

**IMI PRECISION ENGINEERING – IMI INTERNATIONAL S.R.O**

**GENERAL CONDITIONS OF PURCHASE OF GOODS AND/OR SERVICES**

**1. GENERAL**

**1.1** In these conditions the following words shall have the following meanings (unless the context otherwise requires):-

**"Contract"** means the contract between IMI Precision Engineering and the Supplier for the sale and purchase of the Products and/or the Services in accordance with these conditions.

**"FCA"** means FCA as defined in the edition of the rules for interpretation of trade terms known as Incoterms current as at the date of the Order;

**"IMI Precision Engineering"** means IMI International s.r.o or such other IMI Precision Engineering group company specified in the Order as being the customer for the purposes of the Contract;

**"Deliverables"** means all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including without limitation drawings, maps, plans, diagrams, designs, pictures, hardware, software, computer programs, data, specifications and reports (including drafts).

**"Intellectual Property Rights"** means all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

**"Order"** means IMI Precision Engineering's order for the Products and/or the Services;

**"Products"** means all products and any associated documentation covered by the Order;

**"Services"** means all services and any Deliverables covered by the Order;

**"Supplier"** means the person, firm or company from whom IMI Precision Engineering purchases the Products and/or the Services; and

**"writing"** or **"written"** includes faxes and e-mails.

**1.2** These conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. No addition to or variation of or exclusion or attempted exclusion of the Order and/or these conditions or any term contained therein shall be binding upon IMI Precision Engineering unless specifically agreed to in writing and signed by a duly authorised representative of IMI Precision Engineering. The application of provision of section 1751 subsection 2 of the Czech Civil Code is excluded. The parties hereby declare that neither of them is a weaker party and that their mutual performance is not in gross disproportion.

**1.3** Subject to the remainder of this clause, all the provisions of the Contract between IMI Precision Engineering and the Supplier are contained in or referred to in the Order and in these conditions. Matters not regulated by these conditions or by the Contract will be governed by the laws of the Czech Republic, in particular by the relevant provisions of the Act No. 89/2012 Coll., the Civil Code, as amended ("**Civil Code**") with the exclusion of the provisions of section 1799 and section 1800 of the Civil Code and consumer protection provisions. In the event of

a conflict, a Contract, including these conditions, takes precedence over the dispositive provisions of the Civil Code.

1.4 The Order constitutes an offer by IMI Precision Engineering to purchase the Products and/or the Services in accordance with these conditions.

1.5 The Order shall be deemed to be accepted on the earlier of:

1.5.1 the Supplier issuing a written acceptance of the Order or a period of 24 (twenty-four) hours passes from receipt of the Order without a written acceptance/rejection of the Order being communicated by the Supplier to IMI Precision Engineering; and

1.5.2 the Supplier doing any act consistent with fulfilling the Order (including without limitation the Supplier's execution or commencement of work pursuant to the Order, any Delivery pursuant to the Order or acceptance of any progress payment),

at which point the Contract shall come into existence.

1.6 The parties agree that the Supplier's response to the Order with any amendments to or deviations from the Order, even if they do not substantially alter the terms of the Order, does not constitute acceptance of the Order; the Contract is not validly concluded on the basis of such a response from the Supplier. Amendments to or deviation from the Order constitute a new invitation to conclude the Contract; such new proposal to conclude the Contract must be confirmed in writing by IMI Precision Engineering in order to be effective. If IMI Precision Engineering fails to confirm the new proposal to conclude the Contract within 5 (five) business days from the receipt of the new proposal, this proposal is deemed rejected. In this respect, the parties expressly exclude the use of section 1740 subsection 3 of the Civil Code.

1.7 In the event of a conflict between any of these conditions and any specific term on the face of the Order, the latter shall prevail.

1.8 These conditions (as amended from time to time) shall apply to all future Contracts for the supply of the Products and/or the Services by the Supplier to IMI Precision Engineering.

1.9 Headings appear for convenience only and shall not affect the construction of these conditions.

## 2. **ELECTRONIC TRADING**

2.1 Electronic Orders shall be valid if all the information agreed between the Supplier and IMI Precision Engineering as being required is properly set out in the agreed format and the Order is transmitted by IMI Precision Engineering to the Supplier by reference to the correct identification code and is received by the Supplier when collecting its electronic mail from the relevant system.

2.2 Each valid electronic Order will be deemed accepted by the Supplier unless the Supplier communicates rejection of the Order to IMI Precision Engineering by electronic or other written means within twenty four (24) hours of receipt of the Order by the Supplier. Acceptance of an Order shall constitute a Contract for the sale and purchase of the Products and/or the Services to which these conditions shall apply.

