

# MGM COMPROM s.r.o. Purchase Terms and Conditions

These Purchase Terms and Conditions (hereinafter referred to as "PTC") govern the contractual relationships between MGM COMPROM s.r.o., with its registered office at Růžová 309, 763 02 Zlín, Identification No.: 03093212, registered in the Commercial Register kept by the Regional Court in Brno, Section C, File 83582 (hereinafter referred to as the "Buyer"), and its suppliers (hereinafter referred to as the "Supplier") for the purchase of electronic components, materials, sub-supplies, and related services necessary for the development and production of the Buyer's products.

## 1. Introductory Provisions

1.1. These PTC are an integral part of all orders and contracts concluded between the Buyer and the Supplier, unless otherwise agreed in writing. By accepting an order or concluding a contract, the Supplier confirms that they have familiarized themselves with these PTC and agree to them.

1.2. The Buyer holds certifications according to EN 9100 and ISO 27001 standards, which guarantees a high level of product and service quality and information security. The Supplier undertakes to comply with the requirements of these standards to the extent relevant for the supplied products and services.

## 2. Subject of Purchase

2.1. The subject of the purchase includes materials, goods, or services necessary for the Buyer's activities, specified in the Buyer's order, framework agreement, or other written document.

2.2. In the case of component supplies for the aerospace industry or critical applications, the Supplier must meet the specific requirements of EN 9100 standard, which will be specified in the order or contract.

## 3. Orders and Conclusion of Contract

3.1. The Buyer's order must be submitted in writing (by email or through an agreed electronic system) and must contain all necessary data for the identification of the ordered products and services, including their technical specifications, quantity, required delivery date, and price.

3.2. A contractual relationship between the Buyer and the Supplier arises:

- a) by written confirmation of the order by the Supplier within 48 hours at the latest,
- b) by signing a written contract by both parties,
- c) by the Supplier commencing performance based on an explicit agreement with the Buyer.

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3.3. All changes or additions to an order or contract must be made in writing and agreed upon by both parties.

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### **4. Price and Payment Terms**

4.1. The price of products and services is determined in the Buyer's order or in the concluded contract. Prices are quoted without VAT, unless explicitly stated otherwise. VAT will be added at the rate applicable according to legal regulations valid on the date of the taxable performance. Prices are final and include all related costs (packaging, insurance, transport, etc.), unless otherwise agreed in writing.

4.2. Payment terms between the Buyer and the Supplier are governed by mutual agreement, approved by both parties.

4.3. The invoice must meet all requirements of a tax document and must be sent to the Buyer's address stated in the order. In the event that the invoice does not meet these requirements, the invoice maturity period will run from the date of delivery of the corrected invoice.

4.4. The Buyer is entitled to suspend payment in case of non-compliance with contractual terms by the Supplier (e.g., late delivery, delivery of defective goods). The Buyer is entitled to set off its claims against the Supplier's claims.

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### **5. Delivery Terms**

5.1. The delivery period is agreed upon in the order or contract and is binding for the Supplier. Any delay must be immediately notified to the Buyer in writing by the Supplier, stating the reason and the estimated new delivery date. The Buyer has the right to withdraw from the contract in case of the Supplier's delay in delivering the Buyer's order, unless a new delivery date is agreed upon.

5.2. The place of performance is the Buyer's registered office or another location designated by the Buyer, unless otherwise agreed in writing.

5.3. Deliveries must be properly packed, marked, and transported in accordance with the Buyer's instructions. Transportation and insurance costs are borne by the Supplier, unless otherwise agreed in writing.

5.4. Ownership and risk of loss or damage to the goods pass to the Buyer at the moment of acceptance of the goods at the place of performance.

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### **6. Quality Control and Acceptance of Goods**

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6.1. All supplied products and services are subject to the Buyer's quality control. The Supplier undertakes to deliver goods in accordance with the technical specifications, drawings, standards, and quality requirements of the Buyer.

6.2. The Supplier undertakes to inform the Buyer of all changes in design, manufacturing processes, materials, or suppliers related to the supplied products before their implementation, for the purpose of Buyer's approval.

