



GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF MATERIAL No. SP/02/2021

1. INTRODUCTORY PROVISIONS

1.1 These General Terms and Conditions for the Purchase of Material (hereinafter referred to as the “**Terms and Conditions**”) govern the mutual rights and obligations between the parties to the purchase or other similar agreement concluded with reference to these Terms and Conditions by and between **2N TELEKOMUNIKACE a.s.**, with its registered office at Modřanská 621/72, 143 01 Prague 4, Czech Republic, corporate reg. No. 26183960, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Item 6613 (hereinafter referred to as “**2N**”) as a purchaser, order party, customer or otherwise designated person in a similar position on one side, and other entities as sellers, suppliers, providers or otherwise designated persons in a similar position (hereinafter referred to as the “**Supplier**”) on the other side (2N and the Supplier hereinafter referred to as the “**Parties**”) (hereinafter referred to as the “**Agreement**”).

1.2 These Terms and Conditions govern the legal relations of the Parties arising out from the relevant Agreement or in any way related to it, even if the Supplier refers to other business terms and conditions during negotiations aimed at concluding the Agreement.

1.3 If the Agreement concluded between the Parties contains provisions different from these Terms and Conditions, the provisions set out in the Agreement shall prevail.

1.4 These Terms and Conditions become an essential and integral part of all Agreements concluded with reference to these Terms and Conditions.

1.5 The Supplier is not entitled, without the prior express written approval of 2N, to exclude the application of these Terms and Conditions, to change or amend provisions of these Terms and Conditions (or any part thereof), even if in a way that modifies these Terms and Conditions or the Agreement insignificantly only, nor in a way that expresses the same conditions in other words; the application of the provisions of Sections 1740 (2) and (3) of the Civil Code is excluded. Any reference by the Supplier to its own business terms and conditions or the business terms and conditions of third parties does not give rise to any legal effects; the provision of Section 1751 (2) of the Civil Code is specifically excluded.

1.6 2N is entitled to change these Terms and Conditions at any time. However, the Terms and Conditions effective as of the date of the Agreement shall always apply.

2. DEFINITION AND INTERPRETATION OF THE TERMS

2.1 In addition to any other defined terms in these Terms and Conditions, the following terms shall, for the purpose of these Terms and Conditions, have the meaning attributed to them herein below:

a) “**Delivery Date**” shall mean the date set forth in the relevant Agreement, on which the Product shall be delivered to the place set forth in the Order.

b) “**Lead Time**” shall mean the period from the receipt of the Order to the moment when Supplier delivers the finished Products to 2N or a Designated Party in accordance with the relevant delivery condition.

c) “**Know-how**” shall mean all technical and other information which is not in the public domain (other than as a result of breach of confidence), in particular information containing concepts, discoveries, data, industrial designs, formulae, ideas, inventions, methods, models, procedures, designs for experiments and tests and results of experimentation and testing, manufacturing data, processes, specifications and techniques, or related to the above.

d) “**Components**” shall mean the components and materials to be used in the manufacturing of each Product as specified in the Specifications for each such Product; the term Components include Strategic Components (as defined in Section **Chyba! Nenalezen zdroj odkazů.**) unless the context requires otherwise.

e) “**Civil Code**” shall mean Act No. 89/2012 Coll., the Civil Code, as amended.

f) “**Order Party**” shall have the meaning defined in Section 10.1.

g) “**Order**” shall mean a written or electronic order or confirmation made by 2N or a Designated party in relation to the purchase of one or more specific Products. Order may specify detailed terms in relation to the given Product, in particular the Specifications, quantity of the

- Products, price, a Designated party (if different from 2N) and the transport instructions (including the place of delivery) and Delivery Date.
- h) **“Trademarks”** shall mean any trademarks, trade names, protected names, logos, designations, symbols, industrial designs, or other marks (registered or unregistered) used in connection with the Products owned or used by the relevant Party under licenses granted by third parties.
- i) **“Engineering Change Notice”** or **“ECN”** shall have the meaning set forth in Section 8.1.
- j) **“Intellectual Property Rights”** or **“IPR”** shall mean worldwide intellectual rights under common law and statutory law relating to: i) patents and patent applications, ii) works of authorship, including copyrights, applications for copyrights, registrations of copyrights, iii) rights to trade secrets and protection of trade and industrial secrets and confidential information, iv) other property rights related to intellectual property of any kind and nature, v) rights similar to the above and vi) registrations, applications, mergers, divisions, prolongations, renewals, reissuances and extensions of the above rights which currently exist or which will be filled, issued or acquired in the future.
- k) **“Services”** shall mean actions needed to manufacture, sell and/or deliver the Products to 2N or a Designated party (including, as the case may be, procurement of Components, assembly, configuration and testing of Products) in accordance with the Specifications and/or other conditions agreed by the Parties in the relevant Agreement; **“Manufacturing Services”** actions needed to manufacture the Products in accordance with the Specifications marked by 2N.
- l) **“Agreement”** (as this term is defined in Section 1.1) shall mean any contract for the supply of Products and/or the provision of other Services entered into between 2N and the Supplier with reference to these Terms and Conditions, even in the form of an Order and its confirmation pursuant to Section **Chyba! Nenalezen zdroj odkazů.** of this Agreement.
- m) **“Party”** shall mean 2N and/or the Supplier.
- n) **“Specifications”** shall mean information in written or electronic form containing details of the Products and requirements for appearance, technical, performance, operational and functional requirements (where relevant, in particular hardware, firmware and software of the Products), in particular drawings, bill of materials (BOM), diagrams, technical specifications and details regarding manufacturing and testing of Products, which 2N designates in relation to each Product. Specifications are determined, communicated and always owned by 2N. If there are multiple revisions to the Product Specifications, the most recent revisions approved by both Parties shall apply. Specifications may be also amended from time to time by 2N in the form of an ECN in accordance with the procedure described in Section **Chyba! Nenalezen zdroj odkazů.**
- o) **“Affiliates”** shall mean, with respect to a particular Party, any other corporation, partnership, trust or other legal entity that directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such Party. For the purpose of this definition, **“control”** means ownership of fifty percent (50 %) or more of the outstanding voting stock or other equity interests ordinarily having voting rights.
- p) **“Subcontractor”** shall mean any natural or legal person who has a contract with the Supplier, on the basis of which it fulfils a part of Supplier’s obligations under this Agreement under the control of the Supplier.
- q) **“Designated Party”** shall mean 2N’s Affiliates or another third party designated by 2N who is authorized to order Products from the Supplier under the Agreement and these Terms and Conditions and/or to whom the Supplier shall deliver the Products in accordance with the Agreement and these Terms and Conditions.
- r) **“Votvírák CZ”** shall mean 2N digital production archive accessible on manufacturing server, which contains information (such as drawings, Component specifications etc.) for parts used in the Products and instructions for their manufacturing.
- s) **“Inventions”** shall mean any discoveries, inventions, improvements proposals, improvements or ideas (whether or not subject to patent, copyright, or other Intellectual Property Rights).
- t) **“Products”** shall mean the products, sub-assemblies and accessories supplied by the Supplier under this Agreement and defined and described in the Specifications.
- 2.2 Unless the context requires otherwise, in these Terms and Conditions:
- a) references to **“Section”** shall be construed as references to sections in these Terms and Conditions;

- b) references to any law, regulation or provision of the law shall be construed as references to the same law, regulation or provision of the law as may be added, amended, extended or re-adopted as appropriate;
- c) references to “**days**” shall mean references to calendar days;
- d) references to “**Business Days**” shall mean references to any day except Saturdays, Sundays and days which are public holidays in accordance with the valid legal regulations of the Czech Republic.
- e) the terms used in these Terms and Conditions in the plural have the same meaning in the singular, and *vice versa*;
- f) the headings in these Terms and Conditions are inserted for convenience only and will not be taken into account when interpreting these Terms and Conditions;
- g) the term “**in particular**” or “**including**” shall mean without limitation by reason of elimination.

3. SCOPE OF THE AGREEMENT

- 3.1 The Agreement sets forth specific conditions under which the Supplier will provide Services for 2N and deliver Products to 2N and/or a Designated Party.
- 3.2 A Designated Party is also entitled to order the Products from the Supplier. In such a case, the purchase of the Products shall take place in accordance with the agreement between a Designated Party placing the Order and the Supplier; these Terms and Conditions apply to such an agreement similarly, even if a Designated Party and the Supplier refer to the other business terms and conditions during the negotiations of the agreement. Any arrangements between a Designated Party and the Supplier deflecting from these Terms and Conditions shall not be taken into account unless approved by 2N in advance. However, the fact that a Designated Party purchases Products from the Supplier in accordance with these Terms and Conditions shall not mean that 2N assumes responsibility for a Designated Party’s obligations towards the Supplier; a Designated Party acts in its own name.
- 3.3 Unless expressly stated otherwise in the Agreement, the Agreement is non-exclusive. Nothing in the Agreement and/or these Terms and Conditions prevents 2N from entering into agreements regarding the manufacturing and sale of the Products, or other products of 2N, with other companies (persons). This does not affect the

provisions of these Terms and Conditions for the protection of Intellectual Property Rights.

- 3.4 The Supplier may use its Affiliates for the performance of its obligation to provide Services under the Agreement. Subject to 2N’s prior written consent, the Supplier shall further have the right to assign all or part of the performance of the Services to a Subcontractor. However, the Supplier shall, at all times and under all circumstances, be fully and unconditionally responsible towards 2N for any and all acts or omissions of its Affiliates and Subcontractors, including the performance or non-performance of their obligations under the Agreement, as if such performance, non-performance, acts or omissions was carried out by the Supplier itself. The terms and conditions governing the Subcontractors’ relationship with the Supplier shall in all relevant respects correspond to the terms and conditions of the Agreement and otherwise be determined so as to be acceptable for 2N.

