



## IPH SERVIS MORAVA, S.R.O. GENERAL TERMS AND CONDITIONS OF TRADE

These General Terms and Conditions of Trade (hereinafter referred to as "GTCT" or just "terms and conditions"), which are written in accordance with § 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, (hereinafter referred to as "CC" or "the Civil Code") apply to the sale of goods (purchase contracts) and the sale of services (work contracts) of IPH Servis Morava, s.r.o. company, with registered office in No. 455, 739 01, Baška, ID No.: 286 57 071, registered in the Commercial Register administered by the Regional Court in Ostrava under File No. C 37438, including future deliveries under such contracts. The General Terms and Conditions of Trade, as set out below; form an integral part of a contract. The integral parts of these GTCT also include the annex entitled: Environmental Protection Conditions, Conditions for Occupational Health and Safety, Fire Prevention and Risks and Contractual Penalties for Violations of Occupational Health and Safety Regulations of IPH Servis Morava, s.r.o. These GTCT shall always apply unless the framework supply contract, i.e. an individual purchase contract and/or a work contract or other written agreement between the Parties contain different provision. The different contractual arrangements between the Parties shall therefore take precedence over the provisions of these GTCT. The Parties have expressly agreed to exclude the possibility of accepting the contract otherwise than by signing it. The Supplier's offer (or the Supplier's price offer) is always an annex and an integral part of the contract. It takes precedence over other annexes to the contract and over the contract itself if it is in conflict with them. Any internal directive of the Purchaser shall be binding for the Supplier only if the Supplier has been effectively acquainted with its content and meaning and has given its written consent thereto.

### I. GENERAL PROVISIONS

These Terms and Conditions define and specify the rights and obligations of the Buyer, respectively the Client, and the Seller, respectively the Contractor. The Contracting Parties shall be referred to as the Seller and the Buyer in the purchase contract, as the Contractor and the Client in the work contract, or otherwise according to the type of contract, and generally as Purchaser and the Supplier for the purpose of these General Terms and Conditions of Trade, regardless of the type of contract. In the text of the GTCT, the term contract is also used for the purchase contract and the work contract.

The Contracting Parties are entrepreneurs and conclude the contract solely within the context of their business. The rights and obligations under this contract shall be governed by Act No. 89/2012 Coll., the Civil Code, as amended, or Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Act on Commercial Corporations), as amended.

### II. ACCEPTANCE OF THE CONDITIONS OF CONTRACT

The text of these General Terms and Conditions binds both Parties to the contract, unless otherwise expressly agreed in the contract or in a written numbered addendum.

### III. TERMS OF DELIVERY

The Supplier shall not be liable for inaccurate, incomplete or otherwise inadequate documents submitted to it by the Purchaser and shall be entitled to additional payments and an extension of the work completion deadline due to inaccurate, incomplete or otherwise inadequate documents. The Supplier shall only be obliged to supply the goods or services expressly specified in the contract (including its annexes, i.e. in particular the price calculation or offer). The Supplier shall not be obliged to deliver any supplies in excess of the agreed scope of the work or the object of purchase, in particular in the form of extra work, until it agrees in writing with the Purchaser on such supply, including the price of such supply in excess of the originally agreed scope.

If the Contracting parties have agreed in writing on a reference quantity of delivery, this shall mean that the Purchaser undertakes to take delivery at least in this quantity and to pay the price, unless both Contracting Parties agree otherwise in writing. In such a case, any cancelled work involved shall not affect the Customer's obligation to take over such reference quantity and pay the full price as agreed in writing.

In the event that the Purchaser, after the conclusion of the contract, requests from the Supplier a delivery in a lesser quantity, quality and/or scope, or with different parameters than those specified in the contract, the Purchaser shall be obliged to pay the Supplier for everything that the Supplier has already provided for the Purchaser (i.e. goods, works, etc.) to meet such delivery at the time of receipt of the Purchaser's written notification of the above requested change. The Supplier is obliged to perform in medium quality, unless another quality is expressly agreed between the Contracting Parties in the contract, in a manner that does not give rise to doubt (e.g. clear quality parameters expressed numerically). The Supplier shall not be obliged to respond to any request from the Purchaser that does not arise directly from the contract or from the law and shall not be liable for any harm or extra costs arising to the Purchaser or third parties as a result.



#### **IV. SUBCONTRACTORS**

The Supplier must submit a list of its subcontractors to the Purchaser for approval. The Supplier may change subcontractors during the performance of the contractual obligation even without consent of the Purchaser.

#### **V. PRICE**

The Purchaser acknowledges that a price is the price negotiated by agreement in accordance with paragraph 1, § 2 of Act No. 526/1990 Coll. on prices, as amended. The costs of packaging and transport of the subject matter of the contract to the place of delivery shall be borne by the Purchaser, unless otherwise expressly agreed in the contract. The price in the contract is exclusive of value added tax and inclusive of value added tax. If the price in the contract is stated without specifying whether it includes value added tax, the price shall be deemed not to include value added tax. The price stated in the contract shall include only the goods and services explicitly calculated in the Supplier's offer. The Purchaser shall be obliged to pay the Supplier for all goods and services supplied on the basis of the contract or the Purchaser's request agreed by the Supplier (e.g. in the form of an assembly logbook), even in the event of delivery in excess of the originally agreed scope, i.e. the Supplier shall be entitled to any increase in the price of the work when the Supplier's completed performance (material and labour components) is invoiced in full as delivered to the Purchaser. If the work has been assigned to the Supplier by the Purchaser on the basis of a budget, the budget shall be deemed to be a budget subject to reservation that its completeness is not guaranteed and subject to reservation that it is non-binding. If the Purchaser fails to deliver to the Supplier its objections to the invoice within 5 days of the date of delivery of the invoice to the Purchaser, the Purchaser shall be deemed to have accepted the invoice. Payment of the price, even in part, shall have the effect of acknowledgement of the debt. The Parties have expressly agreed to the exclusion of provisions §2622 (2) and (3) of the Civil Code. The Supplier shall be entitled to adjust the price annually without the written consent of the Purchaser by the annual increase in the average nominal (average gross monthly) wage expressed as a percentage (in words: percent), which is announced annually by the Czech Statistical Office for the calendar year preceding the calendar year in which it is announced (eventually, the Supplier may increase the price due to changes resulting from the development of the Czech economy and changes in legislation).

Such a price increase shall always be effective on 1 July of the calendar year in which such annual wage increase is announced. The basis for such price increase shall always be the price already increased according to this clause in previous years of the duration of the relevant purchase contract or work contract to which these GTCT apply. If the rate of increase of the average nominal (average gross monthly) wage ceases to be published in the manner specified in this article of the GTCT above or cannot be applied for any reason, the Supplier shall be entitled to replace it with another valid index that replaces the above index (e.g. the consumer price index of the Czech Republic, in the case of the conversion of the Czech currency to Euro currency, the Eurozone consumer price index - MUICP). The indexation cannot result in a price reduction, the negative inflation rate shall not apply.

#### **VI. DOCUMENTATION - CONFIDENTIALITY**

The Purchaser undertakes to hand over to the Supplier in due and timely manner all, in particular project documentation necessary for the proper and timely provision of the delivery under the contract. If the Purchaser fails to deliver such documentation in a proper and timely manner, the Supplier shall be entitled to notify the Purchaser of this fact in writing, specifying the deficiency in the documentation, in which case the time by which the Supplier is to perform shall be extended by the time during which the Purchaser is in default in delivering the documentation.

The Purchaser shall be obliged to remove the deficiency in the documentation specified in writing within 7 days of receipt of such a letter. If a period of 7 days elapses in vain after the delivery of such written specification, the Supplier shall have the right to withdraw from the contract. The Contracting Parties have agreed that the procedure set out above in this Article of these GTCT shall also apply in the event that the Purchaser is in default in the proper and timely performance of the contractually agreed schedule of work, in particular in cases where the Purchaser is in default in providing the necessary assistance to the Supplier.

The Contracting Parties declare that they consider all information and documents of which they become aware during the performance of the contractual obligation and which are not normally available to third parties to be confidential and undertake not to disclose them or make them available to third parties without a written consent of the other Party.

#### **VII. PATENT RIGHTS AND OTHER SIMILAR RIGHTS**

The Supplier declares that the entire delivery of the subject matter of purchase or work under this contractual obligation does not infringe any patent or other protected rights of third parties, including other intellectual property rights, and that it does not have any other legal defects.

## VIII. CHECKS AND TESTS

If the Contracting Parties agreed that carrying out checks and test is part of the performance of the contractual obligations of the Supplier, the Purchaser has the right to participate in the performed checks or tests and has the right to receive the results of these tests, all after prior agreement between the Contracting Parties on the date of the checks or tests.

