

## PART A: GENERAL TERMS AND CONDITIONS OF CHEMCOMEX, A.S., APPLICABLE FOR DELIVERIES OF GOODS AND PRODUCTS

### 1 GENERAL PROVISIONS

1.1 These General Terms and Conditions (hereinafter referred to as the "Conditions") are meant as the conditions in the sense of the provisions of §1751 of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the "Civil Code"); the Conditions shall apply for purchase of goods and products by CHEMCOMEX, a.s., business ID: 25076451, registered office address: Brněnská 327, Nové Město, 674 01 Třebíč; the Company registered in the Commercial Register kept by the Regional Court in Brno, Section B, File 8407 (hereinafter referred to as the "Buyer"), e.g. purchase of goods and products from the supplier (hereinafter referred to as the "Seller").

1.2 The subject of the contractual relationship is the Seller's obligation to deliver goods or products to the Buyer; and the Buyer's obligation is to pay the purchase price to the Seller in accordance with the relevant contract, or the purchase order.

1.3 These Conditions are binding for both the Buyer and the Seller and they are meant as an integral part of the relevant contract, or the purchase order. The Contracting Parties for this Contract, or the purchase order, excluded any use of the business Terms and Conditions or any other conditions of the Seller, unless they are expressly accepted by the Buyer. In order to avoid doubts, it is stated that in case the general terms and conditions of the Seller also apply, in addition to these Conditions, then these Conditions of the Buyer shall prevail in case of any conflict between them.

1.4 Any deviations from the Conditions must be agreed in writing in a relevant contract, or a purchase order. Provisions of a relevant contract, or a purchase order, will take precedence over the Conditions. Rights and obligations of the Contracting Parties not regulated in a relevant contract, or a purchase order, or in the Conditions shall be governed by Czech applicable legislation, mainly the Civil Code.

### 2. CONTRACTUAL RELATIONSHIP

2.1 Deliveries of goods shall be carried out on the basis of contractual relationship concluded between the Buyer and the Seller; such a relationship arises upon:

- conclusion of a written contract between the Buyer and the Seller (by its signing by both the Contracting Parties);
- confirmation of the Buyer's Purchase Order by the Seller, (hereinafter referred to as the "Contract").

2.2 Specification of the goods or products delivered (hereinafter referred to as the "Goods") shall be defined by the Contract. Unless further conditions are agreed in the Contract, the Seller is obliged to deliver the Goods in the design, quality and with the usual accessories so that the goods can be used for the purpose specified by the Buyer, or for the purpose for which such goods are usually utilized.

2.3 When negotiating individual contracts, or purchase orders, it is based on the fact that the Seller is acquainted with these Conditions and agrees with them.

2.4 These Terms and Conditions shall be considered as accepted at the latest at the time of concluding the Contract or confirming the Purchase Order by the Seller.

### 3 DELIVERY OF GOODS

3.1 The Seller undertakes to deliver the Goods properly and on time within the deadlines specified in the Contract. The Seller is also obliged to deliver the Goods in accordance with the requirements, conditions, parameters, specifications, relevant standards and regulations, even at the place of end use of the Goods, as well as in accordance with other documents, data and information contained and stipulated in the Contract. Goods without related documentation (especially technical documentation) or documents, especially without documents necessary for handling the Goods, are considered to be a delivery with defects and the Buyer is not obliged to take over the Goods in such a case; then the Buyer is not obliged to pay the purchase price or fulfil any other performances related to the rejected order under the Contract. Any and all deliveries reaching beyond the scope of the Contract will be provided by the Seller only upon a written agreement with the Buyer as extended deliveries.

3.2 Obligations of the Seller include provision of all materials, provision of use rights and license rights to the Goods and Services necessary to achieve completeness, operability and smooth, reliable and safe use of the Goods.

3.3 Any Goods will be delivered under the terms of the DDP delivery clause (according to INCOTERMS 2000), unless other delivery terms have been agreed between the Seller and the Buyer. A place of delivery and delivery date shall be specified in the Contract by the Buyer. The costs of transport to the place of delivery and related costs, in particular the costs of packaging, customs clearance and insurance shall be borne by the Seller.

3.4 Deliveries of the Goods are to be delivered in packaging suitable for the agreed type of Goods and for the agreed transport conditions or with regard to the type of Goods suitably chosen so as to prevent damage to the Goods during transport to the place of delivery. Used packaging shall be returned back in case of explicit agreement.

3.5 Partial deliveries are possible only upon prior written agreement with the Buyer.

3.6 The Seller is obliged to inform the Buyer's contact person in writing (by email) about the date of delivery to the destination, always no later than 5 days in advance.

3.7 Acceptance of the Goods after delivery to the place of delivery will be confirmed by signing of the handover protocol or delivery note by persons authorized to act on behalf of the Seller and the Buyer.

3.8 The Seller shall perform all services and provide the supplies of all materials that are not explicitly stated in the Contract, but for which it is possible to state that they are necessary for proper functioning of the Goods with regard to the nature and scope of the Goods under the Contract. The Seller is obliged to get acquainted with all information, data and other documents that are included in the Contract or were provided to the Seller by the Buyer in connection with it. If certain documents, information, data or values provided by the Buyer are not sufficient or complete to enable delivery of the Goods, in such a case it is the Seller's obligation to specify or obtain the missing information and data.

3.9 Any requests of the Seller for additional payments or for extending the deadlines of performance under the Contract due to any misinterpretation or misunderstanding regarding the place of performance, information, data and other documents provided under the Contract by the Buyer are not permitted.

3.10 Any components or materials supplied by the Seller as part of the delivery of the Goods must be new and unused and they must be of materials or products that meet the requirements and parameters arising from applicable legislation (quality, quantity, rates, weight); they must not show any defects and they shall comply with the binding technical, hygienic and safety standards and legal regulations, even at the place of end use of the Goods.

### 4 PRICES

4.1 All prices are agreed as fixed prices, unless otherwise stipulated in the Contract.

4.2 The Price includes all costs related to performance of the subject of the Contract by the Seller. The Seller shall be fully acquainted with the scope, purpose and nature of the subject of the Contract and shall correctly evaluate and value all costs that are necessary for the proper performance of the Contract.

4.3 All delivery costs related to performance of the Contract, such as transport, packaging, insurance, customs and other costs, shall be borne by the Seller.

4.4 The right for payment of the price to the Seller arises in principle on the basis of the Buyer's approved handover protocol of the Goods (signed by a person authorized to

sign on behalf of the Buyer), or a delivery note which can be used as a basis for invoicing, unless otherwise agreed between the Contracting Parties.

4.5 Value added tax (VAT) at the current statutory rate shall be added to the prices.

### 5 PAYMENT CONDITIONS

5.1 After delivery and after signing the documents on the delivery of the Goods (handover protocol or delivery note), the Seller is entitled to issue an invoice (tax document) in the amount of the feasible taxable performance.

5.2 Each invoice issued by the Seller will be issued no earlier than on the day of the taxable performance, but no later than 15 days after its implementation; and it must meet all the requirements of a tax document, where the invoice (tax document) must contain in particular the following information:

- Contract number or Buyer's Purchase Order number;
- invoice designation and number;
- tax identification number of the Seller and the Buyer;
- name and registered office of the Seller and the Buyer, whereby the name and registered office of the Buyer is: CHEMCOMEX, a.s., Brněnská 327, Nové Město, 674 01 Třebíč;
- Seller's bank account;
- invoice date;
- scope, subject and date of taxable supply;
- due date of the invoice according to the Contract;
- if the Seller is a VAT payer, each invoice issued by him/her (tax document) shall contain the amount of the price without VAT, the VAT rate in %, the amount of VAT or the price, incl. the VAT for each item of the delivered Goods and the sum of these prices;
- details of advance payments provided;
- signature and stamp of the Seller.

5.4 The invoice must always be accompanied by documents certifying the scope of the invoiced performance. These attached documents must be signed on behalf of both the Contracting Parties by responsible representatives specified in the Contract.

5.5 Invoices shall be sent by the Seller to the address of the Buyer's registered office: CHEMCOMEX, a.s., Brněnská 327, Nové Město, 674 01 Třebíč;

5.6 Unless expressly agreed otherwise, the Seller is not entitled to issue invoices in which two or more deliveries are combined together.

5.7 Maturity period of the invoices shall be 30 days following the date of delivery of the invoice to the Buyer, while the payment days of the Buyer are Tuesday and Thursday. The Buyer is thus not in delay with the payment of invoices even if the payment is made on the next payment day after expiration of the 30-day due period of a

relevant invoice. The Buyer is entitled to return the invoice to the Seller before the due date if the invoice does not have the requisites specified in this Article 5 or if it shows other defects according to legal regulations or if it shows content failures. Simultaneously with such return of the invoice, the Buyer shall inform the Seller of the reasons for the return. Depending on the nature of the defect, the Seller is obliged to correct the invoice, including its attachments, or to issue a new one. With justified return of the invoice within the above-mentioned deadlines, the original due time period of the invoice ceases to run. The new maturity period begins to run from the date of issue of the supplemented, corrected or newly issued invoice with the relevant requisites, satisfying the conditions of the relevant Contract (Purchase Order).

