



General purchase terms of Frentech Aerospace s.r.o.

1. General provisions

The below stated terms of purchase shall apply in general. The Supplier's trade terms shall be valid, provided that their validity was confirmed in writing by a responsible person of Frentech Aerospace s.r.o.

The terms of purchase of Frentech Aerospace s.r.o. shall also apply to all the future Suppliers or the Suppliers' performances until the effective date of new terms.

2. The conclusion of a contract and the amendment thereof

Orders, closing contracts, any amendments thereto as well as the cancellation of deliveries must be made only in writing. The orders and the cancellation of deliveries can be sent by any medium designed for data transmission (e-mail, fax, etc.).

If the cancellation of delivery is agreed orally, it shall be subsequently confirmed in writing. This shall not affect the validity of the preceding paragraph.

Oral agreements made after the conclusion of a contract, in particular any subsequent changes and amendments to the terms of purchase, as well as the related agreements of any kind whatsoever shall also be valid only on the basis of a confirmation in writing by Frentech Aerospace s.r.o.

The agreed prices shall be binding and they may be changed only if agreed in writing otherwise.

If the Supplier does not confirm his order within two weeks as of its delivery, Frentech Aerospace s.r.o. shall be entitled to cancel it. The order cancellation shall become binding, if the Supplier does not notify Frentech Aerospace s.r.o. of his point of view within 5 working days as of its delivery.

Part of the contract (order) shall be quality requirements for the purchased product, requirements for related documentation, conditions of production, inspection, packing and delivery.

The Supplier is obliged to give direct access of the appointed persons of Frentech Aerospace s.r.o. or the customers thereof and supervisory authorities into all premises related to the implementation of delivery and to all related records. He is also obliged to ensure the access of the mentioned entities to the related facilities of the subcontractors involved in the execution of the contract. Objections to such obligation shall be raised in advance, namely prior to signing a contract or the conformation of an order.

In case the deliveries from Suppliers must be postponed due to changes in market requirements, the Supplier must accept such amendments to the delivery terms. Orders can be postponed by the maximum of six months. After this period, Frentech Aerospace s.r.o. will withdraw the subject of the order. Frentech Aerospace s.r.o. is also committed to send written notification about the order postponement to the Supplier. The Supplier is not entitled to any compensation in respect of above changes.

3. Delivery

Deviations from purchase orders and contractual arrangements including changes in processes, technologies, production equipment, production facilities, subcontractors and other matters that could affect the quality of supply are permitted only with the prior written permission Frentech Aerospace s.r.o.

The Supplier shall immediately notify in writing to the responsible person of Frentech Aerospace s.r.o. any products identified during the implementation of the order as defective. Only responsible representative of Frentech Aerospace s.r.o. is competent to decide on the further handling (approval, repair, etc.) of this product. Procedures for dealing with the non-conforming product are kept by both parties in writing.

The agreed dates and time-limits shall be binding. Decisive for the observance of the date or the time-limit shall be the receipt of goods in Frentech Aerospace s.r.o.

If the Supplier carries out any installation or assembly and if not agreed otherwise, all the necessary costs related thereto, as e.g. travel costs, costs for the purchase of instruments, tools, special equipment, etc., shall be borne by the Supplier.

If the agreed time-limits are not observed, it shall be proceeded in accordance with the confirmed order (contract). If the Supplier anticipates any difficulties and troubles regarding e.g. processing technology, material supply, etc. which might affect the quality and time of delivery, he must inform, without undue delay, a responsible person of Frentech Aerospace s.r.o.

The unconditional receipt of a delayed delivery or performance shall not mean waiver of claims for compensation of the costs related to the failure to observe the time-limits. The amount of compensation may be as high as the value of the damage incurred to Frentech Aerospace s.r.o. as a result of delayed delivery.

Partial deliveries shall not be admissible as a matter of principle. Any exceptions shall be valid only on the basis of the consent of a responsible person of Frentech Aerospace s.r.o. or if so stipulated in a contract.

The values detected during the input inspection and the subsequent inspection conducted by the person of Frentech Aerospace s.r.o. shall be decisive for the number of pieces, dimensions and other required parameters of the delivery.

Frentech Aerospace s.r.o. has a license for using the software pertaining to the content of delivery, including the documents thereto. To secure its operation, Frentech Aerospace s.r.o. may make copies of the software even without any express permission of the Supplier.

The Supplier is obliged to keep and maintain records of all operations that have been carried out on the product incl. completed inspections (examinations, tests, etc.). These records must meet the requirements of evidence. The Supplier shall allow access to such records Frentech Aerospace s.r.o. requested or give it a copy.

The Supplier is obligated to keep documents and records generated within the execution of the contract for at least 10 years from the date of last delivery or as required by Frentech Aerospace s.r.o. The Supplier shall ensure that such documents and records were throughout their storage traceable and legible.