6.3. The Supplier must ensure oversight of sub-suppliers and their compliance with the Buyer's requirements.

6.4. The Supplier is obliged to provide all required documentation (e.g., material certificates, test reports, COC - Certificate of Conformance) before delivery or with the delivery of goods. The delivery of goods will be handed over together with a delivery note, physically or electronically, which will contain the exact specification of the order.

6.5. The Buyer reserves the right to inspect the delivered goods according to the delivery note within 3 days of acceptance of the goods. Upon delivery of goods by a delivery service, the Buyer will only perform an external inspection, especially checking whether the packaging is damaged.

6.6. The Buyer reserves the right to conduct inspections at the Supplier's premises or its sub-suppliers to verify compliance with requirements.

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### **7. Warranty and Liability for Defects**

7.1. The Supplier provides a warranty for the supplied products and services for a period of 24 months from the date of acceptance by the Buyer, unless otherwise agreed in writing. The warranty covers all defects in material, manufacturing, or workmanship.

7.2. The Supplier is responsible for all defects that the goods or service have at the time of acceptance by the Buyer, as well as for defects that appear during the warranty period.

7.3. In case of defects, the Buyer has the right to:

- a) free repair of defects,
- b) delivery of replacement goods without defects,
- c) a reasonable discount from the purchase price,
- d) withdrawal from the contract, at the Buyer's option,
- e) request corrective and preventive actions (8D report, CAPA, etc.)

7.4. The Supplier is liable for all damages caused by defective goods or services, including lost profits and costs associated with the claim.

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### **8. Intellectual Property Rights**

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8.1. The Supplier guarantees that the supplied products and services do not infringe any intellectual property rights of third parties. In case of infringement of these rights, the Supplier undertakes to compensate the Buyer for all incurred damages.

8.2. If the Supplier creates a work or solution (e.g., design, software) for the Buyer within the scope of fulfilling an order, all intellectual property rights to this work pass to the Buyer at the moment of full payment, unless otherwise agreed in writing.

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### **9. Confidentiality of Information and Data Security**

9.1. The Supplier undertakes to maintain strict confidentiality of all commercial, technical, and personal information obtained from the Buyer within the business relationship that is designated as confidential or is of a confidential nature.

9.2. In accordance with ISO 27001 standard, the Buyer has implemented an Information Security Management System (ISMS), which ensures the protection of confidentiality, integrity, and availability of all information. The Supplier is obliged to comply with all Buyer's instructions regarding information security.

9.3. The Supplier undertakes to process personal data in accordance with applicable legal regulations on personal data protection (especially GDPR Regulation).

9.4. The Supplier undertakes to adopt all necessary technical and organizational measures to ensure the security of the Buyer's processed information and data.

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### **10. Ethics and Compliance**

10.1. The Supplier undertakes to adhere to ethical standards and principles of responsible business, including principles of human rights, working conditions, and environmental protection. The Buyer reserves the right to demand evidence of compliance with these principles.

10.2. The Supplier undertakes to comply with all applicable legal regulations, norms, and standards relevant to the supplied products and services, including regulations concerning export, import, dual-use control, and compliance with material regulations (e.g., ROHS, REACH).

10.3. The Supplier undertakes to immediately inform the Buyer of any suspicion of counterfeiting of parts or materials in the supply chain.

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### **11. Final Provisions**

## MGM COMPROM s.r.o. Purchase Terms and Conditions

11.1. These PTC and all contractual relationships between the Buyer and the Supplier are governed by the legal system of the Czech Republic.

11.2. All disputes arising from or in connection with these PTC will be resolved amicably. If the dispute cannot be resolved amicably, it will be submitted for decision to the competent court in the Czech Republic.

11.3. The Buyer reserves the right to unilaterally change or supplement these PTC. Changes and additions will be notified to the Supplier in writing and become effective on the date of their notification, unless otherwise stated. For contracts already concluded, the PTC effective at the time of concluding the contract apply, unless the Supplier explicitly agrees to the new version of the PTC.

11.4. If any provision of these PTC becomes invalid or unenforceable, it will not affect the validity and enforceability of the other provisions. The invalid or unenforceable provision will be replaced by a provision that most closely approximates the original intent.

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In Zlín, July 10, 2025

**MGM COMPROM s.r.o.**

**Martin Dvorský**

CEO