## IX. OBLIGATION TO PROVIDE INFORMATION AND INFORMATION

The Supplier shall have the right to receive all available information, documents and materials it deems necessary for the proper performance of its contractual obligations.

The Purchaser is obliged to inform the Supplier promptly - within two days of the following facts at the latest - whether the Purchaser has been the subject of an insolvency petition or an execution order. The registration of the execution in the Central Register of Executions or the publication of the insolvency petition in the Insolvency Register shall be deemed to be the discovery of this fact. Failure to do so shall give the Supplier the right to withdraw from the contract immediately. An execution order or the filing of an insolvency petition by a third party or the Purchaser itself shall render the Supplier's claims payable. If the Purchaser fails to comply with the information obligation referred to in this paragraph, the Supplier shall be entitled to compensation for damages incurred as a result of that in full amount.

The Purchaser undertakes that all equipment on which the Supplier will perform the Work will be **completely shut down** by the Purchaser prior to the handover of such equipment to the Supplier for the performance of the Work, i.e. **the Purchaser will exclude their operation**, all without any cooperation or information obligation of the Supplier towards the Purchaser. It means, that **the equipment shall be handed over to the Supplier by the Purchaser solely in a non-operational state**, unless the Purchaser and the Supplier expressly agree otherwise in writing in advance, and the Purchaser sets out in writing the terms of any further action, including written instructions and parameters to ensure the safety of the Supplier's personnel and property in such operation. Supplier shall not be obligated to verify the accuracy of such written conditions, instructions, parameters, etc., as set forth by Purchaser. Unless the Contracting Parties agree otherwise in writing, the Purchaser shall provide for the installation of safety features in such an operation.

The Purchaser undertakes to inform the Supplier of any changes in the operation of the equipment on which the Supplier will carry out the Work and in its surroundings, in particular if these may affect the safety of the Supplier's personnel or cause any harm to the Supplier or its personnel. If in doubt, any such change shall be deemed to potentially affect the safety of the Supplier's workers or to cause any harm to the Supplier or its workers.

For the purposes of the performance of the relevant purchase contract or work contract and to ensure effective communication with its Contracting Party, IPH Servis Morava, s.r.o. collects and processes personal data of contact persons or other entities mentioned in the contract or otherwise involved in the performance of such contract to the extent necessary. The personal data is processed for the period of time during which such data subjects perform roles and tasks related to such contract, and for the entire period of validity and effectiveness of such contract, as well as for the period of time necessary for the settlement of the rights and obligations under such contract and for the period of time necessary for their archiving in accordance with the relevant legal enactments. The Contracting Party undertakes to inform these data subjects about the processing and to provide them with the information available on the Internet address of IPH Servis Morava, s.r.o. company - [www.iph.cz](http://www.iph.cz).

## X. PERFORMANCE OF THE SUBJECT MATTER OF THE CONTRACT

The Purchaser is obliged to provide the Supplier with all assistance to ensure that the Supplier fulfils the subject matter of the contract properly and on time. The Purchaser may interrupt the performance of the subject matter of the contract only after a written agreement with the Supplier containing the extent to which the performance of the subject matter of the contract is to be interrupted, the period for which the performance of the subject matter of the contract is to be interrupted, and the impact on the price of the performance with an indication of the new price of the performance taking into account the Supplier's costs associated with the interruption. Any damages and extra costs incurred by the Supplier as a result of the Purchaser's interruption of the performance of the subject matter of the contract shall be deemed to be the fault of the Purchaser and the Supplier shall be entitled to their full compensation. The Supplier shall not be bound by the Purchaser's orders concerning the manner of execution of the Work, even if they are in writing.

The Supplier shall be entitled to draw the attention of the Purchaser to the improper nature of the item handed over by the Purchaser for the performance of the Work or of the written order given by the Purchaser. If the unsuitable item or order interferes with the proper performance of the Work, the Supplier shall interrupt the work until the item is replaced or the order is changed; if the Purchaser insists on performing the Work using the item or order given, the Supplier shall be entitled to require the Purchaser to do so in writing and in a manner that does not give rise to



reasonable doubt, i.e. in a sufficiently clear, definite and comprehensible manner. The time limit set for the completion of the Work shall be extended by the time lost during the interruption. The Supplier shall be entitled to reimbursement of the costs associated with the interruption of the Work or the use of unsuitable items until the time when their unsuitability can be ascertained.

If the Supplier behaves in the manner set out in this paragraph above, the Purchaser shall have no rights in respect of the defects in the Work arising from the unsuitability of the item or order.

The Purchaser is obliged to monitor the content of the assembly logbook and to attach his/her opinions to the entries. The Supplier is entitled to choose whether the assembly logbook is to be kept in paper or electronic form. If the Purchaser does not attach his/her opinion within 2 working days, he/she shall be deemed to agree with the contents of the entry. An entry in the assembly logbook may amend this contract by writing and signing a specific clause in the assembly logbook by a responsible person authorised to represent, which will include the price arrangements relating to new work, extra work or changes to the subject matter of the Work. Even in the absence of a price arrangement, the Supplier shall be entitled to payment in full for any extra work supplied, and if the price of such extra work cannot be determined using the Supplier's price list, which has been communicated to the Purchaser, the price of the extra work shall be set at the price usual at the time and place.

## **XI. CONTRACTUAL PENALTIES AND COMPENSATION FOR DAMAGE**

The Contracting Parties agree that the following contractual penalty shall be applied, unless otherwise agreed in writing in the contract: the Purchaser/Supplier shall pay 0.5% of the contract price (the price of the performance which is the subject matter of the contract or the part of this performance to which the default relates) for each day of delay in fulfilling the monetary or non-monetary obligation within the agreed deadline, and thus has no right to compensation for damages arising from the breach of the obligation to which the contractual penalty relates. The contractual penalty may also be applied individually in cases where the contract is to be performed successively at different terms and under the same conditions as in the first sentence of this section. The Contracting Parties exclude duplication of contractual penalties (i.e. if a contractual penalty has been agreed for the same period of time for delay in completion of the last stage of the Work and for delay in completion and handover of the entire Work, then in the case of delay in completion of the last stage of the Work the right to a contractual penalty for delay in completion and handover of the entire work no longer arises).

The obligation to pay the contractual penalty does not exclude the right to compensation for damages in excess of the contractual penalty. In the event that the contractual penalty is reduced by the court, the right to compensation for damages shall remain to the extent in which the damages exceed the amount determined by the court as reasonable and without any further limitation. The total amount of all contractual penalties shall be limited to the amount of 10% (in words: ten percent) of the contractual price of the total performance, excluding VAT, in all cases of default in the performance of a non-monetary obligation.

Under the concluded contract, the obligations arise exclusively between the Purchaser and the Supplier. The Supplier shall not be liable for any claim brought by a third party against the Purchaser arising as a result of or in connection with the performance of the subject matter of the contract, unless the Purchaser proves that the Supplier's conduct as a result of the performance of the subject matter of the contract or in connection therewith has caused specific damage directly to the Purchaser. Compensation for damages for a breach of contract by one Party shall include an amount equivalent to the loss, including the loss of profit, suffered by the other Party as a result of the breach of contract. The compensation for damages may not exceed the loss and the loss of profit which the Party in breach of contract foresaw or should have foreseen at the time the contract was concluded, taking into account the facts of which it was aware, as a possible consequence of the breach of contract.

## **XII. BREACH OF CONTRACT AND WITHDRAWAL FROM THE CONTRACT**

In the event of a breach of contract by the Purchaser, the Supplier shall be entitled to make the following claims, irrespective of their order, namely the removal of the defective condition within a reasonable time and/or withdrawal from the contract without further notice.

The Purchaser and Supplier are entitled to withdraw from the contractual obligation upon a written notification to the other Contracting Party of a breach of its contractual obligations with the proper performance of the subject matter of the contract, if it notifies the defaulting party without undue delay after it has become aware of the default. Unless the Parties agree in the contract or these GTCT stipulate what they consider to be a material breach of contract, the relevant provisions of the Civil Code shall apply. The Supplier shall be entitled to withdraw from the contractual obligation, in particular if the Purchaser fails to cooperate or fails to pay the invoice even after the due date. The Purchaser may not withdraw from the contract in respect of the entire performance if the Supplier has already delivered part of the performance. Withdrawal is effective upon delivery of the notice of withdrawal to the other Party. In the event of withdrawal from the contract, the Purchaser shall be entitled to complete the Work or any part thereof

itself or through a third party, or to repair or otherwise bring the Work into compliance with the terms of this contract, all at the Client's expense and risk. In the event of withdrawal from the contract, the Purchaser shall be obliged to pay the Supplier the price for the performance provided (in particular for the work carried out by the Supplier and the documentation, materials, parts, components, etc. supplied by the Supplier) as of the date of withdrawal, including any deliveries by subcontractors to the Supplier.