5.8 A payment means a non-cash payment to the Seller's account specified in the Contract. Any other way of payment (set-off, repayment schedule, bill of exchange, etc.) is only possible with the written consent of the Buyer. The Contracting Parties have agreed that any change in the bank details and account number of the Seller may only be made by a written amendment to the Contract or a written notification demonstrably delivered by the Seller to the Buyer, at the latest together with a relevant invoice or an advance letter. This notification must be original and must be signed by the persons authorized to sign the Contract or by the statutory body of the Seller.

5.9 The Buyer is not in delay with payment of the invoice if the amount was debited from the Buyer's account to the Seller's account no later than on the last day of its due date.

5.10 The Seller may agree with the Buyer on the conditions for sending electronic invoices.

5.11 The Seller is not entitled to set off, assign, pledge or otherwise transfer receivables arising from performance of the Contract or in connection with the Contract without the prior written consent of the Buyer. In case of breaching this obligation by the Seller, the Seller is obliged to pay the Buyer a contractual penalty in the amount of 20% of the nominal value of the assigned receivable.

5.12 The Buyer is entitled to unilaterally set off his/her receivable arising under the Contract or the Terms and Conditions or under another contractual relationship.

## 6 TRANSFER OF OWNERSHIP, LIABILITY FOR DAMAGES

6.1 Ownership of the Goods passes from the Seller to the Buyer at the moment of delivery of the Goods to the place of delivery or upon payment, whichever occurs as first.

6.2 Liability for damage to the Goods passes from the Seller to the Buyer at the moment of delivery to the Buyer's warehouse. The Seller is liable for damages to the Goods

until the complete unloading of the Goods in the Buyer's warehouse.

## 7 QUALITY, WARRANTIES, COMPLAINTS

7.1 The Seller is responsible for quality, functionality and completeness of the Goods.

7.2 The Seller provides a warranty for the Goods for a period of 24 months from the moment of delivery to the Buyer. If the Goods are taken over by the Buyer with minor defects or unfinished work is found during the acceptance procedure, the warranty period begins to run only on the day of remedy of the last defect or unfinished work.

7.3 The above-mentioned warranty ceases to exist if the Buyer or a third party, at his/her request, makes an intervention, repair or change to the Goods without the written consent of the Seller.

7.4 The Seller's warranties do not apply to normal operational wear and tear, failures caused by inattention and negligence during performance, by non-compliance with the manufacturer's instructions or operation of the Goods under other than agreed conditions and parameters.

7.5 The Goods are defective if their design does not correspond to the parameters specified in the Contract (or the Purchase Order) or purpose of their use, or if they do not have the properties explicitly set out in the Contract (or the Purchase Order), generally binding regulations or the binding or agreed technical standards according to which the subject of performance is to be performed. The defect is also delivery of the Goods other than agreed, failures in documents necessary for use of the Goods, legal defects of performance (violation of the rights of third parties).

7.6 Notification of a defect (including description of how the defect occurred) may be sent to the Seller in writing at any time after its discovery. In case of doubt, it is believed that the notification of the defect was delivered to the Seller on the third day after demonstrable dispatch. The notification must describe the defect and state the choice between the claims listed below.

7.7 When finding out that the Goods show defects, the Buyer is entitled to claim:

- elimination of the defect by providing new performance in case of a defect that makes the subject of performance unusable, without undue delay after notification, but no later than 10 days following notification of the defect to the Seller, unless the Contracting Parties agree otherwise with regards to the nature of the defect;
- elimination of legal defect of performance, but no later than within 10 days following notification of the defect to the Seller, unless the Contracting Parties agree on a different time period with regard to the nature of the defect;

- remedy of the defect, if it is a remediable defect. The Seller is obliged to remedy the defect without undue delay, no later than within 10 days following the date of delivery of the notification of the defect to the Seller, unless the Contracting Parties agree on a different time period with regard to the nature of the defect;
- granting a reasonable discount taking into account the nature of the defect;
- withdrawal from the Contract, in case the defect makes the Goods unusable or has the nature of a material breach of the Contract.

7.8 The deadlines specified in the previous section 7.7 are to be calculated from the date of delivery of the notification of the defect to the Seller, while fax or electronic messages are considered to be delivered on the day and time of their sending. The Seller is obliged to start eliminating the defect of the Work no later than within 48 hours after notification of the defect by the Buyer, unless otherwise agreed with the Buyer.

7.9 If the Seller refuses to remedy the defects of the Goods or fails to remedy the defects of the Goods within the deadlines specified in section 7.7, the Buyer is entitled to remedy the defect at its discretion either him/herself or through third parties at the Seller's expense, without any effect on the rights arising from the warranty. The Seller is obliged to reimburse the Buyer for the costs effectively and demonstrably used, those incurred by the Buyer in connection with remedial actions on the defect, within 21 days after receiving the relevant invoice from the Buyer.

7.10 The Seller is obliged to remedy the defect of the delivery duly notified in accordance with these Terms and Conditions, or he/she is obliged to satisfy another claim chosen by the Buyer pursuant to section 7.7 of these Terms and Conditions free of charge, at his/her own expense and risk.

7.11 Remedy of the defect, or satisfaction of another claim selected by the Buyer pursuant to Section 7.7 of these Terms and Conditions, will not affect the Buyer's claim for contractual penalty and damages.

7.12 If the Seller believes that the complaint is not justified, he/she is obliged to notify the Buyer immediately in writing. The notification shall also include the reasons for which the claim is considered as unjustified. If the Seller fails to notify the Buyer about it in writing within three (3) working days following the delivery of the complaint, it is believed that the complaint is justified.

7.13 Even if the Seller considers the complaint as not justified, he/she is obliged to remedy such defect, provided that the costs of remedial of the claimed defect shall be borne by the Seller even in these disputes, until the final decision of the court in this matter or until another settlement of the matter between the Contracting Parties.

7.14 Remedy of the defect, or satisfaction of another claim selected by the Buyer pursuant to Section 7.7 of these Terms and Conditions, will not affect the Buyer's claim for contractual penalty and damages.

7.15 For defects claimed during the warranty period, the warranty period shall be extended by the time from the notification of the occurrence of the defect until the remedy of the claimed defect. Acceptance of the remedy of the claimed defect will always be made in writing between the Seller and the Buyer.

7.16 Provisions of the Contract (Purchase Order) and these Terms and Conditions shall apply in full for fulfilment of a new delivery within remedy of a defect, including liability for defects of this new delivery.

## 8 CONTRACTUAL PENALTIES

8.1 In case of non-compliance with any delivery date of the Goods under the Contract (Purchase Order) by the Seller, the Buyer is entitled to demand contractual penalty in the amount of 0.5% of the delivery price for each day of such delay. If the Buyer and the Seller have agreed on delivery of the Goods in partial performances, the delay for each agreed date of partial delivery of the Goods shall run separately.

8.2 In case of failure to pay a proper invoice or advance payment by the due date according to the Contract (Purchase Order), the Seller is entitled to charge interest for delay in a statutory amount.

8.3 A contractual penalty for the Seller's delay in remedy of each reported individual defect of the Goods equals 0.5% of the price of the Goods for each day of delay, e.g. the price to which the defect relates, for each individual defect up to the maximum of 30% of the total price of the Goods.

8.4 If the total amount of contractual penalties under the Contract (Purchase Order) exceeds 30% of the contract price, the Buyer is entitled to withdraw from this Contract (Purchase Order). This provision does not affect the Buyer's right to compensation for any damage by the Seller or the Seller's obligation to meet obligations arising from non-compliance with contractual obligations.

8.5 Payment of a contractual penalty does not affect the right of an entitled Contracting Party to compensation for damages. The Buyer is entitled to claim compensation for damage caused to him/her by breach of the Seller's obligations, even in case of the breach of the obligation to which the contractual penalty applies. Compensation for damage includes actual damage and lost profits.

## 9 CHANGE, SUSPENSION OF CONTRACT, WITHDRAWAL FROM CONTRACT

9.1 The Buyer is entitled to withdraw from the Contract or at any time request the Seller to change performance or

temporarily suspend all activities related to performance of the obligation, without giving a reason. If he/she notifies his request in writing to the Seller, then the Seller is obliged to obey the request from the date on which it was delivered to him/her and to provide unfinished subject of performance (delivery) before any damage to the goods. The Buyer is also obliged to notify the Seller in writing that he/she should continue to fulfil the obligation and at the same time reimburse all demonstrable costs incurred by the Seller in connection with the change or suspension of the obligation.

