



PRICE LIST OF LUMP-SUM COMPENSATIONS FOR EXPENSES AND DAMAGE TO THE CONCERN BRANO GROUP, a.s.

The price list of lump-sum compensations for expenses and damage to the concern BRANO GROUP, a.s., (hereinafter referred to as „BG price list“) enables the purchaser (hereinafter referred to as „BG“) in the case of defective deliverables to charge to the seller (hereinafter „supplier“) for the operations and activities set below a lump-sum compensation for expenses and damage instead of evincible costs. It ensures predictability, transparency and indisputability of BG’s claims towards the supplier. The prices contained in the BG price list are usual prices and correspond to lump-sum compensations for expenses and damage that BG pays to its customers in similar cases.

The seller is regarded to be the supplier. BG is the purchaser, the company in contractual relationship with the supplier, i.e. BRANO GROUP, a.s., or a party forming a concern with BRANO GROUP, a.s., especially BRANO, a.s.

a.	<p>BG reserves the right to charge to the supplier for every eligible claim towards the supplier the lump-sum compensation for damage related to claim administration (compensation for expenses) at the amount:</p> <p>If second or next BG’s claim towards the supplier occurs, related to the same part/material when the cause has not been removed, the lump-sum compensation for damage resulting from claim administration (compensation for expenses) shall be:</p> <p>The hourly costs of the technician labour for each started hour (without the claim administration costs):</p>	<p>260 EUR</p> <p>300 EUR</p> <p>40 EUR</p>
b.	<p>The cost of technical analyses conducted as part of purchaser’s determining of causes of defects or extent of damage, for example, in a laboratory or on measuring equipment and expert opinions, as appropriate, shall be paid by the supplier in full.</p>	
c.	<p>The supplier shall pay to BG the following lump-sum compensation for damage due to sorting and marking of defective or NOK parts/material on the side of BG or BG customer for every started hour of a worker involved in sorting:</p> <p>These workers are managed by the head of a sorting group, who will ensure the entire process of sorting, including reporting. The supplier shall pay all costs related to this worker with the following hour rate:</p> <p>If required by BG, the supplier shall start sorting within 24 hours from reporting a non-conformity. If the supplier fails to do so, BG will order sorting from a third party and all costs related to sorting will be charged to the supplier.</p> <p>If the supplier provides sorting activities, the supplier shall provide them at their own reliability and cost.</p>	<p>35 EUR</p> <p>40 EUR</p>
d.	<p>If BG or its customer is entitled, legally, contractually or upon consultation with the supplier, to remove defects by their own means, the supplier shall pay all costs related to such work. These costs will be paid by a lump-sum with the following hour rate per one worker for work related to removal of defects:</p> <p>A group of these workers will be managed by the head of the group, who will ensure the entire process of sorting, including reporting. The supplier shall pay all costs related to this worker with the following hour rate:</p>	<p>35 EUR</p> <p>40 EUR</p>



	If BG or BG's customer has defects removed by a third party, all costs incurred by the third party shall be paid.	
e.	<p>Costs on the side of BG or BG's customer related to disassembling by their own means of defective parts/material and assembling of faultless parts shall be paid by the supplier by means of the following lump-sum compensation for costs per a worker and every working hour:</p> <p>A group of these workers will be managed by the head of the group, who will ensure the entire process of sorting, including reporting. The supplier shall pay all costs related to this worker with the following hour rate:</p> <p>If BG or BG's customer has disassembly conducted by a third party, all costs involved shall be paid by the supplier.</p>	<p>35 EUR</p> <p>40 EUR</p>
f.	<p>If the parties agree in a specific case that defective parts will be scrapped by BG, the supplier shall pay to BG the lump-sum compensation for scrapping of the parts at the amount equal to the corresponding multiple of individual hours per every individual employee.</p> <p>The lump-sum compensation for the costs related to scrapping does not include BG internal logistics. The costs of disposal are not included and will be applied separately.</p>	50 EUR
g.	<p>If a release for scrapping is not awarded by the supplier according to the previous section, the defective parts/material will be sent back at supplier's risk and cost. The supplier shall pay to the purchaser (BG) the costs of storage of NOK parts/material until they are transported away by means of paying the following lump-sum:</p> <p>1) for every started day of storage and every stored pallet: 2) for handling and loading on a transport vehicle - for each pallet:</p>	<p>20 EUR</p> <p>20 EUR</p>
h.	<p>The supplier shall pay to BG a compensation of damage in the form of operating costs expended in vain and lost profits for the down-time of the line and for the dead load of BG line occurring due to supplier's supply of defective parts/material or a failure to supply the ordered quantity of parts/material in due term, and the compensation shall be the following lump-sum for every hour of down-time or dead load:</p> <p>The lump-sum compensation according to this section does not include potential impacts, costs, damage and sanctions on the side of BG's customer. If BG's customer charges anything to BG as a consequence of such an event, BG shall be entitled to charge its customer's claims to the supplier in addition to the compensation for damage stated above.</p>	1.000 EUR
i.	The supplier is not entitled to payment of the purchase price for defective parts (rejects). If such a payment has been made by BG, it will be considered as erroneous, and the supplier shall return it to BG.	
j.	If sampling documentation according to PPAP or VDA 2 is evaluated by the status NOTE3/NOTE6 (conditionally released/rejected), the purchaser (BG) is entitled to demand from the supplier the following lump-sum payment for the costs related to a review of product documentation:	200 EUR