## 3. **DELIVERY**

3.1 Unless otherwise agreed in writing by IMI Precision Engineering, delivery shall be deemed to take place when the Products are loaded at the delivery address specified in Clause 3.6 and delivery has been accepted by an authorised representative of IMI Precision Engineering in accordance with Clause 3.9 of these conditions ("**Delivery**").

- 3.2 All Products must be delivered at the delivery point specified in the Order or if no delivery point is specified, at IMI Precision Engineering's premises, and at the times either specified or agreed by IMI Precision Engineering in writing.
- 3.3 The date or period for Delivery shall be that specified in the Order and shall be of the essence of the Contract. Consignment, part deliveries or deliveries in excess of the quantity ordered may be rejected unless IMI Precision Engineering has agreed in writing to accept such deliveries and any rejected Products shall be returnable at the Supplier's risk and expense.
- 3.4 The Supplier shall upon request furnish such programmes and progress reports of manufacture and Delivery as IMI Precision Engineering may reasonably request and the Supplier shall give notice in writing to IMI Precision Engineering forthwith if such programmes are likely to be delayed. Without prejudice to any other rights accruing to IMI Precision Engineering any substitute date for Delivery or period for Delivery agreed by IMI Precision Engineering in writing shall also be of the essence of the Contract.
- 3.5 IMI Precision Engineering's Order number shall be printed or written legibly by the Supplier on all Products delivered by package or parcel and on all related despatch notes and invoices submitted to IMI Precision Engineering.
- 3.6 Except as otherwise set out in these conditions, all Products delivered to IMI Precision Engineering from outside of the Czech Republic shall be delivered FCA the Supplier's premises, unless otherwise agreed in writing by IMI Precision Engineering (which for the avoidance of doubt includes, but is not limited to, the Order).
- 3.7 For Products purchased from outside the home country of IMI Precision Engineering, unless otherwise stated in the Order, the Supplier is responsible for obtaining all necessary documentation for export of the Products to the home country of IMI Precision Engineering and for the import of the Products into the home country of IMI Precision Engineering including all applicable export and import licences and the Supplier shall be responsible for all and any delays and charges incurred due to export and/or import licences not being available when required.
- 3.8 The Supplier agrees to supply IMI Precision Engineering on request with such declarations and documents as may be reasonably required to establish the origin of the Products and the manner in which they qualify for EC, EEA or EFTA preferences or duty exemptions.
- 3.9 Acceptance of the Products and/or the Services will only be effective if communicated by IMI Precision Engineering in writing to the Supplier and IMI Precision Engineering's acknowledgement of Delivery or performance on a delivery note or similar document shall not constitute acceptance thereof and IMI Precision Engineering retains the right to reject any of the Products and/or the Services until fully inspected by it.

#### 4. **SUPPLY OF SERVICES**

- 4.1 The Supplier shall from the date set out in the Order and for the duration of this Contract provide the Services to IMI Precision Engineering in accordance with the terms of the Contract.
- 4.2 The Supplier shall meet, and time shall be of the essence of, any performance dates for the Services specified in the Order or notified to the Supplier by IMI Precision Engineering.
- 4.3 In providing the Services, the Supplier shall:
  - 4.3.1 co-operate with IMI Precision Engineering in all matters relating to the Services, and comply with all instructions of IMI Precision Engineering;
  - 4.3.2 perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;

- 4.3.3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with this Contract;
- 4.3.4 ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Order or notified to the Supplier by IMI Precision Engineering;
- 4.3.5 ensure that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by IMI Precision Engineering;
- 4.3.6 provide all equipment, tools and vehicles and such other items as are required to provide the Services;
- 4.3.7 use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to IMI Precision Engineering, will be free from defects in workmanship, installation and design;
- 4.3.8 obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;
- 4.3.9 observe all health and safety rules and regulations and any other security requirements that apply at any of IMI Precision Engineering's premises;
- 4.3.10 hold all Equipment and Materials in safe custody at its own risk, maintain the Equipment and Materials in good condition until returned to IMI Precision Engineering, and not dispose or use the Equipment and Materials other than in accordance with IMI Precision Engineering's written instructions or authorisation; and
- 4.3.11 not do or omit to do anything which may cause IMI Precision Engineering to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that IMI Precision Engineering may rely or act on the Services.

## 5. **TITLE AND RISK**

- 5.1 Without prejudice to any right of rejection which may accrue to IMI Precision Engineering and unless otherwise stated in the Order, title to the Products shall pass to IMI Precision Engineering upon the occurrence of the earlier of:-
  - 5.1.1 delivery of the Products to IMI Precision Engineering (whether or not acceptance has occurred in accordance with Clause 3.9); or
  - 5.1.2 any payment being made by IMI Precision Engineering for or in relation to the Products.
- 5.2 Risk of damage to or loss of the Products shall pass to IMI Precision Engineering on Delivery.
- 5.3 If title to the Products passes to IMI Precision Engineering prior to Delivery pursuant to Clause 5.1, then, until Delivery, the Supplier shall hold such Products as IMI Precision Engineering's fiduciary agent and bailee and shall at all times keep the Products separate from those of the Supplier and third parties and properly stored, protected and insured against all risks and identified as IMI Precision Engineering's property.
- 5.4 The Supplier shall be responsible for (i) all loading costs; (ii) ensuring the Products are suitably packaged to protect them against damage during transit; and (iii) insurance of the Products to their full replacement value against all risks of damage or loss prior to completion of Delivery.

