

# **General Terms & Conditions of I&C Energo a.s. valid from 1/ 1/ 2024**

## **for the delivery of goods and products (purchase)**

### **1. GENERAL PROVISIONS**

- 1.1 These General Terms & Conditions (hereinafter referred to as the “GTCs”) shall be interpreted within the meaning of Section 1751 of Act No. 89/2012 Coll., the Civil Code, as amended, (hereinafter the “Civil Code”) and shall apply to the purchase of goods and products by I&C Energo a.s., Pražská 684/49, 674 01 Třebíč, incorporated in the Commercial Register kept by the Regional Court in Brno, Part B, File 4153 (hereinafter the “Buyer”), from the supplier (hereinafter the “Seller”).
- 1.2 The subject of the contractual relationship is the Seller’s obligation to deliver to the Buyer goods or products (hereinafter jointly the “Goods”) and to transfer to the Buyer the title to these goods, and the Buyer’s obligation to accept these Goods on condition that the Goods meet the agreed conditions and parameters, and to pay to the Seller the purchase price for the Goods in accordance with the applicable contract/purchase order.
- 1.3 These GTCs shall be binding upon the Buyer and the Seller and shall form an integral part of the respective contract/purchase order. The Parties exclude the application of the Seller’s terms and conditions for this contract, unless expressly accepted by the Buyer. For the avoidance of doubt, if the Seller’s general terms and conditions apply besides these GTCs, these GTCs of the Buyer shall prevail in case of any discrepancy.
- 1.4 Any deviation from the GTCs shall only become effective if agreed upon in writing in the respective contract/purchase order. The provisions of the respective contract/purchase order shall prevail over the GTCs. The rights and obligations of the Parties not specified in the respective contract/purchase order shall be governed by the valid legislation of the Czech Republic.

### **2. CONTRACTUAL RELATIONSHIP**

- 2.1 The delivery of the Goods shall be executed between the Parties on the basis of the contractual relationship concluded between the Buyer and the Seller as the result of:
  - conclusion of a written contract between the Buyer and the Seller (i.e. its signing by both Parties);
  - written confirmation of the Buyer’s written purchase order by the Seller.

The written form shall also be preserved in the case of a legal act made by electronic or other technical means enabling the recording of its content and the identification of the person acting.
- 2.2 The Goods to be delivered (hereinafter the “Delivery”) shall be specified in the respective contract/purchase order. Unless additional terms and conditions are agreed in the respective contract/purchase order, the Seller shall deliver the Goods in the design and with the usual accessories suitable for the purpose for which such Delivery is usually used.
- 2.3 When negotiating the individual contracts/purchase orders, the Seller is expected to be familiar with and to agree to these GTCs.

- 2.4 These GTCs shall become part of the contract/purchase order no later than at the time of conclusion of the respective contract or confirmation of the purchase order by the Seller. The Seller’s reply to the purchase order in accordance with Section 1740(3) of the Civil Code with an amendment or a deviation shall not constitute acceptance of a proposal for a contract, even if it does not change the conditions of the purchase order materially.

