

FRAME SUPPLY AGREEMENT

No. of Buyer:

No. of Supplier: S1291/17

(hereafter "**Buyer**"); and

VOP CZ, s.p., Company number: 00000493, whose registered office is at Dukelská 102, 742 42 Šenov u Nového Jičína, Czech Republic
duly represented by Mr. Marek Špok, PhD., Managing Director
(hereafter "**Supplier**")

Entered into this Frame Supply Agreement (hereafter "**Agreement**") as written hereafter:

This Agreement is subject to the provisions in Appendix 1,2 and Appendix 3

1 – SUBJECT MATTER OF THE AGREEMENT

- (1) This Agreement sets out terms and conditions for manufacturing and supplies of the products as defined in Appendix 1 of this Agreement (hereafter "Products") by Supplier to Buyer.
- (2) The Seller hereby undertake to manufacture and supply the Products to Buyer under the terms and conditions stipulated below in this Agreement.
- (3) The Buyer hereby undertake to take over the Products and pay for the Products to the Supplier purchase price under terms and conditions stipulated below in this Agreement.

2 – PURCHASE PRICE AND COST

- (1) The Buyer undertake to pay for delivered Products purchase price as defined in Appendix 1 to this Agreement.
- (2) The purchase price shall be exclusive of VAT which shall be payable by the Buyer subject to receipt of invoice according to Article 3.
- (3) All the payments under this Agreement shall be made in "euro" currency (EUR).
- (4) In case of a fluctuation in material price ([REDACTED]) either party can negotiate an increase or reduction of the prices agreed, at any time. Any proposals to increase or decrease prices must be made in writing with a minimum of 2 months' notice (as to not affect confirmed purchase orders) in advance of the proposed implementation date. New prices shall be finally agreed by both the Buyer and the Supplier in written. The material price will be monitored via Metal Bulletin.
- (5) Pricing will remain fixed for 12 months from the date of this agreement and a rolling 12 months each year after that.

- (6) In case of a fluctuation on the exchange rate CZK/EUR ([REDACTED]) either party can negotiate an increase or reduction of the prices agreed. Any proposals to increase prices must be made in writing with a minimum 1 months' notice in advance of proposed implementation date. New prices shall be finally agreed by both the Buyer and the Supplier in written. The prices agreed at the date of this Agreement has been calculated on the basis of the current exchange rate sated in appendix 3 which will be monitored via:
- [REDACTED]

- (7) The title/property of any and all Products passes from Supplier to Buyer at the moment the Buyer has paid the purchase price for delivered Products in full.

3 – INVOICING AND PAYMENT

- (1) Supplier will issue invoices for all Products after delivery to Buyer. Buyer shall pay each invoice in agreed currency within 45 days from end of month of issued invoice.
- (2) Buyer shall be liable to Seller for economic losses due to late payment of invoices. Unless otherwise agreed, Buyer shall pay to Seller contractual penalty in amount of 0.5% of the total value of the invoice for each day of delay with the payment of the invoice. VOP will advise Niftylift in writing of their intention to apply this clause.

4 – SCHEDULING & DELIVERY

- (1) The Products shall be manufactured and supplied by Supplier to Buyer on basis of Buyers purchase orders. Each order is subject to Supplier confirmation. Each confirmed order shall constitute an individual purchase contract and shall be fully governed by terms and conditions agreed in this Agreement.
- (2) Each purchase order shall contain:
- number of the order;
 - Revision No. and quantity of ordered Products, all this in accordance with Appendix 1;
 - requested delivery date in accordance with this Agreement;
 - price per piece of ordered Product and total purchase price of all ordered Products according to this Agreement.
- (3) The Supplier undertakes to reply to each purchase order within (10) working days, provided that the order contains all specifications referred to in Article 4 par. 2 above. In the reply Supplier either expresses his acceptance of purchase order or submits a counterproposal for supply of ordered Products on terms as close to the purchase order, as possible.
- (4) In case of discrepancy between the terms and conditions stipulated in this Agreement and those agreed in confirmed orders, the terms and conditions stipulated in this Agreement shall prevail over confirmed orders.
- (5) Buyer shall deliver purchase orders to Supplier monthly/ weekly or in mutually agreed alternative timing. Each purchase order shall be delivered to Supplier at least 6 (six) weeks ahead of requested delivery date of ordered Products, however delivery dates and quantities due are subject to change, with agreement by both Supplier and Buyer.