9.2 Either Contracting Party is entitled to withdraw from the Contract for any material breach. The Buyer is also entitled to withdraw from the Contract, especially in case the Seller does not provide performance in accordance with the Contract or the Terms and Conditions; or in case that Seller's delay with delivery of any part of the Goods reaches fifteen (15) days compared to the deadline; or in other cases expressly set forth in these Terms and Conditions. Withdrawal from the Contract must be notified in writing by the withdrawing Contracting Party to the other Contracting Party.

9.3 Withdrawal does not affect the right to payment of contractual penalties, damages, protection of trade secrets, confidentiality of information, warranty and, if applicable, other provisions of the Contract (Purchase Order).

9.4 In case of withdrawal from the Contract, the Contracting Parties are obliged to mutually settle their provable obligations.

9.5 If the withdrawal occurs due to the reasons of the Buyer before commencement of performance, the Buyer is obliged to pay the Seller on the date of withdrawal the effectively incurred and proven costs incurred in connection with performance of the Contract, but no more than 50% of the total amount, unless otherwise stipulated by the Contract.

## 10. INTELLECTUAL PROPERTY RIGHTS

10.1 The Seller shall provide the Buyer with non-exclusive license to all intellectual property rights related to delivery of the Goods; this license is provided for an indefinite period of time and free of charge.

10.2 The Seller is obliged to compensate the Buyer for any damage incurred by the Buyer in connection with the claim of a third party from infringement of any intellectual property right in connection with delivery of the Goods.

## 11. CONFIDENTIALITY

11.1 The Contracting Parties undertake to maintain confidentiality of any facts they become aware of in connection with the Contract or its performance; in particular, neither Contracting Party may disclose or otherwise make such information available to any third

party or use such information for its own benefit or for the benefit of a third party. This obligation also applies to other facts that will be explicitly marked as confidential by the other party ("Confidential Information").

11.2 Each of the Contracting Parties undertakes to make all the efforts that can be reasonably required to comply with the confidentiality or secrecy of information under this Article 11 by its employees and by persons it may use to perform the subject of the Contract.

11.3 Each Contract shall be considered as a confidential document, even before it is signed by the Contracting Parties.

11.4 The Contracting Parties undertake to maintain the obligation of confidentiality under the Contract also after its termination, for the entire period during which the Confidential Information will not be publicly known and available, without breaching this Article 11.

11.5 In case of breach of any obligation to maintain confidentiality of information (including the purpose of use), the breaching party is obliged to pay the other party a contractual penalty of CZK 100,000 for each case of such breach.

## 12 FORCE MAJEURE

12.1 The Seller and the Buyer shall not be in delay with fulfilment of contractual obligations established by the Contract, or the Purchase Order, if such non-fulfilment is caused by Force Majeure circumstances and these circumstances prevent or significantly negatively affect fulfilment of obligations under the Contract, or the Purchase Order; however, it only applies within duration of Force Majeure event or its consequences and only in relation to the obligation or obligations directly and immediately affected by the obstacle caused by the Force Majeure event.

12.2 Circumstances of Force Majeure shall be deemed to be such events which the Seller and the Buyer could not have foreseen at the time of concluding the Contract, or the Purchase Order, and which prevent the Buyer or the Seller from performance of the contractual obligations. Circumstances of Force Majeure shall be deemed to be such circumstances which arose after conclusion of the Contract, or the Purchase Order, as a result of unforeseen and unavoidable events of an exceptional and unavoidable nature by the Contracting Parties and which have direct impact on performance of the subject of the Contract. This mainly includes natural disasters, weather anomalies, war events, general strikes, serious societal and economic changes or measures of the relevant administrative authorities directly affecting performance upon the Contract.

12.3 Force Majeure is not any delay in supplies of subcontractors, production outage or lack of energy, unless these are also caused by Force Majeure.

12.4 Any delay in performance due to Force Majeure shall not be considered as breach of contractual obligations and it shall not constitute grounds for any sanctions under the Contract. The deadline period for fulfilment of contractual obligations for each of the contracting parties shall be extended, but only of those obligations which are directly and immediately affected by the obstacle of Force Majeure; and it only applies for duration of the obstacle of Force Majeure or its consequences.

12.5 The contracting party seeking exemption from contractual obligations due to Force Majeure must immediately, but no later than within five (5) days, notify the other party in writing of intervention of these circumstances. In the same way, it shall notify the other party of termination of the Force Majeure circumstances. The Contracting Party invoking Force Majeure must, upon request, submit to the other contracting party evidence of the circumstances of force majeure, or allow the other party to personally see the circumstances.

12.6 In case of a force majeure event lasting for a period exceeding three (3) months, the Buyer and the Seller may agree on further steps in order to find mutually acceptable solutions. If no agreement is reached, both the Buyer and the Seller have the right to withdraw from the Contract.

## 13 DISPUTE RESOLUTION

13.1 Both the Buyer and the Seller shall make all efforts to ensure that all disputes arising out of or in connection with the Contract are resolved and settled amicably.

13.2 Disputes that cannot be settled amicably will be decided with final validity at the Arbitration Court at the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic, according to their Rules and Regulations and by three arbitrators. The Contracting Parties undertake to fulfil the obligation imposed on them by the arbitral result.

13.3 The arbitration proceedings will be conducted in the Czech language.

13.4 Unless the Buyer stipulates otherwise, submission of a dispute for resolution in accordance with the provisions of this Article 13 does not entitle the Seller to suspend fulfilment of the obligations given to him/her by the Contract.

## 14 FINAL PROVISIONS

14.1 Legal relations not regulated by the Contract and these Terms and Conditions shall be governed by the Civil Code.

14.2 In case that the Seller fulfils his/her obligations arising from the Contract through a subcontractor, he/she is

obliged to acquaint him/her with these Terms and Conditions.

14.3 The Contracting Parties declare that before signing the Contract they have become acquainted with the content of the Terms and Conditions and other annexes to which the Contract refers. Before concluding the Contract, the Contracting Parties have fully considered the economic and factual situation and they are fully aware of the circumstances of the Contract, as well as the circumstances that may arise after conclusion of this Contract.

14.4 The Seller declares that, with all necessary and professional care, he/she is able to fully perform obligations under the Contract and the Terms and Conditions, in a proper and timely manner.

14.5 In case that the legal regulations referred to in the Terms and Conditions change following the date of signing the Contract, it is considered that the Seller is obliged to always comply with the legal regulations in force at the time of the Works implementation, regardless of the numbers or names in these Terms and Conditions.

14.6 The Contracting Parties declare that in case that at any time in the future any provision of these Terms and Conditions is found to be invalid or as an apparent legal action, then validity of other arrangements cannot be affected.

14.7 These Terms and Conditions are effective from 01 January 2021 and they replace all previously issued conditions.

## SECTION B: GENERAL TERMS AND CONDITIONS OF CHEMCOMEX, A.S., APPLICABLE FOR EXECUTION OF THE WORK AND SUPPLY OF SERVICES

### 1 GENERAL PROVISIONS

1.1 These General Terms and Conditions (hereinafter referred to as the "Conditions") are meant as the conditions in the sense of the provisions of §1751 of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the "Civil Code" or "NOZ"); the Terms and Conditions shall apply for contractual relationships during performance of the Work between CHEMCOMEX, a.s., business ID: 25076451, registered office address: Brněnská 327, Nové Město, 674 01 Třebíč; the Company registered in the Commercial Register kept by the Regional Court in Brno, Section B, File 8407 (hereinafter referred to as the "Customer") and the Contractor (hereinafter referred to as the "Contractor").

1.2 The subject of the contractual relationship is the Contractor's obligation to provide services or to perform the work (hereinafter referred to as the "Work") for the Customer and also the Customer's obligation to pay the Contractor a price in accordance with a relevant contract, or a purchase order.

1.3 These Conditions are binding for both the Customer and the Contractor and they are meant as an integral part of the relevant contract, or the purchase order. The Contracting Parties for this Contract, or the Purchase Order, excluded any use of the business Terms and Conditions or any other conditions of the Contractor, unless they are expressly accepted by the Customer. In order to avoid doubts, it is stated that in case the general terms and conditions of the Contractor also apply, in addition to these Conditions, then these Conditions of the Customer shall prevail in case of any conflict between them.

1.4 Any deviations from the Conditions must be agreed in writing in a relevant contract, or a purchase order. Provisions of a relevant contract, or a purchase order, will take precedence over the Conditions. Rights and obligations of the Contracting Parties not regulated in a relevant contract, or a purchase order, or in the Conditions shall be governed by Czech applicable legislation, mainly the Civil Code.

### 2. CONTRACTUAL RELATIONSHIP

2.1 Implementation of the Work shall be carried out on the basis of contractual relationship concluded between the Customer and the Contractor; such a relationship arises upon:

- conclusion of a written contract between the Customer and the Contractor (by its signing by both the Contracting Parties);
- confirmation of a Customer's Purchase Order by the Contractor

(hereinafter referred to as the "Contract").