### **3. DELIVERY OF THE GOODS**

- 3.1 The Seller shall execute the Delivery in accordance with the requirements, conditions, parameters, specifications and other documents, data and information contained in the respective contract/purchase order. Along with the Goods, the Seller shall deliver to the Buyer the documents expressly specified in the contract/purchase order. If no such documents are expressly specified in the contract/purchase order, the Seller shall deliver to the Buyer all the documents necessary for the acceptance, free handling, customs clearance and use of the Goods, in particular documents dealing with the technical conditions of installation, operation and maintenance of the Goods. At the Buyer’s request, the Seller shall submit to the Buyer certificates for the Goods indicated in the contract/purchase order and/or required for the Goods concerned by legislation and by the Seller’s country. Delivery without the related documentation (especially technical) or documents, in particular documents necessary for handling the Delivery, shall be deemed as defective and the Buyer shall not be obliged to accept such Delivery; in that case the Buyer is not obliged to pay the purchase price or otherwise compensate the Seller in connection with the declined purchase order under the respective contract/purchase order. Any and all Deliveries beyond the scope of the respective contract/purchase order shall only be provided by the Seller as additional deliveries subject to written agreement with the Buyer.
- 3.2 The Seller’s obligations shall include the provision of all materials, rights of use and licence rights for the Delivery and services as necessary to achieve completeness and operability and to ensure smooth, reliable and safe functionality of the Delivery.
- 3.3 Unless other delivery terms are agreed between the Seller and the Buyer, all Deliveries shall be made under the DDP delivery term, place of delivery (INCOTERMS 2020). The place and date of delivery shall be specified in the respective contract/purchase order. The costs of transport to the place of delivery and the related costs, in particular the costs of packaging, customs clearance and insurance, shall be borne by the Seller.
- 3.4 In case of transport, the Seller shall package, secure or otherwise arrange for the Goods to be transported in the manner expressly specified in the contract/purchase order. Unless the method of packaging and securing of the Goods for transport is expressly specified in the contract/purchase order, the Seller shall deliver the Goods in a package suitable for the agreed type of Goods and under the transport conditions suitable for the type of goods to prevent damage to the Goods during transport to the place of delivery in accordance with the applicable legislation, in particular in case of transport of hazardous Goods. The used packaging shall be returned if expressly agreed so. The packaging of the Goods shall allow their safe and long-term storage without loss of quality. Legible instruments for the safe handling of the Goods shall be indicated in a visible place on the packaging of the Goods, i.e. in particular handling signs for the marking of transport packages and identification required by legislation applicable to the manufacture, use and other handling of such Goods, for example legislation governing hazardous and toxic substances. The packagings of the Goods shall be environmentally friendly.

- 3.5 Partial Deliveries of the Goods shall only be possible subject to prior written agreement with the Buyer.
- 3.6 The Seller shall always notify in writing (by email) the Buyer's contact person of the date of delivery to the place of destination 5 days in advance at the latest.
- 3.7 Acceptance of the Delivery after it is delivered to the place of delivery shall be confirmed by name and by signing the handover report or the bill of delivery by persons duly authorized to act on behalf of the Seller and the Buyer.
- 3.8 The Seller declares that it has a system in place that prevents the delivery of Counterfeit, Fraudulent, Suspect Items – Goods (the so-called CFSI), whereby counterfeit, fraudulent and suspicious items are defined for the purposes of these GTCs as items whose origin, age, composition, configuration, certification status or other characteristic (including whether the material has been previously used) has been misrepresented in any of the following ways:
- misleading material designation, labelling, or packaging;
  - misleading documentation; and
  - any other means, including failure to disclose relevant information
- (counterfeit, fraudulent and suspect item hereinafter referred to as the “CFSI item”)
- 3.9 In order to mitigate the risks set out in clause 3.8 hereof, the Seller shall implement the following measures in its management and control system (hereinafter referred to as the “SM”):
- whenever possible, the Seller is obliged to purchase directly from manufacturers or suppliers who have been evaluated and approved under the Seller's quality system;
  - where this is not possible, the Seller is obliged to use only suppliers who are able to prove the quality and origin of the goods they supply to the Seller;
  - the Seller is obliged to purchase all materials and components according to the agreed specifications;
  - the Seller is obliged to first check and validate any incoming item according to the purchase specification in accordance with the order, or the contract with the Buyer and the established SM process;
  - each item must include technical documentation, the completeness of which shall be checked by the Seller against the requirements specified in the order specification or in the contract with the Buyer; and
  - the Seller is obliged to immediately notify its subcontractor of any discrepancy in writing and reject or return the given item – in accordance with the SM process.
- 3.10 If the Seller discovers any CFSI items in its supply chain, it is obliged to immediately inform the Buyer about this, and immediately replace the CFSI item with an item that is not a CFSI item and at the same time fully complies with the order or contract with the Buyer. In the event of a breach of any obligation set forth in clause 3.9 or 3.10. hereof, the Buyer has the right to withdraw from the order or the contract with the Seller.

## 4. PRICE

- 4.1 All prices shall be agreed as fixed prices, unless otherwise agreed in the respective contract/purchase order.

- 4.2 The price shall include all costs associated with the fulfilment of the respective contract/purchase order by the Seller.
- 4.3 All costs of the Delivery associated with the fulfilment of the respective contract/purchase order, such as freight, packaging charges, insurance, customs and other costs, shall be borne by the Seller.
- 4.4 As a matter of principle, the Seller shall become entitled to the payment of price upon the Buyer's agreement with the handover report (i.e. its signing by a duly authorized person of the Buyer) for the Delivery or the bill of delivery, which shall serve as the basis for invoicing, unless agreed otherwise between the Parties.
- 4.5 The prices shall include the value added tax (VAT) at the current statutory rate.