4. Force Majeure

Force Majeure, labour disputes, unintentional damage to the company's operation, strikes, official measures and other unavoidable events authorizing Frentech Aerospace s.r.o., without prejudice to its rights, to withdraw from a contract, either in general or in part, even if such serious circumstances had a non-negligible duration or if they lead to a significant infringement of the company's needs and interests.

5. Invoicing

The data contained in the order issued by Frentech Aerospace s.r.o. shall be valid for invoicing. The invoice's form and content shall be governed by legal and other regulations in force.

6. Price

In the absence of a special provision to the contrary, price shall mean the value of goods, including their clearance and packaging. The price shall be VAT exclusive. The Supplier shall bear material responsibility for the goods until their take-over by a responsible person of Frentech Aerospace s.r.o. or until the taking delivery thereof by an authorized person on the site whereto such goods should be delivered under the contract.

7. Payment terms

In the absence of a special provision to the contrary, the invoice shall be due within 30 days as of the date of its issue.

8. Claims based on defects in the goods and return of the delivery

The goods shall be taken over provided that the delivered product does not show any defects as compared with the requirements. Frentech Aerospace s.r.o. shall be entitled to inspect the subject-matter of the contract (order) and to prosecute the revealed defects in accordance with legal and other regulations and contract stipulations.

The provisions of legal and other regulations or the provisions hereof shall be applied when settling any material and legal defects.

Frentech Aerospace s.r.o. shall have a right to choose the method of the subsequent settlement of defective delivery. The Supplier shall have such a right only in the case that the law or the contract was breached as a result of a decision made by Frentech Aerospace s.r.o. and/or its subsequent acting, or if the presumptions of law for such acting of the Supplier were fulfilled.

If the Supplier fails to commence immediately the fulfillment of the requirements for the remedy of defects raised by Frentech Aerospace s.r.o. or if the Supplier failed to meet such requirements, Frentech Aerospace s.r.o. shall be entitled, in serious cases, especially to avert acute danger or to avoid greater damage, to take measures, at the Supplier's costs, leading to ensuring the Customer's requirements. Claims for material defects shall lapse after two years from the date of the take-over of the delivery by Frentech Aerospace s.r.o.

If the goods have legal defects, the Supplier shall be liable for the settlement of third party's claims asserted to Frentech Aerospace s.r.o. by its customer. Period of statutory limitation in the case of legal defects shall be 10 years.

If the product was repaired, reworked or a substitute product was delivered, the period of statutory limitation shall commence to run as of the date when the Supplier fulfilled the requirements of Frentech Aerospace s.r.o.

If additional costs, in particular transport costs, labour, material costs or additional inspection costs, arise to Frentech Aerospace s.r.o. as a result of a defective delivery, Frentech Aerospace s.r.o. shall be entitled to transfer such costs to the debit of the Supplier.

If the products are returned to Frentech Aerospace s.r.o. by its customer as a result of defects caused by the Supplier, or if their price is decreased due to the defects caused by the Supplier, Frentech Aerospace s.r.o. shall have a right to take relevant measures against the Supplier. No time limits shall be determined for claiming such rights by Frentech Aerospace s.r.o.

Frentech Aerospace s.r.o. shall be entitled to claim compensation from the Suppliers for its additional costs which Frentech Aerospace s.r.o. has to pay to its customers and which had incurred as a result of the defective delivery from the Supplier.

9. Guarantee for the product

The Supplier shall guarantee the product's quality for 24 months as of its take-over by Frentech Aerospace s.r.o. In the case that the customer of Frentech Aerospace s.r.o. raises a claim for defective delivery (substitution of the delivery, repair, transport costs, etc.), the Supplier will be obliged to share the satisfaction of such claims. This requirement shall apply only if the Supplier's fault was proved. If the Supplier is responsible for the defect causing damage, the burden of proof shall rest with the Supplier. In such case, the Supplier shall take over all costs and claims, including the costs of possible legal and court proceedings and appeal. The provisions of legal and other regulations shall apply in all other cases.

10. The execution of work

The Supplier is required to use such processes, procedures, technology and equipment to ensure that specified product and delivery requirements are met. When technical specifications (technical standards, customer's instructions, etc.) are prescribed as part of product requirements, they must be applied.

To ensure product quality, the Supplier is required to use appropriate inspection procedures (including verifications, tests, etc.) and be able to provide relevant and conclusive evidence of their results. The product may be released for further processing and to the customer only if all the specified requirements are met. Frentech Aerospace s.r.o. reserves the right to monitor the execution of the order and to check its outputs, including at the appropriate Suppliers' premises. However, the monitoring and control does not relieve the contractor of responsibility for product quality and compliance with the conditions of its delivery.