4. SERVICES AND SUPPLY COMMITMENT

- 4.1 By concluding the Agreement (by accepting the Order), the Supplier undertakes to provide the Services and deliver the Products to 2N (or Designated Parties) in the accordance with the agreed conditions. By concluding the Agreement, the Supplier confirms that it has sufficient legal, financial and organizational capacities to act as a contract manufacturer and/or a supplier for 2N, and also has the equipment, manpower and expertise necessary for efficient and proper production and/or supply of Products in accordance with the specified requirements, if in terms of quality, delivery times and other conditions.
- 4.2 The Supplier is obliged to have and maintain for the duration of the Agreement all necessary resources, including technologies, production capacities, manpower, systems and equipment necessary for the proper performance of its obligations under the Agreement.
- 4.3 The Supplier shall have and maintain a disaster recovery plan that is consistent with the best practices in the industry to ensure that the Services and the Products, in the agreed quantities and quality, are made available to 2N throughout the term of the Agreement. If the Supplier has or receives information of circumstances or events that may adversely affect the supply of Products to 2N, the Supplier shall forthwith give written notice to 2N of such circumstances or events, in order for 2N to adjust its business accordingly.
- 4.4 By concluding the Agreement (by accepting the Order), the Supplier confirms that it has acquainted

itself with the Specifications and/or other requirements of 2N following from the Order and that these Specifications and/or requirements do not contain defects, omissions and other inconsistencies. Products must be in full compliance with the Specifications and/or other requirements of 2N. The Supplier shall actively and in all reasonable ways ensure that the Products for which any certificate is required have such a certificate and that such a certificate is up-to-date.

4.5 If applicable, during the provision of the Services, the Supplier shall perform tests of the Products in accordance with the test procedures set forth in the Specifications.

4.6 If applicable, for the purposes of providing the Services under the Agreement, 2N shall provide the Supplier with access to any documentation in **Votvírák CZ** program to the necessary extent.

4.7 Parties may agree that for the purpose of the Services under the Agreement, the Supplier shall purchase production test equipment and 2N shall subsequently re-purchase such equipment from the Supplier. The terms and conditions for such purchase and re-purchase by 2N shall be separately agreed between the Parties.

4.8 Based on the previous agreement, 2N may provide the Supplier with certain tools, production test systems or other equipment required for the Services (hereinafter referred to as the "**Equipment**"), or the Supplier may produce or procure them on behalf of 2N and at 2N's costs. Such Equipment is and will remain the property of 2N and may only be used to provide the Services. Upon termination of the Agreement, the Supplier shall return to 2N at its own expense any Equipment in its possession without undue delay, unless the Parties agree otherwise. The Supplier bears the risk of damage and is liable to 2N for damage caused to such Equipment from the moment of its takeover until its return to 2N, unless such damage was caused by a defect or the nature of the Equipment and/or was caused by 2N. The Supplier is obliged to insure the Equipment against all possible risks pursuant to Section **Chyba! Nenalezen zdroj odkazů.**, with an insurance limit (sum insured) not lower than the purchase price of the Equipment. For the period from the takeover of the Equipment until its return to 2N, the Supplier is not entitled to storage or other fees.

4.9 By concluding the Agreement, the Supplier acknowledges and agrees that 2N may purchase the Products for the purpose of their further sale (resale) in its own name and under the 2N trademark. The Supplier is obliged to ensure and guarantees that the sale of the Products in the name and under the 2N

trademark will not infringe the rights and legitimate interests, including intellectual property rights, of third parties.

5. STRATEGIC COMPONENTS

5.1 Parties may agree that the Supplier shall use in the manufacturing of the Products certain components supplied by specific manufacturers designated by 2N (hereinafter referred to as the "**Strategic Components**"). For this purpose, the Parties shall enter into a separate agreement on the supply of Strategic Components, in which they shall determine in particular the detailed specifications of these components, the specific supplier, the method and date of delivery, price and method of its payment, including transport costs. If such an agreement is concluded, the Supplier is responsible for timely orders of Strategic Components so that the Supplier is able to properly and timely fulfil its obligations from the Agreement.

6. PACKAGING

6.1 The Supplier shall preserve, handle and pack the Products in accordance with good commercial practice and other applicable standards so as to protect the Products from loss, destruction or damage. If and to the extent the Specifications (e.g. the bill of material) does not define and specify the packaging of the Products, the Supplier shall provide 2N with a proposal for suitable packing which 2N shall approve in writing in advance. Should 2N not give its approval, the Supplier shall make a revised proposal to 2N without undue delay. The Supplier shall not pack the Products before it has received an approval from 2N for the packing.

6.2 However, during an evaluation phase of no more than (2) months following the first delivery of a Product to 2N, 2N shall have the right to test, try and assess the packing proposal made by the Supplier and approved by 2N in practice. The Supplier shall, both during the evaluation phase and thereafter, comply with 2N's reasonable requests for changes to the packing used by the Supplier. Any change to the packing shall be made in accordance with the agreed ECN procedure as set forth in Section **Chyba! Nenalezen zdroj odkazů.** Changes requested by 2N during the evaluation phase shall be made at no additional cost for 2N.

7. SAFETY STOCK

7.1 Parties may agree that the Supplier shall at its premises keep a quantity of Products or unfinished products (semi-finished Products) which may be completed and sent to 2N within the period agreed by the Parties. Products and semi-finished Products

referred to in this Section are hereinafter referred to as the "Safety Stock".

7.2 The quantity of each separate Product and/or semi-finished Product to be included in the Safety Stock, the applicable Lead Times and the level to which each semi-finished Product shall be completed shall be separately agreed in writing or electronically by the Parties.

8. ENGINEERING CHANGE NOTICES

8.1 If 2N plans to make any changes to the Products, including changes to bill of material and/or Specifications provided under the Agreement, 2N shall inform the Supplier in writing thereof in advance (each an "Engineering Change Notice" or "ECN").

8.2 After receipt of an ECN, the Supplier shall:

- a) if immediate action is required (as indicated in the ECN):
 - (i) implement the ECN (change of Product); and
 - (ii) following the implementation, evaluate the effect of ECN on the delivery schedule, pricing, amount of obsolete Components and the cost of the ECN and non-recurring expenses, and deliver a report thereof to 2N for review. The report shall be delivered to 2N as soon as practicable and under all circumstances within one (1) week from the date the implementation of the ECN was completed. 2N shall only be liable to pay to the Supplier such reasonable and documented costs that have been incurred by the Supplier for the ECN as specified in the report and invoiced by the Supplier. The Supplier shall issue an invoice of such costs after receipt of a purchase order from 2N, related to the implemented costs. Payments terms are set forth in Section 12.1. Any other effect of the ECN, as reported by the Supplier, shall be discussed in good faith by the Parties in order to reach a solution which is acceptable for both Parties.
- b) If no immediate action is required (if so indicated in the ECN or in the ECN, it is not indicated that an immediate action is required):
 - (i) without undue delay evaluate the potential effects of the ECN and the planned changes in relation to the delivery schedule, pricing, amount of obsolete Components and the cost of the ECN and possible non-recurring expenses, and deliver an estimation

thereof to 2N for review. The report shall be delivered to 2N as soon as practicable and under all circumstances within one (1) week from the date of the ECN. 2N shall within one (1) month after receipt of the Supplier's estimate notify the Supplier in writing of its acceptance or rejection of the estimated consequences. If 2N accepts the consequences and notifies the Supplier hereof, the Supplier shall implement the ECN according to the priority level set forth herein. If the Supplier does not provide 2N with an estimate as set forth herein within two (2) weeks from the Supplier's receipt of the ECN, then the ECN shall be deemed to have only immaterial consequences which need not be considered by the Parties. Consequently, the ECN shall be implemented by the Supplier but without any changes to the applicable price or other terms and conditions of the Agreement.

- (ii) The Supplier shall after receiving notification from 2N of 2N's acceptance of the estimated consequences of the ECN as set forth in the Supplier's report, and receipt of 2N's purchase order related to the implementation costs, issue an invoice for the costs identified by the Supplier and accepted by 2N as set forth above. Payment terms are set forth in Section 12.1.

8.3 For the avoidance of any doubt, an ECN shall not be deemed a notice issued in accordance with Section **Chyba! Nenalezen zdroj odkazů.**

8.4 If and when 2N decides to discontinue a certain Product or in the event a Component becomes obsolete due to an ECN or otherwise, 2N shall notify the Supplier hereof. In such a case, 2N is entitled to place an Order and take delivery of any remaining Safety Stock, obsolete Components for the discontinued Product and semi-finished Products provided, however that such Products, Components and/or semi-finished Products have been manufactured due to an Order from 2N and in accordance with the provisions of the Agreement and these Terms and Conditions. If the Agreement is terminated, Section 29.4 shall apply.

8.5 Any required change by the Supplier that results in the application of different data, procedures, Components or documents of the production documentation must be discussed with 2N in advance, including their impacts, and agreed by 2N.

