

## General Terms and Conditions for Purchase of Goods

### 1 Opening Provisions

- 1.1 These general terms and conditions for purchase of goods govern terms of purchase of goods by the company Kia Slovakia s. r. o. (hereinafter referred to as **Kia**) from suppliers (hereinafter referred to as **terms and conditions**).
- 1.2 These terms and conditions apply to the contracts regulating single supply, repeated supply, as well as the contracts having the nature of framework agreement.

### 2 General Provisions

- 2.1 These terms and conditions form an integral part of contract concluded between Kia and supplier in writing or by acceptance of Kia order, whereas parties agreed as follows:
  - a) these terms and conditions shall become an integral part of contract by the reference to these terms and conditions in the contract or in the order,
  - b) supplier acknowledges that the delivery of these terms and conditions to supplier in electronic form or delivery of link to these terms and conditions published at Kia website shall be deemed the attachment or reference of these terms and conditions to the contract,
  - c) supplier who has already supplied the goods to Kia under these terms and conditions acknowledges that it is acquainted with these terms and conditions and that they form the integral part of the contract even without being attached to the proposal for entering into the contract. Parties agreed that these terms and conditions shall in such case form the integral part of the contract even without being referenced.
- 2.2 Application of any business terms and conditions of supplier or terms and conditions to which supplier refers during negotiations of the entering into contract are hereby explicitly excluded irrespective whether Kia explicitly excluded such terms and conditions or they were referenced as the last during negotiations of the entering into contract. Kia represents that the contract is being concluded provided and assuming that the application of terms and conditions under the first sentence of this clause is excluded.
- 2.3 If parties conclude a framework agreement with reference to these terms and conditions, these terms and conditions shall form integral part of any partial contract concluded by and between parties under the framework agreement.

2.4 Following terms used in this contract shall have the following meanings:

- a) **internal regulations** shall mean Kia regulations related to the access to Kia premises, supply of goods or performance of any other activity within Kia premises, about which Kia informs supplier or which are otherwise known to supplier, especially regulations related to occupational health and safety, fire and environmental protection, hygiene and regulations related to smoking and prohibited access under influence of alcohol, narcotic or psychotropic substances and prohibition to bring them and/or use them to/within Kia premises,
- b) **staff** shall mean individuals with whom supplier or subcontractor entered into labour or other relationship and who at the same time perform the duties related to the supply of goods in person,
- c) **Kia premises** shall mean premises of Kia production plant, other premises used or procured by Kia for the purposes of the supply of goods, or any other premises determined by Kia for the fulfilment of obligation,
- d) **goods** shall mean movable property determined individually or according to quantity and kind including goods yet to be manufactured (produced) unless Kia shall deliver to supplier substantial part of things required for the production of goods,
- e) **foreign supplier** shall mean supplier with registered office or place of business outside Slovak Republic and at the same time not having permanent place of operation in Slovak Republic from which the goods under this contract is supplied.

### 3 Subject of Contract

- 3.1 The subject of this contract is the agreement of parties on mutual rights and obligations regarding the supply of goods under this contract in the manner and under terms and conditions as specified herein.
- 3.2 Supplier undertakes to supply the goods further specified in contract or in order and to transfer the title to goods to Kia. Kia undertakes to pay the agreed price to supplier for duly and timely supplied goods.
- 3.3 If the subject of supplier's obligation is to perform legal acts on behalf of Kia, supplier shall inform Kia about the necessity for issuance a power of attorney to supplier and the scope thereof. Kia shall issue the power of attorney to supplier upon its request.
- 3.4 Unless it is explicitly agreed in the contract or unless it results from contract that parties agreed on repeated or continuous performance, this contract does not establish the

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obligation of Kia to order goods or minimum volume of goods or goods of minimum value from supplier, even if the contract is concluded for a definite period of time or the contract contains the expected volume of goods or expected value of goods.

- 3.5 The supply of goods is not an exclusive right of supplier and Kia shall be entitled to enter into contract for the supply of the same goods with any third party without any prior notification or other obligation towards supplier.

#### 4 Conclusion of partial/repeated contracts

- 4.1 If parties conclude a framework agreement or if any of parties desire to enter into another contract after supplier has already supplied or is supplying the goods under these terms and conditions, parties agreed that conclusion of partial or repeated contracts shall be governed by the provisions of this section.
- 4.2 If supplier delivers to Kia a price quotation, such quotation shall be deemed an irrevocable and binding proposal of supplier to conclude the contract, which Kia is entitled to accept within 60 days from its receipt unless the price quotation stipulates the longer period. If Kia accepts the proposal to conclude the contract without amending it, it shall be deemed that the partial contract is concluded when Kia order is delivered to supplier.
- 4.3 If Kia delivers to supplier (i) order without the prior price quotation of supplier, (ii) order that amends the price quotation of supplier, or (iii) order that does not amend the price quotation of supplier but after the date till which the price quotation was irrevocable and binding, supplier undertakes to inform Kia about acceptance or refusal of the order within 3 days from the date of delivery thereof at the latest. If supplier fails to inform Kia about refusal of the order within the stipulated time, it shall be deemed that supplier accepted the order. Parties agreed that partial contract or repeated contract shall be concluded either when Kia receives the acceptance of order from supplier, or by mere lapse of time of supplier for its refusal or acceptance.
- 4.4 Parties agreed that supplier shall not be entitled to claim any compensation of costs related to or connected with the preparation or delivery of the price quotation. Supplier hereby acknowledges that Kia is not obliged to deliver order to supplier.
- 4.5 Parties agreed that the conclusion of contracts and partial contracts and communication of parties may be realized in electronic form, via email or Kia procurement web portal.
- 4.6 Without prejudice to the other provisions hereof, supplier acknowledges that Kia requires the contract and partial contracts to be concluded in written or electronic form.

#### 5 Supply of Goods

##### Method of Supply of Goods

- 5.1 Supplier shall supply the goods duly, timely and in accordance to this contract.
- 5.2 Supplier shall supply the goods according to description, properties or other specification as laid down in the contract and with the best possible quality. Should the goods are not specified in more detail, supplier shall supply the goods fit for purpose for which such goods are ordinarily used or the goods with typical properties. The goods that are not in compliance with specified requirements are deemed defective. The goods are deemed defective also when supplier delivers different type of goods.
- 5.3 Kia declares and supplier is aware of the fact that the contract is being concluded assuming the goods shall be delivered without any defects.
- 5.4 Supplier shall deliver the goods in the quantity determined in partial contract. If the quantity of ordered goods is defined in units of measure with approximate determination of quantity, Kia may subsequently specify the quantity of goods to be delivered with maximum deviation of 10 per cent compared with the quantity specified in units of measure in partial contract. If Kia does not subsequently specify the quantity of goods which is defined in units of measure with approximate determination, the difference between the goods such defined and the quantity of goods actually delivered may not exceed 5 per cent. Price shall be determined upon the actual quantity of the delivered goods.
- 5.5 Supplier shall deliver the goods in compliance with legal regulations including regulations which stipulate the quality, safety, performance, efficiency or another property of the goods necessary for its use; the goods must also comply with technical standards, including technical standards that are not binding which are not at the same time in conflict with the binding technical standards.
- 5.6 In case Kia provides supplier prior to the delivery of goods with samples, designs or other materials, supplier shall supply the goods that comply with such samples, designs or materials. Supplier shall without undue delay and but in each case before the supply of goods inform Kia in writing about unsuitability (inadequacy) of such samples, designs or other materials provided by Kia. Supplier shall be liable for any defects caused due to unsuitability of such samples, designs or other materials with respect to which supplier did not inform Kia about such unsuitability in writing. If Kia stipulates the goods to be supplied are subject to prior approval of Kia, supplier shall provide Kia with the sample or pattern of the goods free of charge. Following the approval of sample or

pattern of goods, supplier shall supply the goods in the same quality. The approval of the sample shall not relieve supplier from any liability or obligation under the contract. Supply of the goods which are in compliance with the sample or pattern approved by Kia does not have impact on the obligation of supplier to supply the goods fit for the purpose stipulated in the contract, otherwise the purpose for which the goods are ordinarily used.