## 5. PAYMENT TERMS

- 5.1 After the execution of the Delivery and the signing of delivery documents (handover report or bill of delivery), the Seller shall be entitled to issue an invoice (tax document) in the amount of the price agreed in the contract/purchase order.
- 5.2 Every invoice issued by the Seller shall be issued no sooner than on the taxation date, but no later than within 15 days of the taxation date, and shall meet all the requirements for a tax document in accordance with all the respective legislation applicable on the date of issue of the invoice, in particular Act No. 563/1991 Coll., on accounting, as amended, Act No. 235/2004 Coll., on the value added tax, as amended, and Section 435 of the Civil Code.
- 5.3 The invoice (tax document) shall contain in particular the following information:
- number of the contract/purchase order (individual contract) of the Buyer;
  - invoice designation and number;
  - tax registration numbers of the Seller and of the Buyer;
  - names and registered offices of the Seller and of the Buyer, where the Buyer's name and registered office shall be as follows:  
I&C Energo a.s., Pražská 684/49, 674 01 Třebíč;
  - the Seller's bank details;
  - date of issue of the invoice;
  - scope, subject and taxation date of the Delivery;
  - maturity date of the invoice in accordance with the contract/purchase order;
  - if the Seller is a VAT payer, every invoice (tax document) issued by the Seller shall include the price without VAT, the VAT rate in %, the amount of the VAT, the amount of the price including VAT for each item of the Goods delivered and the price total;
  - signature and stamp of the Seller.
- 5.4 The invoice shall be submitted along with a copy of the handover report for the respective Delivery or the bill of delivery confirmed or signed by the Buyer's representative. If an invoice is not issued in accordance with these GTCs or the contract/purchase order for reasons on the part of the Seller and, as a consequence, the Buyer incurs loss (e.g. cannot claim VAT deduction), the Seller shall compensate the Buyer for this loss in full.
- 5.5 The Seller shall send the invoices to the Buyer's registered office: I&C Energo a.s., Pražská 684/49, 674 01.
- 5.6 Unless otherwise explicitly stated, the Seller is not entitled to issue invoices combining two or more Deliveries.

- 5.7 The invoice will be issued by the Seller in the total amount of the price agreed in the contract/purchase order, while the price is payable within 60 days from the date of delivery of the invoice to the Buyer. The Buyer is entitled to withhold from any amount invoiced by the Seller an amount equal to 10% of the amount so invoiced (hereinafter referred to as the "Retention Fee"). The Buyer is obliged to release the Retention Fee to the Seller within a period of 60 days a) from the day on which the warranty period ends, or b) from the day when all claims of the Buyer from the title of warranty defects of the Goods have been duly settled, whichever occurs later.
- 5.8 If the Delivery is found to be defective, the Buyer is entitled to apply a retention in the amount of 10% of the price agreed in the contract/purchase order (hereinafter referred to as the "Retention"). The retention will be paid to the Seller within 30 days from the date on which the Parties sign a protocol on the removal of defects in the Goods, in which it will be confirmed that all defects in the Goods have been properly removed or that a discount has been agreed on the price of the Goods according to clause 7.6.
- 5.9 In case of doubt as to the due date of the invoice, the invoice shall be deemed to be served to the Buyer no later than on the fifth working day after its demonstrable posting by the Seller with a postal service provider in the form of a recommended letter, with return receipt requested. If that day is not a working day, the maturity date shall be the next working day. The Buyer is entitled to return an invoice to the Seller before its maturity date if the invoice does not meet the requirements indicated in this Article 5 or if it shows other deficiencies in terms of legislative compliance or content. When returning the invoice, the Buyer shall inform the Seller of the reasons for returning the invoice. Depending on the nature of the deficiency, the Seller shall correct the invoice or issue a new invoice, including its annexes. The original maturity term of the invoice shall cease to run upon the justified return of the invoice within the term specified above. The new invoice maturity shall start on the date of delivery of the amended, corrected or newly issued invoice meeting the appropriate requirements as well as the conditions of the respective contract/purchase order to the Buyer.
- 5.10 The Buyer is entitled to pay the value added tax for the Seller directly to the Seller's tax controller to ensure special VAT guarantee pursuant to Section 109 of Act No. 235/2004 Coll., on the value added tax, as amended. The Buyer shall inform the Seller thereof in writing. Such payment of the tax shall decrease the Seller's receivable from the Buyer by the respective amount of the tax and the Seller shall not be entitled to require the payment of this amount from the Buyer.
- 5.11 The invoice shall be issued exclusively as an A4-format, single-sided printout on standard office paper with the approximate weight of 80 g/m<sup>2</sup>, copiable in black-and-white without any loss of information content, legible, with 5 pages at the maximum.
- 5.12 Payment shall refer to wireless transfer of money to the Seller's bank account indicated in the contract/purchase order. The Seller's bank account shall be kept with a domestic provider of banking services and shall be published in a manner allowing remote access in accordance with Section 96(2) of Act No. 235/2004 Coll., on the value added tax, as amended. A different method of payment (e.g. setting off, instalment schedule, bill of exchange, etc.) shall only be possible if approved by the Buyer in writing. The Buyer shall be entitled to set off any of its receivables against the Seller's receivables, even without the Seller's consent. The Parties agree that the Seller's bank details and account number may only be changed by a written amendment to the respective contract or by a written notification demonstrably delivered by