9. REQUISITION AND MATERIAL AUTHORIZATION

9.1 The Supplier shall comply with the manufacturing and inspection procedures set by 2N (e.g. the

- requirements for the zero series of Products and the delivery of related documentation, the procedure of cosmetic inspection of Products, etc.), with which it has been demonstrably acquainted.
- 9.2 The Supplier is obliged to provide Services in accordance with best business practices, applicable standards and 2N requirements.
- 9.3 Breach of obligations under this Section 9 constitutes a material breach of the Agreement by the Supplier, for which 2N is entitled to terminate the Agreement pursuant to Section 28.1a).
- 10. ORDERS FOR PRODUCTS**
- 10.1 All Orders for the Products placed by 2N or a Designated Party (each of them hereinafter referred to as the “**Order Party**”) shall be governed by these Terms and Conditions.
- 10.2 Neither 2N (or a Designated Party) has an obligation under the Agreement to place any Order or purchase any minimum quantity of the Products.
- 10.3 The Supplier is obliged to notify 2N of the receipt of the Order (according to the instructions given on the relevant order) by e-mail, within forty-eight (48) hours from the delivery of the Order.
- 10.4 The Supplier shall notify 2N of its acceptance of the Order through electronically dispatched Order confirmation (according to the instructions given on the relevant Order) within seven (7) days from the delivery of the Order.
- 10.5 The Supplier shall use commercially reasonable efforts to meet all Orders submitted by 2N. If, despite such efforts, the Supplier is unable to confirm an Order due to the Supplier’s inability to meet the ordered quantities at the requested Delivery Date, the Supplier must advise 2N without undue delay of the reason why the Order cannot be accepted and the Supplier shall propose an alternative Delivery Date for 2N’s consent, which shall not be unreasonably withheld.
- 10.6 Failure of the Supplier to confirm an Order or raising any objections to the delivered Order within seven (7) days of receipt of the Order shall constitute acceptance of such Order. The application of the provisions of Section 1740 (1) of the Civil Code is excluded.
- 10.7 Any terms and conditions of any Order confirmation or other instrument issued by the Supplier in connection with its performance under the Agreement, which is in addition to, inconsistent with or different from the terms and conditions of this Agreement and/or the Order shall be of no force or effect, unless expressly agreed by the 2N in writing.
- The application of the provisions of Sections 1740 (2) and (3) of the Civil Code is excluded.
- 10.8 Prior to sending the Products, the Supplier is obliged to accept changes in the Oder regarding the change of place of delivery, but only provided that notifications of required changes are delivered to the Supplier no later than five (5) days before the original date of the dispatch.
- 10.9 Without incurring additional fees or penalties to 2N, 2N has the right to postpone the delivery of one or more Products based on the Order, for a maximum period of one (1) month. Based on the request of 2N, the Supplier is obliged to delay the delivery, provided that the relevant request is delivered no later than five (5) days before the dispatch of the given Products from the Supplier.
- 11. PRICING**
- 11.1 The prices to be paid by 2N for the Products may be determined through a formal quotation process for each Product, usually once a calendar year, always for the period from January 1st to December 31st. In such case the provision of this Section 11 shall apply.
- 11.2 Offer prices shall be quoted by the Supplier exclusively in CZK, EUR and/or USD (hereinafter referred to as the “**Components’ Purchase Currency**”). The total offer price for the Product shall be determined in the (only) predominant Components’ Purchase Currency.
- 11.3 If 2N does not receive a quote from the Supplier at least by November 30th of the calendar year, then the prices valid for each Product during the preceding calendar year shall apply for the upcoming calendar year.
- 11.4 2N shall have the right to require a price adjustment, at any time, in order for the prices to reflect (a) a substantial increase in volume, (b) lower prices for Components, or (c) pass-through of cost reductions from the Supplier to 2N, in relation to the circumstances at hand when the last quotation process for the relevant Products was concluded. The Supplier undertakes, together with 2N, to endeavour to continuously lower 2N’s costs for the Services.
- 11.5 It is of decisive importance that Supplier’s pricing (and also other conditions for supply/performance) *vis-à-vis* 2N at all times is competitive and in line with the provisions set out in the Agreement and these Terms and Conditions. The Supplier acknowledges and agrees that 2N is entitled to conduct benchmarks to ascertain that the Supplier’s pricing is competitive. It is the Parties’ belief that significant price reductions can be achieved on an ongoing basis using Supplier’s special competence and due to

- changed market conditions, and the Parties will endeavour to achieve such reductions in prices without endangering 2N's requirements relating to quality, Lead Times, etc. To this effect, the Supplier shall grant to 2N an insight in Supplier's principles for calculation of price for the Services and related activities. Supplier's costs and profit margins with respect to the Products and the Services shall be made available and fully disclosed to 2N.
- 11.6 If the Exchange Rate (as defined below) for the Components' Purchase Currency changes more than +/-3.0 % in relation to the Exchange Rate valid at the date the quotation process set forth in Section 11.2 was concluded, then each Party shall have the right to request that the prices for the affected Products are adjusted based on currency gains or losses. For the purpose of this Section 11.6, "**Exchange Rate**" shall mean the closing currency exchange rate as reported on the Czech Central Bank's (ČNB) official web page available at <https://www.cnb.cz/en/> and "**Components' Purchase Currency**" means the currency used to purchase Components needed for the performance of the Services during the current quotation period as set out in accordance with Section 11.2.
- 11.7 The remuneration/price paid by 2N for the Products includes all Services related to the Products and 2N shall not, unless separately agreed between the Parties, pay any other costs and expenses relating to Supplier's performance of its obligations under the Agreement.
- 12. PAYMENT TERMS**
- 12.1 The Supplier is entitled to issue an invoice to 2N if the delivery took place properly and on time, i.e. in accordance with the relevant method of delivery and other conditions of the Agreement and these Terms and Conditions. All payments to the Supplier shall be transferred by a non-cash transfer to the Supplier's bank account specified on the relevant invoice. All payments shall be due within sixty (60) days from the date 2N receives the relevant invoice.
- 12.2 All prices shall be stated in USD, EUR or CZK according to the approved offer prices, resp. Order (see Section 11.2 of these Terms and Conditions). Each Party shall pay its own transaction fees related to such payments, including any applicable bank charges. The payment shall be considered paid at the moment when it is credited to the Supplier's account.
- 12.3 All invoices shall be sent electronically to the e-mail address of 2N: productioninvoices@2n.cz. The Supplier shall send the invoice to 2N no later than the next Business Day after its issuance.
- 12.4 In the event of a delay in payment by 2N, the Supplier is entitled to the only legal remedy for such a delay, namely the right to charge interest on late payments in accordance with the Civil Code.
- 12.5 If the Supplier does not issue an invoice to 2N no later than twelve (12) months from the date on which it became aware of its right to payment from 2N for its purchase of Products, the Supplier shall lose the right to payment for such purchase of Products.
- 13. TERMS OF DELIVERY**
- 13.1 Unless the Agreement stipulates otherwise, all deliveries of Products shall be delivered to 2N or a Designated Party on the basis of the DAP (Incoterms® 2020) delivery condition with the place of delivery specified in the relevant Order.
- 13.2 Title to the Products and a risk of damage shall pass onto 2N in accordance with Incoterms® 2020 delivery term upon delivery.
- 13.3 The Products shall be delivered to 2N or a Designated Party on the agreed Delivery Date. If in order to comply with the Delivery Date it becomes necessary for the Supplier to ship the Products by a more expensive means of transportation than was agreed, any increased transportation costs resulting from this Agreement shall be paid for by the Supplier, unless the necessity for such rerouting or expedited handling has been caused by 2N and the associated costs were approved of by 2N in writing prior to their being incurred by the Supplier.
- 13.4 If the Supplier does not deliver the Products no later than the agreed Delivery Date, 2N shall be entitled to receive contractual penalty from the Delivery Date in the amount of one (1) per cent of the agreed price for the delayed Products (including VAT) per each commenced week of delay. Delay in delivery by more than ten (10) weeks from the agreed Delivery Date is considered a material breach of the Agreement which cannot be remedied (in the sense of Section 28.2) and 2N shall have the right to cancel the delayed Order (terminate the relevant Agreement) through written notice to the Supplier, without incurring any liability. In addition to the above-mentioned contractual penalty, 2N is entitled to compensation for all damages, losses, costs and expenses incurred in connection with this delay and cancelation, regardless of payment of the contractual penalty.
- 13.5 The Supplier is obliged to always deliver the Products ordered by 2N or a Designated Party on the Delivery Date or at the earliest five (5) Business Days before the Delivery Date. 2N or a Designated Party is entitled to refuse delivery of any quantity of Products beyond the quantity specified in the Order

- or any delivery to be made more than five (5) Business Days prior to the Delivery Date. 2N, resp. Designated Party is entitled, at the Supplier's expense, to return all Products received earlier or in excess of the quantity specified in the Order.
- 13.6 2N is entitled to terminate the Agreement due to delays, or repeated delays, that qualify for a material breach of agreement by the Supplier as set forth in Section 28.2 below.
- 14. SUSTAINABILITY AND QUALITY ASSURANCE**
- 14.1 The Supplier shall ensure that all production materials, including chemicals and mixtures (solders, epoxies, cleaning solvents, fluxes, adhesives etc.), labels and other materials used in the Services as well as used transport/group packaging comply with (a) the EU RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) directive 2011/65/EU, resp. Government Regulation No. 481/2012 Coll. (on the restriction of the use of certain hazardous substances in electrical and electronical equipment), b) REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)) EC no 1907/2006, including any amendments, revisions, updates or replacements thereof from time to time c) the European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste resp. Act No. 477/2001 Coll. (on packaging and on the amendment of certain acts (Packaging Act)).
- Furthermore, the Supplier shall duly comply with all requirements imposed on him by the REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)) EC no 1907/2006 and where applicable, the EU WEEE (Waste from Electrical and Electronic Equipment) directive 2012/19/EU, resp. Regulation No. 352/2005 Coll. (on the management of electrical equipment and electrical waste).
- The Supplier shall provide 2N with all information necessary for 2N to meet the requirements of the above-mentioned legislative regulations.
- 14.2 The Supplier shall make all commercially reasonable efforts to ensure that electronic components and materials not specified by 2N that are part of printed circuit board assemblies comply with Section 1502 of the U.S. Financial Market Reform and Consumer Protection Act (H.R. 4173 (111th): Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502), as amended, as regards conflict materials such as tin, tantalum, tungsten and gold originating in the Democratic Republic of Congo and adjoining countries.
- Upon its request, the Supplier shall provide 2N once a year with all information in the form of a Conflict Minerals Reporting Template (CMRT), which the company needs to meet the requirements of the above legislation.
- 14.3 The Supplier undertakes to maintain a valid ISO 9001 certificate during the term of the Agreement.
- 14.4 Further, the Supplier undertakes to be certified in accordance with ISO 14001 or have an environmental management system compliant with the basic principles of this norm.
- 14.5 The Supplier is also obliged to maintain a valid ISO 27001 certificate or to have an information security management system compliant with the basic principles of ISO 27001.
- 14.6 The Supplier shall at all times be responsible for its Subcontractors and ensure that they are ISO 9001 certified and certified in accordance with ISO 14001 (or have an environmental management system compliant with the basic principles of ISO 14001), and that they are ISO 27001 certified (or have an information security management system compliant with the basic principles of this norm).
- 14.7 Should the Supplier or any of its Subcontractors lose any of its certifications, or should any such certification expire or be withdrawn, or the Supplier or any of its Subcontractor otherwise no longer meets the requirements set out in this Section 14, the Supplier must immediately inform 2N thereof, and 2N shall have the right to terminate the Agreement with immediate effect. The Supplier shall, upon request from 2N, without delay provide the relevant certificates and documentation to 2N.
- 14.8 The Supplier shall in its Services comply with all environmental requirements set forth in the Specifications or as otherwise set forth in written materials provided by 2N and/or following from applicable legislation.
- 14.9 The Supplier undertakes to provide 2N, at its request, with cooperation in obtaining and/or verifying information for the purpose of meeting the requirements of valid legislation in the field of environmental protection and for settling any requirements of state control authorities acting in the field of environmental protection.
- 14.10 The Supplier undertakes to continuously review and improve its manufacturing process in order to minimize negative environmental effects in the production and to uphold and maintain a policy for a sustainable environmental impact. The Supplier shall without undue delay inform 2N about any accidents related to the Product which might have environmental impact, any significant health and/or safety incidents related to the Products as well as non-compliance with the requirements set forth in this Section 14 **Chyba! Nenalezen zdroj odkazů..**

14.11 The Supplier undertakes to comply with the “**The 2N Telekomunikace a.s. Supplier Code of Conduct**”, which must be signed separately by the Supplier, including any amendments thereof, and shall ensure that this code is complied with by its Affiliates and its employees, agents and Subcontractors.