- 5.7 Supplier shall package the goods in the manner expressly specified in the contract, otherwise in the due manner having regard to the best commercial practices and if the manner of packaging the goods is not specified, supplier shall package the goods in a way that will protect the goods against damage or destruction having regard to the type of goods, type of transport, loading and unloading from the vehicle and the manner of storage. Should supplier shall use refundable packages (containers, crates, pallets, etc.), it is obliged to use mark on the package of goods. Supplier shall collect refundable packages in Kia at its own cost within the period specified by Kia, otherwise not later than seven days from the delivery date. Should supplier shall not collect the packages within the stipulated period, Kia is entitled to remove the objects at the cost of supplier from Kia premises. The risk of damage to refundable packages shall not pass from supplier to Kia.
- 5.8 Supplier shall supply the goods free from any legal defects, supplier especially undertakes that goods to which Kia is to acquire the title or other right or which Kia is to otherwise use, will not be subject to the right of lien or pledge, other rights of third parties, subject to the execution proceedings, will not be a part of bankruptcy or restructuring and that supplier will be their unlimited owner at time of their delivery.
- 5.9 Supplier shall supply the goods solely within the agreed scope. Kia is not obliged to take over any part of the delivered goods that exceeds the scope determined in the contract and that is, at the same time, not agreed with Kia in writing, and Kia is not obliged to pay the price for such part of the goods to supplier. If the results of such supplied goods need to be removed, supplier shall be at the discretion of Kia obliged to remove such results with immediately or to compensate Kia for all costs related to such removal.
- 5.10 Supplier undertakes to assure that all equipment, machinery, mechanisms, tools and instruments with which supplier fulfils the obligations under this contract are in good technical condition and have all licences and certificates required by legal regulations, are not harmful substances and do not contain harmful substances. Supplier shall be entitled to use equipment, machinery,

mechanisms, tools, instruments or personal protective equipment owned or used by Kia only with the prior written consent of Kia.

- 5.11 If the proper use of the goods is or will be possible only in combination with the acquisition of another thing, service or right from supplier or from any third party, supplier shall inform Kia about such circumstance prior to the supply of goods. If supplier fails to inform Kia about the said circumstance, Kia shall be entitled to withdraw from the contract irrespective of the fact the goods has been or has not been supplied.
- 5.12 Supplier is not entitled to supply the goods in instalments unless Kia stipulates otherwise.
- 5.13 If the obligation of supplier can be fulfilled in several ways, Kia reserves the right to determine the way of performance. Supplier shall inform Kia about possible ways of the fulfilment of obligation. Kia shall be entitled to change the method of fulfilment of obligation without prior consent of supplier.

#### Place of Supply of Goods

- 5.14 Unless explicitly agreed in the contract or stated in Kia instructions otherwise, the place of delivery shall be the production plant of Kia in Teplička nad Váhom, Slovak Republic, the delivery term shall be DDP INCOTERMS 2010.
- 5.15 If the place of delivery of goods or part thereof shall be different than the territory of Slovak Republic, supplier shall notify Kia in writing and in advance and shall obtain the explicit prior written consent from Kia with such place of delivery.
- 5.16 Supplier acknowledges that it is obliged to comply with internal regulations and to proceed according to Kia instructions and with maximum caution in order to prevent damage.
- 5.17 Unless explicitly agreed so in the contract, supplier shall not be entitled to place its things (including not yet supplied goods) within Kia premises. If supplier places its things within Kia premises with the prior written consent of Kia, supplier shall duly and clearly mark them. If supplier places its things within Kia premises without the prior written consent of Kia, Kia shall be entitled to remove such things from Kia premises at expenses of supplier, even without prior notification to supplier.
- 5.18 If supplier delivers the goods or the part thereof from third countries (ie. non-EU member states), supplier shall arrange customs clearance of the goods or equipment (or part thereof) outside the territory of Slovak Republic, and preferably in Hamburg (Germany) or Koper (Slovenia) in case of sea shipment, or Vienna (Austria) in case of air

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shipment. In the event that the customs clearance of the goods or equipment (or part thereof) is conducted in Slovak Republic, such customs clearance shall be conducted on behalf and for the account of supplier; the customs duty and VAT shall be paid by supplier. If supplier purchases goods or equipment (or part thereof) in EU member states (ie. from local suppliers), supplier shall furnish to Kia the evidence of acquisition of the goods or equipment (or part thereof) within the EU's territory.

## Time of Supply of Goods

- 5.19 If supplier does not supply the goods for Kia on regular or repetitive basis or if the contract does not specify any period for the supply of goods, supplier undertakes to supply the goods within 7 days from the date of contract conclusion.
- 5.20 If the contract specifies exact period or time for the supply goods, supplier shall not supply the goods before such specified period or time without prior written consent of Kia. If supplier delivers the goods for Kia before specified period or time, Kia is entitled to refuse such goods.
- 5.21 If supplier does not supply the goods for Kia on regular or repetitive basis or if the contract does not specify the exact time of the supply of goods, supplier undertakes to supply the goods on business day in time between 7:00 a.m. and 4:00 p.m. Supplier shall inform Kia about the exact time when the goods are supplied at least three days in advance, whereas Kia shall be entitled to unilaterally change such time.

## Inspection of the Obligations of Supplier

- 5.22 Kia shall be entitled to inspect due fulfilment of the obligations of supplier under this contract. Parties can execute a written report about the performed inspection.
- 5.23 Inspections and potential removal of defects related to fulfilment of the obligations of supplier shall be without prejudice to the obligation of supplier to supply the goods duly and timely.
- 5.24 If stipulated so in the contract, supplier shall ensure the testing or technical quality check of the goods prior to its handover as agreed in the contract. Costs related to the test or checks shall be borne by supplier.

## 6 Subcontractors and Staff

- 6.1 Supplier shall fulfil obligations in person and shall be entitled to fulfil its obligations using subcontractor only with the prior written consent of Kia. Prior written consent of Kia is not

required if supplier is obliged to establish an authorised representative in regard to waste management or when supplier fulfils its obligations related to transport of goods. If supplier fulfils its obligations through a subcontractor, supplier shall be liable in the same way as if it preformed by itself. If supplier fulfils the obligations through subcontractor, supplier shall ensure that subcontractor will not perform obligations using another subcontractor.

- 6.2 Staff of supplier is not deemed to be a subcontractor. Staff of subcontractor shall be also deemed the staff of supplier for the purposes of this contract if Kia agreed in writing in advance that supplier is entitled to fulfil obligations using subcontractor or if prior written consent of Kia is not required in this case.
- 6.3 Supplier shall determine and inform Kia about the list of staff authorised to perform duties related to supply of goods within Kia premises. Supplier shall appoint a representative authorised to communicate with Kia representatives.
- 6.4 Supplier shall fulfil obligations related to supply of goods within Kia premises only using qualified and skilled staff permitted to enter Kia premises, informed about internal regulations and visibly marked with logo or another designation of supplier.
- 6.5 Supplier shall fulfil obligations under this contract only using staff which uses personal protective equipment as required by legal regulations or by Kia, which has all certificates, licences or trainings as required by legal regulations or by Kia, and which is in health condition qualified for the performance of certain activity. Supplier shall assign personal protective equipment to staff at its own cost. Supplier shall bear costs of time spent by the staff at trainings required by Kia.
- 6.6 Supplier is obliged to fulfil all obligations towards the staff, especially to pay the agreed wage and fulfil all statutory and deduction obligations in relation to employment.
- 6.7 If the contract does not specify the number of staff, supplier undertakes to fulfil obligations with the minimum number of staff necessary for proper fulfilment of its obligations under this contract.
- 6.8 Supplier shall ensure in relation to staff the compliance with all labour regulations, especially the prohibition of illegal employment and the performance of all legal and factual actions in order to assure that staff is not deemed to be temporarily assigned to Kia.
- 6.9 Supplier undertakes, upon Kia's instruction, to remove from fulfilment of obligations related to supply of goods that member of staff who at sole discretion of Kia fails to fulfil its obligations properly, otherwise breaches obligations, harms Kia interests, or behaves improperly. Supplier shall without undue delay substitute such member with another person

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with at least the same qualification and experience, or will assure the fulfilment of obligations in another manner without undue delay.