**6. PRICE AND PAYMENT**

- 6.1 Unless otherwise agreed in writing by IMI Precision Engineering, the price for the Products shall be the price for the Products listed in the last version of the Supplier's price list which was supplied to IMI Precision Engineering by the Supplier prior to the date of the Order ("**Price**").
- 6.2 The charges for the Services shall be set out in the Order, and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services ("**Charges**"). Unless otherwise agreed in writing by IMI Precision Engineering, the Charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.
- 6.3 Unless otherwise stated in the Order, all amounts payable by IMI Precision Engineering under the Contract are fixed, fully inclusive of all duties and not subject to escalation or addition and are exclusive of amounts in respect of VAT.
- 6.4 In respect of the Products, the Supplier shall invoice IMI Precision Engineering on or at any time after completion of Delivery but not later than three (3) months following completion of Delivery. In respect of the Services, the Supplier shall invoice IMI Precision Engineering on completion of the Services. Each invoice shall include such supporting information required by IMI Precision Engineering to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.
- 6.5 In consideration of the supply of the Products and/or the Services by the Supplier, IMI Precision Engineering shall pay the invoiced amounts within sixty (60) days of the date of a correctly rendered invoice to a bank account nominated in writing by the Supplier.
- 6.6 Unless otherwise stipulated by IMI Precision Engineering in writing, prices are payable in Czech Crowns or if the Czech currency shall cease to exist as at the date of the Order they shall be payable in such currency as replaces the Czech currency.
- 6.7 No payment of or on account of the Price or the Charges shall constitute any admission by IMI Precision Engineering as to proper performance by the Supplier of its obligations under this Contract or any other Contract between the Supplier and IMI Precision Engineering.
- 6.8 Subject to Clause 6.11, in the event of default in payment by IMI Precision Engineering, the Supplier shall be entitled to charge default interest on any amount outstanding at the agreed rate of 0.01% for each day of delay until such time as the outstanding amount is paid by IMI Precision Engineering. The Supplier is not entitled to suspend delivery of the Products and/or performance of the Services as a result of any such sums being outstanding.
- 6.9 Packages and containers supplied by the Supplier will be returnable to the Supplier but at IMI Precision Engineering's option and the Supplier's own cost.
- 6.10 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services, and the Supplier shall allow IMI Precision Engineering to inspect such records at all reasonable times on request.
- 6.11 IMI Precision Engineering specifically reserves the right to deduct from any monies due or to become due to the Supplier any monies due to IMI Precision Engineering from the Supplier and to withhold the whole of or part of the Price and/or the Charges for any reason whatsoever. If IMI Precision Engineering withholds or deducts any amount from the amount payable by it to the Supplier from time to time, such withholding or deduction shall not constitute a default in payment.

**7. VARIATION**

- 7.1 IMI Precision Engineering has the right to amend quantities, specifications and scheduled times or deliveries by issuing an amendment in writing to the Supplier with which the Supplier

shall comply. Any other amendments to the Contract must be made by agreement in writing between IMI Precision Engineering and the Supplier.

7.2 The Supplier shall advise IMI Precision Engineering forthwith if any proposed amendments either prevent the specified time for Delivery of the Products and/or performance of the Services being met or have any other material implication in regard to the Supplier's obligations to IMI Precision Engineering.

7.3 If appropriate, IMI Precision Engineering shall allow a reasonable adjustment to the Price and/or the Charges and/or the time for Delivery of the Products and/or performance of the Services, provided that IMI Precision Engineering is notified by the Supplier in writing within two (2) working days of the amendment.

## 8. **SUPPLIER'S GUARANTEE**

8.1 The Supplier warrants that for a period of twenty four (24) months from the date on which IMI Precision Engineering puts the Products into service or the period of thirty six (36) months from the date of Delivery (whichever is later), the Products:-

8.1.1 will conform in all respects with any specifications, drawings and/or other details supplied to the Supplier or adopted by IMI Precision Engineering;

8.1.2 will not deviate in substance or form from their description or any samples provided to IMI Precision Engineering before initial supply or any previous product(s) supplied to IMI Precision Engineering in any course of dealing;

8.1.3 will be new and fit and sufficient for the purposes for which they are intended and for any purpose(s) that IMI Precision Engineering has expressly informed the Supplier of or for any purpose that the Supplier is aware, or ought reasonably to be aware, of;

8.1.4 will be of good quality, design, materials and workmanship and entirely free from defects and in accordance with best industry practice;

8.1.5 will satisfactorily fulfil the performance requirements supplied or adopted by IMI Precision Engineering; and

8.1.6 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Products.