14.12 2N requires and the Supplier by concluding the Agreement guarantees that the manufacturing process of the Products takes place without the use of toxic and other dangerous and prohibited substances in the sense of relevant EU regulations, state policy and industry standards and that the Products do not contain such substances. Upon request, the Supplier shall provide 2N with a detailed list of all materials and substances used in the manufacturing process of the Products and contained in the Products.

15. INSPECTION

15.1 By concluding the Agreement, the Supplier accepts that 2N, any Designated Party, EUROFINS MET LABORATORIES, Inc. and/or any third party which have regulatory power to make relevant inspections, shall have the right to inspect, at Supplier’s premises, the Products and all associated manufacturing processes. 2N undertakes to notify the Supplier in reasonable advance (not less than seven (7) days) prior to any inspection. An inspection may be made for any reason reasonable related to the Agreement or for the relevant third party’s performance of its duties due to the Agreement, including the assurance of Supplier’s compliance with 2N’s requirements arising out of the Agreement and these Terms and Conditions. Notwithstanding anything to the contrary herein, the Supplier shall at all times and free of charge to 2N allow inspections by a third party (including EUROFINS MET LABORATORIES, Inc.) for the sole purpose to uphold the specific quality and regulatory requirements and standards for certification of the Products.

15.2 The right of 2N or a third party to inspect as set forth in Section 15.1 shall also apply in relation to Supplier’s Affiliates and Subcontractors, if any. The Supplier shall enter into agreements with its Affiliates and Subcontractors which shall contain corresponding terms for inspection as set out in Section 15.1.

15.3 The right to make inspections as set forth in Section 15.1 and 15.2 shall also belong to 2N’s legal successors and shall survive the expiration or any earlier termination of the Agreement for a period of ten (10) years. The Supplier ensures, for a period of at least ten (10) years from the Delivery Date of each Product, to keep in a secure place the documentation relating to the manufacturing process and any other documentation required for

compliance with the relevant regulatory requirements and the Agreement (including these Terms and Conditions), approval and issuance of valid certificates for each type of the Products, and to provide such documentation to 2N or the relevant governmental or regulatory authority upon request.

15.4 Supplier undertakes to meet the obligations contained in the contract on performance of inspection in manufacturing premises (“Factory Contract”) concluded between 2N and EUROFINS MET LABORATORIES, Inc. on 29 August 2019, as amended (as the case may be), with which the Supplier shall be acquainted. For the purpose of due complying with these obligations, 2N shall provide the Supplier with all necessary assistance. The Supplier shall meet the agreed processes, particularly in the following areas:

- a) Purchasing parts, materials and components with special regard to critical components defined in electrical safety test reports,
- b) Ensuring proper identification and storage of purchased parts, materials and components,
- c) Carrying out an entrance inspection of purchased parts, materials and components,
- d) Carrying out a product manufacturing according to current 2N production documentation,
- e) Ensuring the agreed requirements for the quality of production,
- f) Carrying out tests in production on the test equipment supplied by 2N and continuously providing data on test results,
- g) Marking of products with appropriate labels and certification marks,
- h) Ensuring maintenance, repairs and calibration of production and testing equipment,
- i) Application of appropriate procedures for the management of nonconforming products and the handling of complaints.

16. WARRANTY AND LIABILITY FOR DEFECTS IN THE PRODUCTS

16.1 By concluding the Agreement, the Supplier declares and undertakes that it (a) will convey to 2N (or a Designated Party, as applicable) good and unquestionable legal title to all Products, free of all liens and encumbrances and other rights of the third parties, including legal defects, (b) has the full power and authority to enter into and perform its obligations under the Agreement, and (c) will comply with all laws and regulations applicable to the Services or otherwise in relation to Supplier’s performance under the Agreement and these Terms and Conditions.

16.2 Based on the information provided by 2N regarding the expected volume of delivered Products, the Supplier warrants that it has the capacity required

- for the timely delivery of Products in accordance with the Order submitted by 2N.
- 16.3 The Supplier warrants that the Services shall be carried out with (a) all due diligence, skill and care, (b) the IPC-A-610, Revision D, Class 2 Workmanship Standard, and (c) in accordance with these Terms and Conditions, including Section 14 (“Sustainability and Quality Assurance”).
- 16.4 By concluding the Agreement, the Supplier warrants that any and all Products delivered by the Supplier to 2N or a Designated Party under the terms of the Agreement are (i) free from defects in design, materials and workmanship, (ii) in full compliance with the Specifications and other terms of the Agreement, (iii) fit for their intended purpose and (iv) will retain their qualities for the period specified in Section **Chyba! Nenalezen zdroj odkazů..**
- 16.5 With regard to the Components, the Supplier warrants that it shall carry out the incoming inspection for the Components in accordance with the instructions and quality control plan defined by the Supplier for each Product and approved by 2N in writing.
- 16.6 The Supplier’s liability, according to the warranties set forth in Section 16.3 and 16.4 above, is limited to defects which appear within a warranty period of **forty eight (48) months** from the Delivery Date of the Product by the Supplier to 2N or a Designated Party (“**Warranty Period**”).
- 16.7 The remedy in case of a breach of the warranties set forth in Sections 16.3 and 16.4 shall be, at 2N’s sole discretion and at the Supplier’s expense, either a) repair of the affected Products, b) replacement of the affected Products with faultless Products, or c) a refund of the full price paid for the affected Products. If any Products are repaired or replaced by the Supplier, the Supplier shall be liable for defects in the repaired or replaced Products on the same terms and conditions as those applicable to the original Products. The warranty period for repaired Products shall be equal to the remaining Warranty Period for the original Products or six (6) calendar months, whichever is longer. For the avoidance of any doubt, it is agreed that the Supplier shall bear all transport costs and other costs related to the repair or replacement of the Products or their parts.
- 16.8 A product that is defective or suspected to not otherwise meet the requirements of series production is called a non-conforming product. This product must be labelled or otherwise segregated to prevent accidental shipment. If there is a suspicion that the production batch is non-conforming, the Supplier is obliged to immediately stop its shipment and inform 2N. In the event of a non-conforming product that is identified prior to delivery to 2N, 2N reserves the right to request a solution to the internal non-conformity and to participate in the identifying and eliminating the root causes. 2N has the right to request the use of the 8D methodology for the identification and systematic solution of the root cause of the problem, or the Supplier’s participation in the completion of the customer’s 8D report, even in English, when making a complaint about non-conforming products.
- 16.9 The above warranty does not apply to damage caused by (a) accidents, breakdowns, omissions, misuse or improper storage, if caused by 2N, b) use of the Products for other than the intended purpose c) alterations or repairs performed by 2N or a third party without Supplier’s consent, or d) normal wear and tear of the Products.
- 16.10 The Supplier is obliged to repair or replace defective Products within twenty (20) days from the receipt of the defective Products, unless otherwise agreed; this does not affect the provision of Section **Chyba! Nenalezen zdroj odkazů..** In the event of non-compliance with the set deadline for repair or replacement of the defective Product, 2N is entitled to demand that the Supplier pay contractual penalty in the amount of two thousand (2.000) CZK for each commenced day of delay.
- 16.11 Repaired or replaced Products shall be shipped by the Supplier at its own expense to their original delivery address, unless otherwise specified hereinafter. In the event 2N requests the Supplier to send the Products to another address than the original delivery address, 2N shall pay any extra freight cost incurred by the Supplier. Should the Supplier neglect to repair or replace a defective Product within the stipulated time, 2N has the right to repair the Products at Supplier’s reasonable expense. In the event 2N is planning to use its right to get the Products repaired at Supplier’s expense, 2N has an obligation to inform the Supplier prior to taking such actions. The Supplier shall pay to 2N all transportation cost connected with this warranty undertaking from and back to the original delivery address using the same method of transportation as when the Products were originally delivered to 2N. In the event of no-fault found and out of warranty cases, the Supplier has the right to invoice such cost to 2N.
- 16.12 Without limiting the warranties provided by the Supplier and upon 2N’s request, the Supplier shall, with regard to the Components and any other material used in the Products, forward (transfer) to 2N all warranties and remedies received from the respective supplier of material and/or Components to the maximum extent possible.

16.13 The procedure and conditions of warranty and non-warranty return/repair of the Products are described in the RMA (Return Material Authorization) process of 2N which forms Exhibit A (*RMA Procedure*) of these Terms and Conditions.

16.14 The Supplier must always be able to perform so-called traceability at the request of 2N. Traceability shall mean for the Supplier the ability to trace records of production, testing and components used according to the serial number of the final Product.