## 7 Handover and Acceptance of Goods

- 7.1 Supplier shall together with the goods deliver to Kia also documents required for the acceptance and proper use of the goods, especially any documents, certificates, protocols, statements, test results if required, instructions of operation, repair or maintenance and other technical documentation in Slovak language unless Kia agreed in writing to deliver such documents in another language. If it is necessary to observe special rules for using the goods, especially when manual is required, supplier shall acquaint Kia with such rules not later than at the moment of delivery of goods.
- 7.2 Supplier shall deliver the goods without defects.
- 7.3 If the goods have defects upon its delivery which do not prevent the use of the goods, the goods shall be deemed to have minor defects. Kia shall be entitled to accept the goods with minor defects, whereas a list of minor defects shall be executed and Kia shall determine the time in which supplier shall remove them; if Kia does not stipulate such time, supplier shall remove minor defects without undue delay. Kia shall be entitled to assess and determine whether a defect is a minor one or not at its sole discretion.
- 7.4 Kia shall be entitled to withhold part of the price in the amount of 15 per cent of the agreed price upon the acceptance of goods with minor defects. Kia shall pay the withheld amount to supplier within 30 days from the date of acceptance of the goods without any defects.
- 7.5 If the goods have defects upon the delivery, including minor defects, Kia shall not be obliged to accept the goods. Supplier shall remove defects without undue delay or within time stipulated by Kia. If Kia does not accept the goods due to defects, supplier shall be deemed in delay with supply of goods.
- 7.6 Kia undertakes to accept the goods if the goods are free from defects, tests of the goods if required so pursuant to the contract were successfully performed, and supplier delivers the documents necessary for the acceptance and proper use of the goods under this contract. Parties can execute a written report about the non-acceptance of the goods.
- 7.7 The goods shall be deemed accepted at the moment of signing the acceptance protocol, delivery note or another similar document provided by Kia.
- 7.8 The acceptance of the goods shall not have the nature of inspection of the goods and shall be without prejudice to the claims of Kia from defects. Kia is not obliged to inspect the

goods nor arrange its inspection. Kia shall be entitled to exercise claims from defects of the goods if such defects are notified to supplier after they were actually found or observed by Kia irrespective of the defects are apparent, hidden or any other defects. Provisions of Sections 427, 428, 434, 435 and 441 of Commercial Code shall not apply.

## 8 Risk of Damage and Transfer of Title

- 8.1 The title to the goods shall pass to Kia upon the moment of acceptance of the goods or payment of agreed price for the goods, whichever occurs earlier.
- 8.2 Risk of damage to the goods shall pass to Kia upon the moment of delivery of the goods by signing the acceptance protocol by both parties. Delivery note signed by both parties shall be deemed the acceptance protocol. If supplier delivers the goods in parts (instalments) with the prior consent of Kia, the risk of damage to individual parts of the goods shall pass to Kia upon the moment of acceptance of the last part (instalment) of goods.
- 8.3 If supplier received things, inputs or documents from Kia for the purpose of supply of goods or part thereof outside Kia premises, supplier shall bear the risk of damage from the moment of their receipt until the moment of their proper delivery to Kia.
- 8.4 If supplier places with the prior written consent of Kia its things at Kia premises, Kia shall be liable for damage on placed things as the warehouse-keeper. If supplier places its things at Kia premises without the prior written consent of Kia, Kia shall not be liable for any damage on such things.
- 8.5 The title to things of Kia, received by supplier, does not pass to supplier.

## 9 Price

- 9.1 Kia undertakes to pay to supplier the agreed price after the acceptance of goods, unless parties agree on the provision of advance payment prior to the delivery of goods. If Kia shall provide the advance payment prior to the delivery of goods, supplier acknowledges that Kia may require a security, in order to secure Kia claims related to the delivery of goods, especially in the form of bank guarantee, whereas Kia shall inform supplier about the form, amount and terms of security before conclusion of the contract. For avoidance of any doubts, any costs or expenses related to the security shall be borne by supplier.
- 9.2 The price is agreed without the value added tax. The price is agreed and will be paid in Euro. The agreed price shall mean price stipulated in the contract. In case the price is stipulated in the contract as unit price of the goods, the agreed price

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shall mean price calculated as a result of unit price of goods and due delivered quantity of goods. If Kia shall accept delivery of goods exceeding the quantity specified under the contract, the price will be determined according to actually delivered goods assuming the goods are duly delivered.

- 9.3 The agreed price is full and complete, without regard to potential change of input costs of supplier.
- 9.4 If the subject of contract is supply of several or separable goods, Kia shall be entitled to request from supplier to divide the price in detail to individual goods or to determine a unit price of goods.
- 9.5 Any costs incurred by supplier in relation to the fulfilment of obligations under this contract are included in the agreed price, especially costs for packaging, transportation and delivery, costs for the fulfilment of obligations in waste disposal, insurance premiums, customs or warehousing fees.
- 9.6 If Kia shall pay to supplier also the price for performance related to the delivery of goods under the contract and if such price is agreed on the basis of hourly rate, supplier shall be entitled to the price amount of which is calculated based on the time supplier actually spent for such performance and which was confirmed by the person authorised by Kia by signing the acceptance protocol, delivery note or another similar document. Supplier shall not be entitled to the price for (i) time of transportation to Kia premises and transfers within them unless the transfer itself is a subject of performance, (ii) time of breaks during work, and (iii) time spent by supplier at trainings required by Kia.
- 9.7 The fact that supplier supplies the goods on non-business days shall not affect the amount of the agreed price.
- 9.8 Any costs of supplier for trainings which supplier shall provide for Kia in relation to the supply of goods shall be included in the agreed price.
- 9.9 For avoidance of any doubts,
  - a) the acceptance protocol, delivery note or another similar document shall include all essentials determined by Kia, and
  - b) supplier shall keep records of time during which supplier carries out performance relating delivery of goods if Kia is obliged to pay the price for such performance, and present such records to Kia upon its request.

## 10 Payment and Invoicing Terms

- 10.1 Kia shall fulfil the monetary obligations to supplier within 30 days from the day following day of delivery of invoice to Kia.

- 10.2 If the due date of Kia monetary obligation that is to be satisfied by payment to the account of supplier falls on the non-business day or another day when Kia's bank does not perform its activity and does not perform the payments, the due date shall be postponed to the next working day when Kia's bank performs such activity. Fulfilment of Kia's liability shall mean giving the payment transfer order to Kia's bank or remittance of such amount via postal office to the account of supplier.
- 10.3 Any fees of the receiving bank of the supplier related to the fulfilment of Kia's financial liability shall be borne by supplier.
- 10.4 Supplier shall submit invoices to Kia pursuant to this contract. The invoice shall include all details as determined by Kia and laws and shall be delivered to Kia pursuant to Kia instructions. If supplier fails to fulfil these obligations, Kia may return the invoice to supplier and maturity period of Kia's monetary obligation shall start on the day following the day of delivery of correct invoice to Kia.
- 10.5 Supplier shall issue electronic invoices. An email message with attachment in .pdf format, sent from the email address of supplier to the invoicing email address of Kia ([invoices@kia.sk](mailto:invoices@kia.sk)) and email address of Kia's employee who communicates with and is responsible for contractual relationship with supplier shall be deemed to be the electronic invoice. The email shall contain signature of the person authorised to act on behalf of supplier in contractual matters. The electronic invoice shall be issued solely in the .pdf format in order to assure the integrity of content and readability of the invoice. Parties represent that the method of electronic exchange of data ensures the authenticity of origin, integrity of content and readability of the invoice.
- 10.6 Supplier shall issue the invoice on the date of delivery of goods at the earliest and not later than within 15 days from the date of delivery. Supplier shall deliver the invoice to Kia immediately after its issuance in a manner as specified above. The invoice shall include in addition to essentials prescribed by legal regulations also the contract or order number and designation of Kia's employee (first name and surname), who communicates on behalf of Kia and is responsible for the contractual relationship with supplier. Supplier shall attach to the invoice the acceptance protocol, delivery note or another similar document.
- 10.7 When registering in Kia systems, supplier must fill out the registration form which must be signed by statutory body of supplier. Supplier shall deliver Kia the electronic form of signed registration form (scan) from two different e-mail addresses (set out in registration form) to e-mail address [vendor@kia.sk](mailto:vendor@kia.sk).

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- 10.8 When supplier is changing its bank account, supplier must present the confirmation from bank on holding an account. Supplier shall deliver Kia the electronic form of bank confirmation (scan) from two different e-mail addresses to e-mail address [vendor@kia.sk](mailto:vendor@kia.sk) and the original form to Kia's address. Kia reserves the right to pay to the changed bank account after the receipt of original form of bank confirmation by Kia.