- (6) A forecast schedule shall also be issued by the Buyer and delivered to Supplier each month that shows Buyers future requirements for all Products covering a minimum of 6 months ahead. The first 12 weeks of this schedule from the delivery date shall be used for material commitment and work in progress (WIP) (but may be subject to subsequent fluctuations), beyond this it should be classed as a forecast only and is to aid the Supplier's planning process with no commitment from Buyer.
- (7) Stipulated dates and deadlines on purchase orders must be adhered to. All delivery dates and deadlines refer to the dates the Products will be delivered to Buyer, including all necessary documents.
- (8) The Supplier shall deliver the Products to the Buyer on the base of delivery condition defined in Appendix 2 and according to INCOTERMS 2010.
- (9) Buyer has the right to make the Supplier liable for any losses due to late delivery only 5 working days past the due date.
- (10) The amount of damages shall depend on the extent of the delay. Unless otherwise provided 0,5% of the value of each late Product will be applied in damages for each day of delayed delivery ([REDACTED]). Please see formula below;

20 Products due - 20/07/15
Supplier delivers 15 Products 20/07/15 meaning 5 off are late.
Supplier delivers the balance of 5 Products 30/07/15

Examples of the calculation would be:

[REDACTED]

- (11) The Penalty shall not apply in case at the express request of Buyer or subject to Engineering Changes issued by the Buyer causing reduced ready quantities of Products.
- (12) Should the Supplier deliver Product late on 3 or more occasions within a 3 month period from the initial volume delivery date, Buyer reserve the right to increase the rate of penalty by 0,5% on a rolling basis (i.e. 3 months, 3 deliveries late, + 0,5% applied, 6 months 6 deliveries late +1% applied), until the Supplier reverts to on-time delivery consecutively for 3 months at which point the % rate will decrease to the agreed 0,5% rate.
- (13) In case of late delivery due to causes outside of Supplier's control (for example, weather conditions, strikes etc.) the Buyer has no right to claim any losses or penalties whatsoever.

5 – TERMINATION

- (1) Both the Supplier and the Buyer have the right to terminate the Agreement with a six month notice period. The Buyer shall accept and pay for all material and WIP which can be proved as an agreed requirement over a maximum period of 6 months.

6 – QUALITY – Claims in the event of defects of quality and defects in title

- (1) The Supplier warrants and guarantees that the Products strictly and entirely comply with the specification or samples and the agreed technical data, are made of the agreed materials/ the materials

specified in the documentation, are free of any defects, e.g. in design, material and manufacturing, fulfil entirely the agreed functions, are of satisfactory quality.

- (2) If Products are received which are found to be at variance to agreed specification, the Buyer shall issue Claim Notice to the Supplier. The Claim notice shall contain purchase order number, serial number of the Part, exact description of the defect, photo documentation of the defect, estimated rework costs. The Supplier shall accept or refuse legitimacy of the claim within 30 days. In the case the Claim is accepted by the Supplier, parties will agree on exact rework costs, the Buyer will rework defective Product and the Supplier will issue a credit note for the agreed rework costs. Rework costs will be charged @ [REDACTED] per hour.
- (3) In case the defect is of unrepairable nature, the Supplier will replace the defective part of the Product or whole Product. In such a case the Buyer shall provide to Supplier estimated returned costs and scrap costs. The Supplier shall decide whether the unrepairable part of the Product or Product shall be returned to the Supplier or scrapped by the Buyer at Suppliers cost.
- (4) In the case of accepted faults requiring control of entire stock at the Buyers premises, the Supplier will attend within 10 days of acceptance by Buyer and Supplier.
- (5) The transport of all unrepairable Products to the Supplier shall be arranged by the Buyer along with the return of transport pallets. The transport costs of the claimed parts shall be covered by Supplier.
- (6) A written report concerning corrective and preventative measures is required to be sent to the Buyer's Quality Manager within 30 days.