### XIII. FULFILMENT OF CONTRACTUAL OBLIGATION

In the event that the draft contract was first signed by the Supplier and then sent to the Purchaser, it shall deliver the draft contract signed by the Purchaser to the Supplier within 14 days of the Supplier signing and sending the draft contract to the Purchaser. The deadline for the performance of the subject matter of the contract specified in the draft contract shall be binding for the Supplier provided that the draft contract signed by the Purchaser is demonstrably delivered to the Supplier no later than 14 days after the Supplier has signed and sent the draft contract to the Purchaser. In the event of delay by the Purchaser in fulfilling its obligation to deliver the draft contract signed by the Purchaser to the Supplier in time as stated above, the period within which the Supplier has to perform shall be extended by the period during which the Purchaser is in delay in fulfilling its above obligation. The contractual obligation shall terminate upon proper and timely performance of the subject matter of the contract, including all obligations arising from the contract. The written Handover and Acceptance Report or delivery note must explicitly state whether the Work or the object of purchase are accepted without defects or with defects or are not accepted.

The Purchaser shall be obliged to accept the subject matter of the contract, i.e. in particular the goods or the completed Work, i.e. the Work whose fitness to serve its purpose has been shown and successfully demonstrated. If the Purchaser accepts the subject matter of the contract without reservation, the court shall not grant the Purchaser a right based on an obvious defect in the subject matter of the contract if the Supplier objects that the right was not exercised in time.

Claims for defects shall be made in writing. If no time limit for the removal of the defect is agreed in the contract and the Purchaser asks the Supplier in writing to remove a defect, the Supplier shall remove the defect within a technically reasonable time limit for the removal of the defect, unless the Contracting Parties agree otherwise. If the Supplier fails to remove the defects even within an additional reasonable period of time specified in the second written notice sent to it by the Purchaser after the expiry of the reasonable period of time for repair specified in the first notice, the Purchaser shall be entitled to remove the defects in another way at the Supplier's expense, without loss of the warranty or further performance of the contractual obligation by the Supplier, where only costs incurred in a demonstrably efficient, economical and effective manner shall be eligible.

### XIV. QUALITY GUARANTEE

The Supplier shall provide the Purchaser with a quality guarantee in the entire scope of the subject matter of the contract according to the contractual obligation and shall be liable for all defects that the object of purchase has upon delivery to the Purchaser or that the Work has upon signing the Report of Handover and Acceptance of the Work by the Purchaser, as well as for defects that occur in the object of purchase or Work during the warranty period, unless otherwise provided by law. By the quality guarantee, the Supplier undertakes that the subject matter of the contract or the Work will be fit for use for the usual purpose and the purpose agreed in the contract during the warranty period, and that it will retain the usual properties and the properties set out in the contract, and that it is free from legal defect. The same conditions as in Article XIII shall apply to the claims. **The warranty period is agreed to be 24 months for new goods, 6 months for rapidly wearing goods (even if new), 6 months for works under the contract, and 6 months for workshop repairs (e.g. valves, gearboxes, etc.), all unless otherwise agreed in the contract. The warranty period shall always begin upon handover of the subject matter of the contract or performance of the Work.** In order to maintain the quality guarantee, the Purchaser is obliged to comply with the manufacturer's manual for the entire warranty period or the Supplier's instructions clarifying the manufacturer's manual (e.g. service plan, etc.). The warranty does not cover defects resulting from failure to comply with the manufacturer's manual and/or the Supplier's instructions clarifying the manufacturer's manual.

### XV. DISPATCH – DELIVERY AND INSURANCE

The Seller shall deliver the subject matter of the contract in accordance with the terms and conditions of INCOTERMS 2020 - DDP, unless otherwise agreed in the contract or otherwise agreed in writing by the Contracting Parties.

### XVI. RIGHT OF OWNERSHIP AND RISK OF DAMAGE

The right of ownership to the subject of purchase and the risk of damage to the subject of purchase shall pass to the Purchaser on the date of proven acceptance of the subject of purchase, which means in particular the Purchaser's signature on the delivery note or other document proving the handover and acceptance. In the case of contractual



obligations to carry out work, the right of ownership of the supplies and equipment, materials and work carried out by the Supplier in place according to the contract shall pass successively at the time of delivery and performance. The risk of damage to the work shall pass to the Purchaser on the date of handover and acceptance of the work, as specified in the written report of handover and acceptance of the work by the Purchaser.

In the event that any third party asserts any claim against the Purchaser arising as a result of or in connection with the performance of the Work, the Supplier shall not be obliged to pay the Purchaser for any financial claim so asserted or for any other liabilities incurred by the Purchaser in connection with such asserted claim, provided that the asserted claim arises solely from contractual arrangements between such third party and the Purchaser, to which the Supplier is not a Contracting Party (e.g. contractual penalties, etc.).

## **XVII. INVOICING AND PAYMENTS**

The Contractor shall be entitled to payment of the contract price for the work by duly and timely performance of its obligation in the manner and at the place of performance in accordance with this contract. The invoice must include a handover report, delivery note, etc. The invoice - tax document must contain all the elements according to the provisions of Act No. 235/2004 Coll., on Value Added Tax, as amended. In the event that the invoice does not have these particulars, the Purchaser has the right to return it to the Supplier immediately for completion or rewriting. Electronic invoices in PDF format must have a resolution of at least 300 DPI. The invoice shall be due 30 days after the delivery to the other Party, unless otherwise agreed in writing. The Contracting Parties jointly declare that the Supplier's performance of work for the Purchaser does not involve construction or assembly work with a transferred tax liability. During the period of default with payment of the Purchaser, the Supplier shall be entitled - without interference with the other rights - to withhold deliveries (i.e. withhold/interrupt deliveries of the subject matter of the purchase/work contract - i.e. in particular goods/services) until all outstanding obligations of the Purchaser have been paid, whereby the Supplier shall not be in default in the performance of the withheld deliveries during the period of exercise of this right.

## **XVIII. RESOLUTION OF DISPUTES, APPLICABLE LAW**

All disputes arising out of or in connection with the contractual obligations shall be settled by mutual agreement between the Contracting Parties. In the event that the disputed matter cannot be settled amicably, the Contracting Parties shall conclude a prorogation agreement within the meaning of § 89a of Act No. 99/1963 Coll., Civil Procedure Code, as amended, at the time of conclusion of the relevant purchase or work contract to which these GTCT apply, which shall be valid and effective without further delay on the date of conclusion of the relevant purchase contract or work contract to which these GTCT apply, according to which disputes shall be resolved in the first instance at the substantively competent District Court in Frýdek-Místek or the Regional Court in Ostrava. In any event, the Contracting Parties expressly exclude the resolution of disputes by an arbitration court.

## **XIX. CONDITIONS OF OCCUPATIONAL HEALTH AND SAFETY (OHS), FIRE PREVENTION (FP), ENVIRONMENTAL PROTECTION (EP)**

The Contracting Parties are obliged to comply with the conditions in the area of occupational health and safety, fire prevention, and environmental protection, which are annexed to these GTCT (hereinafter referred to as the "OHS conditions"). In the event of a proven violation of the OHS conditions by the employees of the other Contracting Party, a written record of this fact will be made, in which a deadline for the removal of the defects will be set by agreement of the Contracting Parties. In case of each individual violation of the Terms and Conditions, the other Contracting Party is obliged to pay IPH Servis Morava, s.r.o. a contractual penalty in the amount specified in the document "Contractual Penalties for Violations of the OHS and FP regulations of IPH Servis Morava, s.r.o.", which is an annex to these Terms and Conditions, payable on demand, all in accordance with these Terms and Conditions and the document "Contractual Penalties for Violations of the OHS and FP Regulations". In case of delay of the other Contracting Party in removing the defect within the deadline according to the written record, this Contracting Party is obliged to pay IPH Servis Morava, s.r.o. a contractual penalty of CZK 1500,- for each day of delay in removing the defect, payable on demand. This provision applies exclusively to work contracts concluded between the Supplier and the Purchaser. The obligation to pay the contractual penalty shall not preclude the right to compensation for damages in excess of the contractual penalty.