## 11 Taxes

- 11.1 Value added tax shall be applied on the price under this contract pursuant to law unless the law stipulates that value added tax shall not apply.
- 11.2 Supplier shall at any time during the term of contract immediately inform Kia about registration of supplier as value added tax payer or cancellation of registration of supplier as a value added tax payer.
- 11.3 Supplier shall at any time during the term of the contract immediately inform Kia about the decision to proceed pursuant to special arrangement for the tax application based on received payment for the delivery of goods or services pursuant to Section 68d of the Act on Value Added Tax.
- 11.4 If supplier decides to proceed pursuant to the special arrangement for the tax application based on received payments for the delivery of goods or services, but supplier fails to meet any of terms laid down in Section 68d of the Act on Value Added Tax, especially fails to inform Kia with sufficient time in advance about the special arrangement for the tax application, supplier is not listed by the Financial Directorate of Slovak Republic in the list of subjects applying special arrangement for the tax application, or if supplier fails to include in the invoice the formulation saying "tax is applied based on received payment", it shall be deemed that supplier is not applying the special arrangement of tax application.
- 11.5 If supplier informs Kia about the application of special arrangement additionally, or in case the application of special arrangement is found additionally on the grounds of internal inspection of Kia or on the grounds of tax inspection performed in Kia, supplier shall indemnify Kia for any damage or penalty related to the additional arrangement of deduction of the value added tax due to the tax application based on received payment for the delivery of goods or services.
- 11.6 Foreign supplier shall prior to the commencement and at any time during performance of the obligations under this contract inform Kia about any tax obligations and facts that affect the price or obligations of Kia, especially facts related

to the constitution of permanent establishment in Slovak Republic. Unless supplier agrees otherwise with Kia, any tax which foreign supplier applies shall be borne by foreign supplier. Foreign supplier shall not be entitled to increase the price with tax that is to be applied to the price.

- 11.7 Notwithstanding other contract provisions, Kia shall be entitled to notify the tax administrator about the conclusion of contract with supplier for the purpose of fulfilling tax obligations.
- 11.8 Any statements or opinions of Kia in relation to tax obligations provided to supplier shall not constitute any tax advisory on which supplier can rely.
- 11.9 Without prejudice to other provisions hereof, supplier shall be liable and shall hold Kia harmless from the calculation, reporting and payment of any taxes, duties or other tax obligations (including related penalties or other sanctions) imposed on supplier or its employees and subcontractors under the law or decision of authorities of Slovak Republic of other state as a result of their performance under this contract.
- 11.10 Supplier shall indemnify and hold Kia harmless from any damage or loss caused by supplier which Kia may suffer or incur as a result of any obligation or request to pay any tax, duties or other tax obligations (including penalties or other sanctions) by authorities of Slovak Republic.

### Liability for Tax

- 11.11 Supplier represents that there are no facts or doubts based of which Kia is or would be in line with legal regulations obliged to be liable for the value added tax instead of supplier. If there are such facts, supplier shall immediately notify them to Kia.
- 11.12 Parties agreed that in case Kia is liable to pay value added tax instead of supplier, including the case when the tax authority of supplier imposes on Kia the obligation to pay the value added tax directly to the tax authority of supplier, Kia will pay to supplier the price decreased by the amount of the value added tax and pay the value added tax directly to the tax authority of supplier to supplier's account (personal account of the taxpayer). The liability of Kia to pay the price for the goods under the contract shall be deemed fulfilled by the payment of price and payment of value added tax directly to the tax authority of supplier.
- 11.13 Kia shall prior to the payment of value added tax directly to the tax authority of supplier inform supplier about the intention to pay such tax. Supplier shall notify the personal account of taxpayer or confirm its correctness within 3 working days. If supplier fails to do so, Kia shall

pay the value added tax to the personal account as published by the Financial Directorate of the Slovak Republic.

- 11.14 If Kia due to any reason cannot pay the value added tax directly to the tax authority of supplier, Kia may retain the amount equal to amount of the value added tax such tax without any claim of supplier. Kia shall release such retained value added tax to supplier after supplier demonstrates to Kia that supplier was listed in the list of deleted tax payers published by the Financial Directorate of Slovak Republic, or after supplier delivers the statement of the tax authority about non-existence of tax liabilities for the period in which Kia was liable for tax, provided that Kia has already paid the value added tax directly to the tax authority of supplier.
- 11.15 If Kia pays the price to supplier together with the value added tax for any reason, in relation to which there is or arises the obligation of Kia to be liable for value added tax, and at the same time Kia pays such tax to the tax authority of supplier, Kia may request the payment of paid value added tax from supplier or set off such receivable against any obligation owed by Kia, irrespective whether it is due or not.

#### Permanent Establishment

- 11.16 Foreign supplier shall during the term of the contract and in relation to the performance of obligations under this contract in the territory of Slovak Republic perform all acts necessary to assess whether its activities lead to the establishment of a permanent place of operation for the purposes of tax regulations in the territory of Slovak Republic.
- 11.17 Foreign supplier shall register the permanent place of operation immediately after such it incurs such obligation. The permanent place of operation shall issue invoices in case of such registration.
- 11.18 In case of doubts as to the obligation of establishment of a permanent place of operation or in case foreign supplier fails to provide Kia a confirmation of the respective tax administrator that the permanent place of operation pays tax advances, Kia shall be entitled to deduce the tax security from the price and to pay to the foreign supplier the price decreased by the amount of tax security. Supplier shall not be entitled to request from Kia reimbursement of the secured tax. Supplier shall be entitled to request the payment of tax from the respective tax administrator.
- 11.19 Foreign supplier undertakes in the case of breaching the obligation to register a permanent place of operation or

obligation to notify the registration of permanent place of operation to Kia to reimburse Kia for any damage, including sanctions and penalties, incurred to Kia in such regard.

#### Withholding Tax

- 11.20 If the price is or will be subject to any withholding tax, Kia may decrease payments of the agreed price by amount equal to the amounts of the withholding tax.
- 11.21 Supplier shall not be entitled to request from Kia reimbursement of the paid withholding tax. Supplier shall be entitled to request the payment of tax from the respective tax administrator.
- 11.22 Kia shall provide supplier with information about withheld tax and cooperation in relation to the acquisition of confirmation about the withheld tax.
- 11.23 Supplier shall identify part of goods and unit price thereof that is subject to the withholding tax. Otherwise Kia shall be entitled to deduct the tax for the whole supplied goods.

#### 12 Warranty Period and Liability for Defects

- 12.1 Supplier shall be liable for defects which goods have upon the acceptance or which will arise or appear during the warranty period, without regard to the time of occurrence. After the said period supplier shall be liable for defect if it was caused by default of supplier.
- 12.2 Supplier shall assume the liability from warranty for quality of the goods. The warranty period shall start on the date of transfer of the risk of damage to the goods to Kia. Unless stipulated otherwise, the warranty period shall be 24 months. Supplier acknowledges that for the purpose of security of claims from defects Kia may require from supplier the security, including the bank guarantee or right to lien for the period of warranty. Kia shall inform supplier about form, amount and terms of security before conclusion of the contract. For avoidance of any doubts, any costs or expenses related to the security shall be borne by supplier.
- 12.3 If supplier acquired the goods or any part thereof from a third party or manufacturer, to which the warranty period of the third party or manufacturer applies, the duration of warranty period that ends later shall apply.
- 12.4 Supplier undertakes to transfer to Kia any rights arising from defects of the goods towards third party or manufacturer, without undue delay after receipt of Kia's request. If rights from defects are not transferable or Kia is not entitled from defects due to other reason, supplier undertakes to provide Kia with any cooperation and to

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perform any legal acts and other acts for achieving that Kia is entitled from defects, especially supplier shall grant Kia power of attorney to exercise claims from the liability for defects against third party or manufacturer on behalf of supplier. Fulfilment of such supplier's obligation does not relieve supplier from the liability for defects of the goods.

- 12.5 The warranty period shall not run during time when Kia cannot use the goods due to defects for which supplier is liable. The warranty period shall start to run again only on the day following the date of written confirmation by Kia about the defect removal. In case of exchange or replacement of goods or any part thereof the warranty period shall start to run again on the day following the date when Kia receives exchanged or replaced goods or any part thereof.

#### Execution of Rights from Liability for Defects

- 12.6 Parties agreed that the provision of Section 345 (2) of Commercial Code shall not apply and goods with defects shall always constitute a material breach of the contract; for avoidance of any doubts, provisions of Section 437 of Commercial Code shall not apply.
- 12.7 Kia is in case of supplier's liability for defects entitled to claim the defect in writing after Kia actually finds such defect. When claiming a defect Kia can also determine the selected claim. Supplier shall after the delivery of notice about claiming defect inform Kia without unnecessary delay about acceptance or reasoned non-acceptance of such defect.
- 12.8 If there is a claim for discount from the price, exercise and satisfaction of such claim does not affect Kia's right to seek compensation for lost profit arising from defects of goods for which discount was applied.
- 12.9 If the goods have defects, Kia without regard to the seriousness of the defect or impact on other rights and claims of Kia (including the claim for damages and contractual penalty) may always at its own discretion:
- a) request removal of defect by delivery of alternate goods instead of goods with defects or missing part of goods at expense of supplier,
  - b) request removal of defect by repair of goods at expense of supplier, if the defect can be repaired,
  - c) request the removal of legal defects at expense of supplier,
  - d) request adequate discount from the price, or
  - e) withdraw from the contract.