2.2 Specification of the Work is defined by a relevant Contract. Unless further conditions are agreed in the Contract, the Contractor is obliged to make up the Work in such scope and quality so that the Work can be used for the purpose specified by the Customer, or for the purpose for which such Work is usually utilized.

2.3 When negotiating individual contracts, or purchase orders, it is based on the fact that the Contractor is acquainted with these Conditions and agrees with them.

2.4 These Terms and Conditions shall be considered as accepted at the latest at the time of concluding the Contract or confirming the Purchase Order by the Contractor.

2.5 The Contractor may entrust execution of the Work to another person only after prior written consent of the Customer, unless otherwise stipulated in the Contract. When the Work is performed by another person (hereinafter referred to as the "Subcontractor"), the Contractor is liable as if he/she were performing the Work him/herself. The Customer reserves the right to reject a Subcontractor proposed by the Contractor. In such a case, the Contractor is obliged to provide performance of this part of the Work by another subcontractor. If another subcontractor cannot be provided by the Contractor, the Customer shall designate him/her by him/herself.

### 3 BASIC OBLIGATIONS OF THE CONTRACTOR

3.1 The Contractor is obliged to perform the Work in accordance with the requirements, conditions, parameters, specifications and other documents and records, data and information contained in the Contract. The Contractor is obliged to perform the works in a proper manner and in the highest quality in accordance with technical specifications, applicable laws, standards, technical regulations, good technical practice and appropriate technological procedures, even at the place of implementation and end use of the Work.

3.2 The Contractor declares that before concluding the Contract he/she has acquainted him/herself with the submitted technical documentation and other documents for the execution of the Work; and the Contractor also declares that he/she has assessed them with due diligence, especially in terms of technical and technological aspects and in terms of completeness; and that he/she has not found any defects or failures.

3.3 The Contractor confirms that he/she has entered into the Contract on the basis of his/her own examination of the data relating to the Work, those submitted to him/her by the Customer, and on the basis of information obtained by visual inspection of the workplace and other data available to him/her and related to the Work. The Contractor confirms that his/her possible failure to acquaint him/herself thoroughly with all these data and information does not relieve him/her from responsibility for proper estimation of the difficulty, time difficulty or cost of the proper execution of the Work.

3.4 The Contractor is obliged to inform the Customer in writing without any undue delay about the detected defects, discrepancies and incompleteness in the submitted documentation and in other submitted documents, materials and other things taken over from the Customer for the purpose of execution of the Work, including proposals for their solution. If the Contractor fails to provide a written notice no later than five (5) days following the moment when he/she discovered or could have discovered the defect, he/she is not entitled to any additional modifications to the terms and conditions of the Contract and he/she is thus liable to the Customer for any damage and defects.

3.5 If performance of the Work also includes handover of related documentation (assembly log-book, revision log-book, technical documentation, etc., hereinafter referred to as the "Work Documentation"), the Contractor is obliged to hand over the complete Work Documentation to the Customer together with the Work. Otherwise, the Work is considered as defective and the Customer is not obliged to take over the Work and pay the price for the Work or other performances under the Contract.

3.6 All deliveries and activities beyond the scope of the Work to the extent defined by the Contract shall be provided by the Contractor as extra deliveries only upon written agreement with the Customer.

3.7 The Contractor's obligations include provision of all materials, provision of utilization and licensing rights necessary to achieve completeness, operability and smooth, reliable and safe operation of the Work.

3.8 Execution of the Work also includes implementation of all works and services, disassembly, assembly, commissioning, testing and completion of the Work. During implementation of the Work, the Contractor is obliged to keep revision books and protocols of equipment inspection; he/she shall supervise the implementation of the Work; he/she is responsible for obtaining and delivering the necessary revision reports, protocols, public and other permits, confirmations, attestations and certificates necessary for implementation of the Work to the extent and under the conditions required by the Contract.

3.9 According to applicable legislation, the Contractor is obliged to dispose of all wastes generated in connection with implementation of the Work (including their collection, sorting and keeping of prescribed records); he/she shall also procure and provide management and transport to and from the place of performance of the Work, security guards and storage of all materials, things, components and others necessary to perform the Work.

3.10 The Contractor shall perform all services and provide the supplies of all materials that are not explicitly stated in the Contract, but for which it is possible to state that they are necessary for proper functioning of the Work under the Contract. The Contractor is obliged to get acquainted with all information, data and other documents that are included in the Contract or were provided to the Contractor by the Customer in connection with it. If certain documents, information, data or values provided by the Customer are not sufficient or complete to enable implementation of the Work, in such a case it is the Contractor's obligation to specify or obtain the missing information and data.

3.11 Any requests of the Contractor for additional payments or for extending the deadlines of performance under the Contract due to any misinterpretation or misunderstanding regarding the place of performance, information, data and other documents provided under the Contract by the Customer are not permitted.

3.12 The Customer and the Contractor have agreed that the provisions of the relevant applicable technical standards with the written designation of ČSN, ČSN EN, ISO, etc., are binding for them. Failure to comply with their provisions will be considered as material breach of these Terms and Conditions, or the Contract. In connection with the subject of performance and according to the Contract, the Contractor shall perform all tests prescribed by the relevant standard. Success rate of these prescribed tests shall be documented by the Contractor in a form required by the technical standards.

3.13 Any products or materials supplied by the Contractor as part of implementation of the Work must be new and unused and they must be of materials or products that meet the requirements and parameters arising from applicable legislation (quality, quantity, rates, weight); they must not show any defects and they shall comply with the binding technical, hygienic and safety standards and legal regulations, even at the place of implementation and end use of the Work.

3.14 The Contractor undertakes to comply with the internal regulations of the Customer with which he/she has been demonstrably acquainted; and he/she shall assure compliance with these regulations by all his/her employees, subcontractors and other persons who perform activities or



provide supplies for him/her within implementation of the Work under the Contract. The Contractor further undertakes to assure compliance and fulfilment with regards of other obligations stipulated by legal and other regulations in the field of safety and health protection at work (OSH), fire protection, environmental protection and protection of property and persons as well as compliance with established orders and prohibitions arising therefrom. Any detected violation of these obligations must be recorded in writing using a separate record or a relevant registry, usually in the Assembly Log-book or the Construction Log-book (see Section 3.19 of these Terms and Conditions).

3.15 In case the works on the property of ČEZ, a.s., Slovenské elektrárne, a.s., etc., the Contractor undertakes to unconditionally comply with the provisions of the internal documents of these operators, like for instance the "Rules of Conduct in ČEZ, a. s., KE" (hereinafter the "Rules of Conduct") which the Customer will provide upon request.

3.16 If the place of performance according to the Contract (Purchase Order) is a nuclear power plant complex, the Contractor undertakes to comply with the regulations relating to compliance with health protection and safety, fire safety, environmental safety and other rules specified in the "Binding Documentation of ČEZ a.s. Supplier" (hereinafter referred to as the "Binding Documentation") with which the Contractor will be demonstrably acquainted by the Customer.

3.17 The Contractor is responsible for compliance with the above-mentioned Rules of Conduct and Binding Documentation by all his/her employees, subcontractors and other persons who perform activities or who provide supplies under the Contract for him/her. When negotiating individual contracts, or the purchase orders, the things are based on the fact that the Contractor is acquainted with the Rules of Conduct and the Binding Documentation and he/she agrees with them. Any detected violation of the Rules of Conduct or the Binding Documentation will be recorded by the Customer in writing in a separate record or in a relevant registry, usually in the Assembly Log-book or the Construction Log-book (see Section 3.19 of these Terms and Conditions). Failure to comply with their provisions will be considered as material breach of these Terms and Conditions, or the Contract.

3.18 If the Contractor uses equipment, tools, scaffolding, dedicated equipment, etc., provided to him/her upon the Contract (order) or in connection with the Contract by the Customer, then the Contractor is obliged to use them in accordance with generally binding regulations and at his own risk and he/she is responsible for all damage resulting from such use.

3.19 Following the date of taking over the workplace, the Contractor is obliged to keep an assembly or construction log-book which must be initially inscribed with the identification data of the Contractor and the Customer, including the Contract number (hereinafter referred to as the "Assembly Log-book"). All facts decisive for performance under the Contract are to be recorded in the Assembly Log-book, in particular the data on the decisive time schedule of works, quality, the data necessary for assessment of works by state administration bodies and records related to compliance with the Rules of Conduct and Binding Documentation, participation of subcontractors in the Work performance. Furthermore, the decisive temporary representation of authorized persons shall be recorded. The Assembly Log-book must be permanently accessible during working hours. Obligation to keep an Assembly Log-book ends up with handover and acceptance of the Work. In addition to the supervisor of works, the necessary records in the Assembly Log-book may also be written by an employee of the Customer who is authorized to act in technical matters according to the Contract, or who is authorized for inspection, as well as by state supervisory authorities or by other relevant state administration bodies. These persons and authorities (bodies) are entitled to perform inspections of the Assembly Log-book and to write any reservations or notices for the performance of the Work and confirm them with their signatures; they are also entitled to get a transcript or photocopy signed by the Contractor in the original, including any attachments.