7 – WELDING QUALITY

All supplied Products shall meet the BS EN ISO 5817:2014 Level B.

8 – WARRANTY

The Supplier warrants that should a defect in material or Quality become apparent within 2 years of delivery of the Product to Buyer conditions of Article 6 of this Agreement apply. Any repair/replacement within this initial warranty period shall be subject to the original Warranty period agreed, upon re-submission. Supplier does not warrant parts that were repaired on Buyer site without prior repair consultation.

9 - CONFIDENTIALITY

The following confidentiality conditions shall apply, provided a separate Confidentiality Agreement is not reached between the parties:

All information, both verbal and written, concerning an order or this Agreement or the parties' financial, technical or commercial relations, is confidential and shall be treated and kept by the parties in such a way that it does not come to the knowledge of a third party. The Supplier does not have the right without prior written authorization from Buyer to make public drawings, make any public announcement concerning this Agreement or the items that it covers, nor to use Buyer's name and/or logo in any marketing carried out by the Supplier.

10. FINANCE

All financial data (annual reports) are available and can be downloaded at any time from Suppliers website: www.vop.cz.

11 – GOVERNING LAW AND JURISDICTION

This Agreement, the Terms and Conditions and any other agreements between the parties shall be governed by and interpreted in accordance with the laws of England, and all disputes or controversies which may arise between the parties, out of or in connection with this Agreement, the Terms and Conditions, any Purchase Order, or any other agreements between the parties or the breach hereof or thereof, shall be brought to an amicable settlement between the parties. In the event no satisfactory settlement has been reached within 60 days of either of the parties having advised the other in writing of the dispute, it is agreed that the disputes or controversies may be submitted to the jurisdiction of the English Courts.

12 – CHANGE OF DESIGN

When a change of design requested by the Buyer, Buyer is obliged to provide complete 2D and 3D documentation of the new revision, Supplier is to confirm its completeness and possibility to proceed and apply in the production within 14 days. Every change of design will be charged administrative fee of EUR 30 which will be invoiced in a separate document.

13 – TOOLING

The fixtures and Tooling located at Suppliers facilities which are utilised to produce Products for Buyer, are referred to herein as [REDACTED]. All fixtures and Tooling located at sub-suppliers, which are used exclusively to produce Products for Buyer are referred to herein as "Offsite Tooling". Supplier acknowledges and agrees that Buyer has purchased or Supplier has purchased with funds provided by Buyer, the [REDACTED] Tooling and Offsite Tooling. To the extent Supplier has utilised funds received from Buyer to manufacture, purchase from third parties the [REDACTED] Tooling or the Offsite Tooling. Supplier hereby in consideration of the receipt of such funds from Buyer, assigns all right, title and interest in and to such [REDACTED] Tooling and Offsite Tooling to Buyer. Supplier acknowledges and agrees that the [REDACTED] Tooling and Offsite Tooling are owned by Buyer, free and clear of all liens and encumbrances, security interests and claims of Supplier and Suppliers Creditors. Supplier hereby releases any interest it may have or claim to have in such [REDACTED] Tooling and Offsite Tooling.

1. IDENTIFICATION OF NIFTYLIFT TOOLING

Supplier agrees to label all [REDACTED] Tooling and Offsite Tooling conspicuously indicating Buyers ownership. The Supplier will submit at least one Photo showing the actual tag, (close up) with another image that shows the tag has been affixed to the Tool and agrees that Buyer shall have the right to enter into the Suppliers facilities and immediately take possession of the [REDACTED] Tooling and Offsite Tooling, subject to 5 days advance notice.

2. TOOLING INVENTORY

The Supplier agrees to maintain and keep up to date and on-going an Inventory list of all Tooling that is owned by Buyer in the Suppliers possession or of a Supplier to Buyers' Supplier. Supplier shall maintain the Tooling in good working order so that the manufacture of the Products supplied is not interrupted. Supplier shall properly house, care for, repair or, if necessary, replace all the Supplier based Tooling and shall bear the risk of loss or damage thereto. The Supplier Tooling and Offsite Tooling is on loan by Buyer to the Supplier.