8.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract.

8.3 The Supplier warrants its expertise and the accuracy of all statements and representations made to IMI Precision Engineering (or its agents or employees) in respect of the Products prior to the date of the Order.

8.4 Nothing contained in these conditions shall in any way detract from Supplier's obligations and IMI Precision Engineering's rights under Czech law or statute or any express or implied term, condition or warranty.

8.5 The Supplier agrees to assign to IMI Precision Engineering upon request the benefit of any warranty guarantee or like rights which it has against any third party manufacturer or supplier of the Products or any parts thereof.

8.6 The Supplier will provide all facilities, assistance and advice required by IMI Precision Engineering or IMI Precision Engineering's insurers for the purpose of contesting or dealing with any action claim or matter arising out of the Order or the Supplier's performance of the Order.

- 8.7 The Supplier shall maintain public liability, professional indemnity and product liability insurance to include (without limitation) cover in respect of all matters for which the Supplier may become liable to IMI Precision Engineering pursuant to this Contract, for such indemnity limits (but not less than CZK 150 million or such other sum as is specified in the order or notified to the Supplier by IMI Precision Engineering in writing from time to time in respect of any one occurrence) and cover as IMI Precision Engineering reasonably deems to be adequate.

**9. IMI PRECISION ENGINEERING REMEDIES**

- 9.1 If the Supplier fails to deliver the Products and/or perform the Services by the applicable date, IMI Precision Engineering shall, without limiting its other rights or remedies, have one or more of the following rights:

- 9.1.1 to terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Supplier;
- 9.1.2 to refuse to accept any subsequent performance of the Services and/or delivery of the Products which the Supplier attempts to make;
- 9.1.3 to recover from the Supplier any costs incurred by IMI Precision Engineering in obtaining substitute goods and/or services from a third party;
- 9.1.4 where IMI Precision Engineering has paid in advance for Services that have not been provided by the Supplier and/or Products which have not been delivered by the Supplier, to have such sums refunded by the Supplier;
- 9.1.5 to use premium freight for shipment of Products (the difference in cost between the premium freight shipment and the standard shipment costs shall be paid or reimbursed by the Supplier immediately upon IMI Precision Engineering's request); and
- 9.1.6 to claim damages for any additional costs, losses or expenses incurred by IMI Precision Engineering which are in any way attributable to the Supplier's failure to meet such dates.

- 9.2 If the Supplier has delivered Products and/or performed Services that do not comply with the undertakings set out in the Contract, then, without limiting its other rights or remedies, IMI Precision Engineering shall have one or more of the following rights, whether or not it has accepted the Products and/or the Services:

- 9.2.1 to reject the Products and/or the Services (in whole or in part) whether or not title has passed and, to the extent necessary, to return them to the Supplier at the Supplier's own risk and expense;
- 9.2.2 to terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Supplier;
- 9.2.3 to require the Supplier to repair, replace or re-perform the rejected Products and/or Services within five (5) days of being requested to do so, or to provide a full refund of the price of the rejected Products and/or Services;
- 9.2.4 to refuse to accept any subsequent delivery of the Products and/or the Services which the Supplier attempts to make;
- 9.2.5 to recover from the Supplier any expenditure incurred by IMI Precision Engineering in obtaining substitute products and/or services from a third party; and

9.2.6 to claim damages for any additional costs, losses or expenses incurred by IMI Precision Engineering arising from the Supplier's failure to supply Products and/or the Services in accordance with the Contract.

9.3 These conditions shall extend to any substituted or remedial services and/or repaired or replacement products supplied by the Supplier.

9.4 IMI Precision Engineering's rights and remedies under these conditions are in addition to its rights and remedies implied by the Civil Code.

## 10. **SAFETY AND ENVIRONMENTAL**

10.1 The Supplier warrants that in the design, manufacture, supply or installation of the Products and/or performance of the Services and the provision of information relating thereto, it will comply and will facilitate IMI Precision Engineering's compliance with the duties imposed by any applicable environmental and health and safety laws and with all other relevant statutory provisions rules and regulations so far as they are applicable to the Products and/or Services and that the Products will be supplied with all safety guards, devices, product data sheets, details of any appropriate risk assessment, and markings sufficient to comply with all applicable legal requirements.

10.2 The Supplier warrants that all Products supplied to IMI Precision Engineering together with all necessary instructions information and warnings supplied therewith will be designed, manufactured and produced in such a manner as to ensure that the Products are not defective (in IMI Precision Engineering's sole opinion).