17. EPIDEMIC FAILURE

17.1 In addition to the warranties specified in Section 16 above, the Supplier warrants for all units of each Product against Epidemic Failure. "Epidemic Failure" shall mean a situation where 2N submits to the Supplier documentation showing that the defect rate of a particular Product has exceeded three (3) percent calculated of the total quantity of Product delivered during sixty (60) consecutive calendar days – counted over a period of forty eight (48) months from the Delivery Date to 2N or a Designated Party - provided that a) the same defect and/or manifestations of the defect occurs in more than fifty (50) percent of these Products' failures and b) 2N reasonably considers these defects to be serious for 2N, Designated Parties and/or customers of 2N. The exclusions from Supplier's liability set forth in Section 16.916.916.9 shall apply.

17.2 In the event of a suspected Epidemic Failure situation, the Parties shall co-operate in order to swiftly (a) conduct a thorough investigation into the causes of failure, (b) determine whether the failure constitutes an Epidemic Failure, and (c) develop and agree on a corrective action plan.

17.3 In the event that a general or partial recall of the Product may be necessary or desirable due to a suspected Epidemic Failure, the Parties shall consult with each other concerning the appropriate action to be taken, and the matter shall be handled in accordance with the procedures, standards, practices and policies as decided by the Parties. The Parties shall cooperate to reduce the costs and expenses associated with any Product recall.

17.4 If a suspected Epidemic Failure situation ultimately is not proven to be a verified Epidemic Failure, then both Parties shall bear its own costs related to the suspected Epidemic Failure and in good faith assess each Party's liability for any third party costs and expenses, and other external costs, and divide such costs between them in proportion to the assessed liability.

17.5 In the event of a verified Epidemic Failure, 2N shall have the option of having the Supplier, at Supplier's expense:

a) make necessary repairs of all Products to be delivered by the Supplier after the date of verification of Epidemic Failure;

b) provide replacements for all Products affected or likely to be affected, by the Epidemic Failure, and

c) implement the corrective action plan as determined by the Parties in accordance with Section 17.2.

17.6 The Supplier and 2N shall confer to determine the best procedure to effectuate the foregoing in order to preserve the end-user's satisfaction and to reduce the costs associated with the Epidemic Failure.

17.7 If the Supplier fails to perform its obligations under this Section 17.5 within a reasonable amount of time, then 2N is entitled to undertake at Supplier's expense such reasonable actions that 2N deems are required to remedy the Epidemic Failure. The Supplier shall bear all reasonable costs and expenses related to a verified Epidemic Failure.

17.8 In the event of a verified Epidemic Failure, 2N shall have the right, at its sole discretion, to decide whether a recall of the Products and/or products, of which the Products are a part, shall be effectuated and what actions to be taken in relation to such recall. The Supplier shall, upon the request of 2N, assist 2N in effectuating any such recall. The Parties shall cooperate to reduce the costs and expenses associated with the recall. All costs and expenses associated with a recall, due to a verified Epidemic Failure, of the Products and/or products, of which the Products are a part, shall be borne by the Supplier.

18. PRODUCT LIABILITY

18.1 The Supplier shall indemnify and hold 2N, its Affiliates and/or any Designated Party and/or harmless from and against any and all damages, costs, expenses (including the reasonable fees of attorneys and other professionals), liabilities and other responsibilities incurred or sustained by 2N, its Affiliates and/or any Designated Party, arising out of third party claims, demands, suits or actions ("Claims") which are brought against 2N, its Affiliates and/or any of Designated Party for bodily injury (including death) or damage to property (including loss of data) caused, or alleged to be caused, by defects in the Products. In relation to making of any of these Claims, Section 19.419.4 shall apply.

18.2 The Supplier shall have no liability under the Section 18.1 if the Claim is based on bodily injury or damage to property caused by the Products which: a) are misused, modified or altered by 2N or a third party without the prior Supplier's consent, if such damage

bodily injury or damage to property would not occur without this misuse, modification or alternation, or b) are connected with other products or equipment not supplied by the Supplier, if such bodily injury or damage to property would not occur without this connection.

18.3 2N shall indemnify and hold the Supplier harmless from and against any and all damages, costs, expenses (including the reasonable fees of attorneys and other professionals), liabilities and other responsibilities incurred or sustained by the Supplier, arising out of third party claims, demands, suits or actions which are brought against the Supplier for bodily injury (including death) or damage to property (including loss of data) caused, or alleged to be caused, by defects in the Products that is attributable to any of the circumstances set forth in Section 18.2., and which were caused by 2N.

18.4 In the occurrence of mixed causes, where the defects in the Products partly are attributable to 2N, or a third party for which 2N is responsible and partly to the Supplier or a third party for which the Supplier is responsible, the Parties undertake to convene and perform good faith negotiations for the assessment of a reasonable division of responsibilities between the Parties in accordance with the rules and spirit of the Agreement and these Terms and Conditions.

19. INTELLECTUAL PROPERTY RIGHTS

19.1 If the performance under the Agreement includes the Supplier's obligation to provide Manufacturing Services to 2N, this Section 19 shall apply in relation to Intellectual Property Rights. Intellectual Property Rights are owned or controlled by 2N ("**2N IPR**"). The Supplier recognizes 2N's right, title and interest in and to the 2N IPR and acknowledges that it shall not acquire any Intellectual Property Rights under the Agreement in or to the Products or the Specifications. Except for the limited license granted in Section 19.2, 2N reserves all right, title, and interest in and to the 2N IPR. The Supplier shall not reverse-engineer or modify any of the information, products, software or material provided by 2N under the Agreement, without 2N's prior written consent. The Supplier shall not use any 2N IPR in any manner except as permitted in the Agreement and/or these Terms and Conditions or by prior written authorization of 2N.

19.2 Subject to these Terms and Conditions, 2N, by concluding the Agreement, grants to the Supplier a fully paid-up, royalty free, non-exclusive, non-transferable, non-sublicensable limited right to use the 2N IPR for the sole and limited purpose of providing Manufacturing Services in accordance with the Agreement.

19.3 All rights, including any and all Intellectual Property Rights, in any Inventions relating to the Products and the Specifications which arise during the Services or otherwise by reason of the Agreement shall, upon creation, vest in and be the property of 2N, and the Supplier hereby assigns (or shall cause to be assigned) to 2N all of its worldwide rights, title and interest in and to such Inventions (whether present, future, vested or contingent). The Supplier shall continuously, while performing its obligations under the Agreement, identify in writing any and all Inventions and Intellectual Property Rights therein relating to the Products and Specifications and disclose them as soon as reasonably possible to 2N. Supplier's transfer of Intellectual Property Rights in the Inventions to 2N according to this Section 19.3 is complete (to the fullest extent permitted by applicable law) and thus includes the right to make the Inventions available to the public and to license or permit others do so, even without the prior Supplier's consent. The transfer also includes the right for 2N to copy, change, develop and adapt the Inventions as well as the right to transfer the Intellectual Property Rights relating to the Inventions to third parties. The Supplier shall sign any document and provide any other assistance that 2N may reasonably require for the registration of, and in order for 2N to enforce, its rights to the Inventions and the Intellectual Property Rights therein. Notwithstanding anything to the contrary herein, process Know-How and process documentation remains the property of the Supplier and the Supplier is under no obligation to divulge trade secrets, process Know-How or internal documentation under this Section 19.3.

19.4 The Supplier shall use its commercially reasonable efforts in protecting 2N's Intellectual Property Rights from unauthorized use, including by strictly adhering to the obligations of confidentiality as set forth in Section **Chyba! Nenalezen zdroj odkazů.** below. The Supplier agrees not to register or attempt to register, use or infringe, directly or indirectly, any of 2N's Intellectual Property Rights and further agrees to promptly notify 2N in writing if any such attempted registration, use or infringement by any third party comes to its attention. Upon the request of 2N, the Supplier shall cooperate fully with 2N in any action or proceeding brought by 2N to oppose or invalidate any such attempted registration or to enjoin or otherwise challenge any such use or infringement.

19.5 In the event 2N's use, sale, distribution or other disposal of the Products relies on any Intellectual Property Rights owned or controlled by the Supplier ("**Supplier IPR**"), or in the event 2N's use of or benefit from the Products may be prevented by the Supplier IPR, the Supplier by concluding the Agreement grants to 2N (2N's Affiliates and the other

Designated Parties) a fully paid-up, perpetual (for the duration of the property author's rights), non-exclusive, territorially and quantitatively unlimited, irrevocable, transferable (assignable) license, and right to the Supplier IPR for the duration of these rights, to all possible uses of the Products, in the original, processed or otherwise altered form, with the right to grant sublicenses and the right to perform these rights to the fullest extent possible. In case of application of this provision, the Parties agree that 5 % of the price for the Services paid by 2N on the basis of each individual invoice of the Supplier under the relevant Agreement represents a fee for providing a license to the Supplier's IPR under this Section 19.5. The Parties hereby agree that the Supplier shall not and will not be entitled to any further remuneration or performance in connection with any rights granted to 2N under the Agreement under any circumstances.

20. IPR INFRINGEMENT INDEMNIFICATION

- 20.1 2N shall indemnify, defend and hold the Supplier harmless from and against any and all damages, costs, expenses (including the reasonable fees of attorneys and other professionals), liabilities and other responsibilities incurred or sustained by the Supplier, and pay all resulting damages and liabilities awarded against the Supplier in a final judgement or settlement, arising out of third party claims, demands, suits or actions (each a "Claim") which are brought against the Supplier and are based on an allegation that the Products or Specifications or Supplier's use of 2N IPR in accordance with the license granted in Section 19.2 of these Terms and Conditions, constitutes an infringement or misappropriation of any Intellectual Property Right of a third party; provided that the Supplier (a) promptly notifies 2N in writing upon receiving notice of any such Claim, and (b) provides such information, cooperation, and assistance to 2N as may be reasonably necessary to assist 2N in its defence against any such Claim. Notwithstanding anything to the contrary herein, 2N shall have no obligation under this Section 20.1 to the extent that a Claim is based upon or is attributable to (i) circumstances for which the Supplier is obligated to indemnify 2N as set forth in Section 20.5, or (ii) by the continued use by the Supplier of any allegedly infringing item after 2N has notified the Supplier of such allegations, or it is attributable to the above.
- 20.2 2N shall have the sole control of the defence and all negotiations relative to the settlement of any Claim under Section 20.1. The Supplier may not settle or otherwise enter into any agreement with any claimant, nor make any admission which may be prejudicial to the interest of 2N, without 2N's prior written consent. The Supplier shall cooperate with

2N, at 2N's request and expense, in defending or settling a Claim. In order for the Supplier to safeguard its interests, 2N shall, to the extent possible with regard to confidentiality obligations, provide the Supplier with all relevant information and documentation and the Parties shall reasonably confer with each other regarding the defence of the Claim. Notwithstanding anything to the contrary herein foregoing, the Supplier may if it so chooses and at its own expense select its own counsel to participate on Supplier's own behalf, without negatively impacting 2N's rights or claims, in any defence of any suit or action brought against the Supplier in connection with the Agreement.