The Supplier is obliged to ensure that activities associated with the implementation of the contract were performed only by workers with appropriate competences. If required, the Supplier will provide written evidence of this qualification. It ensures that the employees concerned are aware of their share of the quality of the product (process, service) delivered, its safety, the need for environmental protection and its responsibility for ethical conduct in relation to the customer.

Requirements for the management systems and the product (process) qualification specified in the contract or in the order must be met by the Supplier and must be provided on request the documents to it issued by the accredited body.

If requirements for the use of approved Suppliers (of material, product, process, services etc.) are by Frentech Aerospace s.r.o. defined they must be applied. Exceptions may only be made by the responsible representative of Frentech Aerospace s.r.o. on a reasoned written request.

The Supplier is required to identify the current and potential risks endangering the quality of the product (process, services) and / or the delivery date and to take measures to eliminate or significantly reduce these risks to an acceptable value. About persistent risks, which, despite the measures taken, could endanger the quality of the product and / or the delivery date, the Supplier is required to inform in writing the responsible representative of Frentech Aerospace s.r.o. before signing the contract or confirming the order. The Supplier is obliged to inform the responsible representative of Frentech Aerospace s.r.o. in writing of the risks arising during the execution of the contract. and accept his decision.

It is inadmissible for a supplier to secure a supply for Frentech Aerospace s.r.o. used a counterfeit or otherwise fraudulently manufactured product (material, tool, tools, chemicals, etc.). If the supplier finds that such a product has been used or delivered, he is obliged to immediately inform in written the responsible representative of Frentech Aerospace s.r.o. and request his written decision. In processes related to the delivery of material, in the production process, in supply chain management, in inspections, tests and wherever there is a risk of collision with a counterfeit or otherwise fraudulently manufactured product, the supplier is obliged to comply with the requirements of AS6174.

The persons executing the work in the premises of Frentech Aerospace s.r.o. when performing the contract must observe all the rules and regulations of Frentech Aerospace s.r.o. Frentech Aerospace s.r.o. shall not be liable for the injuries sustained to such persons in the premises of Frentech Aerospace s.r.o., unless they were caused by the intentional or negligent breach of the obligations by Frentech Aerospace s.r.o.

11. Provision of materials and parts

Materials, parts, assemblies, etc. provided by Frentech Aerospace s.r.o. shall remain the ownership thereof and they may be used only in compliance with the terms and conditions of the contract. Processing of the delivered materials and the assembly from the provided parts may be executed only for Frentech Aerospace s.r.o. Frentech Aerospace s.r.o. shall be a co-owner of the whole products, namely in proportion of the value of the provided material (parts) to the value of the whole product.

12. Communication and cooperation

The Supplier shall designate a responsible representative competent to deal with Frentech Aerospace s.r.o. It shall ensure that the issues relating to the contract are communicated only through the representative or, where applicable, through the designated worker. Competent for communication with the Supplier is the project manager and purchasing and logistics manager of Frentech Aerospace s.r.o. respectively workers designated by these persons. Conclusions of communication regarding product quality, delivery terms or other requirements must be confirmed by both parties in writing

13. Transfer of information and confidentiality

The requirements set by Frentech Aerospace s.r.o. in the contract, in the order or in these general purchase terms, the Supplier is obliged to pass on to other articles of his supply chain if they are used in the framework of the realization of the contract. The scope of the information transmitted must be proportional to the nature and scope of the product (process, services) to be provided.

All commercial or technical data (including the brand, information about the taken-over subjects, documents, software and other know-how, knowledge and experience) provided by Frentech Aerospace s.r.o., shall not be disclosed. They may be disclosed only to such persons of the Supplier and only in such an extent to be able to fulfill the requirements for the delivery. Such information shall be the exclusive ownership of

Frentech Aerospace s.r.o. They may not be copied or used for any own purpose of the Supplier without a consent in writing of Frentech Aerospace s.r.o. except for the items of public record.

Based on the requirement of Frentech Aerospace s.r.o., any information (including any copies or drawings) provided thereby and any subjects handed over thereby shall be returned to Frentech Aerospace s.r.o. in full extent or destroyed. Frentech Aerospace s.r.o. shall reserve all rights to such items of information.

The products executed according to the documents (drawings, models, etc.) and data of Frentech Aerospace s.r.o. or by the means thereof, may not be used nor offered by the Supplier to a third party. This shall also apply to the printed orders and other written documents either handed over or provided by Frentech Aerospace s.r.o.

14. Place of performance

The place of performance shall be any place to which the goods were delivered in accordance with the order.

15. General provisions

In the absence of a special provision to the contrary, the exclusive law of the Czech Republic shall apply to the settlement of possible disputes.