the Seller to the Buyer no later than together with the respective invoice or advance certificate. This notification shall be original and shall be signed by persons authorized to sign contracts or by the Seller's statutory body. Any change of the bank account shall comply with the requirements above, i.e. it shall be a bank account kept by a domestic provider of banking services and the account shall be published in a manner that allows remote access. The Buyer shall have no liability for payments made to the Seller's bank account if that account is specified incorrectly in the contract/purchase order.

- 5.13 The Buyer shall not be deemed in default with payment of the invoice if the amount is debited to the Buyer's account to the credit of the Seller's statutory body. Any change of the bank account shall comply with the requirements above, i.e. it shall be a bank account kept by a domestic provider of banking services and the account shall be published in a manner that allows remote access. The Buyer shall have no liability for payments made to the Seller's bank account if that account is specified incorrectly in the contract/purchase order.
- 5.14 The Seller may arrange conditions for the use of electronic invoices with the Buyer.
- 5.15 The Seller is not entitled to assign receivables resulting from the fulfilment of the respective contract/purchase order or in connection with it without the Buyer's prior written consent. If this obligation is breached by the Seller, the Seller shall pay to the Buyer a contractual penalty amounting to 20% of the nominal value of the assigned receivable. The Buyer's right to compensation of loss shall not be affected by the payment of the contractual penalty in accordance with the previous sentence. The Seller shall not assign any rights or obligations arising from the contractual relationship with the Buyer or the contract itself without the Buyer's consent.

## **6. TRANSFER OF TITLE, TRANSFER OF RISK OF DAMAGE**

- 6.1 The title to the Delivery shall be transferred from the Seller to the Buyer at the time of delivery of the Goods (execution of the Delivery) to the place of delivery or at the time of payment for the Delivery, whichever occurs earlier.
- 6.2 Liability for damage to the Delivery shall be transferred from the Seller to the Buyer at the time of delivery to the Buyer's warehouse or to a place specified in the contract or upon the signing of the handover report or bill of delivery by the Buyer, whichever occurs later. The Seller shall be liable for damage to the Delivery until the full unloading of the Delivery in the Buyer's warehouse or in a place specified in the contract or until the signing of the handover report or bill of delivery by the Buyer, whichever occurs later.

## **7. QUALITY, WARRANTY, COMPLAINTS**

- 7.1 The Seller declares that, if the Goods or Delivery do not have the specified characteristics, it will satisfy the Buyer in excess of its legal rights from defective performance in the manner specified in the contract, purchase order or these GTCs. The Seller shall be liable for the quality, functionality and completeness of the Delivery. The Delivery shall have the properties agreed in the contract or determined in the purchase order as well as the properties specified in the respective legislation or technical standards. If the properties of the Delivery cannot be determined in this manner, the Seller undertakes to ensure that the Delivery has ordinary properties and is eligible for use for its ordinary purposes.
- 7.2 The Seller shall provide a warranty for the Delivery amounting to 24 months from the signing of the handover report or the bill of delivery by the Buyer, unless specified otherwise in the contract/purchase order.
- 7.3 The Seller's warranty shall not apply to ordinary wear and tear, failures caused by the Buyer's fault during operation or due to

failure to meet instructions applicable to the Delivery demonstrably provided to the Buyer, which the Buyer undertakes to follow.