3.20 The Contractor is fully responsible for the manner of performance of the Work according to the Contract. The Contractor is fully responsible for employees performing their activities on the Work according to the Contractor's instructions, on behalf of the Contractor, for wages or other agreed remuneration, during working hours or during otherwise determined or agreed time together with the Contractor, at a place designated by the Contractor in accordance with the place of performance under the Contract (Purchase Order), at the Contractor's expense and responsibility. The Customer has no contractual relationship with the Contractor's employees.

3.21 If the Contractor uses persons from foreign countries to perform the Work, he/she is obliged to notify the Customer of this fact without any undue delay. If the Customer spend any costs in connection with employment of foreign country persons (especially in case of imposing fines by the tax office, labour office or by any other state administration body), the Contractor is obliged to reimburse such costs to the Customer in full.

## 4 TIME AND PLACE OF PERFORMANCE

4.1 The Contractor undertakes to perform the Work within the deadlines specified in the Contract.

4.2 If the Contractor fails to meet the deadlines set out in the Contract, the Customer is entitled to use spare capacities or take other measures to ensure the speed or adequate quality of Work and account the incurred costs to the Contractor. Due to delays or poor performance of the Contractor, the Customer will be also entitled to remove part of the subject of performance of the Contract and order the performance by a third party. Any increased costs shall be transferred by the Customer to the Contractor.

4.3 Place of performance means the area designated for implementation of the Work, including the equipment of the place of performance (or construction site).

4.4 Prior to commencement of the Work implementation, the Customer shall allow the Contractor to inspect the place of implementation of the Work, upon his/her request, or otherwise provide co-operation to determine the conditions for implementation of the Work.

4.5 The Customer shall specify access routes to the place of performance for the Contractor and provide connection points for energy and media for implementation of the Work. He/she shall indicate in writing the sections which require special measures in terms of fire protection, hygiene and protection against the environmental impacts.

4.6 The place of performance will be handed over and taken over between the Customer and the Contractor on the basis of a handover protocol signed by both Contracting Parties, or on the basis of an entry in the Assembly Log-book. When handing over the place of performance, the Contractor is obliged to check whether there are any obstacles or defects that prevent commencement of activities on the Work. The boundaries of the delivered place of performance specified by the Customer are binding for the Contractor; and the Contractor is obliged to mark them properly.

4.7 The Contractor is obliged to maintain order and cleanliness at the place of performance. These activities are included in the price of the Work. The Contractor shall be liable for ecological damages incurred during performance of the Work.

4.8 The Contractor undertakes to allow the Customer, or the representatives authorized by the Customer, to carry out inspections at the relevant workplace (at the place of performance) in order to verify compliance with legal and contractual obligations by the Contractor, especially in terms of compliance with the principles of health protection and safety, fire protection, waste management, etc.

4.9 The Contractor undertakes to report to the Customer without undue delay any accidents or work injury of his/her employees, or employees of his/her subcontractors; he/she

shall also report the cases of fire, accidents with negative impact on the environment and any other accidents, facts and conditions of a similar nature.

## 5 OWNERSHIP RIGHT AND RISK OF DAMAGE TO THE WORK

5.1 Ownership right for any deliveries of materials, equipment and materially detectable results of services and works passes from the Contractor to the Customer at the moment of delivery of the materials, equipment and other supplies to the place of performance, execution, provision or handover of services or their payment by the Customer; the fact that occurs earlier is to be taken as relevant. The Contractor is responsible for ensuring that all these items are not encumbered by any rights of other persons. Transfer of ownership rights does not affect the Contractor's obligation to take proper care of these matters.

5.2 Notwithstanding the above-mentioned transfer of ownership right, responsibility for protection of the items listed in the previous section remains in the Contractor until the date of handover and takeover of the Work, as well as the risk of loss or damage.

5.3 By handing over the place of performance and the equipment for the performance of the Work, the risk of damage to property pursuant to the previous section passes to the Contractor, regarding the relevant facility on which the Work is performed. The Contractor also bears the risk of damage to the Work, or the relevant equipment, also for the period when the equipment was handed over to him/her for the purposes of testing or remedy of a defect until the Work (equipment) is returned to the Customer. With regard to other equipments occurring at the handed over workplace, those which are not handed over for performance of the Work, the Contractor is obliged to take such measures as to prevent their damage or unauthorized manipulation.

5.4 The Contractor shall be liable for damage to the Work or any part thereof until the date of final handover and takeover of the Work to the Customer; and the Contractor is obliged to rectify at his/her own expense any damage that occurred to the Work or any part thereof for any reason within this period. Furthermore, the Contractor shall be liable for any damage to any equipment that is the subject of the Work, or to any part thereof caused by the Contractor or his/her subcontractors during any activities carried out on the Work.

## 6 DAMAGE COMPENSATION

6.1 The Contractor is obliged to provide the Customer with compensation for damage caused by the Contractor or his/her subcontractors to the Customer by breach of any

obligation stipulated by these Terms and Conditions, the Contract, applicable legal regulations; the same applies for damages related in any other way to performance of the Work. Compensation for damage includes actual damage and lost profits. The Customer's right for compensation for damage under this paragraph is not affected by payment of the contractual penalty by the Contractor.

## 7 PERFORMANCE AND COMPLETION OF THE WORK

7.1 The Customer, or his/her authorized representative, is entitled to check quality and compliance of Contractor's obligations under these Terms and Conditions, the Contract and the relevant legal and technical regulations, at any time during performance of the Work. A Customer's authorized representative is entitled to instruct the Contractor's employees to suspend activities on the Work if the Contractor's responsible representative is not available and if the safety and life or health of persons are endangered. Presence of an authorized representative of the Customer does not relieve the Contractor from liability for proper implementation of the Work and for defects in work activities or supplies.

7.2 The Customer and the Contractor have agreed that in accordance with the provisions of §101, par. 3 of Act No. 262/2006 Coll., Labour Code, as amended, in case that the employees of the Customer and the Contractor will perform tasks at one workplace, or the employees of subcontractors, then the Customer will coordinate implementation of measures to protect the safety and health of employees, measures of fire protection and procedures to ensure them, including inspection of all persons at these workplaces (construction sites) working or being present upon awareness of the Customer, whether they are under any influence of alcohol or other addictive substances. Prior to the commencement of activities on the Work, the Customer and the Contractor shall provide each other with information on the risks arising from their activities. Without this provision of information, the Contractor must not commence activities on the Work.

7.3 If any works and activities exposing a natural person to increased risk of damage to health or endangerment of life are performed at a relevant place of performance (workplace) and if these works are set out in Annex No.5 to Government Decree No. 591/2006 Coll. - detailed minimum safety requirements and health protection at work on construction sites -, as amended, as well as in the cases where the Contractor meets the criteria of provisions of §15, section 1 of Act No. 309/2006 Coll. - provision of other conditions of safety and health protection at work -, as amended, then the Contractor shall ensure that a plan for safety and health protection at work is drawn up before commencing the works. If the project documentation is

prepared separately for execution of the Work and if it includes a health protection and safety plan, the Customer undertakes to inform the Contractor that the plan has already been prepared.

7.4 This paragraph shall apply only to activities performed at ČEZ, a.s. If the conditions of the previous paragraph are met, the Contractor undertakes to provide the Customer with information by completing a questionnaire on the scope and method of work execution (the form is available in the website www.cez.cz), no later than 10 days after signing the Contract. The Contractor shall send the original of the completed questionnaire to the Customer, directly to a person authorized in technical and implementation matters. Furthermore, the Contractor undertakes to provide the Customer with all co-operation required to fulfil obligations pursuant to Act No. 309/2006 Coll. (Provision of other conditions for safety and health protection at work, as amended).

7.5 The Contracting Parties expressly exclude application of §2627, par. 1 and 2 of the Civil Code. If during performance of the Work the Contractor finds out any hidden obstacles concerning the place where the Work is performed and which makes it impossible to perform the Work in the agreed manner, then the Contractor shall notify the Customer without any undue delay and propose a change to the Work.

7.6 The Contractor will fulfil his/her obligation to fulfil the Contract by its proper completion and protocol handover and takeover at the place of performance. Proper completion means completion without any defects or unfinished works.

7.7 A handover/identification protocol will be drawn up for handover and takeover of the Work; this will be signed by both the Contracting Parties participating in the Contract.