- 12.10 If Kia requests the removal of defect, supplier shall start the removal without unnecessary delay, not later than within 2 working days from the date of claiming such defect, unless Kia determines another period of time including a shorter one (including immediate start) in case of serious threat to life, health, property or production of Kia. Supplier shall remove the defect immediately after the start of removal.
- 12.11 Supplier shall start to remove and remove the defect irrespective whether supplier accepts the defect claimed by Kia or not. If supplier proves after the defect removal that supplier was not responsible for the defect, supplier shall be entitled to request from Kia the payment of justified and reasonable costs which supplier incurred in relation to the defect removal.
- 12.12 Parties shall after the defect removal execute a written protocol or another document in which they shall confirm the defect removal and method and time of such removal.
- 12.13 Kia may additionally change the selected claim for repair of the goods if the defect cannot be repaired or can be repaired only with unreasonable costs.
- 12.14 If Kia executed the claim from defects and at the same time had not yet paid the price or any part thereof to supplier, Kia shall not be obliged to pay the price or any part thereof to supplier until claims of Kia from the liability for defects are satisfied.
- 12.15 If Kia is under this contract entitled to a reasonable discount from the price and parties cannot reach an agreement of its amount, such discount shall be stipulated as the sum of (i) difference between the value of goods without defects and value of goods with defects and (ii) costs of Kia related to the removal of defects, whereas the time of the exercise of the claim is determinative for specification of the value of goods. If Kia applies the discount from price before supplier issues the invoice, supplier shall reduce the invoiced price by the discount from price. If Kia applies the discount from price after the invoice is issued, parties agreed that if Kia decides so, tax basis and tax shall not be changed.
- 12.16 In case the goods have legal defects supplier shall, in addition to satisfying claims of Kia from defects, provide Kia upon its request any reasonably required cooperation and pay any costs which Kia may suffer or incur in relation to the claim of third parties, including claims of third parties, fees or expenses of the third parties of the court decision or settlement agreement and related consultancy fees or expenses of Kia.

### Execution of Rights from Liability for Defects in case defects are not removed

12.17 If supplier does not start to remove defects, informs Kia that supplier will not remove defects or will not remove defects on time, Kia may regardless to the seriousness of the defect or impact on other rights and claims of Kia (including the claim for damages and contractual penalty) at its own discretion:

- a) withdraw from the contract,
- b) request adequate discount from the price, or
- c) remove the defect by itself or through a third party at expense of supplier, without prejudice to the term of the warranty period.

12.18 If Kia removes the defect by itself or through a third party, supplier shall pay to Kia the amount equal to the own costs of Kia or usual price of the third party invoiced to Kia. Supplier acknowledges that Kia shall be entitled to require from supplier for the procurement of third party a fee not exceeding 5 per cent of the price of the third party.

### 13 Representations and Warranties of Supplier

13.1 Parties agreed that representations of supplier contained herein shall have the nature of its undertakings. Supplier represents in relation to all obligations arising from or related to the contract that supplier:

- a) has and will have during the term of performance of obligations under this contract any and all permits, licences and approvals required by legal regulations in relation to the performance of its obligations arising from this contract,
- b) will comply with all legal regulations and decisions of public authorities related to the fulfilment of obligations according to this contract, as well as all obligation contained in the contract,
- c) prior to the conclusion of the contract received all and any information necessary for the performance of obligations under the contract, and
- d) prolongs the limitation period so that any right Kia may be entitled to towards supplier under or in relation to the contract shall be exercised not later than 10 years from the date when the limitation period of such right of Kia started to run.

13.2 Parties further agreed that:

- a) if supplier (as processor) will during the term of the contract process personal data on behalf of Kia (as controller), parties shall prior to the start of personal data processing conclude a separate agreement on personal data processing, on the grounds of which Kia shall authorise supplier to process personal data,
- b) if the law requires provision of reasonable additional period to perform the obligations of supplier prior to exercise of any claim or right by Kia, Kia shall not be obliged to provide to supplier reasonable additional period to perform the obligation,
- c) supplier may not assign or transfer any of its rights and obligations under the contract without the prior written consent of Kia and may not set off any obligation due from Kia under the contract against any obligation owed by Kia to supplier, and
- d) any company from the group to which Kia belongs shall be entitled to assume from Kia liabilities of Kia arising from the contract, also without previous consent of supplier.

### 14 Liability for Damage and Insurance

14.1 Each party shall be liable for damage caused by violation of contractual or statutory obligation arising from this contract or in relation to it to the other party pursuant to relevant legal regulations.

14.2 Kia shall be liable to supplier for damage caused by violation of its obligation by the fault. Kia shall not be liable to supplier for lost profit, consequent or indirect damage.

14.3 Supplier undertakes to indemnify Kia for costs Kia may suffer or incur as a result of penalties or other sanctions imposed by public authorities in relation to the performance of the obligations under this contract or failure to perform obligations under this contract including failure to supply the goods duly and timely.

14.4 If the special regulation requires supplier to conclude an insurance policy, supplier shall conclude the insurance policy with a minimum limit of insurance indemnity as required by the special regulation. Based on Kia request, supplier shall demonstrate the existence of such insurance policy. If supplier fails to conclude the insurance policy or fails to demonstrate its existence upon the request of Kia, Kia shall be entitled to withdraw from the contract.

14.5 If the case the preceding clause does not apply and if Kia requires so, supplier shall prior to the supply of goods conclude and provide Kia with evidence about at any time upon its request the insurance of liability for damage in

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relation to the performance of obligations under this contract with the limit of insurance indemnity of adequate amount. Kia shall be entitled to unilaterally assess and determine whether the limit of insurance indemnity is adequate. For avoidance of any doubts, the limit of insurance indemnity shall in no case limit the supplier's liability. Supplier undertakes to maintain the insurance policy valid until the end of the warranty period. If supplier fails to conclude the insurance of liability pursuant to this clause or fails to demonstrate its existence upon the request of Kia, Kia may withdraw from the contract.

## 15 Environmental Protection

- 15.1 Supplier acknowledges that the Kia has implemented and performs its business activities in accordance with the standards of environmental management system ISO 14001.
- 15.2 Supplier undertakes to comply with all environmental protection legal regulations of Slovak Republic and Kia instructions, prevent any damage to the environment and provide Kia with any cooperation in case the environmental protection is at risk.
- 15.3 If the goods (or part thereof) contains chemical substances or chemical mixtures, if such substances or mixtures are present at the goods or if supplier handles them during the fulfilment of its obligations under this contract, supplier shall comply with all regulation related to the manipulation with chemical substances and chemical mixtures, especially the CLP Regulation and the REACH Regulation, and shall be responsible for the compliance with such regulations by subjects of its supply chain. Supplier shall especially:

- a) take responsibility for correct identification of its role in the supply chain, as determined in the CLP Regulation; based on identified role, supplier is responsible for fulfilling all of the obligations and requirements for classification, labelling and packaging of chemical substances and mixtures, including obligations for labelling and packaging of certain substances and mixtures according to terms used in the CLP Regulation,
- b) deliver to Kia sufficiently in advance before the supply of goods a list of chemical substances and chemical mixtures which are included in the goods, and initiate the communication of use and risk management measures related to such substances and mixtures,
- c) supply to Kia only the goods containing chemical substances and mixtures registered or pre-registered

in compliance with the REACH Regulation; supplier shall avoid utilizing substances listed in the candidate list (SVHC) as much as possible,

- d) supply to Kia only the goods containing chemical substances and mixtures duly notified to Kia and to which Kia had no objections; supplier shall notify Kia of any change in substances or mixtures which the goods contains,
- e) submit to Kia the Safety Data Sheet and notify Kia in accordance with articles 32 and 33 of the REACH Regulation,
- f) assume the importer role (nominating an only representative or using an EU distributor), if its registered office (place of business) is outside or delivers chemical substances or mixtures from third countries (ie. non-EU member states),
- g) fulfil any obligations arising from the REACH Regulation in case where the REACH Regulation imposes the obligation primarily on manufacturer (supplier) and alternatively on downstream user (Kia),
- h) properly mark packages of chemical substances and chemical mixtures, especially with clear and visible designation of supplier, name of chemical substance, registration number, warning symbols and description labels pursuant to legal regulations, and secure them against undesirable leakage, and
- i) fulfil all of the obligations concerning transport of hazardous substances when transporting hazardous substances according to European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR Agreement).