If a representative of the Contracting Party refuses to acknowledge by his/her signature his/her acquaintance with and acceptance of any document of the other Contracting Party, in particular in the field of occupational health and safety, fire prevention and environmental protection, without stating any written objection to such document, the following shall apply, after the expiration of one week from the subsequent sending of such document together with a call for its signing to the other Contracting Party (a scan of the document and an e-mail call shall suffice), that the other Contracting Party has



become acquainted with the document and is obliged to comply with it, if such a document is demonstrably delivered in writing to the Contracting Party and the Contracting Party does not state in writing the reasons for refusing to sign the document within one week of delivery.

## XX. ASSIGNMENT OF RIGHTS AND OBLIGATIONS

Assignment of rights, obligations, claims, liabilities, etc. arising from and relating to the performance of this contract, including assignment of the contract, may be made by the Contracting Parties only if they agree in writing in advance.

## XXI. COMMON ARRANGEMENTS

If a term used first by the Purchaser admits a different interpretation, it shall be interpreted in the Purchaser's doubt. In interpreting the expression of intent, the practice established between the Parties shall be followed. The Contracting Parties have agreed to exclude interests of interests and costs under § 1806 and § 1932(2) of the Civil Code.

In the event that one of the Contracting Parties issues a receipt or returns a promissory note to the other Contracting Party without the debt having been fulfilled, the debt shall not be waived. If the receipt is issued for the principal of the debt, it shall not be applied to the accessories of the debt.

No set-off of accounts receivable arising from this contract against accounts receivable unrelated to this contract shall be permitted. The Supplier shall be entitled to set off its accounts receivable against Purchaser even without the prior consent of the Purchaser. The limitation period shall be three years.

The Contracting Parties agree that the provisions of § 1799 and § 1800 of the Civil Code shall not apply.


**No expression of the Contracting Parties made during the negotiation of the concluded contract or any expression made after the conclusion of the contract shall be interpreted contrary to the explicit provisions of these General Terms and Conditions of Trade and the concluded contract and shall not create any obligation of any Contracting Party.**

**The contract, including the General Terms and Conditions of Trade, may only be amended in writing. Agreements, even if only on incidental matters of this contract concerning the rights and obligations of the Contracting Parties in relation to the content and subject matter of this contract, made by the Contracting Parties in a form other than in writing shall be disregarded. The Contracting Parties declare that they have carefully read the contents of the contract and the full text of these General Terms and Conditions of Trade, that the contents have been discussed with them, that they have had the opportunity to make amendments to the draft Contract or to these General Terms and Conditions of Trade and that, if any such amendments have been made and agreed, they are accurately and concisely reflected in this final version thereof. In relation to the wording and provisions contained in the contract or these General Terms and Conditions of Trade, they declare that they understand them, that they understand their meaning, that they do not contain any provisions which are surprising to them and that they are aware of all the rights and obligations arising from the contract and these General Terms and Conditions of Trade.**

**The Supplier/Purchaser is aware and understands that these GTCT are available at <https://iph.cz/certifikaty/>, where they can be found. In the event that they are not equipped to make use of this possibility, they shall inform the Supplier/Purchaser in writing of this fact and request the GTCT in paper form, if they have not already been delivered to them in this form.**

In Baška, on 03.03.2023

on behalf of IPH Servis Morava, s.r.o.



.....  
Ing. Yvona Halfarová, Executive Director

## IPH SERVIS MORAVA, S.R.O. GENERAL TERMS AND CONDITIONS OF TRADE

These General Terms and Conditions of Trade (hereinafter referred to as "GTCT" or "terms and conditions of trade" or just "terms and conditions"), which are written in accordance with § 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, (hereinafter referred to as "CC" or "the Civil Code") apply to the purchase of goods (purchase contracts) and the purchase of services (work contracts) of IPH Servis Morava, s.r.o. company, with registered office in No. 455, 739 01, Baška, ID No.: 286 57 071, registered in the Commercial Register administered by the Regional Court in Ostrava under File No. C 37438 (hereinafter also referred to as "Buyer", "Client" or "Purchaser"), including future deliveries under such contracts. The General Terms and Conditions of Trade, as set out below; form an integral part of a contract. The integral parts of these GTCT also include the annex entitled: Environmental Protection Conditions, Conditions for Occupational Health and Safety, Fire Prevention and Risks and Contractual Penalties for Violations of Occupational Health and Safety Regulations of IPH Servis Morava, s.r.o. These GTCT shall always apply unless the framework supply contract, i.e. an individual purchase contract and/or a work contract or other written agreement between the Parties contain different provision. The different contractual arrangements between the Parties shall therefore take precedence over the provisions of these GTCT. The Parties have expressly agreed to exclude the possibility of accepting the contract otherwise than by signing it.

### I. GENERAL PROVISIONS

These Terms and Conditions define and specify the rights and obligations of the Buyer, respectively the Client, and the Seller, respectively the Contractor. The Contracting Parties shall be referred to as the Seller and the Buyer in the purchase contract, as the Contractor and the Client in the work contract, or otherwise according to the type of contract, and generally as Purchaser and the Supplier for the purpose of these General Terms and Conditions of Trade, regardless of the type of contract. In the text of the GTCT, the term contract is also used for the purchase contract and the work contract. A contract shall also mean an order confirmed by the Supplier. "Goods" or "work" is also referred to as "performance" or "subject matter of the contract. The provisions of these Conditions apply to contracts with different types of performances. If any provision of these Conditions is not applicable in whole or in part to a particular type of performance by reason of its nature, it shall be applied only to the extent to which it is applicable and proportionately to the remaining sections. Acceptance of an offer with an amendment or deviation shall be excluded.

The Contracting Parties are entrepreneurs and conclude the contract solely within the context of their business. The rights and obligations under this contract shall be governed by Act No. 89/2012 Coll., the Civil Code, as amended, or Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Act on Commercial Corporations), as amended.

### II. ACCEPTANCE OF THE CONDITIONS OF CONTRACT

The text of these General Terms and Conditions binds both Parties to the contract, unless otherwise expressly agreed in the contract or in a written numbered addendum.

### III. TERMS OF DELIVERY

The Supplier undertakes to comply with all the obligations set out in the contract, the conditions and the applicable legal enactments and current standards. The text contained in the body of the contract and the annexes to the contract shall complement and explain each other. In the event of ambiguity or conflict, the provisions of the individual articles contained in the body of the contract shall prevail over the provisions of the annexes, provided that in the event of a conflict between the text of the annexes containing the technical description of the subject matter of performance and the text contained in the body of the contract, the interpretative instruction of the Purchaser to the Supplier shall take precedence. In the event of a conflict between the individual annexes, the Purchaser's interpretative instruction to the Supplier shall take precedence. Where reference is made to the contract in the body of the contract or its annexes, this shall be understood to include the annexes forming an integral part thereof. All deliveries shall be new and unused, unless otherwise agreed in writing by the Contracting Parties. The Seller or Contractor shall fully comply with all the technical standards and legislation in force in the Czech Republic. Unless otherwise specified, the subject matter of performance shall in particular comply with the relevant applicable Czech Technical Standards (CTSs) and the requirements of the Client. The Supplier is obliged to provide the required documents (quality and completeness certificates, material certificates and other technical documentation forming part of the performance, operating and maintenance instructions in the Czech language and/or a warranty certificate) at the request of the Client. In particular, the Supplier shall provide all the necessary certificates and documents issued by the relevant authorities of the Czech Republic. The Supplier shall also provide and submit, within the agreed price, a Declaration of Conformity for products of domestic and foreign origin pursuant to Act No. 22/1997 Coll., on Technical Requirements





for Products, as amended, or documentation pursuant to Act No. 102/2001 Coll., on General Product Safety, as amended. If these materials and products are delivered to the Client's warehouse as part of the performance, they must be accompanied by instructions with storage conditions, warehouse checks and maintenance, and a stated shelf life. At the same time, the Supplier declares in all cases that the material used in the execution of the performance will not contain substances hazardous to health, in particular polychlorinated biphenyls (PCBs), asbestos, chlorine, fluorine or mercury.

The Supplier undertakes to have supplier' liability insurance for damage caused by operational activities and liability insurance for damage caused by defects in the goods and/or works and things supplied during the performance of the work, or a construction and installation insurance. The insurance in question must be concluded with a reputable insurance company and the Supplier must keep it in force throughout the performance of the subject matter of the contract, for an amount of insurance appropriate to any relevant risk associated with the supply of the specific subject matter of the contract (the minimum amount of insurance being the contractual price of the goods or works).

#### **IV. SUBCONTRACTORS**

The Supplier must submit a list of its subcontractors to the Purchaser for approval. The Supplier may change subcontractors during the performance of the contractual obligation only with a written consent of the Purchaser. In the event of a breach of this clause, the Purchaser shall be entitled to claim a contractual penalty of 10% of the total contract price from the Supplier. The obligation to pay the contractual penalty shall not preclude the right to compensation for damages in excess of the contractual penalty.