7.8 Contractor's obligations for proper handover of the Work include handover of all necessary documents relating to the Work. In this relation, the Contractor shall hand over the following items to the Customer before commencement of the acceptance procedure, in particular:

- documentation of the actual implementation which captures the Work as of the date of signing the handover protocol, in two copies, including a digital form;
- declaration of conformity and all necessary documents certifying proper execution of the Work, including the Contractor's declaration of quality and completeness of the Work;
- documents certifying successful completion of prescribed and agreed tests and revisions;
- other documents required during execution of the Work by the Customer and the documents arising from the relevant legal regulations;

- necessary documentation required for commissioning of the Work (warranty cards, operating instructions, certificates, etc.).

7.9 The handover protocol (or the identification protocol) shall be signed by the Customer only if the Contractor meets the following conditions (in addition to the above-mentioned):

- all works and activities performed on the Work (or its relevant part) must be duly completed;
- the Contractor shall hand over to the Customer all Documentation for the Work (or a part of the Work) that is available to him/her or that is necessary for use of the Work or for claiming a defect on the Work;
- the Work (or its relevant part) must be suitable for use in accordance with the relevant legal and technical regulations;
- all assembly mechanisms and unnecessary material of the Contractor must be removed from the place of performance (workplace); the place of performance must be properly cleaned, mainly all wastes generated by the Contractor's activities must be removed; and the place must be demonstrably handed over to the Customer.

7.7 The Customer is not obliged to take over the Work in the following cases:

- the Contractor fails to submit the documents which result from the nature of the Work or these documents are incomplete;
- the Work is defective or unfinished; no matter than these are the defects which, alone or in conjunction with others, do not prevent smooth and safe use of the Work for the intended purpose;

7.8 The Contractor is obliged to participate in the acceptance procedure with the final Customer upon a written request of the Customer delivered to him/her at least three (3) working days in advance. If during these proceedings any defects or unfinished works are found on the Work performed by the Contractor, then the Contractor is obliged to rectify them free of charge, even if such defects and unfinished works were not listed in the record of handover and takeover between the Contracting Parties.

7.9 To avoid doubts, it is stated that any provision of these Terms and Conditions does not in any way relieve the Contractor from liability for inspections of performance of the Work, testing of the Work, quality, warranties or other obligations under the Contract. Unless otherwise stated in the Contract, the tests by which the Contractor proves conformity of the Work with the Contract (Purchase Order) shall be performed with the Customer being present; and all the costs associated therewith shall be borne by the Contractor, even in case of the tests repeated due to failure to prove the parameters of the Work specified in the

Contract, or all these costs of the Contractor shall be fully included in the contractual price of the Work (or its parts).

## 8 PRICE, PAYMENT CONDITIONS

8.1 A price of the Work shall be determined by agreement of both the Contracting Parties and shall be specified in the Contract.

8.2 The price of the Work includes all costs associated with implementation of the Contract. The Contractor shall be fully acquainted with the scope, purpose and nature of the subject of the Contract and shall correctly evaluate and value all works that are necessary for the proper performance of the Contract.

8.3 The Customer undertakes to pay the price to the Contractor on the due date and in accordance with the conditions of the Contract and the Terms and Conditions. The Customer's obligation to pay the Contractor the price or part of the price of the Work within the due date under the Contract shall not arise if the Contractor is in delay with performance of the Work under the Contract, if he/she is in delay with the schedule or other document, if performance under the Contract or its part is not performed properly and is not of adequate quality; this applies until the moment of takeover of the Work without any defects and unfinished works by the Customer, or until remedy of the last defect or unfinished work found during the handover procedure.

8.4 Payment of the price for the Work will be done on the basis of an invoice (tax document) issued by the Contractor. Payment of the price for the Work shall be done by the Customer after proper completion of the Work (or a relevant part thereof), which shall be confirmed in the handover protocol, or in the identification protocol, and after receiving the following documents from the Contractor:

- invoice issued by the Contractor after handover and takeover of the Work (or a part thereof);
- handover protocol or identification protocol signed by authorized representatives of both the Contracting Parties proving proper fulfilment of the Work (or a part thereof).

8.5 The date of mutual signing of the handover or identification protocol is also the date of the taxable supply.

8.6 Each invoice issued by the Contractor will be issued no earlier than on the date of the taxable performance, but no later than 15 days after its implementation; and it must meet all the requirements of a tax document, where the invoice (tax document) must contain in particular the following information:

- Contract number or Customer's Purchase Order number;
- invoice designation and number;
- tax identification number of the Contractor and the Customer;

- name and registered office of the Contractor and the Customer, whereby the name and registered office of the Customer is: "CHEMCOMEX Praha, a.s., Brněnská 327, Nové Město, 674 01 Třebíč";
- Contractor's bank account;
- invoice date;
- scope, subject and date of taxable supply;
- due date of the invoice according to the Contract;
- if the Contractor is a VAT payer, each invoice issued by him/her (tax document) shall contain the amount of the price without VAT, the VAT rate in %, the amount of VAT or the price, incl. VAT for each item of the Goods or materials supplied by the Contractor in connection with performance of the Work and the sum of these prices;
- details of advance payments provided;
- signature and stamp of the Contractor.

8.7 The invoice must always be accompanied by documents certifying the scope of the invoiced performance for a period invoiced (list of works performed, survey or handover protocol). These attached documents must be signed on behalf of both the Contracting Parties by responsible representatives specified in the Contract.

8.8 Invoices will be sent by the Contractor to the address of the Customer's registered office: CHEMCOMEX Praha, a.s., Brněnská 327, Nové Město, 674 01 Třebíč.

8.9 Unless expressly agreed otherwise, the Contractor is not entitled to issue invoices in which payments are combined for the price of two or more works, or their parts.

8.10 Maturity period of the invoices shall be 30 days following the date of delivery of the invoice to the Customer, while the payment days of the Customer are Tuesday and Thursday. The Customer is thus not in delay with payment of invoices even if the payment is made on the nearest payment day after expiration of the 30-day due period of a relevant invoice. The Customer is entitled to return the invoice to the Contractor before the due date if the invoice does not have the requisites specified in this Article 8 or if it shows other defects according to legal regulations or if it shows content failures. Simultaneously with such return of the invoice, the Customer shall inform the Contractor of the reasons for the return. Depending on the nature of the defect, the Contractor is obliged to correct the invoice, including its attachments, or to issue a new one. With justified return of the invoice within the above-mentioned deadlines, the original due time period of the invoice ceases to run. A new maturity period begins to run from the date of issue of the supplemented, corrected or newly issued invoice with the relevant requisites, satisfying the conditions of the Contract.

8.11 Payment means a non-cash payment to the Contractor's account specified in the Contract (Purchase Order). Any other way of payment (set-off, repayment

schedule, bill of exchange, etc.) is only possible with the written consent of the Customer. The Contracting Parties have agreed that any change in the bank details and account number of the Contractor may only be made by a written amendment to the Contract or a written notification demonstrably delivered by the Contractor to the Customer, at the latest together with a relevant invoice or an advance letter. This notification must be original and must be signed by the persons authorized to sign the Contract or by the statutory body of the Contractor.

8.12 The Customer is not in delay with payment of the invoice if the amount was debited from the Customer's account to the Contractor's account no later than on the last day of its due date.

8.13 The Contractor may agree with the Customer on the conditions for sending electronic invoices.

8.14 The Contractor is not entitled to set off, assign, pledge or otherwise transfer receivables arising from performance of the Contract or in connection with the Contract (Purchase Order) without the prior written consent of the Customer. In case of breaching this obligation by the Contractor, the Contractor is obliged to pay the Customer a contractual penalty in the amount of 20% of the nominal value of a receivable.

8.15 The Customer is entitled to unilaterally set off his/her receivable arising under the Contract or the Terms and Conditions or under another contractual relationship.

8.16 For each amount to be paid according to an issued accounting document of the Contractor, including the amounts according to an accounting document for extra works, the amount specified in the Contract (from the invoiced amount incl. VAT) as the retention fee (suspension) may be suspended. The Customer is entitled to use the suspended amounts to settle his/her receivables against the Contractor arising from the Contract, the Terms and Conditions or in accordance with applicable legal regulations; and he may set them off unilaterally against the receivables of the Contractor.

8.17 If there is a delayed release of funds by a final customer which means that the Customer will therefore not be able to pay the accounting documents in accordance with the Contract, the Contractor undertakes to extend the maturity period of the accounting documents. If there is no specific agreement between the Contracting Parties relating the extension of maturity period, then the Customer is entitled to unilaterally extend the originally agreed maturity period of the price of the Work (or its part) by such a period for which the investor's payment is delayed, but not more than by one month.

8.18 The Customer is entitled to pay value added tax on behalf of the Contractor directly to the Contractor's tax administrator for the purpose of special method of securing

the tax pursuant to §109a of Act No. 235/2004 Coll. (Value Added Tax, as amended). The Customer shall inform the Contractor in writing about this fact. The tax paid in this way reduces the Contractor's receivable towards the Customer by the relevant amount of tax; and the Contractor is thus not entitled to demand payment of this amount from the Customer.