## Waste Management

- 15.4 Supplier shall manage packages and its waste in compliance with legal regulations and Kia instructions.
- 15.5 As to the goods specified as non-packaging products by legal regulations, supplier shall especially:
- a) prior to the supply of goods or at any time of the contract duration and following the request of Kia submit to Kia a proof or certificate of (i) entry into the Register of producers of specified products (hereinafter referred to as **Register**) or (ii) conclusion or duration of the contract with manufacturer that is registered within Register, and
  - b) fulfil the obligations of manufacturer of non-packaging products in accordance with legal regulations.

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15.6 As to the goods packaged in the territory of Slovak Republic, supplier shall especially:

- a) notify Kia of the registration of supplier in the Register,
- b) ensure the entry into Register within three months as of conclusion of the contract and maintain the registration in Register during the term of the contract,
- c) fulfil the obligations of package manufacturers in accordance with legal regulations, and
- d) keeping records of quantity, type and the source of packages and provide such information immediately to Kia for the purpose of performing pertinent limits in accordance with legal regulations.

15.7 As to the goods packaged outside the territory of Slovak Republic and imported into Slovak Republic for benefit of Kia, supplier shall especially:

- a) prove to Kia establishment of authorised representative with registered office or place of business in Slovak Republic if supplier neither have registered office or place of business in Slovak Republic nor is registered in Register, and
- b) ensure that the authorised representative, if designated, shall fulfil the obligations as specified above.

## 16 Compliance with Internal Regulations

16.1 Supplier undertakes to comply with all internal regulations.

16.2 Supplier undertakes especially to:

- a) perform all actions which Kia requires and which are necessary for the access of staff into Kia premises,
- b) inform staff about internal regulations, require due compliance with internal regulations and check knowledge of internal regulations on a regular basis,
- c) ensure the attendance of staff at trainings organised by Kia or trainings reasonably required by Kia,
- d) ensure that staff enters Kia premises only for the purpose of supply of goods and only in time when supplier delivers goods, and
- e) fulfil any orders and instructions of Kia and other obligation stipulated by legal regulations or special agreement between Kia and supplier.

16.3 Supplier undertakes to fulfil all obligations during the performance of obligations in Kia premises for violation of

which supplier shall pay contractual penalty under this contract or under special agreement concluded between parties.

## Occupational Health and Safety

16.4 Supplier undertakes to comply during the performance of obligations under this contract with all legal regulations and instructions by Kia related to the occupational health and safety and fire protection. Supplier shall especially:

- a) perform the obligations only using staff which fulfils the requirements under this contract,
- b) appoint a responsible person authorized to assign work tasks to staff and organise, manage and control performed work, and
- c) inform Kia about the occurrence and detailed description of injury, fire, accident, near miss and provision of first aid, without regard to the consequences, for the purpose of investigation and taking of measures and fulfil all obligations towards relevant public authorities.

## 17 Confidentiality

17.1 Supplier undertakes to maintain confidential information in confidence, particularly by protecting confidential information from unauthorised disclosure, provision, theft, loss or damage, not to disclose or provide confidential information to third parties in any form, to use confidential information solely for the purpose related to the subject of contract, and to perform all actions necessary to keep confidential information in confidence and to maintain their secrecy.

17.2 Confidential information shall include any documents, data or information, in written or oral form, which supplier learns or obtains during negotiations prior to contract conclusion or in relation to the contract performance, including business secret or information about Kia, its functioning, operation, facts that take place in the presence of supplier at Kia premises or other information which by itself or in combination with other information could threaten or harm rights and legally protected interests of Kia in any manner. Confidential information shall also include any information provided by Kia during negotiations prior to contract conclusion, even if Kia did not identify such information as confidential, as well as the content of this contract (with the exception of terms and conditions).

17.3 Confidential information shall not include information which are now or in future becomes public knowledge

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otherwise than by breach of this contract by supplier. If there is a doubt as to whether information is confidential or not, it shall be deemed that it is confidential information, unless supplier proves otherwise.

- 17.4 Supplier shall take and fulfil necessary security, technical and organisational measures based on which supplier will meet and maintain confidentiality obligation.
- 17.5 Supplier shall not breach the confidentiality obligation if supplier provides confidential information to its employees, cooperating individuals or external counsellors, to whom it is necessary to provide confidential information, and provided that supplier instructs such individuals about the obligation of supplier to maintain confidentiality. Supplier acknowledges that it shall be liable for the breach of confidentiality obligation also in case such obligation is breached by the mentioned individuals.
- 17.6 Confidentiality obligation shall not apply to confidential information which is required to be disclosed by the order of court or public authority pursuant to legal regulations. Supplier shall in such case inform Kia prior to the disclosure of confidential information.
- 17.7 Obligation of supplier to maintain confidentiality under this contract shall be agreed for unlimited period of time without regard to the term of this contract.
- 17.8 Obligation of supplier to maintain confidentiality under this contract shall be without prejudice to the validity of supplier's obligation to maintain confidentiality (including related obligations or security) under special agreement concluded or to be concluded between parties.
- 17.9 Supplier shall not without the prior written consent of Kia identify Kia as a business partner, or to use business name, trademarks or logo used by Kia in relation to its products or activities, in promotion of its entity or activity.

## 18 Intellectual Property Rights

### Intellectual Property of Kia

- 18.1 If Kia provides supplier for the purpose of performance of obligations under this contract with any documentation or another object protected as a business secret or by right of industrial or intellectual property (hereinafter referred to as the **object of Kia's intellectual property**), the object of Kia's intellectual property shall be the sole property of Kia.
- 18.2 Kia grants to supplier consent (licence) to use the object of Kia's intellectual property solely for the purposes of performance of obligations under the contract and for the term of the contract. For avoidance of any doubts, this shall be without prejudice to obligation of supplier to maintain confidentiality.

- 18.3 If Kia provides supplier with the object of Kia's intellectual property for the purpose of supply of goods, supplier shall not be entitled to supply the goods to persons other than Kia.

### Protected Goods

- 18.4 If the goods are protected by the right of supplier of industrial or other intellectual property, supplier hereby grants to Kia a consent (licence) or any other rights for the performance of rights from the industrial or other intellectual property for the purpose of proper use of the goods in any manner of use, including its provision or cession to the third parties, its repair, modification or destruction, and within the scope of this contract. The remuneration for granting the consent (licence) under this contract shall be included in the agreed price.
- 18.5 The consent (licence) provided to Kia under this contract is territorially unlimited, is given for the whole duration of property rights of the author or originator of the object of industrial property or other intellectual property, is transferable, with the right to provide sub-licences to another party and is assignable to another party, and in each case without the prior consent of supplier.
- 18.6 Supplier shall settle all legal relationship with other parties that created or supplied the goods or any part thereof, especially by entering into the relevant copyright and other agreements so that such parties do not have any claims from Kia resulting from moral, copyright, industrial rights, rights related to copyright or any other similar rights in relation to proper performance of supplier's obligations under this contract.
- 18.7 Supplier undertakes that the goods or its use in line with this contract does not and will not breach or interfere any rights of another party from industrial or other intellectual property. If supplier fails to fulfil this obligation, supplier shall indemnify Kia for damages, without prejudice to Kia's rights from liability for defects.
- 18.8 If duration of supplier's right depends on its exercise by Kia, supplier shall notify Kia prior to supply of goods, whereas Kia may withdraw from the contract in such case. If supplier fails to inform Kia, Kia is not obliged to exercise such right.
- 18.9 Without prejudice to other provisions hereof, any limitations, confidentiality obligation or maintenance of secrecy of materials, rights or information related to goods which may prevent Kia from proper use of goods, especially its modification or repair even when used, modified or repaired by the third person, shall not apply to Kia.

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## 19 Kia Code of Ethics

- 19.1 Supplier represents that it is familiarised with the fact that within the conclusion of relationship and their performance and within the performance of business activities Kia complies with its Code of Ethics which is published at Kia website and with which supplier was familiarised.
- 19.2 Supplier undertakes to reasonably comply with the principles and liabilities arising out of Kia Code of Ethics within the performance under this contract.
- 19.3 Supplier undertakes to immediately inform Kia if supplier has been in relation to this contract or performance arising from or related to it asked for or learned about request of any party for a benefit that could be deemed to constitute a violation of Kia Code of Ethics. Supplier shall notify Kia prior to the start of performance of obligations or at any time within the performance thereof about any potential conflict of interests of Kia's employee who concluded the contract on behalf of Kia or participated in the negotiation of contract.
- 19.4 Supplier undertakes to implement and assure the application of reasonable internal control mechanisms and measures in order to assure the compliance with Kia Code of Ethics.
- 19.5 Supplier undertakes to allow and agrees that Kia may inspect the fulfilment of obligations of supplier related to the compliance with principles and obligations arising out of Kia Code of Ethics including the inspection the purpose of which is to verify motion or incentive submitted under the Act on Certain Aspects of Whistleblowing.
- 19.6 Supplier acknowledges the option to inform Kia about cases or suspicions of violation of Kia Code of Ethics via Kia website, contact details published at Kia website and any other manner available in Kia.