- 7.4 The Delivery shall be deemed as defective if its design, quantity or quality do not meet the parameters specified in the respective contract/purchase order and/or its purpose of use or if it lacks the properties explicitly specified in the respective contract/purchase order, generally binding regulations, or binding or technical regulations and standards to be met in the manufacture of the Goods. Defect shall also refer to the delivery of different goods than agreed, defects in documents necessary for using the Goods, any legal defects, i.e. in particular any rights in favour of third parties attached to the Goods or the fact that execution of the contract/purchase order or the method of execution infringe upon third-party rights, i.e. in particular industrial or intellectual property rights. Defects to the Delivery shall also refer to defects in documents or to incomplete documents to be provided by the Seller to the Buyer together with the Goods.
- 7.5 The defect shall be notified to the Seller in writing without undue delay after its identification. In case of doubt, the notification of defect shall be deemed as served to the Seller on the third day after its demonstrable posting at the latest. The notification shall include a description of the defect and shall mention the options described below.
- 7.6 If the Delivery is found to be defective, including defects obvious at the time of handover and acceptance, the Buyer shall be entitled to:
- removal of the defect in the form of provision of a new deliverable without defects or delivery of the missing deliverable, within the term agreed between the Seller and the Buyer with respect to the nature of the defect, without undue delay, but no later than within 10 days of delivery of the notification of defect to the Seller;
  - removal of the legal defect without undue delay, no later than within 10 days of delivery of the notification of defect to the Seller, unless agreed otherwise by the Parties with respect to the nature of the defect;
  - removal of the defect by repair of the deliverable, if the defect concerned can be removed. The Seller shall remove the defect without undue delay, but no later than within 10 days of delivery of the notification of defect to the Seller, unless agreed otherwise by the Parties with respect to the nature of the defect;
  - a reasonable discount on the price of execution; or
  - withdraw from the contract/purchase order if the nature of the defect constitutes a material breach of the contract/purchase order.
- 7.7 The terms referred to in the previous paragraph 7.6 shall start on the day of delivery of the notification of defect to the Seller; notifications sent via email or fax shall be regarded as delivered on the day and at the time of dispatch. The Seller shall start removing the defect to the deliverables no later than within 48 hours of notification of the defect by the Buyer, unless agreed otherwise with the Buyer.
- 7.8 If the Seller does not remove the defects to the deliverables within the terms mentioned in paragraph 7.6 above, the Buyer shall be entitled to remove the defect at their discretion either on their own or through third parties at the Seller's cost, without any prejudice to the Buyer's rights arising from the warranty. The Seller shall refund the Buyer for any reasonable costs incurred by the Buyer to remove the defect and shall do so within 14 days of receipt of the respective invoice from the Buyer.
- 7.9 The Seller shall remove a defect to the Delivery properly notified to the Seller in accordance with these GTCs or satisfy

another claim selected by the Buyer in accordance with paragraph 7.6 of hereof free of charge, at the Seller's expense and risk.

- 7.10 Removal of the defect or satisfaction of another claim selected by the Buyer in accordance with paragraph 7.6 of these GTCs shall have no effect on the Buyer's right to a contractual penalty and compensation of damage.
- 7.11 The warranty period shall be extended by the period of time from the notification of defect to the Seller until the full removal of the claimed defect or until the provision of a different deliverable under paragraph 7.6 hereof. The Seller and the Buyer shall always draw up a written handover report on the acceptance of the removal of the claimed defect.
- 7.12 The delivery of a new deliverable without defect or a missing deliverable within the framework of the Buyer's rights arising from the defects, including liability for defects to the new Delivery, shall be fully subject to the new provisions of the respective contract/purchase order and these GTCs.
- 7.13 The Buyer shall release the Retention to the Seller within the period specified in clause 5.7.