- 20.3 Unless otherwise stated in Section 19, the Supplier declares and warrants by signing the Agreement that i) it owns, controls or has (or will have at the latest on the date of delivery of the Product to 2N) irrevocable and valid licenses to any and all Intellectual Property Rights pertaining to the Products, including such rights used or needed in production, packaging, introduction to the market and sale of the Products (or will be entitled to exercise these rights on the basis of another legal title), and ii) that nothing in these Terms and Conditions and Agreement (the Products, 2N's use of the Products or other disposition of the Products) will infringe any Intellectual Property Rights of any third party.
- 20.4 The Supplier shall indemnify and hold 2N and/or 2N's Affiliates harmless from and against any and all damages, costs, expenses (including the reasonable fees of attorneys and other professionals), liabilities and other responsibilities incurred or sustained by 2N and/or 2N's Affiliates, and pay all resulting damages and liabilities awarded against 2N and/or 2N's Affiliates in a final judgement or settlement, arising out of Claims which are brought against 2N and/or 2N's Affiliates and are based on an allegation that the Services (in whole or in part), 2N use of the Supplier IPR in accordance with the license granted in the Agreement and these Terms and Conditions, or any other services or material provided by the Supplier under the Agreement and Terms and Conditions, constitutes an infringement or misappropriation of any Intellectual Property Right of a third party; provided that 2N promptly notifies the Supplier in writing upon receiving notice of any such Claim. 2N shall, in connection herewith also notify the Supplier if 2N has decided to assume the defence in accordance with Section 20.5 **Chyba! Nenalezen zdroj odkazů.** Notwithstanding anything to the contrary set forth in these Terms and Conditions, the Supplier shall have no obligation under this Section 20.4 to the extent that a Claim is based upon or is attributable to (i) circumstances for which 2N is obligated to indemnify the Supplier as set

forth in Section 20.1, or (ii) by the continued use by 2N of any allegedly infringing item after the Supplier has notified 2N of such allegations, or it is attributable to the above.

20.5 2N shall have the right, but not the obligation, to assume, at Supplier's expense the defence of any Claim brought against 2N or its Affiliates as set forth in Section 20.2. 2N shall notify the Supplier of its intention to assume the defence without delay. 2N agrees to take care of Supplier's reasonable interests in any such suit or action brought against 2N or its Affiliates, provided that the Supplier presents any such reasonable interests to be considered and provided that the presented interests are not in conflict with any reasonable interests of 2N. 2N may not settle or otherwise enter into any agreement with any claimant absent Supplier's prior written consent (which consent shall not be unreasonably withheld or delayed). The Supplier shall cooperate with 2N, at 2N's request and at Supplier's expense, in defending or settling a Claim. In order for the Supplier to safeguard its interests, 2N shall, to the extent possible with regard to confidentiality obligations, provide the Supplier with all relevant information and documentation and the Parties shall reasonably confer with each other regarding the defence of the Claim. Notwithstanding anything to the contrary in these Terms and Conditions, the Supplier may if it so chooses and at its own expense select its own counsel to participate on Supplier's own behalf, without negatively impacting 2N's rights or claims, in any defence of any suit or action brought against 2N or its Affiliate's in connection with the Agreement.

20.6 Unless and until 2N notifies the Supplier of its intention to assume the defence as set forth in Section 20.5, the Supplier shall undertake, at Supplier's expense, the defence of any Claim brought against 2N or 2N's Affiliates, with counsel reasonably satisfactory to 2N. The Supplier may not settle or otherwise enter into any agreement with any claimant, nor make any admission which may be prejudicial to the interest of the 2N, without 2N's prior written consent. 2N shall cooperate with the Supplier, at Supplier's request and expense, in defending or settling a Claim. In order for 2N to safeguard its interests, the Supplier shall, to the extent possible with regard to confidentiality obligations, provide 2N with all relevant information and documentation and the Parties shall reasonably confer with each other regarding the defence of the Claim. Notwithstanding anything to the contrary in these Terms and Conditions, 2N may if it so chooses and at its own expense select its own counsel to participate on 2N's own behalf, without negatively impacting Supplier's rights or claims, in any defence

of any suit or action brought against 2N or its Affiliate's in connection with the Agreement.

20.7 If a Product, or a part thereof, are, or in the Supplier's reasonable opinion are likely, to become subject of a Claim or infringement or misappropriation as referred to in Section 20.4, the Supplier shall, at its option and expense, either (a) procure for 2N, 2N's Affiliates and/or the Designated Parties a right to continue to exercise the affected rights under these Terms and Conditions, or (b) replace or modify the allegedly infringing item to avoid the infringement or misappropriation, without substantially affecting the functionality, performance or specifications for the item. If the remedies set forth in this Section 20.7 fail despite Supplier's best efforts, then 2N shall have the right to terminate the Agreement for material breach in accordance with Section 28.1. In the event 2N elects to terminate the Agreement, the Supplier shall indemnify 2N for any and all damages, costs and expenses incurred by 2N as a result of Supplier's failure to remedy an infringement or misappropriation as set forth in this Section 20.7.

20.8 The Supplier shall have no liability for any infringement or misappropriation under this Section 20 to the extent the infringement or misappropriation is caused by (a) the use of the Product in combination with any other products or devices if the infringement would not have occurred but for such combination (except to the extent the combination is pursuant to the Supplier's information and instructions applicable to the Product), or b) an alteration or modification of the Product made by 2N or a third party without the Supplier's consent, if the infringement would not have occurred but for such alteration or modification.

21. LIMITATION OF LIABILITY

21.1 In no event, whether as a result of breach of the Agreement, tort, negligence, strict liability or other claim, or under any other legal theory or equity, shall either Party with respect to any matters relating to the Agreement be liable for any special, incidental, consequential, punitive or indirect losses or damages, including loss of data, loss of profit, revenue or production, interest on investments, loss of goodwill, cost of capital, cost of substitute equipment, facilities or services, downtime costs or claims of customers, regardless of whether such Party has been advised on the possibility of the same. This limitation shall be deemed independent of, and shall survive, any failure of the essential purpose of any limited remedy under any warranty and/or the terms and conditions of the Agreement.

21.2 Total and aggregate liability of each Party for each individual breach of or arising out of the Agreement

is limited to a) one (100) hundred percent of the total amount invoiced by the Supplier to 2N during twelve (12) months immediately preceding the claim from such a breach, or b) fifty million (50.000.000 CZK), whichever is greater.

21.3 The exclusion and/or limitation of liability set out in this Section 21 shall not apply to damages arising from Supplier's obligations in accordance with Section 16 ("Warranty and liability for defects in the Products"), Section 17 ("Epidemic Failure"), Section 18 ("Product Liability"), Section 20.3 ("IPR Infringement Indemnification") and/or Section **Chyba! Nenalezen zdroj odkazů.** ("Confidential Information") and further in the case of damage to natural human rights and damage caused by gross negligence or wilful misconduct of any of the Parties.

22. INSURANCE

22.1 The Supplier shall for the duration of the Agreement keep its business and properties insured at all times against such risks for which insurance is usually maintained by reasonably prudent entities engaged in the same or similar business. In addition hereto, the Supplier shall for the duration of the Agreement and for a period of five (5) years thereafter obtain and maintain, with a reputable insurance company, an insurance policy covering its liabilities under the Agreement, including world-wide product liability insurance. The insurances maintained by the Supplier hereunder shall be in such monies and with such limits and deductibles usually carried by prudent entities engaged in the same or a similar business, but not provide a lesser liability coverage than fifty million (50.000.000) CZK per occurrence and calendar year. This does not affect the provision of Section 4.8.

22.2 Upon 2N's request, the Supplier shall without delay provide to 2N the certification of the insurance evidencing its compliance with Section 22.1. The Supplier undertakes to promptly notify 2N of any significant changes of its insurance coverage if any such change affects the Products and the Agreement.

23. FORCE MAJEURE

23.1 Neither Party shall be liable to the other, or be deemed to be in breach of the Agreement, by reason of any delay in performing, or failure to perform, any of its obligations under the Agreement as a result of the occurrence of an event of Force Majeure. An "event of Force Majeure" shall, for the purpose of the Agreement, mean an event beyond the reasonable control of the affected Party (a) which occurs after the date of signing of the Agreement and is not reasonably foreseeable, (b) which prevents or render the total or partial performance of the

affected Party's obligations under the Agreement especially difficult and (c) the effects of which are not capable of being overcome without unreasonable expense; and includes failure to perform due to strikes, lockouts, or other labour disturbances, natural disasters (fire, floods), epidemics, quarantine, energy crises, war, embargoes, blockades, riots and/or act of government or governmental regulations.

23.2 In case of an event of Force Majeure, the Party affected thereby shall inform the other Party as soon as reasonably practicable but in any event within reasonable time after the state of Force Majeure occurred or after that Party first became aware of such Force Majeure, specifying the nature of the Force Majeure as well as the estimated duration thereof. The Parties shall discuss and agree upon the appropriate measures to be taken under such circumstances to mitigate the consequences of Force Majeure.

23.3 If any event of Force Majeure relied upon by the affected Party continues for more than ninety (90) days, or is reasonably expected to last longer than ninety (90) days, then the non-affected Party shall have the right to terminate this Agreement with immediate effect without incurring any liability towards the affected Party for such termination.

23.4 In the event of an allocation due to an event of Force Majeure, the Orders placed under this Agreement shall be filled according to an allocation plan no less favourable than that provided to any other customer of the Supplier.