## 20 Notices

- 20.1 Parties agreed that legal acts or notices addressed to the other party shall be issued in written or electronic form and in language that governs these terms and conditions; Kia shall be always entitled to deliver legal act or notice in English language. Legal act or notice shall be issued in written form when stipulated in the contract.
- 20.2 Legal acts and notices in written form shall be delivered to the address registered as the registered office or place of business of respective party in the Trade Licences Register or Business Register or to the address as determined in writing by the other party.
- 20.3 Legal acts and notices in electronic form shall be delivered to electronic addresses notified by parties to each other

continuously during the term of contract. Supplier undertakes to have constant and safe access to electronic address available to receipt the e-mail. Legal acts and notices shall be deemed delivered when sending party sends the e-mail to the other party. If the day of electronic delivery falls on Saturday, Sunday or public holiday, the legal act or notice shall be deemed delivered on the following working day.

- 20.4 The written documents shall be deemed delivered also if party refuses to receive the written document or makes the delivery impossible by its neglect or otherwise; in such case the written document shall be deemed delivered on such day, or in case the delivery of written document fails due to the fact that shipment was not took over within the delivery period or due to the fact that the addressee was not reached, was unknown or due to another reason identified by post office on the shipment, the written document shall be deemed delivered on the date of deposition of the shipment at the post office.

## 21 Term and Termination of Contract

- 21.1 If the subject of contract is single time performance, the contract shall terminate by the fulfilment of all obligations of parties.
- 21.2 If the subject of contract is repeated performance or if parties conclude a contract with nature of framework agreement, the contract shall be terminated when the term for which it is concluded expires.
- 21.3 Contract may be terminated prior to the term by a written agreement of parties, written termination notice or withdrawal from the contract by Kia, irrespective whether the subject of contract is a single time performance or whether the contract is concluded for a definite or indefinite period of time.

### Termination Notice

- 21.4 If the contract is concluded for an indefinite period of time, both parties may terminate contract, also for convenience.
- 21.5 If the contract is concluded for a definite period of time or for a single time performance, Kia shall have the right to terminate the contract, also for convenience.
- 21.6 In case the contract is terminated by Kia, the notice period shall be at least 2 months. In case the contract is terminated by supplier, the notice period shall be at least 3 months.
- 21.7 The termination notice shall be executed in written form. The notice period shall start to run on the first day of calendar month following the month in which the written



termination notice was delivered to the other party. The notice period shall end on the last day of the last month of the notice period.

#### Withdrawal from Contract

21.8 Kia shall be entitled to withdraw from the contract or partial contract, if Kia is entitled to withdraw under this contract, due to material breach of obligation of supplier, due to failure to remedy the minor breach of obligation by supplier within a reasonable additional period, or if it is prescribed by the law. If Kia shall withdraw from the contract or partial contract due to reason on supplier's part and due to this fact delivered goods shall lose its economic importance, Kia may withdraw also from other contracts or partial contracts under which the same or otherwise mutually related goods has been or are to be supplied. In such case Kia shall not be obliged to compensate supplier for any costs.

21.9 Kia shall be entitled to withdraw from the contract if supplier is in delay with the fulfilment of obligation due to circumstances excluding supplier's liability if such circumstance lasts for more than 30 days.

21.10 Withdrawal from contract or partial contract shall be executed in written form. The term of contract or partial contract shall expire when the withdrawal is delivered to supplier with immediate effect.

21.11 Kia shall be entitled to withdraw from the contract on the grounds of substantial breach of obligation of supplier also in case the breach relates only to a partial contract or part of supplier's liability.

21.12 Kia shall be entitled to withdraw from the contract also in case Kia does not deliver the withdrawal to supplier without unnecessary delay after Kia learned about such breach, or supplier has remedied the breach until the time withdrawal was delivered.

21.13 Material breach of contract shall include in particular:

- a) delay of supplier with the supply of goods,
- b) delivery of different type of goods or delivery of goods in lower quantity,
- c) loss of supplier's authorisation to supply goods,
- d) repeated charge of price higher than the agreed price,
- e) creation of Kia's obligation to be liable for the value added tax of supplier,
- f) breach of the ban on assignment of receivable without the previous consent of Kia,
- g) repeated breach of obligation that may be sanctioned with contractual penalty,

- h) breach of obligation to enable the performance of inspection of fulfilment of supplier's liabilities,
- i) breach of confidentiality,
- j) breach of obligation arising from the environmental protection or repeated breach of obligation to comply with internal regulations,
- k) action of supplier contrary to legal regulations related to the competition or antitrust or contrary to Kia Code of Ethics, and
- l) any action of supplier which is contrary to legal regulations or obligations laid down in this contract related to taxes.

21.14 If terms and conditions related to the breach of contract require repeated action or omission of supplier, it shall mean such action or omission of supplier occurs more than one time irrespective of the time interval.

#### Consequences of Contract Termination

21.15 The end of contract term shall be without prejudice to:

- a) duration of the claim of Kia, which arose before the end of contract term, irrespective whether Kia exercised it until the end of contract term or not,
- b) duration of obligation of supplier to maintain confidentiality,
- c) validity and conditions of supplier's consent for the performance of rights from industrial or other intellectual property,
- d) choice of governing law and arbitration clause.

21.16 Supplier shall hand over to Kia prior to the end of the contract term or immediately after the end of contract term:

- a) all things, inputs or documents which Kia provided to supplier,
- b) power of attorney issued by Kia.

21.17 Parties agreed that the application of Section 351 (2) of Commercial Code is excluded in case of withdrawal from the contract as a result of which parties are not obliged to return each other mutual performances provided properly. For avoidance of doubts, parties explicitly agreed that if only Kia had properly provided performance, supplier shall return the received performance to Kia.

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## 22 Contractual Penalties

### General Provisions on Contractual Penalties

- 22.1 If the contract, terms and conditions or special agreement concluded between Kia and supplier stipulates that supplier shall pay contractual penalty for breach of certain obligation, Kia may claim from supplier contractual penalty in the amount stipulated therein, whereas the following shall apply:
- supplier shall fulfil the obligation secured with contractual penalty also after its payment,
  - payment of contractual penalty shall be without prejudice to the claim for damage which Kia may incur or suffer in relation to the breach of the respective obligation and which exceeds the amount of contractual penalty,
  - circumstances excluding liability of supplier shall not affect the obligation to pay the contractual penalty,
  - end of the contract term shall be without prejudice to the obligation of supplier to pay the contractual penalty, although the claim for contractual penalty has not been exercised by Kia until the withdrawal is effective, and
  - supplier shall pay the contractual penalty in the agreed amount for each single breach of the secured obligation.
- 22.2 Supplier acknowledges that Kia may claim from supplier contractual penalty even if Kia does not provide supplier with an additional period of time for remedy of breach.
- 22.3 Parties represent that they consider respective amounts of contractual penalties to be reasonable with regard to the value and significance of secured obligations.
- 22.4 Provisions of terms and conditions about contractual penalties shall not affect the validity of provisions of special agreements concluded between parties prior to the conclusion of the contract or concluded between parties after the conclusion of the contract and which include the liability of supplier to pay the contractual penalty for the breach of secured obligation. In case of conflict between the contract and special agreement, the provision of special agreement shall prevail.
- 22.5 Contractual penalty shall be paid by supplier within 30 days from the date when claim was exercised by Kia in writing.
- 22.6 In case the amount of contractual penalty is stipulated in the contract as a certain percentage of the price, price

excluding value added tax (if applicable) shall be used for the purpose of calculating the contractual penalty.