## **8. CONTRACTUAL PENALTIES**

- 8.1 In case of the Seller's default in meeting any of the deadlines under the respective contract /purchase order, the Buyer shall be entitled to claim a contractual penalty amounting to 0.5% of the price of the Delivery for each day in default, including incomplete. If the Buyer and the Seller agree that the Delivery shall be made in individual stages, the default for each agreed deadline of the partial delivery shall be separate.
- 8.2 If a faultless invoice or advance certificate is not paid by the maturity date in accordance with the respective contract/purchase order, the Seller shall be entitled to charge a default interest amounting to 0.03% of the amount outstanding for each day in default.
- 8.3 The contractual penalty in case of the Seller's default in removing each notified individual defect to the Delivery for each day in default shall be 0.5% of the price of the Delivery or the partial delivery defined in the respective contract/purchase order to which the defect applies, for each individual defect, up to the maximum amount of 30% of the total price of the Delivery.
- 8.4 The contractual penalty for breach of any obligation of the Seller set out in clause 3.9 and/or 3.10 hereof amounts to 5% of the delivery price for each individual breach of such obligation.
- 8.5 If the total amount of contractual penalties under the contract/purchase order exceeds 30% of the contract price, the Buyer shall be entitled to withdraw from the contract/purchase order. This provision shall be without prejudice to the Buyer's right to compensation of loss from the Seller and the Seller's duty to fulfil their obligations arising from the failure to meet contractual duties.
- 8.6 Payment of the contractual penalty shall be without prejudice to the Buyer's right to compensation of loss. The Buyer is entitled to claim compensation of loss incurred by it due to the Seller's breach of obligations even where the breach of obligations is associated with contractual penalty. The Seller shall be responsible for any loss incurred by the Buyer, the Buyer's customers or other persons in connection with the breach of their obligations arising from the contract/purchase order, these GTCs or stipulated by legislation. Compensation of loss incurred by the Buyer, shall include actual damage (i.e.

especially all costs incurred by the Buyer in connection with the Seller's breach of obligations, all costs incurred in connection with defects to the Goods, including all costs associated with the shutdown of the final product in which the defective Goods are incorporated), lost profit, and compensation of non-material damage. The compensation of loss incurred by the Seller shall only include actual damage.

- 8.7 The Buyer's total liability for breaching the contract/purchase order shall be limited by the maximum amount of 100% of the price of the Delivery. The right to the contractual penalty shall not be conditional on any formal actions by the Buyer.
- 8.8 The Parties agree that if the Seller is declared bankrupt by a court during the warranty period, the Buyer is entitled to penalty amounting to the value of the agreed Retention Fee/Retention of title available to the Buyer at the time of declaration of the Seller's bankruptcy. The Buyer shall set off the claim to the contractual penalty against the claim to the Retention fee/Retention of any title.

## **9. SUSPENSION OF THE CONTRACT, WITHDRAWAL FROM THE CONTRACT**

- 9.1 The Buyer shall be entitled to ask the Seller at any time to suspend temporarily all activities related to the execution of the contract/purchase order. If the Buyer notifies the Seller of their request in writing, the Seller shall suspend the performance of all activities relating to the execution of the contract/purchase order from the date on which this request is delivered to them and to secure the subject of the Delivery in progress against any potential damage. The Buyer shall also be entitled to inform the Seller in writing that the Seller should resume the execution of the contract/purchase order and at the same time shall reimburse all demonstrable and reasonable costs incurred by the Seller in connection with the suspension of the contract/purchase order.
- 9.2 Unless the contract/purchase order specifies otherwise, the Buyer shall be entitled to withdraw from the contract/purchase order, especially if the Seller breaches materially their obligations specified in the contract/purchase order and/or these GTCs. Material breach of obligations specified in the contract/purchase order and/or these GTCs shall refer, *inter alia*, to the Seller's default in meeting their obligations:
- to deliver to Goods to the Buyer duly and in time;
  - arising from its liability for defects to the Goods.
- 9.3 The withdrawal shall be made in writing and shall be delivered to the other party. The withdrawal shall come into effect on the date on which the notice of withdrawal is delivered to the other party.
- 9.4 The withdrawal shall be without prejudice to the right to payment of contractual penalties, compensation of loss, protection of trade secret, preservation of confidentiality of information, warranty and defect liability provisions, provisions on the choice of law and dispute resolution and, where applicable, other provisions of the respective contract/purchase order where this is specified in the contract/purchase order.
- 9.5 In case of withdrawal from the contract, the Parties shall settle their obligations on a mutual basis.
- 9.6 If the withdrawal is due to reasons on the part of the Buyer applicable before the commencement of execution, the Buyer shall pay to the Seller the reasonable and demonstrable actual costs incurred in connection with the execution of the subject

of the contract, up to the maximum of 20% of the total price of the Goods, unless stipulated otherwise in the respective contract/purchase order.