#### **V. PRICE**

The Supplier acknowledges that a price is the price negotiated by agreement in accordance with paragraph 1, § 2 of Act No. 526/1990 Coll. on prices, as amended, and except for cases where the price is set by budget, the price is agreed as final and fixed - unchangeable and the highest possible, it includes all the Supplier's costs related to the subject matter of the contract and its performance, and the Supplier is therefore not entitled to charge any additional costs unless otherwise agreed in writing by the Contracting Parties. If the price is determined by the budget, this budget may not be exceeded. The price agreement may also include a discount programme.

An increase in the agreed price may be made only by written amendment to the contract concluded between the Contracting Parties. In the event that the Parties agree to provide performance beyond the scope of the contract, the price and the scope of such (extra) performance shall again be determined by a written amendment to the contract concluded between the Parties. In the event of non-compliance with this clause, the Supplier shall not be entitled to reimbursement for any extra work, performance provided in excess of the contract or any amount in excess of the originally agreed price.

In the case of cancelled work, the price will be reduced by such work, even without the conclusion of an amendment. Cancelled work shall be valued according to the itemised budget and, if this is not possible, according to its normal value.

In the event of defective performance of the subject matter of the contract, its performance in breach of the contract, the terms and conditions or legal provisions, or its performance in any other manner not leading to the proper and timely provision of performance, the Supplier will be forced to carry out corrective, repetitive or additional work beyond the scope of this contract and shall not be entitled to payment of the price for the performance of such work.

Payment of the price, whether in whole or in part, shall not have the effect of acknowledgement of the debt or its remaining part.

The Purchaser shall be entitled to offset any of its claims on the Supplier against its debts to the Supplier, including claims not yet due against debts already due, to which the Supplier hereby gives its consent. The Supplier shall be entitled to offset its claim against the Purchaser only with the prior consent of the Purchaser.

#### **VI. DOCUMENTATION - CONFIDENTIALITY**

The Supplier undertakes to return all borrowed documentation to the Purchaser upon completion of the contractual obligation or withdrawal from the contract. The Contracting Parties declare that they consider all information and documents of which they become aware during the performance of the contractual obligation and which are not normally available to third parties to be confidential and undertake not to disclose them or make them available to third parties without a written consent of the other Party.

In particular, all information in oral or written form (including information in electronic form) which the Purchaser provides to the Supplier in connection with the contract, regardless of the form in which it is recorded, including but not limited to information for the treatment of which a special mode of confidentiality is provided for by legal provisions and regardless of whether it has been expressly designated as confidential by the disclosing party (hereinafter referred to as "Confidential Information"), shall be deemed to be confidential information.

The Supplier undertakes to handle such confidential information in a manner that guarantees its absolute confidentiality from third parties. The Supplier shall be obliged to maintain the business secrets even after the termination of the contractual relationship for as long as the facts constituting the business secrets last. The Supplier may be released from this obligation only by the Purchaser in the form of a written declaration. In each individual case of a breach of the obligation under this article, the Supplier shall pay the Purchaser a contractual penalty of CZK 500,000, even repeatedly.

## **VII. PATENT RIGHTS AND OTHER SIMILAR RIGHTS**

The Supplier declares that the entire delivery of the subject matter of purchase or work under this contractual obligation does not infringe any patent or other protected rights of third parties, including other intellectual property rights, and that it does not have any other legal defects. The Supplier may use the results of the designing work for its own purposes only with the written consent of the Purchaser.

## **VIII. CHECKS AND TESTS**

The Supplier is obliged to provide the Purchaser with any additional or explanatory information related to the subject matter of the contract, or to train the employees of the Purchaser for the proper use of the subject matter of the contract, all at the Purchaser's request and at its own expense until the end of the warranty periods, unless otherwise agreed in writing in the contract. The Supplier's performance of its contractual obligations shall include the performance of all prescribed, necessary or contractually agreed tests, including the provision of revisions and attestations in accordance with the technical standards applicable to the agreed object of purchase or work. The Purchaser shall have the right to attend all tests carried out and has the right to receive the results of such tests. The Supplier must inform the Purchaser well in advance of the possibility of taking part in the performed tests. The Purchaser shall be entitled to check the fulfilment of the contractual obligations at any stage of its performance. If the Purchaser finds that the Supplier is in breach of its obligation, it may require the Supplier to remedy the situation and to perform the work in a proper manner.

The activities specified in this article are included in the price, unless otherwise agreed in the contract or agreed in writing by the Contracting Parties.

## **IX. INFORMATION**

For the purposes of the performance of the relevant purchase contract or work contract and to ensure effective communication with its Contracting Party, IPH Servis Morava, s.r.o. collects and processes personal data of contact persons or other entities mentioned in the contract or otherwise involved in the performance of such contract to the extent necessary. The personal data is processed for the period of time during which such data subjects perform roles and tasks related to such contract, and for the entire period of validity and effectiveness of such contract, as well as for the period of time necessary for the settlement of the rights and obligations under such contract and for the period of time necessary for their archiving in accordance with the relevant legal enactments. The Supplier undertakes to inform these data subjects about the processing and to provide them with the information available on the Internet address of IPH Servis Morava, s.r.o. company - [www.iph.cz](http://www.iph.cz).

## **X. EXECUTION OF THE SUBJECT MATTER OF THE CONTRACT**

The Supplier is obliged to acquaint itself with all information, data and other documents provided by the Purchaser to the Supplier (all hereinafter referred to as "supporting documents"). Should the supporting documents be inaccurate, incomplete or otherwise insufficient for the performance of the subject matter of the contract, it is the Supplier's obligation to secure fully sufficient documents. If the documents provided by the Client are essential for the performance of the subject matter of the contract, it is the Supplier's obligation to verify the information contained therein. The Client shall provide the necessary assistance to the Supplier according to its operational possibilities. The Supplier shall not be entitled to any additional payments or any extension of the time limit for the performance of the subject matter of the contract on account of any misinterpretation of any supporting documents relating to the performance.

The Supplier undertakes to perform the subject matter defined in the contract within the time and under the conditions specified therein. The place of delivery and acceptance of the subject matter of the contract shall be the Purchaser's registered office, unless otherwise specified in the contract. The Supplier is obliged to perform the subject matter of the contract within the period specified in the contract. The Supplier is then obliged to perform the individual parts of the subject matter of the contract within the deadlines specified in the schedule, if this is part of the contract. If the deadline for the performance of the subject matter of the contract is not specified in the contract, it shall be 10 days from the conclusion of the contract. The Supplier shall be bound by the Purchaser's instructions, both written and verbal, when performing the subject matter of the contract. The Supplier is entitled to perform the subject matter of the

contract on its own, to use its own employees or to entrust its other employees with the performance of the subject matter of the contract. The Supplier hereby declares that it is authorised to carry out the activities within the meaning of the contractual obligation and that the activities shall be carried out only by fully qualified persons.

The Supplier shall be obliged, in the event that the use of the subject matter of performance requires the approval of a state authority or other supervisory authority established by law, to provide officially authenticated document serving as evidence of the issuance of such approval.

The Supplier hereby assumes all responsibility to the Purchaser for the compliance with all legal regulations and obligations laid down therein, both for itself and for its employees and other workers. In particular, the Supplier shall be obliged to compensate for any damage to the equipment on which the work is carried out or to any part thereof caused by the Supplier or its subcontractors in the course of any activity on the work.

In the event that any claim is made by anyone against the Purchaser arising from or in connection with the performance of the subject matter of the contract, the Supplier undertakes to pay the Purchaser the full amount of any financial claim so made (even if the claim made arises out of contractual arrangements between such third party and the Purchaser to which the Supplier is not a Contracting Party), as well as damages (incl. contractual penalties), any other claims arising under applicable law and any other liabilities incurred by the Purchaser in connection with the claim so asserted, within three days of the Purchaser's demand for the payment thereof. Likewise, and within the same time limit, the Supplier shall indemnify the Purchaser against any damage caused to the Purchaser by the conduct of the persons referred to in the first sentence.

If there are circumstances or hidden obstacles which prevent the proper performance of the subject matter of the contract, or if the Purchaser is in default in the performance of its obligations and such default prevents the proper performance of the subject matter of the contract, the Supplier shall be obliged to notify the Purchaser of such circumstances in writing without delay, and the notice shall contain a description of the circumstances in question. In the event of non-compliance with the procedure under the preceding sentence, any circumstance specified therein shall not affect the Supplier's obligations under the contract and these Terms and Conditions, in particular the obligation to perform the subject matter of the contract within the agreed time.