## 9 WARRANTY

9.1 The Contractor shall provide the Customer with warranty that the Work and each of its parts will be free of any defects (material and legal defects). The Work or its part is defective if it was delivered by the Contractor with unfinished items, in quality or otherwise not corresponding to the result specified in the Contract (Purchase Order), purpose of its use, or not having properties explicitly specified in the Contract (Purchase Order) or generally applicable legal or technical regulations and standards. Defects are also such defects which are in the documents necessary for use of the Work, as well as the legal defects, where the rights of a third party were infringed by performance of the Contract or by the manner of such performance.

9.2 The Contractor provides warranty for the Work, or for each of its individual parts, for the period of 24 months following handover to the Customer. However, if the manufacturer provides a longer warranty period for some part of the Work or for a product, the Contractor shall provide this longer warranty period for this product or part of the Work. If the subject of the Contract is taken over by the Customer with minor defects or unfinished work found during the acceptance procedure, the warranty period begins to run only on the day of remedy of the last defect or unfinished work.

9.3 The Contractor's warranties do not apply to normal operational wear and tear, failures caused by inattention and negligence while using the Work, operation with non-compliance with the manufacturer's instructions or operation under other than agreed conditions and parameters.

9.4 Notification of a defect (including description of how the defect occurred) may be sent to the Contractor in writing at any time after its discovery. In case of doubt, it is believed that the notification of the defect was delivered to the Contractor on the third day after demonstrable dispatch. The notification must describe the defect and state the choice between the claims listed below.

When finding that the Work, or its parts, show defects, the Customer is entitled to claim:

- elimination of the defect by providing new performance in case of a defect that makes the subject of performance unusable, without undue delay after notification, but no

later than 10 days following notification of the defect to the Contractor, unless the Contracting Parties agree otherwise with regards to the nature of the defect;

- elimination of legal defect of performance without undue delay after notification, but no later than within 10 days following notification of the defect to the Contractor, unless the Contracting Parties agree on a different time period with regard to the nature of the defect;
- remedy of the defect, if it is a remediable defect. The Contractor is obliged to remedy the defect without undue delay, no later than within 10 days following the date of delivery of the notification of the defect to the Contractor, unless the Contracting Parties agree on a different time period with regard to the nature of the defect;
- granting a reasonable discount taking into account the nature of the defect;
- withdrawal from the Contract, in case the defect makes the Work unusable or has the nature of a material breach of the Contract.

9.5 The deadlines specified in the previous section 9.4 are to be calculated from the date of delivery of the notification of the defect to the Contractor, while fax or electronic messages are considered to be delivered on the day and time of their sending. The Contractor is obliged to start eliminating the defect of the Work no later than within 48 hours after notification of the defect by the Customer, unless otherwise agreed with the Customer.

9.6 If the Contractor refuses to remedy the defects of the Work or fails to remedy the defects of the Work within the deadlines specified in section 9.4, the Customer is entitled to remedy the defect at its discretion either him/herself or through third parties at the Contractor's expense. The Contractor is obliged to reimburse the Customer for the costs effectively and demonstrably used, those incurred by the Customer in connection with remedial actions on the defect, within 21 days after receiving the relevant invoice from the Customer.

9.7 If the Contractor believes that the complaint is not justified, he/she is obliged to notify the Customer immediately in writing. The notification shall also include the reasons for which the claim is considered as unjustified. If the Contractor fails to notify the Customer about it in writing within three (3) working days following the delivery of the complaint, it is believed that the complaint is justified.

9.8 Even if the Contractor considers the complaint as not justified, he/she is obliged to remedy such defect, provided that the costs of remedial of the claimed defect shall be borne by the Contractor even in these disputes, until the final decision of the court in this matter or until another settlement of the matter between the Contracting Parties.



9.9 The Customer shall allow the Contractor access to the Work in order to check the reported defect and subsequently remedy the defect.

9.10 The Contractor is obliged to remedy the defect of the Work duly notified in accordance with these Terms and Conditions, or he/she is obliged to satisfy another claim chosen by the Customer pursuant to section 9.4 of these Terms and Conditions free of charge, at his/her own expense and risk.

9.11 Remedy of the defect, or satisfaction of another claim selected by the Customer pursuant to Section 9.4 of these Terms and Conditions, will not affect the Customer's claim for contractual penalty and damage compensation.

9.12 For defects claimed during the warranty period, the warranty period shall be extended by the time from the notification of the occurrence of the defect until the remedy of the claimed defect. Acceptance of the remedy of the claimed defect will always be made in writing between the Contractor and the Customer.

9.13 Provisions of the Contract (Purchase Order) and these Terms and Conditions shall apply in full for any new fulfilment within remedy of a defect, including liability for defects of this new fulfilment.

## 10 SANCTION

10.1 In case of non-compliance with any deadline of performance or any other obligation (including non-commencement or non-performance) under the Contract by the Contractor, the Customer is entitled to claim payment of a contractual penalty of 0.5% of the price of the Work, for each day of delay. If the Customer and the Contractor have agreed on delivery of the Work in partial performances, the delay shall run separately for each agreed deadline of partial performance.

10.1.1 In case of non-compliance with any qualitative assumption of performance (especially in case of exceeding the percentage of error rate of welds) set and evaluated according to the rules specified in the Contract, its annexes or regulations of the Customer with which the Contractor was acquainted or was obliged to get acquainted with them at the address: "https://www.chemcomex.cz/ke-stazeni", the Customer shall be entitled to claim payment of a contractual penalty in the amount specified in the Contract or in a relevant regulation of the Customer.

10.2 Non-compliance with general principles, Code of Conduct, Binding Documentation or other internal regulations of the Customer with which the Contractor was demonstrably acquainted by the Contractor's employees or employees of the Contractor's subcontractors, the amount of the contractual penalty will correspond to the amount specified in the Code of Conduct or Binding Documentation. If the amounts of contractual penalties for breach of

provisions of the Code of Conduct are not specified, the Contractor shall pay a contractual penalty of CZK 2,000.00 for each individual case of breach of the Code of Conduct; or an employee of the Contractor or an employee of the Contractor's subcontractor may be expelled from the workplace upon decision of the Customer.

Depending on the degree of fault when breaching the statutory rules of safety and health protection of workers and fire protection and after subsequent imposition of sanctions by a higher supplier, investor, final customer or state control authorities, the sanctions will be transferred in full to the Contractor, including the sanctions imposed on the employees of the Contractor or the employees of the Contractor's subcontractors.

10.3 If the Contractor violates the obligation to maintain order at the place of performance (at the workplace) and fails to remedy this even after a written request from the Customer entered in the Assembly Log-book within the specified period of time, the Contractor is obliged to pay the Customer the contractual penalty of CZK 2,000.00 for each day of delay for each case of such non-compliance.

10.4 The contractual penalty for the Contractor's delay in remedy of each reported individual defect of the Work equals 0.5% of the price of the Work for each day of delay, e.g. the price to which the defect relates; it applies for each individual defect up to the maximum of 30% of the total price of the Work.

10.5 If the total amount of contractual penalties under the Contract exceeds 30% of the contract price, the Customer is entitled to withdraw from this Contract. This provision does not affect the Customer's right to compensation for any damage by the Contractor or the Contractor's obligation to meet obligations arising from non-compliance with contractual obligations.

10.6 In case of failure to pay a proper invoice or advance payment by the due date according to the Contract, the Contractor is entitled to charge interest for delay in a statutory amount.

10.7 If a retention payment is stipulated in the Contract, the Contracting Parties agree that if a court decides on insolvency of the Contractor during the warranty period for performance of the Work or its part, the Customer is entitled to claim a contractual penalty in the amount of the agreed retention/suspension which is still held by the Customer at the time of declaration of bankruptcy of the Contractor. The Customer shall set off the right to the contractual penalty against the right to payment of a retention/suspension under any title.

10.8 The Customer is entitled to claim against the Contractor the payment of a contractual penalty for breach of obligation of confidentiality further specified in Article 13. The amount of the contractual penalty is CZK

500,000.00 for each individual proven case of breach of confidentiality. Entitlement of the Customer for damage compensation cannot be affected by payment of such contracting penalty. In case of breaching the confidentiality, the Customer is also entitled to request the Contractor to pass all property benefit achieved as a result of the breach of the confidentiality obligation.

## 11 CHANGE, SUSPENSION OF PERFORMANCE AND WITHDRAWAL FROM THE CONTRACT

11.1 The Customer is entitled to withdraw from the Contract or at any time request the Contractor to change performance or temporarily suspend all activities related to performance of the Work, without giving a reason. If he/she notifies his request in writing to the Contractor, then the Contractor is obliged to obey the request from the date on which it was delivered to him/her and to provide unfinished subject of performance before any damage to the goods. The Customer is also obliged to notify the Contractor in writing that he/she should continue to fulfil the obligation and at the same time reimburse all demonstrable costs incurred by the Contractor in connection with the change or suspension of the obligation.