10.3 In the event that the Supplier becomes aware at any time of any incidents events or discoveries which are in any way relevant to the safe operation of Products supplied or to be supplied, the Supplier shall forthwith issue notice in writing thereof to IMI Precision Engineering and in any event within two days of becoming so aware.

## 11. **PROGRESS INSPECTION AND TESTING**

11.1 The Products and/or the Services shall be subject to all specified and usual tests and checks by the Supplier and to any other tests which IMI Precision Engineering may reasonably require from time to time.

11.2 IMI Precision Engineering's representatives and appropriate official authorities (where relevant) shall have the right to progress and inspect all Products and/or Services and attend tests thereon at the Supplier's premises and at the premises of subcontractors at all reasonable times and the Supplier shall give reasonable prior written notice to allow such attendance at any tests.

11.3 Any attendance inspection approval or acceptance given by or on behalf of IMI Precision Engineering shall not relieve the Supplier of any obligation under the Contract.

## 12. **INTELLECTUAL PROPERTY RIGHTS**

12.1 The Supplier acknowledges and agrees that any:

12.1.1 Intellectual Property Rights in any documentation provided by IMI Precision Engineering to the Supplier in connection with the Contract (including, but not limited to, designs and specifications for the Products, Services and/or Deliverables); and

12.1.2 tooling or equipment provided by IMI Precision Engineering to the Supplier or used by IMI Precision Engineering in connection with the Contract ("**Equipment**"); and

12.1.3 any materials issued to the Supplier by IMI Precision Engineering for use in connection with the Contract ("**Materials**"),



will remain the exclusive property of IMI Precision Engineering at all times and the Supplier will not obtain any right or interest in such Intellectual Property Rights or Equipment or Materials as a result of or in connection with these conditions.

- 12.2 Full title including, but not limited to, Intellectual Property Rights in all specifications, plans, drawings, patterns or designs supplied by IMI Precision Engineering to the Supplier in connection with the Contract or prepared or made by the Supplier its employees, agents or sub-contractors for the purpose of fulfilling the Contract shall vest in and belong to IMI Precision Engineering absolutely.
- 12.3 Any information derived from the documents specified in Clause 12.2 or otherwise communicated to the Supplier in connection with the Contract shall be regarded by the Supplier as confidential and shall not without the consent of the Company in writing be published or disclosed to any third party or made use of by the Supplier except for the purpose of performing the Contract.
- 12.4 In respect of the Products and any products that are transferred to IMI Precision Engineering as part of the Services under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full, clear and unencumbered title to all such items, and that at the date of delivery of such items to IMI Precision Engineering, it will have full and unrestricted rights to sell and transfer all such items to IMI Precision Engineering.
- 12.5 The Supplier assigns to IMI Precision Engineering, with full title guarantee and free from all third party rights, all Intellectual Property Rights in the products of the Services including, for the avoidance of doubt, the Deliverables.
- 12.6 The Supplier shall obtain waivers of all moral rights in the products of the Services (including, for the avoidance of doubt, the Deliverables) to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction. If the copyrights or other intellectual property rights under this Clause may not be assigned or transferred, the Supplier shall authorise IMI Precision Engineering to exercise the right to use the respective Products and any products that are transferred to IMI Precision Engineering as part of the Services under this Contract, including without limitation the Deliverables or any part of them, under the following conditions, so that such authorization (licence) most closely approximates the transfer of copyrights under this Clause:
- the licence is granted for all manners of use of the products;
  - the licence is territorially unlimited;
  - the licence is exclusive;
  - the licence is unlimited in terms of the quantity range and the purpose of use of the products;
  - the licence is purely authorising;
  - the licence is granted for the entire duration of the copyrights;

From an economic point of view and by agreement of the parties, the remuneration for the licence is included in the price for performance and, therefore, the licence is provided free of charge. In this connection the Supplier fully agrees with granting of the licence to a third party (including onward transfers/assignments) or the grant of sublicenses.

- 12.7 The Supplier shall, promptly at IMI Precision Engineering's request, do (or procure to be done) all such further acts and things and the execution of all such other documents as IMI Precision Engineering may from time to time require for the purpose of securing for IMI Precision Engineering the full benefit of the Contract, including all right, title and interest in and to the

Intellectual Property Rights assigned to or vesting in IMI Precision Engineering in accordance with Clause 12.2 and/or 12.5.