## **10. INTELLECTUAL PROPERTY RIGHTS**

- 10.1 The Seller undertakes to ensure that no provisions of the contract/purchase order or their application infringe upon the intellectual or industrial property rights of any third parties with legal protection under the law of any country. The Seller hereby expressly represents that it is fully authorized to exercise intellectual and industrial property rights with respect to the Goods and undertakes to ensure the proper and undisturbed use of the Goods by the Buyer or the Buyer's customers.
- 10.2 The Seller shall grant to the Buyer a non-exclusive licence to its intellectual property related to the Delivery; such licence shall be granted without any limitations, for an indefinite period with the payment for this licence already included in the Delivery price.
- 10.3 The Seller shall compensate the Buyer for any loss incurred by the Buyer in connection with a third-party claim due to infringement on any intellectual property rights in connection with the Delivery.

## **11. CONFIDENTIALITY**

- 11.1 The Parties undertake to maintain confidentiality on any facts learnt in connection with the respective contract/purchase order and/or its execution; neither of the Parties shall especially disclose such facts or otherwise make them available to any third party or use such facts for its benefit or for the benefit of a third party. This obligation shall also apply to other facts that are expressly identified by the other party as confidential (hereinafter "**Confidential Information**"). The Parties are obliged to handle information so as to prevent its leakage and loss and to comply with the requirements for handling information specified in the contract/purchase order. Each of the Parties undertakes to keep such information secret and to provide any cooperation necessary to ensure the protection of Confidential Information in accordance with the applicable legislation and arrangements between the Parties. In case of the processing of personal data, the personal data of the data subjects shall be processed in accordance with the relevant Czech and European legislation.
- 11.2 All the Parties undertake to exert maximum efforts that can be reasonably expected to keep confidentiality or secrecy of information consistently in accordance with this Article 11 by its employees and individuals possibly engaged in the fulfilment of the respective contract/purchase order.
- 11.3 The obligation of confidentiality of the Parties under paragraph 11.1 hereof shall not apply to Confidential Information which:
- is or becomes publicly known or available without breach of the contract/purchase order and/or these GTCs;
  - is required to be disclosed on the basis of a valid court decision or a decision of another competent public authority against which an ordinary appeal cannot be filed; or
  - is provided by the party to a person bound by the statutory obligation of confidentiality (lawyer, tax adviser) for the purposes of exercise or protection of their rights.
- 11.4 Every respective contract/purchase order shall be considered to constitute a confidential document even prior to its signing

by the Parties. The party that becomes obliged to disclose any Confidential Information under the applicable legislation shall notify the other party thereof without undue delay and shall make sure that the person - recipient of the Confidential Information is aware of its confidential nature.

- 11.5 The Parties also undertake to keep confidentiality in accordance with the respective contract/purchase order after its termination, for the whole period of time for which the Confidential Information is not publicly known and available without breach of this Article 11.
- 11.6 If any of the obligations to keep confidentiality and secrecy of information (including its purposeful use) is breached, the party in breach shall pay to the other party a contractual penalty amounting to CZK 10% of the price of the Delivery for every breach. This shall be without prejudice to the right of the injured party to full compensation of loss.