### Contractual Penalties

- 22.7 Parties agreed that if supplier violates its following obligations Kia may claim from supplier the payment of following contractual penalties. If supplier (including supplier's staff):
- fails to supply the goods on time, Kia may claim from supplier the payment of contractual penalty in the amount of 0.1 per cent of the price of goods in delay for each started day of delay,
  - fails to start the removal of defects or fails to remove defects on time, Kia may claim from supplier the payment of contractual penalty in the amount of 0.1 per cent of the price of such goods for each started day of delay,
  - breaches the obligation to issue the invoice duly and timely, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 20,
  - passes through production premises at Kia premises without authorisation, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 100,
  - breaches the obligation to smoke only within reserved places, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 100,
  - breaches the obligation to use personal protective equipment, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 100,
  - breaches the obligation to use personal protective equipment during works at height and over free depth or to secure workplace above which work at height or over free depth is performed, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
  - breaches obligation to use reserved technical equipment only with relevant authorisation, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 400,
  - breaches the obligation to assure that equipment, machinery, mechanisms, instruments and tools supplier uses within Kia premises are in good technical condition and have all permits and certificates, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 400,

- j) breaches the obligation to safely operate high-lift truck, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 400,
- k) breaches the obligation to perform works with fire risk only with the prior written consent of Kia, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 400,
- l) breaches the obligation to perform works with fire risk in compliance with the prior written consent of Kia, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 450,
- m) breaches the obligation to assure safe performance of work with regard to disconnection and securing of machinery and technical equipment from all kinds of energy in case of failure, maintenance, repair, reconstruction, modernisation and activities related to operation of equipment, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
- n) breaches the obligation to secure work means or equipment against unauthorised use, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 100,
- o) breaches the obligation imposed by safety markings, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
- p) breaches the obligation to provide documents and cooperation to Kia in case of inspection and investigation of causes of occurrence of fire, injury or dangerous event, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 200,
- q) breaches the obligation not to damage, dismantle without reason, or reduce the ability of fire equipment in any manner and not to obstruct free access to the fire equipment, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
- r) breaches the obligation arising from rules related to eVstup (eAccess) to Kia premises (for example enter into Kia premises for short time performance as visitors), Kia may claim from supplier the payment of contractual penalty in the amount of EUR 400,
- s) breaches the obligation not to enter Kia premises under the influence of alcohol and not to perform activities within Kia premises under the influence of alcohol, Kia may claim from supplier the payment of contractual penalty in the amount of (i) EUR 165 in case the result of alcohol test is in range from 0.15 to 0.48 mg/l, and (ii) EUR 300 in case the result of alcohol test is in range from 0.49 mg/l and higher,
- t) breaches the obligation not to enter Kia premises under the influence of narcotic and psychotropic substances and not to carry out performance within Kia premises under the influence of narcotic and psychotropic substances, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300 in case of positive result,
- u) breaches the obligation to undergo the test of influence or presence of alcohol, narcotic or psychotropic substances within Kia premises, or the obligation not to bring alcohol and said substances to Kia premises, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
- v) breaches the obligation to comply with speed limit when driving a motor vehicle within Kia premises, Kia may claim from supplier the payment of contractual penalty in the amount of (i) EUR 30 if the speed limit was exceeded by 0 to 9 km/h, (ii) EUR 50 if the speed limit was exceeded by 10 to 19 km/h, (iii) EUR 70 if the speed limit was exceeded by 20 to 29 km/h, (iv) EUR 100 if the speed limit was exceeded by 30 to 39 km/h, and (v) EUR 165 if the speed limit was exceeded by 40 km/h and more,
- w) breaches the obligation not to damage or lose the access identification card or permit for vehicle access to Kia premises, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 15,
- x) breaches the obligation not to take out any property not belonging to supplier and for taking of which the supplier has no permission, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 300,
- y) breaches the obligation not to make a photograph or video in or of Kia premises without the prior consent of Kia, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 200, and
- z) breaches the obligation to inform Kia about chemical substances or chemical mixtures which supplier will use during performance of the obligations under this contract, obligation to use only those chemical substances which supplier duly notified to Kia and to which Kia had no objections, obligation to deliver safety data sheet and to assure the presence of such SDS or the obligation to mark packages of chemical substances with warning symbols and description labels pursuant to legal regulations or any obligation

Kia Slovakia s. r. o.

Sv. Jána Nepomuckého 1282/1, Teplička nad Váhom 013 01, Slovak Republic  
ID No: 35 876 832, Business Register of the District Court Žilina, section Sro, file No. 15074/L

under this contract related to the REACH Regulation or the CLP Regulation, Kia may claim from supplier the payment of contractual penalty in the amount of EUR 1000.

## 23 Governing Law and Arbitration Clause

- 23.1 This contract, any partial contract, and non-contractual obligations arising out of or in connection with it are governed by Slovak law without regard to its conflict of laws. Parties have excluded the application of United Nations Convention on Contracts for the International Sale of Goods and Convention on the Limitation Period in the International Sale of Goods.
- 23.2 Parties agreed that the application of provisions of Slovak law which are not of mandatory nature shall be excluded to the extent to which it could change the meaning or purpose of any provision of this contract.
- 23.3 All disputes arising out of or in connection with the contract, including the disputes concerning its validity, interpretation or annulment, shall be settled before the Court of Arbitration of the Slovak Chamber of Commerce and Industry in Bratislava in conformity with its internal rules and regulations. Decision of Court of Arbitration shall be binding in parties. Parties agreed that Kia may bring an action against supplier also in state court without prior consent of supplier; in such case arbitration clause ceases to exist.

## 24 Special Provisions and Interpretation

- 24.1 Provisions of the contract agreed by parties separately in written form shall prevail in case of conflict with terms and conditions. Change of 2.2 of terms and conditions can be agreed only in written form physically signed by the authorised person of Kia and in such formulation which makes it undisputable that the application of terms and conditions is explicitly excluded.
- 24.2 In case of conflict between the contract and partial contract, the partial contract shall prevail if concluded in written form.
- 24.3 Parties agreed that failure of parties to reach additional agreement about non-essential part of contract shall not affect the validity of the contract.
- 24.4 This contract can establish rights of third parties. Consent of third parties, if they are not parties to the contract, will not be required for the change or termination of contract, also in case such change or termination may affect rights of such third parties arising for them under this contract.

- 24.5 If these terms and conditions generally refer to contract, the contract shall mean the contract and terms and conditions.
- 24.6 If any provision of the contract becomes invalid or unenforceable, it shall not affect the validity and enforceability of remaining provisions of the contract and terms and conditions. In case any of provisions is or will later become invalid or unenforceable, parties undertake to replace it with a provision as close to the original will of parties and purpose under the contract as possible.
- 24.7 Any failure or delay of Kia to perform the contract or exercise any right or remedy under the contract, in part or in whole, shall not release supplier from any obligations under the contract and shall not be deemed to be a waiver of any right. If Kia remits supplier for the breach of its obligations, or waives any performance to which supplier is obliged, it shall not be deemed to be relief of obligation or waiver of right arising from another or following breach of obligation and shall be without prejudice to other provisions of this contract.
- 24.8 Without prejudice to any other provision herein, no rights which may be available for Kia under the legal regulations shall be affected.
- 24.9 This contract shall constitute entire agreement of parties and substitutes all previous agreements of parties related to the subject of this contract, which shall expire by the conclusion of this contract, unless the contract or terms and conditions stipulate otherwise.
- 24.10 If terms and conditions refer to legal regulations, such references shall include also references to legal regulations that will replace or substitute the original regulations; it shall apply also in case of subsequent replacement or amendment of regulations.
- 24.11 Headings of individual sections of terms and conditions are solely of informative nature and serve as a specification of content of the respective section.
- 24.12 Unless context required otherwise, terms given in terms and conditions in singular form shall include also plural forms and vice versa.
- 24.13 Terms and conditions are executed in Slovak and English language. In case of conflict between language versions the Slovak version shall prevail in case the supplier's registered office or place of business is in Slovak Republic or in Czech Republic, the English version shall prevail in any other case.

## 25 Amendment of Contract and Terms and Conditions

- 25.1 Parties agreed that the contract can be changed only by agreement of parties in written form, unless this section of terms and conditions stipulates otherwise.
- 25.2 Kia shall be entitled to propose an amendment of the contract or of terms and conditions at any time in writing. If supplier fails to deliver to Kia a written and reasonable refusal of such amendment within 7 days from the date of delivery of the proposal to supplier, it shall be deemed that supplier agreed with such amendment. Such amendment shall become effective either by mere lapse of period for delivery of written refusal or on the later day as given in the amendment proposal.

Supplier hereby acknowledges and confirms that it was informed of the content of terms and conditions, it considers them as a part of all contracts concluded by and between supplier and Kia to which are applicable with respect to their nature and it agrees to them, unless the contract stipulate otherwise.

Supplier:

Company name:

Name and surname:

Title:

Dated:

Signature .....