11.2 Either Contracting Party is entitled to withdraw from the Contract for any material breach. The Customer is also entitled to withdraw from the Contract, especially in case the Contractor does not provide performance in accordance with the Contract or the Terms and Conditions; or in case that Contractor's delay with delivery of any part of the Goods reaches fifteen (15) days compared to the deadline; or in other cases expressly set forth in these Terms and Conditions. Withdrawal from the Contract must be notified in writing by the withdrawing Contracting Party to the other Contracting Party.

11.3 Withdrawal does not affect the right to payment of contractual penalties, damage compensation, protection of trade secrets, confidentiality of information, warranty and, if applicable, other provisions of the Contract.

11.4 In case of withdrawal from the Contract, the Contracting Parties are obliged to mutually settle their provable obligations.

11.5 If the withdrawal occurs due to the reasons of the Customer before commencement of performance, the Customer is obliged to pay the Contractor on the date of withdrawal the effectively incurred and proven costs incurred in connection with performance of the Contract subject, but no more than 50% of the total amount, unless otherwise stipulated by the Contract.

11.6 The Contracting Parties expressly exclude application of §2591 of the Civil Code; and if the Customer fails to provide necessary cooperation, the Contractor is always obliged to provide substitute performance. The Contractor

may only withdraw from the Contract if the Work cannot be performed at all due to Customer's inactivity, despite calls for remedy and despite provision of a reasonable period for cooperation.

## 12 FORCE MAJEURE

12.1 The Customer and the Contractor shall not be in delay with fulfilment of contractual obligations established by the Contract if such non-fulfilment is caused by Force Majeure circumstances and these circumstances prevent or significantly negatively affect fulfilment of obligations under the Contract; however, it only applies within duration of Force Majeure event or its consequences and only in relation to the obligation or obligations directly and immediately affected by the obstacle caused by the Force Majeure event.

12.2 Circumstances of Force Majeure are such events which both the Customer and the Contractor could not have foreseen at the time of concluding the Contract and which objectively prevent the Customer and the Contractor from fulfilling the contractual obligations. Circumstances of Force Majeure shall be deemed to be such circumstances which arose after conclusion of the Contract as a result of unforeseen and unavoidable events of an exceptional and unavoidable nature by the Contracting Parties and which have direct impact on performance of the subject of the Contract. This mainly includes natural disasters, weather anomalies, war events, general strikes, serious societal and economic changes or measures of the relevant administrative authorities directly affecting performance upon the Contract.

12.3 Force Majeure is not any delay in supplies of subcontractors, production outage or lack of energy, unless these are also caused by Force Majeure.

12.4 Any delay in performance due to Force Majeure shall not be considered as breach of contractual obligations and it shall not constitute grounds for any sanctions under the Contract. The deadline period for fulfilment of contractual obligations for each of the contracting parties shall be extended, but only of those obligations which are directly and immediately affected by the obstacle of Force Majeure; and it only applies for duration of the obstacle of Force Majeure or its consequences.

12.5 The contracting party seeking exemption from contractual obligations due to Force Majeure must immediately, but no later than within five (5) days, notify the other party in writing of intervention of these circumstances. In the same way, it shall notify the other party of termination of the Force Majeure circumstances. The Contracting Party invoking Force Majeure must, upon request, submit to the other contracting party evidence of



the circumstances of force majeure, or allow the other party to personally see the circumstances.

12.6 In case of a Force Majeure event lasting for a period exceeding three months, the Customer and the Contractor may agree on further steps in order to find mutually acceptable solutions. If no agreement is reached, both the Customer and the Contractor have the right to withdraw from the Contract.

### 13 PROTECTION OF TRADE SECRETS; OBLIGATION OF CONFIDENTIALITY

13.1 The Contracting Parties are aware that within their mutual cooperation:

- they will consciously provide each other with information which is considered confidential or which, individually or in relation to each other, fulfil the characteristics of a trade secrets;
- their employees may gain access to information which shall be considered confidential or those of business secrets, by acting or omission, with either Contracting Party.

13.2 Any information that may be considered by the Customer as trade secrets or confidential information such as:

- business information (such as offers, contracts, arrangements with third parties, information on relationships with business partners),
- production documentation and technical specifications,
- information on working and production methods, working procedures and technical know-how,
- all facts of an economic, legal and labour-legal nature

and any other information, disclosure of which to a third party could cause damage to the Customer, remains the sole property of the Customer; and the Contractor shall take effective measures to protect such trade secrets and make at least the same efforts to maintain their confidentiality as if they were his/her own confidential information or trade secrets.

13.3 The Contractor undertakes not to disclose any information about which he/she is obliged to maintain confidentiality, not to pass it on to a third party or to his/her employees and representatives, except those who need to be acquainted with it in order to fulfil the subject of the subsequent purchase order or contract. At the same time, the Contractor undertakes not to use it for any purpose other than the performance of the Contract.

13.4 The obligation of confidentiality does not apply to information:

- for which the Customer has given written consent to publication or other ways of declassification;

- which are publicly available or have been published in any other way than in breach of the Contractor's obligations;
- which the Contractor knows quite demonstrably before the Client informs him/her about it;
- which is requested by a court, public prosecutor's office or a competent administrative body based on the law; such information shall be used only for this purpose;
- which is the result of a procedure in which the Contractor gets to it independently and is able to document this procedure.

13.5 During the warranty period and during performance of the Contract, the Contracting Parties are obliged to maintain confidentiality of all facts of which they become aware during performance of the Contract and which are not intended for publication by the law or by the Customer or are not generally known, as well as all the facts the contents of which form a trade secret and which are meant as confidential information.

13.6 The Contractor's obligation to maintain confidentiality continues for a period of 5 years following the date of termination of Sec. 5 of this Article.

13.7 The Contractor is obliged to hand over to the Client, without undue delay, all materials and things that he/she took over from him/her or on his/her behalf during performance of the Contract, without undue delay after termination of this Contract. The Contractor is obliged to permanently remove confidential materials stored in electronic form.

13.8 The Contractor undertakes to transfer his/her obligations under this Article to all his/her employees and associates, as well as to other persons who participate in performance of the subject of the Contract.

13.9 In case the Contractor has a reasonable suspicion that confidential materials have been made available to an unauthorized person, he/she is obliged to immediately inform the Customer of this fact.

### 14 DISPUTE RESOLUTION

14.1 Both the Customer and the Contractor shall make all efforts to ensure that all disputes arising out of or in connection with the Contract are resolved and settled amicably.

14.2 Disputes that cannot be settled amicably will be decided with final validity at the Arbitration Court at the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic, according to their Rules and Regulations and by three arbitrators. The Contracting Parties undertake to fulfil the obligation imposed on them by the arbitral result.

14.3 The arbitration proceedings will be conducted in the Czech language.

14.4 Unless the Customer stipulates otherwise, submission of a dispute for resolution in accordance with the provisions of this Article 14 does not entitle the Contractor to suspend fulfilment of the obligations given to him/her by the Contract.

### 15 FINAL PROVISIONS

15.1 Legal relations not regulated by the Contract and these Terms and Conditions are governed by the Civil Code, in particular its provisions of §2586 et seq. - Contract for Work.

15.2 The Contractor is acquainted with the wording of these Terms and Conditions, therefore application of §1753 of the Civil Code is excluded by agreement of the Contracting Parties.

15.3 In accordance with §1765 of the Civil Code, the Contractor has assumed the risk of changing the circumstances. Before concluding the Contract, the Contracting Parties have fully considered the economic and factual situation and they are fully aware of the circumstances of the Contract, as well as the circumstances that may arise after conclusion of this Contract.

15.4 In case that the Contractor fulfils his/her obligations arising from the Contract through a subcontractor, he/she is obliged to acquaint him/her with these Terms and Conditions.

15.5 The Contracting Parties declare that before signing the Contract they have become acquainted with the content of the Terms and Conditions and other annexes to which the Contract refers.

15.6 The Contractor declares that, with all necessary and professional care, he/she is able to fully perform obligations under the Contract and the Terms and Conditions, in a proper and timely manner.

15.7 In case that the legal regulations referred to in the Terms and Conditions change following the date of signing the Contract, it is considered that the Contractor is obliged to always comply with the legal regulations in force at the time of the Work implementation, regardless of the numbers or names in these Terms and Conditions.

15.8 The Contracting Parties declare that in case that at any time in the future any provision of these Terms and Conditions is found to be invalid or as an apparent legal action, then validity of other arrangements cannot be affected.

15.9 These Terms and Conditions are effective from 01 April 2021 and they replace all previously issued conditions.