective product and costs related to the assembly, attachment or installation of a fault-free product with a sublimit of insurance coverage of 200,000 Euros.
- 8.1.3 Insurance for damage caused by combining or mixing a defective product with another item and damage caused by further processing or processing of a defective product with a sublimit of insurance coverage of 200,000 Euros.
- 8.1.4 Insurance of costs incurred during inspection, testing (so-called sorting costs) with a sublimit of insurance coverage of EUR 120,000.
- 8.1.5 Only if the subject of the Seller's delivery is machinery technology for the subsequent production of products by the Buyer, the Seller undertakes to also arrange insurance for damage arising as a result of the defectiveness of items that were manufactured or processed using a defective machine supplied, assembled or maintained by the Seller with a sublimit of insurance coverage of 200,000 Euros.
- 8.1.6 Insurance of net financial damages, including net financial damages originating from a defective product, with a sublimit of insurance coverage of 120,000 Euros.

8.2 In the event that the estimated annual financial volume of the Seller's deliveries to the Buyer is higher than EUR 400,000, the sublimit of performance required under points 8.1.1 to 8.1.5 are doubled.

8.3 The territorial scope of the Buyer's insurance must be the whole world. After consultation with the Buyer and in cases where the Buyer's product containing the Seller's product will be delivered to markets with

territorial restrictions (for example, only "Europe" or "The whole world except the USA and Canada"), a narrower territorial scope can be negotiated.

8.4 The Seller is entitled to change the insurance company or the insurance policy only in such a way that the coverage of the insurance risks or liability limits is increased. However, the Seller must always ensure that the performance provided in the past is also covered by such insurance (as defects and damages may arise from the delivered Goods even after several years). The Seller shall inform the Buyer about any changes in the insurance within 7 days.

8.5 Should the Seller breach its obligations towards the Buyer arising from this Article hereof, the Buyer shall be entitled to demand from the Seller a contractual penalty of CZK 10,000,000.

8.6 The Seller acknowledges that the contracted insurance forms a part of the Supplier's risk assessment according to the IATF, "Risk Assessment" Chapter.

Article 9

Requirements for corporate social responsibility/sustainability of suppliers

9.1 The seller undertakes to have developed a code of ethics (Code of Conduct) which includes the following topics:

- Privacy protection
- Intellectual property (refusal to counterfeit parts)
- Identities protection and prevention of repression by the whistleblower

Then:

- Compliance with export measures and economic sanctions
- Financial responsibility (accurate records)
- Disclosure of information
- Fair competition and antitrust measures
- Export controls and economic sanctions policy

9.2 The seller declares that it has an internal directive on working conditions and human rights, which covers the thematic areas such as child labor and young workers employment, ethical recruiting policy, women's rights policy, diversity, equity and inclusion policy, rights of minorities and indigenous people, wage conditions, benefits and social benefits, working hours, forced labor and trafficking in human beings, freedom of association and collective bargaining, as well as harassment and non-discrimination, modern slavery (i.e. slavery, servitude and forced or compulsory labour, human trafficking, etc.).



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9.3 The seller declares that it has an internal directive on safety and health at work, which covers at least the thematic areas of emergency preparedness, accident and accident management as well as fire protection.

9.4 The seller declares that it has an internal directive on business ethics, which covers the thematic areas of corruption, extortion, bribery and conflicts of interest, private or public security forces policy.

9.5 The seller declares that it has an internal directive on environmental protection, which covers the thematic areas of air quality - greenhouse gas emissions, energy efficiency and renewables, water quality and consumption, chemical management, natural resource management and waste prevention and land, forest and water rights and forced eviction policy and decarbonization policy, reuse and recycling policy, keep biodiversity, land use and deforestation, soil quality and noise emissions policy.

9.6 To check compliance with the requirements according to point 9.1 - 9.5, the seller uses a self-assessment questionnaire, which is available at <https://www.brano.group/download#documentsforsuppliers>

9.7 In case that the requirements of Article 9 are not met within 12 months after the evaluation of the questionnaire, the seller will be excluded from nominations for further contracts.

9.8 If the buyer finds that the seller violates any of the provisions of points 9.1 - 9.5, the buyer has the right to withdraw from the contract.