3. TOOLING INSURANCE

Supplier agrees to maintain adequate storage to ensure all Buyer owned Tooling is stored in useable condition and in such a location or facility to insure against theft and damage. Supplier also agrees to maintain adequate insurance coverage for the replacement cost of the Tooling in the event of the Tooling being damaged or destroyed for whatever reason. The Buyer shall refund to the Supplier the costs of above mentioned insurance.

4. TOOLING DESIGN

All Suppliers tooling design remain the property of Supplier.

5. TOOLING LIFESPAN

Buyer expects tooling to be built to provide production and service parts appropriate for the volume and life of the Product.

6. TOOLING MAINTENANCE

Preventative maintenance will be at the Suppliers expense. Supplier must have all preventative maintenance records associated with all Supplier Tooling for Buyer to review on request. Supplier is required to keep the Supplier Tooling in "good working condition" to be able to produce Products that meet quality requirements stipulated in this Agreement.

7. TOOLING EXCLUSIVITY

Supplier shall only use the Supplier Tooling for manufacturing the Products for Buyer. Supplier shall, immediately upon Buyer's request, release, the Supplier Tooling to Buyer or it's Nominee in accordance with Buyers' instructions. All Supplier Tooling shall not be moved from Suppliers premises without Buyers' prior written approval.

8. TOOLING DISPOSAL

Supplier shall not modify, transfer or dispose of any Supplier Tooling and Offsite Tooling, unless Supplier obtains Buyers' prior written consent.

9. TOOLING INVOICING AND PAYMENT

Upon acceptance of sample by Buyer, Supplier will provide:

- Invoice.
- Copy of Purchase Order.
- Signed Tool Acceptance.
- Signed I.S.I.R.
- Photos of Tooling in accordance with clause 2.

14 – WELFARE AND HUMAN RIGHTS

Buyer expect our suppliers to recognise and adhere to the International Labour Organisation (ILO) standards / with consideration for independent governing laws and legal regulations ensuring that:

- Forced labour, slave labour, prison labour and human trafficking is strictly prohibited.
- Suppliers respect and follow the relevant minimum age for employment.
- Employees have the freedom of association and collective bargaining rights.
- There is no discrimination on the basis of race, colour, sex, religion, political opinion or social origin.
- Conditions are safe and hygienic and working hours are not excessive.
- Only individuals with the relevant legal authorisation are allowed to work.

More information can be found on our website [\[REDACTED\]](#)

15 – PART ALLOCATION

Niftylift or the Supplier, reserve the right to amend the portfolio of products i.e. add / delete, by giving 6 months written notice.

16 – BUFFER STOCK

Supplier agrees to hold a buffer stock at all times in excess of scheduled requirements as per appendix 1.

17 – ENTIRE AGREEMENT AND NON-ASSIGNMENT

- (1) This Agreement, together with any purchase order constitutes the entire agreement of Buyer and Supplier and shall apply to any and all transactions between Buyer and Supplier, unless otherwise agreed upon in writing.
- (2) Parties to this Agreement shall not set-off any sums and/or claims arising out of and/or in connection with this Agreement without previous written consent of both Parties.
- (3) Parties hereby agree that this Agreement as well as purchase orders may be published in extent required by Act No. 340/2015 Coll. of Laws (Law on Registry of Contracts) in Registry of Contracts of Czech Republic.
- (4) This Agreement and/or any rights, obligations and/or claims hereunder shall not be assigned by Supplier and/or by Buyer without previous written consent of other party.

IN WITNESS WHEREOF, the parties hereto have, by their duly authorised representatives, executed this Agreement on the day and year first above written.

Signed:

On 19 DEC, 2017

On 14 DEC, 2017

For & On Behalf of Buyer:

For & On Behalf of Supplier:

By: Marck Špok
Managing Director

Title.....



Appendix 1 (page 1)

Base model	Drawing No.	Revision No.	Buffer Stk. Qty.	Price/ EUR in Parita FCA
[Redacted content]				



December 2017

Supply Agreement Appendix 3: Exchange Rate

Agreed exchange rate as at December 2017: CZK 25,60 : EUR 1,00

Using source Czech National Bank or Bank of England web pages.