The Client is entitled to interrupt the performance of the work if, for reasons on the Contractor's side, it has doubts about the successful (proper and timely) completion of the work, which could cause damage to the Client, or to order the completion of the work only to the extent necessary. Damages and extra costs for the Contractor arising for this reason shall not be considered to be the fault of the Client and the Contractor shall not be entitled to compensation. The Contractor shall be obliged to complete the work in the future without undue delay if requested to do so by the Client, following the price conditions according to this contract.

## **XI. CONTRACTUAL PENALTIES**

The Contracting Parties agree that the following contractual penalty shall be applied, unless otherwise agreed in writing in the contract: the Supplier shall pay 0.5% of the contract price (the price of the performance which is the subject matter of the contract) for each day of delay in fulfilling the monetary or non-monetary obligation within the agreed deadline. The contractual penalty may also be applied individually in cases where the contract is to be performed successively at different terms and under the same conditions as in the first sentence of this section. The Supplier's obligation to pay the contractual penalty does not exclude the Client's right to compensation for damages to the full extent, in particular it does not limit the Client's rights under the contract and generally binding regulations, including the right to remove defect, compensation for damages and withdrawal from the contract. In the event that the contractual penalty is reduced by a court, the right to compensation for damages shall remain to the extent that the damages exceed the amount determined by the court as reasonable and without any further limitation. In the event of delay of the Supplier in removing the defects according to Article XIV of these Terms and Conditions, the Supplier shall pay a contractual penalty in the amount of 0.5% of the price of the subject matter of the contract for each individual defect and each day of delay from the deadline set for removing the defect.

If the total amount of the contractual penalties under this contract exceeds 10% of the contract price, the Client shall have the right to withdraw from the contract without limiting any of its rights under this contract, including the right to claim damages against the Contractor.

## **XII. WITHDRAWAL FROM THE CONTRACT**

The Purchaser is entitled to withdraw from the contractual obligation upon a written notification to the other Contracting Party of a breach of its contractual obligations with the proper performance of the subject matter of the contract. A material breach of the contract is a delay of the Supplier in the performance of the subject matter of the contract (in particular a delay of the Supplier in the performance of the work, delivery of the goods, etc.), and/or failure to comply with the Client's instructions and/or failure to allow inspection of the performance of the contractual obligations and/or failure to remedy defects in the performance found during inspection of the performance of the



contractual obligations (i.e. if the Supplier fails to ensure remediation and perform the work in a proper manner, and in particular fails to comply with the technological procedures, violates the quality of the work to be performed resulting from the applicable standards, the contract with the Purchaser, its annexes or generally binding legal regulations) even within a reasonable period of time and if the Supplier's action would undoubtedly lead to a material breach of the contract and/or to the elimination of defects in the subject matter of the contract and/or to the settlement of the complaint, even in part, in which case the Client shall be entitled to withdraw from the contract in the event of any such individual material breach and shall not be obliged to pay any costs incurred by the Supplier in connection with the preparation of the performance of the contract, unless the Contracting Parties agree otherwise in writing. If the Parties do not agree in the contract on what they consider to be a material breach of contract, the relevant provisions of the Civil Code shall apply.

In the event of withdrawal from the contract, the Purchaser is entitled to decide, according to its own option, that the contracting parties:

(a) return only the performance in respect of which the other Party is in default in the provision of its performance. The Contracting Parties thus shall not return the performance for the delivered and fully paid subject matter of the contract.

(b) reimburse each other for all performances under the cancelled contract. The Supplier shall reimburse the Purchaser for the price of the subject matter of the contract within 10 days of the termination of the contract. In the event of delay in reimbursing the price of the subject matter of the contract, the Supplier shall pay the Purchaser a contractual penalty of 1 % of the amount due for each day of delay.

The Purchaser shall return the subject matter of the contract to the Supplier within 10 days of reimbursement of the full price of the subject matter of the contract. The Purchaser shall not be obliged to return the subject matter of the contract to the Supplier under the cancelled contract before the Supplier refunds the Purchaser the full price of the subject matter of the contract in question. The Purchaser's obligation to return the subject matter of the contract to the Supplier shall be fulfilled at the moment when it allows the Supplier to dispose of the subject matter of the contract at the Purchaser's registered office or at the place of delivery according to the contract, all at the Purchaser's choice. The Supplier shall bear the costs of transporting the subject matter of the contract.

The Purchaser is also entitled to withdraw from the contract if the decision on the Supplier's bankruptcy has been made, if the Supplier's insolvency proceedings have been discontinued due to lack of assets, or if the Supplier has entered into liquidation or has filed a petition for its liquidation, or if the Supplier transfers the contract with the Client, its obligations, duties or rights arising from the contract with the Client to another entity without the prior consent of the Client.

The withdrawal shall be effective upon delivery of the notice of withdrawal to the other Contracting Party.

If the Purchaser has the right to withdraw from this contract, it may do so within 1 year of the right arising. In the event that the Purchaser notifies the Supplier that it remains committed in this contract in the event of a breach of this contract by the Supplier, it may change this choice at any time.

In the event of withdrawal from the contract by the Purchaser, the Purchaser may withdraw from the contract in respect of the entire performance even if the Supplier has partially delivered the performance.

In the event of withdrawal from the contract, the Client is entitled to fulfil the subject matter of the contract itself or through a third party, or to repair or otherwise bring the goods or work into conformity with the terms of the contract concluded between the Purchaser and the Supplier. In such a case, all costs associated with the delivery of the goods or the completion or bringing the work or part thereof into conformity with the contract concluded between the Purchaser and the Supplier, which, together with the payments made to the Supplier to date, exceed the contract price according to the contract concluded between the Purchaser and the Contractor, shall be paid by the Supplier to the Client within 30 days after the receipt of the Purchaser's invoice.

### **XIII. FULFILMENT OF CONTRACTUAL OBLIGATION**

The contractual obligation ends with the proper and timely performance of the subject matter of the contract (i.e. completion and handover to the Purchaser), including all obligations arising from the contract. The subject matter of the contract shall be deemed as duly completed if it is free from defects and deficiencies on acceptance and if successful tests have been carried out, if required. The subject matter of the contract must be performed in the



quantity, quality and execution specified in the contract and in the Terms and Conditions. The subject matter of the contract must comply with all the standards applicable in the territory of the European Union for the subject matter of the contract at the time of delivery to the Purchaser and must be performed in accordance with all legal provisions applicable to the subject matter of the contract at that time. The Supplier shall deliver the subject matter of the contract free from legal defects.

The Supplier shall always hand over the subject matter of the contract to the Purchaser at the Purchaser's registered office, unless otherwise agreed between the Parties in the contract. The handover and acceptance shall take place during the Purchaser's normal business hours. A report of the handover and acceptance of the subject matter of the contract shall be drawn up by the parties concerned and it shall be signed by authorised representatives of both Contracting Parties, or the subject matter of the contract shall be handed over on the basis of a delivery note. The report or the delivery note shall include the documentation on the subject matter of the contract and other documents arising from the contract, the Terms and Conditions or the legal provisions.

The Supplier is obliged to provide the subject matter of the contract with suitable packaging for further handling and to prevent damage or deformation during its handling and transport. It shall be the responsibility of the Supplier to pack and secure the subject matter of the contract for transport in a suitable manner necessary to protect and preserve the subject matter of the contract. The Supplier shall not be entitled to any further monetary or other benefits in connection with its obligations under this clause. The conditions for packaging of the subject matter of the contract may also be specified in the contract.

The Supplier shall bear the cost of transporting the subject matter of the contract to the place of delivery.

The Client shall not be obliged to accept the work or goods and pay their price if the performance is defective and/or incomplete and/or if the duly executed documents, which are customary in relation to the performance to be delivered and/or have been expressly requested by the Client, are not attached. In such a case, the subject matter of the contract shall be deemed not to have been fulfilled (not completed).

The written handover and acceptance report or delivery note must explicitly state whether the work or goods are accepted without defects or with defects or are not accepted.

The right of ownership to the subject matter of the contract and the risk of damage to the subject matter of the contract shall pass to the Purchaser on the date of acceptance of the subject matter of the contract.

In the event of delay in terminating the subject matter of the contract, the Supplier shall pay the Purchaser a contractual penalty of 0.5 % of the price of the subject matter of the contract for each day of delay.

#### **XIV. DEFECTS IN PERFORMANCE, QUALITY GUARANTEE AND CLAIMING DEFECTS IN THE SUBJECT OF PERFORMANCE WITHIN THE WARRANTY PERIOD (CLAIMS)**

The performance is defective if its execution does not correspond to the outcome specified in the contract, the purpose of its use, or if it does not have the characteristics expressly specified by the Client, generally binding regulations, or the CTSs according to which it is to be executed.