9.9 The seller undertakes to require similar obligations from its suppliers

Article 10

Požadavky na řízení bezpečnosti informací (ISMS)

10.1 The Seller undertakes to implement and maintain such technical and organizational measures that ensure an adequate level of protection of confidentiality, integrity and availability of information. This system must cover all activities, systems and persons that process, transmit or store information related to the contractual relationship with the Buyer.

10.2 In order to verify compliance with cybersecurity requirements, the Seller further undertakes to complete and submit a self-assessment questionnaire, which is available for download on the Customer's website.: <https://www.brano.group/download#documentsforsuppliers> .

10.3 The Seller is obliged to inform the Buyer of any security incident that has or could have an impact on the security of the Buyer's information. The notification must be made without undue delay, no later than 24 hours after discovery. The Seller is obliged to cooperate in the investigation of the incident and in the implementation of corrective measures.

Article 11

Final Provisions

11.1 The contractual relationship between the Seller and the Buyer shall be governed by Czech law, with the express exclusion of the Vienna Convention on the International Sale of Goods, 1980.

11.2 Any disputes arising out of the individual contracts concluded between the Seller on one side and the Buyer on the other side or in connection with such contracts, to which these General Terms and Conditions of Purchase are applicable and which will not be primarily settled by an agreement between the parties, will be finally settled by the general courts of the Czech Republic. The contracting parties (i.e. the Buyer and the Seller) have agreed, in the meaning of Sec. 89a of the Act. No. 99/1963 Coll., the Civil Procedure Code, that in matters relating to the individual contracts concluded between the Buyer and the Seller, in the first instance, in case of a substantive jurisdiction of a district court, the relevant court shall be the District Court in Opava having the local and substantive jurisdiction, and in case of a substantive jurisdiction of a regional court, the relevant court shall be the Regional Court in Ostrava. Should one of the contracting parties be a foreign entity, the previous sentence shall not be applicable and the following arbitration clause shall apply: Any dispute arising out of or in connection with the contract, of which these T&C form a part, shall be settled, excluding the jurisdiction of general courts, by an arbitration proceeding under the Act No. 216/1994 Coll., at the Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic under its Rules by three arbitrators appointed pursuant to these Rules. The parties undertake to fulfill all obligations imposed on them in the arbitral award within the time limits specified therein.

11.3 Should any party become entitled to a contractual penalty under these General Terms and Conditions of Purchase, the injured party's right to compensation of damages, which the injured party has in addition to any potential right to a contractual penalty, shall not be affected by such right to a contractual penalty occurrence.

11.4 Should any provision of these General Terms and Conditions of Purchase be or become invalid, ineffective or unenforceable, it have no effect on the validity, effectiveness and enforceability of the remaining



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provisions. The contracting parties are obliged to cooperate with each other in order to replace the invalid, ineffective or unenforceable provision by a valid, effective and enforceable provision, which will maintain, as far as possible, the economic purpose intended by the invalid, ineffective or unenforceable provision. The same shall be applicable to any lacunas.

11.5 None of the parties to the individual contracts concluded between the Buyer on one side and the Seller on the other side may in any form inform unauthorized third parties of the content of the rights and obligations under each of the individual contracts concluded between the Buyer and the Seller, unless the parties expressly agree upon otherwise in this respect.

11.6 The rights and obligations arising from the individual contracts to which these General Terms and Conditions of Purchase are applicable shall also pass to any legal successors of the contracting parties.

11.7 The following forms an integral part of these General Terms and Conditions of Purchase:

11.7.1 Quality Assurance Manual for Purchased Parts, Especially for the Automotive Industry Within BRANO GROUP, a.s.

11.7.2 The Tariff Scale of Generalized Reimbursements of the Costs and Damages of BRANO GROUP, a.s.

Published at
<https://www.brano.group/download#documentsforsuppliers>

In Hradec nad Moravicí, on 30.6.2025

Ing. Petr Škrobánek
Sales Director
BRANO GROUP, a.s.

Ing. Petr Petr
QA Director
BRANO GROUP, a.s.

Ing. Jozef Hodor
CEO of
BRANO a.s.