## **12. FORCE MAJEURE**

- 12.1 Neither the Buyer nor the Seller shall be considered as being in default in performing their respective contractual obligations arising from the respective contract/purchase order if such default results from events of force majeure and such events disable or have a material negative effect on the performance of obligations under the respective contract/purchase order, but only for the duration of the events of force majeure or their consequences and only in relation to the obligation or obligations directly and immediately affected by the events of force majeure.
- 12.2 Events of force majeure refer to events that occur after the conclusion of the respective contract or the confirmation of the purchase order independently of the will of the Parties and due to extraordinary events unforeseeable and insurmountable by the Parties, and with an immediate impact on the execution of the respective contract/purchase order. Such events can, *inter alia*, include in particular natural disasters, wars, general strikes, society-wide and economic changes, and possibly measures imposed by competent administrative authorities on the territory of the Czech Republic.
- 12.3 Events of force majeure shall not include delayed deliveries from subcontractors, loss of production or lack of energy, unless also caused by events of force majeure, obstacles arising from the personal circumstances of the Parties or at a time when the Party is in default in meeting the agreed obligation, or obstacles which the Party is obliged to overcome in accordance with the contract/purchase order.
- 12.4 Any delays in execution due to force majeure shall not be deemed as failure to meet contractual obligations and shall not give rise to any sanctions under the respective contract. The term for the performance of contractual obligations shall be extended for each party, but only in relation to obligations directly and immediately affected by the events of force majeure and only for the duration of the events of force majeure or their consequences.
- 12.5 The party that refers to events of force majeure shall immediately, but no later than within five (5) days, inform the other party of the nature of such events in writing. The affected Party shall inform the other Party of the end of the events of force majeure in the same manner. The party referring to the events of force majeure shall produce, upon request, proof of the events of force majeure to the other party or enable the other party to verify the existence of such events in person.

- 12.6 If the events of force majeure last for a period of time longer than three (3) months, the Buyer and the Seller shall be entitled to withdraw from the respective contract/purchase order.

## **13. DISPUTE RESOLUTION**

- 13.1 The Buyer and the Seller shall exert all their efforts to resolve and settle all disputes arising out of or in connection with the contract/purchase order in an amicable way.
- 13.2 Disputes that cannot be settled amicably within 30 days of notification to the other party shall be finally resolved by Czech courts, with the court with jurisdiction over the Customer's registered office being always locally competent.
- 13.3 Unless the Buyer specifies otherwise, referring a dispute for resolution in accordance with this Article 13 shall not entitle the Seller to suspend/stop the performance of their obligations under the respective contract/purchase order.

## **14. FINAL PROVISIONS**

- 14.1 Legal relationships not expressly arranged in the respective contract/purchase order and these GTCs shall be governed by the Civil Code, in particular by provisions contained in Section 2079 et seq. on purchase contracts.
- 14.2 The Buyer may one-sidedly change these GTCs to a reasonable extent. New GTCs shall always be published on the Buyer's website. The Buyer shall notify the Seller thereof in writing at the address of the Seller's registered office. Within 3 days of delivery of the notification, the Seller is entitled to terminate the contract/purchase order with a two-month notice period, which shall start on the first day of the month following the month in which the notice of termination is served to the Buyer. If the contract/purchase order is concluded for a period of time shorter than the notice period indicated above, the contract/purchase order shall be terminated on the last day of the term for which the contract/purchase order is concluded.
- 14.3 The seller is familiar with the wording of these GTCs and expressly accepts all provisions of these GTCs.
- 14.4 In accordance with Section 1765 of the Civil Code, the Seller shall assume the risk of change of circumstances. Prior to concluding the contract/confirming the purchase order, the Parties considered in full the economic and actual situation and are fully aware of the circumstances of the contract/purchase order as well as circumstances that may occur after concluding the contract/confirming the purchase order.
- 14.5 The Parties agree that they exclude the application of Sections 557, 1752(2), 1798 to 1800, 2103, 2104, 2110, 2111 and 2112 of the Civil Code to the contract (purchase order).
- 14.6 The Parties expressly represent that the deliverables that constitute the subject of the contract/purchase order comply with their interests and that during their negotiations on the conclusion of the contract/confirmation of the purchase order they informed each other, in accordance with Section 1728 of the Civil Code, of all actual and legal circumstances they knew or must have known so they could be assured of the possibility to validly conclude the contract or confirm the purchase order.
- 14.7 The contract/purchase order shall not result in legal consequences arising from the habits and established practice of the Parties in accordance with Section 545 of the Civil Code. Possible business practices concerning the agreed or follow-up deliverables shall not have priority over the contractual



arrangements and legislative provisions, even if such provisions have no enforcing effects.

14.8 If the Seller meets their obligations arising from the respective contract/purchase order through a subcontractor, the Seller shall make the subcontractor familiar with these GTCs.

**These General Business Terms and Conditions come into effect as at 1/ 1/ 2024 and replace the general terms and conditions issued earlier.**