Claims for defects shall be made in writing. The Supplier is obliged to remove the defects immediately or to agree with the Purchaser a technically justified deadline for the removal of the defect. If the Supplier fails to remove the defects even after a written request, the Purchaser shall have the right to remove the defects in another way at the Supplier's expense, without the loss of guarantees or further performance of the contractual obligation by the Supplier.

If the defect endangers the life, health, operation or property of the Client and the Supplier fails to remove it immediately after notification, the Client may remove it on its own, or is entitled to ask a third party to remove the defect at the expense of the Supplier, or is at least entitled to take such measures at the expense of the Supplier that will prevent such a threat.

In case of a claimed defect, where there is a dispute between the Client and the Supplier as to whether it is justified, the Supplier shall be obliged to remove it under the same conditions described in the contract as for a justified defect and shall bear all costs incurred in removing the defect until a decision by a third impartial person agreed by the Contracting Parties or until a court decision is made.

The Supplier shall provide the Purchaser with a guarantee for quality in the entire scope of the subject matter of the contract according to the contractual obligation and shall be liable for all defects that the goods have upon delivery to the Purchaser or that the work has upon signing the report of handover and acceptance of the work by the Purchaser, as well as for defects that occur in the subject of purchase or work during the warranty period.

By the quality guarantee, the Supplier undertakes that the subject matter of the contract or the work will be fit for use for the usual purpose and the purpose agreed in the contract during the warranty period and that it will retain the usual properties and qualities set out in the contract, and that it is free from legal defect. The same conditions as in Article XIII shall apply when making claims. The Supplier shall confirm to the Purchaser in the contract the length and beginning of the warranty period. **The warranty period is agreed for 24 months, unless otherwise agreed in the contract. The warranty period shall always commence when the subject matter of the contract is handed over**

**or the work is executed.** The warranty period shall be interrupted for the time during which a claim for defects is being settled, from the date of the claim until the date of its settlement. The removal of the defect shall not affect the Client's entitlement to a contractual penalty and compensation for damage caused by the defect. A replaced or newly supplied part of the work within the warranty period shall be subject to a new warranty period in the original length, which shall commence on the day following the day when the replaced or newly supplied part of the work is put into operation. The removal of the defect shall not affect the Client's right to contractual penalty and compensation for damages.

The Purchaser is entitled to assert all claims arising from defects detectable during inspection of the subject matter of the contract even if the subject of the contract is not inspected upon acceptance. The Supplier shall be liable for any defect in the subject matter of the contract at the time when the risk of damage to the subject matter of the contract passes to the Purchaser, even if the defect becomes apparent after that time. The Supplier's obligations under the guarantee for the quality of the subject matter of the contract shall not be affected. The Supplier shall also be liable for any defect which arises after the risk of damage to the goods has passed, if it is caused by a breach of its obligations. The Purchaser's right arising from the defects in the subject matter of the contract may be granted in legal proceedings irrespective of when the Purchaser reports the defects in the subject matter of the contract to the Supplier and therefore also if the Purchaser fails to point out the defect without undue delay after the Purchaser has discovered it or had the opportunity to discover it, and irrespective of whether the defect is obvious or hidden. The court shall grant the Purchaser the rights in respect of an obvious defect in the subject matter of the contract even if it has accepted the subject matter of the contract without reservations.

In the event of defects in the subject matter of the contract, the Purchaser shall be entitled, according to its own choice, to assert the following claims, namely the removal of the defective condition (by supplying a replacement performance, supplying a missing performance, removing legal defects in the performance or correction of the performance), by offering a reasonable discount on the price of the subject matter of the contract or withdrawal from the contract. The Purchaser shall report the defects in the subject matter of the contract to the Supplier, stating which of the aforementioned claims it is asserting. If the Purchaser does not specify in the report on defects in the subject matter of the contract which of the claims it is asserting, it shall be deemed to be asserting a claim for delivery of a replacement performance. The Purchaser may change the claim made without the Supplier's consent until the claim is settled. The Supplier shall satisfy the Purchaser's claims within 5 days of receipt of the report according to the preceding paragraph. If the Supplier fails to satisfy the Purchaser's claims within the specified period, the Supplier shall be in default in settling the claim.

The Supplier shall further be in default in the settlement of the claim in the event that it does not acknowledge a legitimate claim, starting from the expiration of the set deadline from the delivery of the report according to the previous paragraph. If there is a risk of default, in particular if the Purchaser is in danger of defaulting in fulfilling its obligations to deliver goods from contracts with a third party, the Purchaser is entitled to have the defects in the delivered subject matter of the contract removed at the Supplier's expense by a third party or by its own means, or to arrange for the delivery of replacement performance by a third party or by its own means. In this case, the Purchaser shall reimburse the Supplier for the associated costs, as well as for the difference between the price of the replacement delivery and the price of the performance that should have been delivered by the Supplier. The Purchaser's right to compensation for damages and any contractual penalty shall remain unaffected. The Purchaser is also entitled to proceed according to this point in the event of delay by the Supplier in dealing with the claim.

## **XV. DISPATCH – DELIVERY AND INSURANCE**

The Seller shall deliver the subject matter of the contract in accordance with the terms and conditions of INCOTERMS 2020 - DDP, unless otherwise agreed in the contract or otherwise agreed in writing by the Contracting Parties.

## **XVI. RIGHT OF OWNERSHIP AND RISK OF DAMAGE**

The risk of damage, accidental loss and destruction of all goods and equipment taken over shall pass to the Supplier on the date of handover and acceptance of the equipment or workplace. The right of ownership to the subject of purchase and the risk of damage to the subject of purchase shall pass to the Purchaser on the date of proven acceptance of the subject of purchase, which means in particular the Purchaser's signature on the delivery note or other document proving the handover and acceptance. The ownership of the subject of performance on which a repair or maintenance is carried out shall not change and shall remain the property of the Client. In the case of contractual obligations to carry out work, the right of ownership of the supplies and equipment, materials and work carried out by the Supplier at the construction site shall pass successively at the time of delivery and performance. The risk of damage to the work shall pass to the Purchaser on the date of handover and acceptance of the work, as specified in the written report of handover and acceptance of the work by the Purchaser.

## **XVII. INVOICING AND PAYMENTS**

The Contractor shall be entitled to payment of the contract price for the work by duly and timely performance of its obligation in the manner and at the place of performance in accordance with this contract. In the event that the work is found to be defective or deficient, the Client shall be entitled to deduct 10% of the total amount of this contract from the contract price for the work ("retention"). This part of the contract price shall be paid within 30 calendar days after the receipt of the release request issued by the Contractor on the basis of a mutually signed report on the removal of all defects and deficiencies specified in the work handover and acceptance report. The invoice must include a handover report, delivery note, etc. The invoice - tax document must contain all the elements according to the provisions of Act No. 235/2004 Coll., on Value Added Tax, as amended. In the event that the invoice does not have these particulars, the Purchaser has the right to return it to the Supplier immediately for completion or rewriting. Electronic invoices in PDF format must have a resolution of at least 300 DPI. The invoice shall be due 30 days after the delivery to the other Party, unless otherwise agreed in writing. In the case of construction or assembly work with transferred tax liability, the following statement must appear on the invoice: "Pursuant to § 92 letter a) of the Value Added Tax Act, we are supplying you with a performance in the form of transferred tax liability to the recipient. The amount of tax is to be completed and declared by the payer for whom the performance is provided." Payments shall be made in cashless form to the Supplier's bank account indicated in the invoice. It must always be a bank account held with a domestic payment service provider and published by the relevant tax authority in a way that allows remote access. The Contracting Parties agree that a change of the Supplier's bank details and account number may only be made by written notification, provably delivered by the Supplier to the Client, at the latest before the relevant invoice to which the change relates is sent. This communication must be original and signed by the persons authorised to sign the contract. The invoice or advance payment shall be deemed as paid when the amount is debited from the Client's bank account specified in the contract. Unless expressly stated otherwise in the contract, the price shall also include value added tax. Value added tax will be charged according to the applicable legislation.

The Client is entitled to pay the value added tax for the Supplier directly to the Supplier's tax administrator for the purpose of a special method of securing the tax pursuant to § 109a of Act No. 235/2004 Coll., on Value Added Tax, as amended. The Client shall inform the Supplier of this fact in writing. The Client's obligation to pay the Supplier the price for the performance provided shall be partially fulfilled in this way (to the extent of the tax paid by the Client).

