

# EGEM, s.r.o. Business Terms and Conditions, Part 1

## (hereinafter referred to as the “BTC P1”)

*These Business Terms and Conditions form an integral part of the purchase contract (purchase order) and all clauses thereof shall apply unless the wording of the respective purchase contract (purchase order) provides otherwise in writing.*

### 1. DEFINITIONS AND TERMS

#### 1.1. These BTC P1 introduce the following definitions:

“**Delivery**” refers to handing over the required Goods in quantity and quality defined in the BTC P1 and Contract.

“**Part Delivery**” refers to handing over part of the Goods as per requirements specified by the Purchaser in the Contract.

“**VAT**” refers to value added tax.

“**FAT**” refers to the acceptance checks and tests carried out in the production plant of the Seller.

“**Insolvency Act**” refers to Act No. 182/2006 Coll. to regulate bankruptcy and methods of its resolution (Insolvency Act), as amended.

“**Place of Delivery**” has the meaning provided in paragraph 6.2.

“**Seller’s Offer**” has the meaning specified in paragraph 3.1. subparagraph 2).

“**Civil Code**” refers to Act No. 89/2012 Coll., the Civil Code, as amended.

“**Purchaser**” refers to EGEM s.r.o., for the purposes of the BTC P1 and the Contract.

“**Project Documentation**” has the meaning specified in paragraph 3.1. subparagraph 2).

“**Completion Certificate**” refers to records on handover and acceptance of the “Goods”.

“**TS**” refers to a technological system.

“**Seller**” refers to the entity that concluded the Contract with the Purchaser, for the purposes of the BTC P1 and the Contract.

“**Contract**” refers to written manifestation of the Parties’ will, based on which the Parties agree on mutual rights and obligations, and for the purposes of the BTC P1, the term refers to an individual contract or purchase order concluded by and between the Purchaser and the Seller.

“**Party**” refers to the Purchaser and the Seller within the meaning of these BTC P1.

“**Engineering Supervision of the Purchaser**” has the meaning provided in paragraph 8.16.

“**Retention Bond**” has the meaning provided in paragraph 5.18.

“**VAT Act**” refers to Act No. 235/2004 Coll. to regulate value added tax, as amended.

“**Representatives of the Parties**” refers to the meaning specified in paragraph 21.3.

“**Goods**” refers to a set of items, rights to use, and services delivered by the Seller to the Purchaser, based on specifications and conditions arising from the BTC P1 and the Contract, including annexes thereto, that form complete, safely, and smoothly operable, and reliable equipment that attains parameters required under the Contract and serves for the purpose of the use required under the Contract.

“**Amendment**” has the meaning provided in paragraph 7.1.

Unless it follows otherwise from the context of these BTC P1, the terms used in these BTC P1 in singular also include plural, and vice versa. The headings are intended for clarity only and have no relevant for the interpretation of these BTC P1. References to individual provisions mean references to individual provisions of these BTC P1, unless specified otherwise. Additional definitions are provided in specific places throughout the text of the BTC P1.

These BTC P1 regulate general obligations of the Seller and the Purchaser related to performance under the respective Contract. Relations between the Parties are governed according to the following order of priority: the respective Contract, annexes to the Contract, these BTC P1, and the Czech law.

## **2. SUBJECT-MATTER OF PURCHASE**

- 2.1. The Seller undertakes to manufacture for the Purchaser and hand over to the Purchaser the Goods that are specified in Art. 3 and allow the Purchaser to acquire the title to the Goods.

## **3. SPECIFICATION OF THE SUBJECT-MATTER OF PURCHASE**

- 3.1. The Goods are specified in:
1. the respective Contract,
  2. the Project Documentation for the implementation of the construction project specified in the Contract (“Project Documentation”) being part of the tender documentation based on which the Seller prepared its quotation (“Seller’s Offer”),
  3. the quotation of the Seller.
- 3.2. The manufacture of the Goods (hereinafter referred to as the “Manufacture”) includes the following:
1. The preparation of the following documentation for:
    - a) the technological procedures to manufacture the Goods,
    - b) the plan of checks and tests to assure the quality of the Goods in the course of Manufacture,
    - c) the shop manufacturing documentation.
- 3.3. The subject-matter of the Goods’ delivery also includes:
- a) delivery of all material needed for the Goods manufacture and assembly,
  - b) accompanying engineering documentation within the scope and in the language version specified in the Contract and ensuring the necessary assistance that will allow the Goods to be assembled and installed,
  - c) The Seller must deliver the Goods to the Purchaser at the Seller’s own expense and risk to the Place of Delivery and within the required due date as per DDP INCOTERMS 2020, namely including unloading (i.e. in connection with DPU).

## **4. QUALITY OF THE GOODS**

- 4.1. The Goods will be manufactured and handed over in premium quality and in accordance with the BTC P1, the Contract and all valid and effective generally applicable legal regulations, the relevant legally binding as well as recommended Czech and European technical standards (ČSN, EN), ČEPS technical standards that are known or will be known to the Seller and that the Seller has at its disposal, and good manufacturing practices.
- 4.2. The Seller must ask the Purchaser to be present during the checks and tests as per the plan of checks and tests performed on the Seller’s manufacturing premises that are specified in annex to the Contract.