24. CONFIDENTIAL INFORMATION

24.1 For the purpose of this Agreement, "2N Confidential Information" shall mean any information, samples and documents concerning 2N including, without limitation, a) information relating to products, product specifications, product roadmaps, research and development, engineering, computer programming techniques, and manufacturing; b) information relating to marketing, sales, customers, business strategies and plans; c) know-how and trade secrets; and d) other technical, financial, operational, business and process information, which is disclosed by 2N to the Supplier under the Agreement. 2N Confidential Information shall be treated as confidential and shall be protected by the Agreement regardless of whether such information is expressly marked as confidential and regardless how it is provided, in writing, verbally, visually, physically, electronically or by any other media. Unless otherwise agreed in writing, the existence of the Agreement and the fact that the Parties evaluate or pursue a business relationship shall always be considered 2N Confidential Information hereunder.

- 24.2 2N Confidential Information shall not include information which the Supplier can prove:
- a) is already in the public domain or becomes available to the public through no breach of the Agreement (information shall not be deemed to be in the public domain merely because any part of said information is embodied in general disclosures or because individual features (parts) thereof are now known or become known to the public);
 - b) was lawfully in the Supplier's possession prior to receipt from 2N;
 - c) is received independently from a third party, free to lawfully disclose such information, without restriction on disclosure and without breach of the obligation of confidentiality;
 - d) is subsequently independently developed by the Supplier, without use or reference to the 2N Confidential Information; or
 - e) is required to be disclosed pursuant to an order or requirement of a court, administrative agency or any other governmental agency, provided that the Supplier shall give 2N prompt written notice of such order or requirement.
- 24.3 The Supplier is obliged to hold 2N Confidential Information in confidence, using the same degree of care the Supplier uses for its own confidential information of a like nature (but not less than reasonable care), and not distribute, disclose or disseminate Confidential Information to any third party except as permitted in the Agreement and these Terms and Conditions.
- 24.4 The Supplier is further obliged:
- a) to use 2N Confidential Information only for the purpose and not for its own purposes or any other purpose, without the express written permission of 2N;
 - b) not to copy or otherwise duplicate, in whole or in part, 2N Confidential Information, except as reasonably necessary in pursuit of the purpose pursued by the Agreement; and
 - c) not to (if applicable) reverse engineer, disassemble or decompile any products, prototypes, software or other tangible objects that embody 2N Confidential Information.
- 24.5 Unless otherwise agreed in writing, Supplier's obligations hereunder arising from this Section 24 with respect to each item of 2N Confidential Information shall expire five (5) years from the date of termination of the Agreement.
- 24.6 The Supplier undertake to inform 2N immediately as soon as it becomes aware of any loss or unauthorized disclosure or use of 2N Confidential Information.
- 24.7 The Parties hereby expressly agree that for any breach of confidentiality and/or prohibition within the meaning of this Section 24, including any unauthorized use and/or disclosure of 2N Confidential Information, 2N shall be entitled to demand payment of contractual penalty from the Supplier in the amount of one million (1.000.000) CZK for each individual case of breach and the Supplier undertakes to pay 2N a contractual penalty according to this agreement within 10 days from the delivery of the request for its payment. The agreement or payment of the contractual penalty does not affect the right of 2N for compensation of harm/damage. By signing of the Agreement, the Supplier expressly confirm that acknowledges the amount of the contractual penalty pursuant to this Section as reasonable, with regard to the protected interest, in particular the value of 2N Confidential Information. The foregoing does not preclude 2N from exercising any other remedies (claims) available to it as a result of the breach of these Terms and Conditions.
- 24.8 The Supplier may disclose 2N Confidential Information to its representatives, employees, consultants, or its subcontractors, only to the extent necessary for the purpose of the Agreement and provided that such persons are bound by confidentiality obligations at least as restrictive as those contained in this Section 24. The Supplier shall ensure that all persons who have access according to the Agreement and these Terms and Conditions to any 2N Confidential Information, shall be made aware of and shall agree to comply with obligations set forth in Section 24 and shall assume confidentiality obligations at least to the same extent as contained in these Terms and Conditions and which apply to 2N Confidential Information.
- 24.9 Upon termination or expiration of the Agreement, the Supplier shall return to 2N any documents or other materials that contain 2N Confidential Information, including all copies made, and make no further use or disclose thereof. The Supplier shall have the right, however, to retain one copy of each item of 2N Confidential Information for dispute resolution purposes, it being understood that such copy shall continue to be subject to the same confidentiality undertakings as stipulated in this Section 24.
- 24.10 In the event that the Parties have entered into a separate non-disclosure agreement, the terms of such agreement shall prevail and this Section 24 shall not apply.

25. INDEPENDENT DEVELOPMENT

25.1 The Supplier is aware of and understands that 2N may in the future be developing products, which may be similar to the Product or other products of the Supplier. Accordingly, nothing in the Agreement and/or these Terms and Conditions will be construed as a representation or inference that 2N will not develop products or have products developed for it, that compete with the Products or other products of the Supplier and, further, nothing in the Agreement and/or these Terms and Conditions shall prevent 2N from independently developing, having developed for it or separately acquiring products substantially similar to the Products or other products of the Supplier as long as such developments does not involve a breach of 2N's obligations under the Agreement and these Terms and Conditions.

26. EXPORT CONTROL AND DOCUMENTATION

26.1 Certain technology included in the Product may be subject to export and/or import control regulations. The Parties agree to comply with all laws and regulations to assure that the Products or any technology included therein are not, directly or indirectly, exported or imported in violation of such laws.

26.2 The Supplier shall be responsible for obtaining any and all permits, licenses and approvals required for the lawful export of the Products intended for 2N or a Designated Parties to the appropriate destination, and to include required import documents as specified in writing by 2N (or a Designated Party). The Supplier is responsible for obtaining any and all permits, licenses and approvals for the lawful introduction of the Products to the market in the appropriate destination.

26.3 The Supplier undertakes to provide 2N upon request, without undue delay, a statement that the Products comply with John S. McCain National Defense Authorization Act (hereinafter referred to as the "NDAA") or other similar legislation and do not contain any "telecommunications equipment or services" prohibited by the NDAA, nor use any components or technologies of any system manufactured or supplied by Chinese companies subject to a trade embargo, including their subsidiaries or affiliates.

26.4 In the cases specified in Section 26.2, the Supplier is responsible for providing 2N, at its own expense, in particular:

- written information, certificates and instructions (including appropriate export control codes), regarding any and all import and export control laws, regulations and restrictions that are applicable to the Products, their import/export to

the appropriate destination, as well as all written information, certificates and instructions concerning the introduction of the Products to the market in the appropriate destination,

- adequate preferential origin certificates, Supplier declaration or similar, in cases where a Free Trade Agreement is applicable and the Products meet the requirements of preferential origin; and
- the custom HS classification with regard to the Product.

26.5 2N shall provide the Supplier with written information regarding a) any export classifications pertaining to the Products of which 2N is aware, b) any export control licenses, permits and approvals obtained by 2N for the Products. 2N shall also provide reasonable assistance in obtaining any necessary export licenses, permits or approvals required under the relevant laws.

26.6 The Parties shall in all circumstances and to the greatest extent possible and shall provide each other, free of charge, with all necessary cooperation in matters relating to export/import, introduction of Products to the market and compliance with other laws to fulfil the purpose of the Agreement.

27. NOTICES

27.1 Any notice required or permitted to be given under the Agreement and/or these Terms and Conditions by one of the Parties to the other, shall be in English and sent to the receiving Party by hand delivery or by pre-paid registered/certified mail.

27.2 In the case of notification sent to 2N, the following contact details apply:

**2N TELEKOMUNIKACE a.s.,
Modřanská 621/72, 14301 Praha 4,
Czech Republic
Attn: Purchasing department**

27.3 In the case of notification sent to the Supplier, the last contact details demonstrably communicated to 2N by the Supplier shall apply.

27.4 The notice may also be delivered through email (without the requirement of a guaranteed electronic signature), delivery confirmed, to the respective Party's contact persons within their competence, but always with a copy to purchasingcontracts@2n.cz (in case of 2N), except in case of notifications made under Section 18 ("Product Liability"), Section 20 ("IPR Infringement Indemnification") and Section **Chyba! Nenalezen zdroj odkazů.** ("Term and termination"), or for any notifications of alleged breach of agreement (except for the application of liability for a defect of the Product under the Section 16), the service of judicial or other documents in any legal proceedings or, where applicable, any

arbitration or other method of dispute resolution. The provision of Section 10.4 is not affected by this.

27.5 The notice shall take effect upon receipt by addressee, provided that such notice shall be deemed to have been received (a) in case of hand delivery, on signature of a delivery receipt or at the time the notice of delivery is left at the proper address, (b) at the time recorded by the delivery service in case of registered/certified mail, and (c) the following Business Day in case of email, delivery confirmed.

27.6 Each Party may change its address by written notice given to the other Party in the manner set forth above.

28. TERM AND TERMINATION

28.1 Either Party may terminate the Agreement at any time by delivering written notice from the Agreement to the other Party ("**Other Party**"):

a) if the Other Party is in material or repeated breach of the Agreement and, in the case of a breach capable of remedy within thirty (30) days, the breach is not remedied within thirty (30) days of the Other Party receiving notice specifying the breach and requiring its remedy; or

b) if: (i) the Other Party becomes insolvent or unable to pay its debts as and when they become due; or (ii) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of merger or reorganization while maintaining solvency); or (iii) a liquidator, administrator, administrative receiver, receiver, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; or (iv) the Other Party makes any composition with its creditors; or (v) the Other Party ceases to continue its business; or (vi) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action in any jurisdiction.

28.2 For the avoidance of doubt, a delay in delivery of more than ten (10) weeks from the agreed Delivery Date and/or repeated non-delivery of the Products by the Supplier on the Delivery Date shall be considered a material breach of the Agreement, which is not capable of remedy, thus allowing 2N to terminate the Agreement with immediate effect.