## **XVIII. FORCE MAJEURE**

The Purchaser shall not be liable for any failure to fulfil a legal obligation if such failure or delay was caused by an obstacle which arose independently of its will and prevented it from fulfilling its obligation (hereinafter referred to as force majeure). For the purposes of the contract concluded between the Purchaser and the Supplier, force majeure shall be deemed to include in particular: natural disasters, fires, explosions, accidents, earthquakes, landslides, floods, droughts or water shortages, storms or other atmospheric and climatic disturbances and phenomena or wars, uprisings, riots, civil disturbances or strikes, sabotage, acts of terrorism, embargoes or epidemics, pandemics, quarantine measures, or decisions or normative acts of public authorities, regulations, restrictions, prohibitions or other interventions of the state, governmental authorities or interruptions in the supply of primary raw materials for production not caused by the Buyer.

## **XIX. RESOLUTION OF DISPUTES, APPLICABLE LAW**

All disputes arising out of or in connection with the contractual obligations shall be settled by mutual agreement between the Contracting Parties. In the event that the disputed matter cannot be settled amicably, the Contracting Parties shall conclude a prorogation agreement within the meaning of § 89a of Act No. 99/1963 Coll., Civil Procedure Code, as amended, at the time of conclusion of the relevant purchase or work contract to which these GTCT apply, which shall be valid and effective without further delay on the date of conclusion of the relevant purchase contract or work contract to which these GTCT apply, according to which disputes shall be resolved in the first instance at the substantively competent District Court in Frýdek-Místek or the Regional Court in Ostrava.

## **XX. CONDITIONS OF OCCUPATIONAL HEALTH AND SAFETY (OHS), FIRE PREVENTION (FP), ENVIRONMENTAL PROTECTION (EP)**

The Contracting Parties are obliged to comply with the conditions in the area of occupational health and safety, fire prevention, and environmental protection, which are annexed to these GTCT (hereinafter referred to as the "OHS conditions"). In the event of a proven violation of the OHS conditions by the employees of the other Contracting Party, a written record of this fact will be made, in which a deadline for the removal of the defects will be set by agreement of the Contracting Parties. In case of each individual violation of the Terms and Conditions, the other Contracting Party is obliged to pay IPH Servis Morava, s.r.o. a contractual penalty in the amount specified in the document "Contractual Penalties for Violations of the OHS and FP regulations of IPH Servis Morava, s.r.o.", which is an annex to these

Terms and Conditions, payable on demand, all in accordance with these Terms and Conditions and the document "Contractual Penalties for Violations of the OHS and FP Regulations". In case of delay of the other Contracting Party in removing the defect within the deadline according to the written record, this Contracting Party is obliged to pay IPH Servis Morava, s.r.o. a contractual penalty of CZK 1500,- for each day of delay in removing the defect, payable on demand. This provision applies exclusively to work contracts concluded between the Supplier and the Purchaser. The obligation to pay the contractual penalty shall not preclude the right to compensation for damages in excess of the contractual penalty.

If a representative of the Contracting Party refuses to acknowledge by his/her signature his/her acquaintance with and acceptance of any document of the other Contracting Party, in particular in the field of occupational health and safety, fire prevention and environmental protection, without stating any written objection to such document, the following shall apply, after the expiration of one week from the subsequent sending of such document together with a call for its signing to the other Contracting Party (a scan of the document and an e-mail call shall suffice), that the other Contracting Party has become acquainted with the document and is obliged to comply with it, if such a document is demonstrably delivered in writing to the Contracting Party and the Contracting Party does not state in writing the reasons for refusing to sign the document within one week of delivery.

## **XXI. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS**

In relation to a work of authorship created for the Client under the contract, i.e. according to the Client's specific requirements or assignments, the Supplier grants the Client the exclusive right to exercise the right to use the work of authorship in any manner whatsoever by handing over the work of authorship to the Client, including the right to modify and alter the work of authorship. The authorisation is granted for the entire duration of the copyright ownership, without limitation as to the territorial and quantitative scope of use of the work of authorship. The Client is entitled to use and market the work of authorship without having to indicate the authorship of the Supplier or persons cooperating with the Supplier. The Client is entitled to sub-license the work of authorship to third parties or to assign the authorisation granted by the Supplier to a third party as a whole. Such assignment does not require the consent of the Supplier. The Client may also exercise the right to change and modify the work of authorship through third parties. If possible, the Supplier undertakes to transfer to the Client, on the same date as the authorisation is granted, the right to exercise the proprietary copyright in the work of authorship as an employee work, and the Supplier shall make every effort to make this transfer possible. The aforementioned fact shall not affect the application of the relevant provisions of the Copyright Act, according to which a work of authorship may be considered a collective work or a work made to order. A work of authorship under this paragraph shall include full documentation of the work of authorship and all supporting materials. The Supplier shall hand over this documentation to the Client as part of the handover of the subject matter of the contract. The provisions of this paragraph shall also apply to the parts of the subject matter of performance supplied by a subcontractor, in which case the Supplier shall be obliged to secure the aforementioned rights to the work of authorship from the subcontractor. All licenses to works of authorship provided within the scope of the subject matter of the performance of the contract shall be granted free of charge, unless a fee is specified in the contract. The Supplier shall be fully liable to the Client for the proper payment of remuneration to the authors of all works of authorship used as part of the subject matter of the performance.

## **XXII. ASSIGNMENT OF RIGHTS AND OBLIGATIONS**

Assignment of rights, obligations, claims, liabilities, etc. arising from and relating to the performance of this contract, including assignment of the contract, may be made by the Supplier only if agreed in writing in advance with the Purchaser.

## **XXIII. COMMON ARRANGEMENTS**

The Contracting Parties have agreed that they do not wish, beyond the express provisions of the concluded contract, any rights and obligations to be inferred from past or future practice established between the Contracting Parties or customary practices either general or common in the industry relating to the subject matter of this contract, unless otherwise expressly agreed in the contract. In addition to the aforementioned, the Contracting Parties declare that they are not aware of any custom or practice established between them so far.

The Contracting Parties have agreed to exclude the application of §557 of the Civil Code, which provides that if a term used allows a different interpretation, it shall be interpreted in doubt against the Party that used the term first.

The Contracting Parties have agreed to exclude interests of interests and costs under § 1806 and § 1932(2) of the Civil Code.

In the event that one of the Contracting Parties issues a receipt or returns a promissory note to the other Contracting Party without the debt having been fulfilled, the debt shall not be waived. If the receipt is issued for the principal of the debt, it shall also apply to the accessories of the debt.





The Supplier acknowledges that it can be a subcontractor in the energy and other heavy industry and that any defect in the subject matter of the contract, delay in the completion of the subject matter of the contract, delay in removing the defects in the subject matter of the contract or other breach of the Supplier's obligations relating to the subject matter of the contract, its parameters and continuity of supply of the subject matter of the contract may lead to interruption or stoppage of production of the final Client operating in heavy industry (energy, chemical industry, etc. ), with all the consequences arising from this fact, including damage, the amount of which may be enormous, particularly if it results in the necessity to restrict, interrupt or stop production.

The Contracting Parties have agreed that the Supplier assumes the risk of a change in circumstances and that the provisions of § 1765(1), § 1766, § 1799, § 1800 and § 2006 of the Civil Code shall not apply.

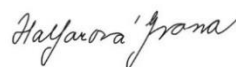
**No expression of the Contracting Parties made during the negotiation of the concluded contract or any expression made after the conclusion of the contract shall be interpreted contrary to the explicit provisions of these General Terms and Conditions of Trade and the concluded contract and shall not create any obligation of any Contracting Party.**

The contract, including the General Terms and Conditions of Trade, may only be amended in writing. Agreements, even if only on incidental matters of this contract concerning the rights and obligations of the Contracting Parties in relation to the content and subject matter of this contract, made by the Contracting Parties in a form other than in writing shall be disregarded. The Contracting Parties declare that they have carefully read the contents of the contract and the full text of these General Terms and Conditions of Trade, that the contents have been discussed with them, that they have had the opportunity to make amendments to the draft Contract or to these General Terms and Conditions of Trade and that, if any such amendments have been made and agreed, they are accurately and concisely reflected in this final version thereof. In relation to the wording and provisions contained in the contract or these General Terms and Conditions of Trade, they declare that they understand them, that they understand their meaning, that they do not contain any provisions which are surprising to them and that they are aware of all the rights and obligations arising from the contract and these General Terms and Conditions of Trade.

The Supplier/Purchaser is aware and understands that these GTCT are available at <https://iph.cz/certifikaty/>, where they can be found. In the event that they are not equipped to make use of this possibility, they shall inform the Supplier/Purchaser in writing of this fact and request the GTCT in paper form, if they have not already been delivered to them in this form.

In Baška, on 03.03.2023

on behalf of IPH Servis Morava, s.r.o.



.....  
Ing. Yvona Halfarová, Executive Director