**13. EQUIPMENT AND MATERIALS**

- 13.1 Risk of damage to or loss of the Equipment or the Materials shall pass to the Supplier on delivery to the Supplier.
- 13.2 The Supplier shall ensure that the Materials and Equipment are maintained in good working order and repair and shall maintain appropriate insurance cover in this regard as IMI Precision Engineering reasonably deems to be adequate subject in the case of tooling patterns and the like to fair wear and tear and shall use the same only in connection with the Contract.
- 13.3 If IMI Precision Engineering in its sole opinion believes that repairs are required to the Equipment it may request the Supplier to carry out such repairs at the Supplier's cost. If, following receipt of a request pursuant to this Clause, the Supplier fails to carry out the specified repairs within a reasonable period of time (in IMI Precision Engineering's absolute opinion), IMI Precision Engineering may carry out or instruct a third party to carry out such repairs and shall invoice the Supplier for any related costs and expenses.
- 13.4 On the termination of the Contract howsoever occurring, any surplus Materials shall be disposed of forthwith by the Supplier in accordance with IMI Precision Engineering's directions and any Materials wasted as a result of the Supplier's bad workmanship or negligence (in IMI Precision Engineering's sole opinion) shall be replaced at the Supplier's expense.
- 13.5 On the termination of the Contract howsoever occurring and at any other time, the Supplier shall upon IMI Precision Engineering's request deliver forthwith the Equipment to IMI Precision Engineering and, if the Supplier fails to do so, IMI Precision Engineering shall be entitled (at the Supplier's expense) to enter upon the Supplier's premises or those premises of a third party and to recover the Equipment. The Supplier agrees that it shall not be entitled to bring any claim against IMI Precision Engineering as a result of or in connection with such entry.
- 13.6 The Supplier shall not be entitled to pledge or in any way charge by way of security for indebtedness, the Equipment or the Materials.

**14. INFORMATION**

- 14.1 The Supplier shall neither publish information about the Contract or any correspondence concerned with it to any third party nor use the name of IMI Precision Engineering for advertisement or publicity purposes without IMI Precision Engineering's prior consent in writing.
- 14.2 The Supplier shall submit to IMI Precision Engineering as soon as practicable after receipt of the Order such drawings, design details and operational and maintenance manuals which are required by IMI Precision Engineering or which it is usual in the trade to provide in respect of products and/or services of the same kind as the Products and/or the Services.
- 14.3 The Supplier shall be solely responsible for all errors and omissions in drawings calculations packing details or other particulars supplied by it and the approval or acceptance thereof by IMI Precision Engineering shall not relieve the Supplier of any obligation under the Contract.

**15. INDEMNITY**

- 15.1 The Supplier shall indemnify IMI Precision Engineering and/or the relevant member of its group of companies and keep IMI Precision Engineering and/or the relevant member of its group of companies fully and effectively indemnified against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by IMI Precision Engineering and/or a member of its group of companies arising out of or in connection with:

- 15.1.1 any claim made against IMI Precision Engineering and/or any member of its group of companies for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, either: (i) the manufacture, supply or use of the Products; and/or (ii) receipt, use or performance of the Services, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
- 15.1.2 any claim made against IMI Precision Engineering and/or any member of its group of companies by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in the Products and/or the performance of the Services, to the extent that the defects in the Products and/or the Services are attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; and
- 15.1.3 any claim made against IMI Precision Engineering and/or any member of its group of companies by a third party arising out of or in connection with the supply of the Products and/or performance of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors.

## 16. **LIMITATION OF LIABILITY**

- 16.1 Nothing in these conditions shall limit or exclude the liability of IMI Precision Engineering for:
  - 16.1.1 death or personal injury resulting from negligence; or
  - 16.1.2 fraud or fraudulent misrepresentation; or
  - 16.1.3 the indemnities contained in Clause 15; or
  - 16.1.4 any breach of any term of the Contract that results from the deliberate wilful act or deliberate wilful omission of IMI Precision Engineering or its employees, agents or subcontractors; or
  - 16.1.5 any other matters which cannot be limited or excluded by law.
- 16.2 Except for the obligation to make payment of the Price for the Products and/or Charges for the Services properly supplied by the Supplier, and subject to the provisions of Clause 16.1, IMI Precision Engineering shall have no liability whatsoever to the Supplier, whether arising as a result of breach of contract, negligence or any other tort, under statute or otherwise.

## 17. **CANCELLATION**

- 17.1 Without prejudice to any other lawful right available to it, IMI Precision Engineering shall have the right to cancel the Contract (in whole or in part) without cause at any time by giving notice in writing to the Supplier.
- 17.2 In the event that IMI Precision Engineering terminates the Contract pursuant to Clause 17.1 IMI Precision Engineering shall pay to the Supplier such proportion of the Price and/or the Charges as may be fair and reasonable (in IMI Precision Engineering's sole opinion) having regard to the value of the Products and/or Services which are then acceptable to IMI Precision Engineering for Delivery and/or performance under the Contract and, on such payment, IMI Precision Engineering shall not be liable for any liabilities, losses, damages, costs or expenses (including, but not limited to, loss of revenue or loss of profits) suffered or incurred or paid by the Supplier as a result of such cancellation.