28.3 2N shall be entitled to terminate the Agreement with immediate effect in the event of a Change of Control, or in the event the Supplier changes its business activities in a way that disturbs the conditions for a

trustful cooperation under the Agreement. For the purpose of this Section 28.3, a "**Change of Control**" means a transaction or series of related transactions that results in (a) a sale of all or substantially all of the assets of the Supplier to a third party; (b) the transfer of fifty percent (50%) or more of the outstanding voting power associated with shares or participations of the Supplier in a circulation to a third party; or (c) the acquisition by a third party of the right or power to appoint or cause to be appointed a majority of the directors (or the election of the corresponding managing authority).

28.4 Neither Party will be liable to the other for damages of any sort solely as a result of terminating the Agreement in accordance with these Terms and Conditions. Termination of the Agreement will be without prejudice to any other right or remedy of the Parties.

29. EFFECTS OF TERMINATION

29.1 Upon termination of the Agreement, all rights and obligations of the Parties under the Agreement shall automatically terminate, except for such rights and obligations as shall have accrued prior to such termination, and any rights and obligations which expressly continue in force on or after such termination in accordance with Section 29.2.

29.2 Any terms and conditions that explicitly, by their nature or otherwise reasonably should survive a termination of the Agreement, including but not limited to Sections 15 ("**Inspection**"), 16 ("**Warranty and Liability for Defects in the Products**"), 17 ("**Epidemic Failure**"), 18 ("**Product Liability**"), 19 ("**Intellectual Property Rights**"), 20 ("**IPR Infringement Indemnification**"), 21 ("**Limitation of Liability**"), 22 ("**Insurance**"), 23 ("**Force Majeure**"), 24 ("**Confidential Information**"), 26 ("**Export Control and Documentation**"), 28.4, 29 ("**Effects of Termination**"), **Chyba! Nenalezen zdroj odkazů.** ("**Miscellaneous**"), **Chyba! Nenalezen zdroj odkazů.** ("**Applicable Law**") and **Chyba! Nenalezen zdroj odkazů.** ("**Arbitration**") shall survive termination of the Agreement. If a specific time for survival is set forth in any of the listed sections, then the provision shall cease to apply upon the expiration of such period.

29.3 2N shall be entitled to withdraw from the Agreement and cancel all Orders without incurring any liability to the Supplier or being obliged to provide any compensation, if the Products ordered have not already been shipped to 2N or a Designated Party, or if 2N has terminated the Agreement in accordance with Section 28.1.

29.4 Upon termination 2N may purchase all remaining Safety Stock, except where termination have been made under Section 28.1, at the price as to be agreed by the Parties.

30. MISCELLANEOUS

30.1 Further Actions: Each Party agrees, without additional costs charged to the other Party, to execute, acknowledge, and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of the Agreement.

30.2 Assignment: The Supplier is not entitled to assign, mortgage, charge or otherwise transfer the Agreement or any of its rights or obligations hereunder, in whole or in part, to a third party without the prior written approval of 2N.

30.3 Amendments: Unless otherwise stated in the Agreement and/or these Terms and Conditions, amendments, modifications and alterations to the Agreement and these Terms and Conditions shall, in order to be effective, be made in writing signed by the Parties.

30.4 Independent Parties: The relationship of the Parties under the Agreement is that of independent contractors. Nothing contained in the Agreement and/or these Terms and Conditions is intended or is to be construed so as to constitute the Parties as partners, joint ventures, or any Party as an agent or employee of the other. None of the Parties have any express or implied right under the Agreement to assume or create any obligation on behalf of or in the name of the other Party, or to bind the other Party to any contract, agreement or undertaking with any third party, and no conduct of the Parties shall be deemed to infer such right.

30.5 Severability: If any of the terms and provisions of the Agreement and/or these Terms and Conditions are determined to be void, voidable, illegal, invalid or unenforceable by any court of competent jurisdiction, the Parties shall amend that provision in such reasonable manner as achieves the intention of the Parties without illegality or at the discretion of the Parties such provision may be severed from the Agreement and/or these Terms and Conditions and the remaining provisions shall remain in full force and effect as if such terms and provisions had not been a part of the Agreement and/or these Terms and Conditions.

30.6 No Waiver: No consent or waiver, express or implied, by either Party of any breach or default of the other Party in performing its obligations under the Agreement shall be deemed or construed to be a consent or waiver of any other breach or default by the other Party of the same or any other obligation

hereunder. No failure by one Party to complain of any act or failure to act of the other Party, or to declare that other Party is in default, shall constitute a waiver by the first Party of its rights under the Agreement. No waiver of any rights under the Agreement shall be effective unless in writing and signed by the Party purporting to give the same.

30.7 Announcements: No press release or public announcement of any kind shall be made by either Party without the other Party's written approval. Neither Party shall issue any promotional material relating to the Agreement and its contents without the other Party's prior approval. The Parties shall ensure that their Subcontractors, if any, comply with these undertakings.

31. APPLICABLE LAW

31.1 These Terms and Conditions, the Agreement, and all Orders and other documentation issued in accordance with the Agreement, shall be governed by and construed in accordance with the substantive laws of the Czech Republic, specifically excluding its choice of law principles and without regard to the provisions of the United Nations Convention on Contracts for the International Sale of Goods

32. ARBITRATION

32.1 Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic ("**Arbitration Court**"). The arbitral tribunal shall be composed by three arbitrators. The place of arbitration shall be Prague, Czech Republic. The language of the proceedings, documentation and the award shall be Czech.

32.2 All arbitral proceedings conducted or initiated with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover the fact that arbitration has been initiated, all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of all Parties hereto. This notwithstanding, a Party shall not be prevented from disclosing such information in order to safeguard, in the best possible way, such Party's rights in connection with the dispute, or if such a right exists pursuant to statute, regulation, a decision by an authority, a stock exchange contract or the like.

33. EXHIBITS

The following exhibits are an integral part of this Agreement:

Exhibit A RMA Procedure

34. LANGUAGE VERSIONS

These Terms and Conditions are issued in the Czech language version. Any other language version is for information purposes only. In case of any discrepancies between the Czech and any other language version of these Terms and Condition, the Czech version shall always prevail.

35. EFFECTIVE DATE

These Terms and Conditions take effect on 1.7.2021.

EXHIBIT A

RMA PROCEDURE (DOCUMENTS FOR SERVICE REPAIRS)

Customer complaints, Stock Rotation

A repair order is generated for each service request (i.e. customer warranty complaint or stock rotation), a sample of which can be found below. The repair order is sent to the supplier's email before sending the serviced goods and is also attached in printed form to the sent goods.



Objednávka opravy

Servisní list č.
Datum vystavení:
Dodavatel

Objednatel:

2N TELEKOMUNIKACE a.s.

Modřanská 621
143 01 Praha 4

IČ: 26183960
DIČ: CZ26183960

Č.pol.:	1
Název výrobku:	2N® Indoor Touch, bílý
Číslo výrobku:	91378365WH
Popis závady:	
Výrobní číslo:	
Počet oprav:	1
Druh opravy:	Záruční
Množství:	1 ks
Druh položky:	VZ výměna zpět
Typ zpracování:	D - Dokompletovat + přezkoušet + zabalit
Požadavek:	Oprava
Přečíslovat:	Ano

The repair order contains the following information needed to process the service request:

I. document header:

- Whether it is a repair of products returned within the complaint procedure or stock rotation
- Repair list no. - reference number of the service case in the Helios Green system (so-called repair number)
- Date of issue - the date of issue of the repair order, usually the same as the date of receipt of the goods for repair
- Supplier - name and delivery address of the service provider
- Client - name and registered office of 2N Telekomunikace a.s.

II. document items:

- Item No. – serial number of a specific product (work and material will be linked to it)
- Product name
- Product number - product order number
- Fault description - fault symptom description / customer request
- Serial number - serial number of the product, if monitored

- Number of repairs – how many times the device has been repaired (“1” means that the device is being repaired for the first time)
- Repair type:
 - "Warranty" - everything within the warranty period and the defect was not caused by the customer
 - "After Warranty" - everything out of the warranty period
 - "Disclaimed Warranty" - a defect caused by the customer during the warranty period
- Quantity – number of devices (for products without a monitored serial number)
- Item type:
 - "O Opravenec (Item for repair)" - claimed goods for repair,
 - "VR Vrácenec (Returned item)" - returned goods from the customer, which shows a defect and a credit note will be issued for it
 - "VZ Výměna zpět (Replacement)" – returned claimed goods after a previous replacement at the customer,
 - "RS Rotace skladu (Stock Rotation)" - returned goods from the customer that are not defective, and a credit note will be issued for them
- Type of processing - this is the final processing after repair or testing:
 - A – DO NOT PACK - the goods go back in the condition and packaging in which the customer sent them
 - B - PACK - the goods to be packed in a new box (use mainly for goods returned as part of the stock rotation, which were returned with an intact seal, but a damaged outer box)
 - D - COMPLETION - everything will be refurbished; the product will be as new for delivery to the warehouse
 - E - COMPLETION FOR THE CUSTOMER - specific packaging requirement from the customer
- Requirement:
 - "Diagnostics" - performed in case of after warranty repair or disclaimed warranty. It is necessary to perform "Repair pricing". The diagnostics is used to determine the price of the repair and its time must not exceed 1 hour. If it is not possible to determine the defect within this period, then the price of the repair must be stated by replacing the module (electronics).
 - "Repair" - an immediate repair can be made without the customer's opinion
 - "Express repair" - the customer requires an express repair, the deadline for express repair is set in agreement with the 2N RMA department
- Renumbering - request to renumber the product (assign a new serial number). The new serial number (SN) must be stated in the protocol of repair. 2N assigns a number series for the new SN.

For each item from the repair order, it is necessary to record the work and material consumed for repair according to the item number (or serial number) of the repaired item in the protocol of repair. The form of the protocol depends on the supplier, but it is always necessary to state the data given in the model protocol of repair below.

In the case of "Diagnostics", it is necessary to send the price of the repair before the actual repair for approval by the customer, about which you will be informed by e-mail.

It is important to provide a brief description of the detected defect and its elimination for each item.

In the case of a larger number of repaired items with the same defect in one repair order (item for repair), it is possible to list the work and material in summary for the last item. For items that will have a different defect (e.g. replacement of electronics), it is necessary to list the work and material separately.