	<p>Also, the supplier shall pay the expenses on the side of final customer that will be related to such rating. This sum applies to every individual part/material number.</p> <p>If an inspection report of initial sampling is repeatedly rated with the same status, the supplier shall pay to BG the following lump-sum compensation for the costs related to reviewing of product documentation:</p>	300 EUR
k.	<p>If the suppliers fails to supply the requested quantity of samples to BG, BG shall be entitled to charge to the supplier a contractual penalty at the amount of:</p> <p>and a contractual penalty for every started week of non-delivery of the adequate quantity of samples at the amount of:</p>	<p>200 EUR</p> <p>50 EUR</p>
l.	The costs related to repeating of tests due to low quality of purchased part/material shall be paid by the supplier in full even in case the test is conducted by an external laboratory or by the customer.	
m.	<p>All applied demands of purchaser's (BG's) customer that will be charged due to a breach of supplier's duties shall be charged over to the supplier as a compensation for the damage caused.</p> <p>BG will immediately inform the supplier in the form of a claim and, at the same time, BG will inform the supplier of measures planned or taken by BG's customer. This includes the costs of special deliveries due to a third party's failure to meet BG's quality or logistical requirements.</p>	
n.	In case BG conducts a repeated production process audit or technical revision at the supplier's and the audit rating is not better than „C“, or if the rating has repeatedly been „B“, the supplier shall pay to BG all costs related to the audit (travel expenses, accommodation costs, daily allowances, labour costs ...) for every auditor and day of audit.	
o.	If the supplier gets into default with a delivery of goods to BG, BG is entitled to charge to the supplier a contractual penalty in accordance with the contract and all damage incurred by BG.	
p.	<p>If the supplier delivers improperly packaged goods to the purchaser (BG), BG is entitled to reject the delivery and proceed as if the goods are not delivered duly and in time, including all consequences arising from such a situation.</p> <p>If BG accepts such goods notwithstanding the improper packaging, the supplier shall pay to BG a lump-sum compensation for expenses related to repackaging of such supplied goods, including the cost of packaging material and the following hour rate for every individual worker:</p> <p>or, if repackaging is provided by a third party, the supplier shall pay to BG the full cost of repackaging of the goods.</p>	35 EUR
q.	<p>Failure to provide requested documents after first notice:</p> <p>The supplier pledges to pay a contractual penalty for every started week of default with submitting of documentation to supplied goods at the amount of:</p> <p>The supplier shall supply / implement:</p> <ul style="list-style-type: none"> • Corrective measures resulting from audits, supplier evaluation and claims • Reports from self-audits • Appointing a PSCR representative or their deputy as requested • Sampling and requalification reports • Inspection certificate 3.1 according to EN 10204 • Flammability test report 	100 EUR



	<p>If such a failure to supply documents involves other costs on the side of BG or its customer, such costs will be re-invoiced to the supplier in full.</p>	
r.	<p>If the supplier fails to conduct a process self-audit or D/TLD audit, internal two-day production (or fails to supply documentation to BG), the supplier shall pay all additional costs and damage caused by such conduct (re-invoicing of claims charged by BG's final customer).</p> <p>If the Supplier postpones a regular process audit repeatedly based on its own decision, BG will charge a penalty of 3.000 EUR.</p> <p>In the case that supplier does not allow an extraordinary process audit because of exceptional cases when continuity of supplies is at risk or it occurs a significant drop in quality is the penalty 10.000 EUR</p>	
s.	<p>If the supplier fails to report changes that pose a reason for resampling according to VDA 2 or PPAP, the supplier shall pay a contractual penalty for such a violation of duties at the amount of EUR 4000 as well as all related evaluated additional expenses.</p>	
t.	<p>If the supplier violates a commercial secret, the supplier shall pay to BG a contractual penalty at the amount stipulated for every individual breach of confidentiality:</p> <p>Commercial secrets include especially know-how, marketing, business relations, technical properties and requirements on products as well as BG manufacturing processes.</p> <p>Commercial secrets contain facts related to BG plant which are important in terms of competition, definable, valuable and commonly unavailable in corresponding business circles.</p>	<p>50.000 EUR</p>



The supplier (seller) also acknowledges that the purchaser (BG) reserves the right to request from the supplier a compensation for expenses or damage at the amount corresponding to provably incurred expenses and damage instead of applying the lump-sum compensations for expenses or damage.

Furthermore, the supplier (seller) acknowledges that the purchaser (BG) is entitled to claim the actually inflicted damage and lost profit in addition to payment of a contractual penalty.

The parties acknowledge that lump-sum compensations for damage as well as contractual penalties are not subject to VAT. Therefore, all the sums above are stated without VAT.

In case the supplier (seller) claims that some damage has not occurred or that they are not liable for it, it is up to the supplier (seller) to prove what they claim.

The purchaser (BG) is entitled to offset their claims for a lump-sum compensation for expenses or damage as well as for a contractual penalty or actually evaluated expenses or damage against supplier's (seller's) claims.

In Hradec nad Moravicí on 11.11.2022

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