## 18. **TERMINATION**

- 18.1 Without prejudice to any other rights or remedies of IMI Precision Engineering, it shall be entitled in any of the following circumstances to terminate (in whole or in part) this and any other Contracts whenever made between IMI Precision Engineering and the Supplier if:-
- 18.1.1 the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 3 of the Act No. 182/2006 Coll., on Insolvency, as amended;
  - 18.1.2 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;
  - 18.1.3 a petition is filed, a notice is given, a resolution is passed, or an order is made, for or on connection with the winding up of the Supplier;
  - 18.1.4 an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier;
  - 18.1.5 a floating charge holder over the assets of the Supplier has become entitled to appoint or has appointed an administrative receiver;
  - 18.1.6 a person becomes entitled to appoint a receiver over the assets of the Supplier or a receiver is appointed over the assets of the Supplier;
  - 18.1.7 the Supplier, being an individual, is the subject of a bankruptcy petition or order;
  - 18.1.8 any event occurs, or proceeding is taken, with respect to the Supplier if any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Clauses 18.1.1 to 18.1.7 (inclusive);
  - 18.1.9 IMI Precision Engineering reasonably believes or apprehends that any of the events mentioned above or any equivalent or similar events under any relevant laws to which the Supplier or any connected person of the Supplier is subject has or may occur;
  - 18.1.10 there is a change of control of the Supplier (within the meaning of the respective provisions of Act No. 90/2012 Coll., the Companies' Act));
  - 18.1.11 the Supplier commits a material breach of this or any other Contract whenever made between the Supplier and IMI Precision Engineering.
- 18.2 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination.
- 18.3 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.
19. **COMPLIANCE**
- 19.1 The Supplier will, and will ensure that each of its affiliates will, comply with all laws, rules, regulations and orders of any jurisdiction which are applicable to it, its business activities and products including without limitation those related to anti-bribery, anti-money laundering, safety and environmental, export controls and trade sanctions, tax evasion, the facilitation of tax evasion, human trafficking and modern slavery and shall immediately notify IMI Precision Engineering if it discovers or suspects that any of its officers, directors, employees or representatives are acting or have acted in a way which violates such legislation. Further, Supplier will without delay provide such information, documents and access for audit and

investigation as may be reasonably requested by IMI Precision Engineering or any of its appointed third parties in order to review Supplier's compliance with laws.

- 19.2 No forced, bonded or involuntary prison labour will be used by the Supplier. No children under 16 years old are to be employed or utilised by the Supplier. Employees of our suppliers shall be paid wages and benefits for a standard working week that meet or exceed minimum national requirements. Employees of the Supplier shall work hours that comply with national laws.
- 19.3 If the Products contain tin, tantalum, tungsten or gold, the Supplier must be able to demonstrate a reasonable country of origin investigation, leading to the identification of the smelter. This is in support of the Organisation for Economic Co-operation and Development due diligence guidelines for responsible supply chains of minerals from conflict regions.
- 19.4 The Supplier acknowledges that IMI Precision Engineering has a Supply Chain Code of Conduct which is available at <https://www.imiplc.com/sites/imi-corp-rev2/files/2023-03/supply-chain-code-of-conduct-15-march-2023.pdf> (as may be updated by IMI Precision Engineering from time to time) (the "**Supplier Code**") and the Supplier shall, at all times, meet or exceed the requirements set out in the Supplier Code. This Clause shall apply whether or not the Supplier is acting pursuant to the Contract or its relationship with IMI Precision Engineering or any member of IMI Precision Engineering's group of companies.
- 19.5 The Supplier acknowledges that in accepting an Order under these conditions from IMI Precision Engineering that it has read and accepted IMI Precision Engineering's privacy policy which is available at <https://norgren.com/en/legal/privacy> (as may be updated by IMI Precision Engineering from time to time) ("**Privacy Policy**") and the Supplier understands that where personal information of Supplier's employees, directors or other individuals acting on behalf of Supplier, is processed by IMI Precision Engineering to fulfil the requirements of these conditions, IMI Precision Engineering will process such personal information as set out in Privacy Policy. The Supplier warrants that it complies with applicable data protection law and has the right, legal authority and required consents (if applicable) to enable IMI Precision Engineering to process such personal information as set out in the Privacy Policy. The Supplier shall inform all impacted individuals of the processing pursuant to these conditions and provide them with a copy of the Privacy Policy.
- 19.6 The Supplier agrees that it must be able to demonstrate its compliance with the requirements referred to in this Clause 19 at the request of and to the satisfaction of IMI Precision Engineering which includes, but is not limited to, IMI Precision Engineering having the right to inspect any site involved in work for IMI Precision Engineering. If the Supplier fails to comply with this Clause 19, IMI Precision Engineering shall be entitled, in its sole discretion, to terminate the Contract and any Orders or other agreements between the Supplier and IMI Precision Engineering without penalty to IMI Precision Engineering, but with obligations for the Supplier to remedy any damages suffered by IMI Precision Engineering as a result of such termination or as a result of the breach of the Contract by the Supplier.

## 20. **ASSIGNMENT AND SUBCONTRACTORS**

- 20.1 The Supplier shall not without the prior consent in writing of IMI Precision Engineering subcontract or assign all or any part of the benefit or burden of the Contract.
- 20.2 Any authority given by IMI Precision Engineering for the Supplier to subcontract shall not impose any duty on IMI Precision Engineering to enquire as to the competency of any authorised subcontractor and the Supplier shall not be excused of full and proper performance of the Contract.
- 20.3 IMI Precision Engineering shall be entitled to assign any and all of its rights and benefits under the Contract without notice to the Supplier.

## 21. **FORCE MAJEURE**

- 21.1 A force majeure event means any unforeseen event or circumstance (obstacle) beyond the obligated party's reasonable control which prevents the obligated party from complying with any of its obligations under the Contract and where it cannot reasonably be assumed that the obligated party would avert or overcome that obstacle or its consequences even using the utmost effort that may reasonably be required in connection with the performance of that obligation, including but not limited to wars, embargoes, rebellions,, terrorist attacks, state or government interventions or strike of the IMI Precision Engineering's employees.
- 21.2 The obligated party is not deemed to be in delay with the performance of its obligations under the Contract if such delay results from the occurrence of a force majeure event and such an event prevents or substantially affects the performance of the party's obligations under the Contract. This shall apply only for the period of duration of the event of force majeure or its consequences and only in relation to the party's obligations directly or immediately affected by the force majeure event.
- 21.3 A force majeure does not include events such as late deliveries from subcontractors and any obstacles which arose only at the time when the obligated party was in arrears with the fulfilment of its contractual obligations or arose from its economic circumstances.
- 21.4 The obligated party is not deemed to be in delay with the performance of its obligations under the Contract if such delay results from the occurrence of a force majeure event and such an event prevents or substantially affects the performance of the party's obligations under the Contract. This shall apply only for the period of duration of the event of force majeure or its consequences and only in relation to the party's obligations directly or immediately affected by the force majeure event.
- 21.5 The party affected by force majeure shall notify the other party of the force majeure event without undue delay after such communication becomes objectively possible. A force majeure notice must contain detailed particulars of the relevant force majeure event and its cause, consequent effects and, where possible, the expected duration of delay resulting therefrom. The obligated party shall also inform the other party about the termination of the force majeure event and shall provide all necessary cooperation and assistance to demonstrate the duration and cause of the non-performance of obligations under the Contract.
- 21.6 A party prevented or delayed from performing its obligations under the Contract shall take all appropriate steps that may reasonably be required to minimise the effects thereof and shall promptly resume performance of the Contract. If a circumstance of force majeure lasts for more than 10 (ten) working days, the parties undertake to negotiate with each other to find an appropriate solution to the situation, using the efforts that can reasonably be required from the parties. If any event of force majeure and the non-performance of the Contract or delay in relation to any event of force majeure exceeds 90 (ninety) days, the other party not affected by force majeure may withdraw from the Contract

## **22. MISCELLANEOUS**

- 22.1 No waiver of or delay or failure by IMI Precision Engineering to exercise any rights or remedies shall prejudice or preclude any future or further exercise thereof.
- 22.2 Nothing in these conditions shall create a partnership, agency or relationship of employment between the parties.
- 22.3 If any provision of these conditions shall be held to be invalid or unenforceable in whole or in part then the unaffected provisions shall remain in full force and effect.
- 22.4 IMI Precision Engineering may set off against the Price, the Charges or any claim by the Supplier under the Contract any other liability or claim howsoever arising of IMI Precision Engineering against the Supplier whether actual, contingent, primary, collateral, joint or several.

22.5 Except as otherwise provided in this Contract, a person who is not a party to this Contract shall have no right to enforce any terms of the Contract.

22.6 The Contractual relationship shall be governed and construed in accordance with the Czech Civil Code and other applicable laws of the Czech Republic, excluding the rules on the international conflicts of laws and excluding the provisions of the United Nations Convention on Contracts for International Sale of Goods dated 11 April 1980 (CISG).

All disputes that may arise from or in connection with the Contract shall be resolved by the Parties primarily by mutual agreement and amicable settlement. If no agreement has been reached by the Parties on the amicable settlement of such disputes, the disputes shall be decided by the competent court of the Czech Republic in fact and place, provided that IMI Precision Engineering may at its option take proceedings in the courts of the state in which the Supplier is domiciled including action to obtain any remedy.

22.7 The Supplier fully agrees and accepts that these conditions are drafted solely in English language.