## **5. PURCHASE PRICE AND TERMS OF PAYMENT**

- 5.1. The Purchase Price of the Delivery and (where applicable) Part Delivery will be specified in the Contract and is exclusive of VAT. The Purchase Price will be increased by VAT in the statutory amount.
- 5.2. The Seller guarantees that the Purchase Price of the Goods as per paragraph 5.1 includes all expenses incurred by the Seller related to manufacturing and handing over the Goods and to fulfilling all obligations of the Seller according to the BTC P1 and the Contract, and is regarded as not-to-exceed price, meaning that is not to be increased as a result of changes in exchange rates, changes in market prices, other economic changes, where the aforementioned will not apply to cases specified in paragraph 6.8. In addition, the Seller is liable for the complete appraisal of the Goods within the scope

of these BTC P1 and the Contract, including annexes thereto and documents specified in paragraph 3.1 , including all expenses and risks related to the handover of the Goods in the Place of Delivery. The Purchase Price does not include the price of transport of the Goods to the Place of Delivery. The Parties exclude the application of Section (2090) of the Civil Code.

- 5.3. The Seller assumes the risk of change in circumstances within the meaning of Section (1765)(2) and Section (2620)(2) of the Civil Code.
- 5.4. In the case that as a result of the procedure as per Art. 7 a lower quantity of the Goods than agreed in the Contract is manufactured and handed over and/or some parts of the Goods are not manufactured at all, the Purchase Price and the price of the respective Part Delivery will be reduced by the respective amount determined as per Art. 7.
- 5.5. The Purchaser will not pay for any Goods or parts thereof that are manufactured by the Seller in excess of what is stipulated in the Contract.

### **Terms of Payment**

- 5.6. The Purchase Price will be paid to the Seller by the Purchaser via bank transfer after the Goods have been handed over in the Place of Delivery based on the Completion Certificate. The Seller is not authorized to request to be paid advance payments for the Purchase Price of the Goods or Part of the Goods before the Goods or Part of the Goods have been handed over. The Contract may also include a stipulation on Part Delivery of the Goods based on due dates and payment milestones requested by the Purchaser.
- 5.7. The Seller is obliged to start the handover-acceptance procedure no later than within ten (10) days prior to the date of delivery of the Goods or part thereof as per paragraph 6.3. The Purchaser in collaboration with the Engineering Supervision of the Purchaser will carry out the check of the Goods to be handed over and the result of the check will be recorded in the Completion Certificate that must be confirmed by the Seller and the Purchase after approval.
- 5.8. The Purchaser will pay the Purchase Price based on a tax document that will be issued by the Seller in compliance with VAT Act, namely within fifteen (15) days as of the date of taxable performance. In the case of Part Deliveries, the tax documents will be issued upon duly completed Part Deliveries as per paragraph 6.3.
- 5.9. The date of taxable performance must be in compliance with provisions of the VAT Act and must correspond to the date of signature of the Completion Certificate. A copy of the Completion Certificate must be attached to the tax document.
- 5.10. The tax document must state all essentials imposed on tax document by the VAT Act, including:
  - a) the Seller's signature and stamp,
  - b) the Contract number specified in the heading,
  - c) the Seller's bank account number that must be identical with the Seller's bank account number specified in the Contract and must be disclosed by the tax administrator as per the VAT Act, or notified of in writing with the signature of the person who signed the Contract and delivered to the Purchaser no later than with delivery of the tax document, and must be disclosed by the tax administrator as per the VAT Act as well.
- 5.12. The maturity of the tax document is sixty (60) days as of delivery of the tax document to the Purchaser. The detail on maturity specified by the Seller in the tax document is not decisive for maturity itself. The Purchaser is not in default with payment of the tax document if, no later than on the last day of the maturity period, the Purchaser ordered its financial institution (bank) to pay the tax document.
- 5.13. The Purchaser is authorized to return the tax document to the Seller prior to its date of maturity should the tax document fail to include the essentials imposed by this Art. 5 or have other content-related defects, together with specification of reason for return. A content-related defect refers to in particular the circumstances when the scope, subject-matter, amount of the price of taxable

performance or due dates authorizing to invoice fail to comply with provisions of the Contract concluded by and between the Purchaser and the Seller.

- 5.14. Depending on the nature of defects, the Seller is obliged to correct the tax document or issue a new one. Upon legitimate returning of the tax document, the original maturity period thereof shall cease to run. The new maturity period shall start running again as of the date of delivery of the corrected or newly issued tax document to the Purchaser.
- 5.15. Should the Seller become an unreliable payer based on a decision of the respective tax administrator as per Section (106a) of the VAT Act, the Seller is obliged to inform the Purchaser of this fact without any undue delay, however, no later than on the day following the date of legal force of that decision. Together with the written notice as per this provision, the Seller will send the notice in electronic form to the Purchaser's email address: **faktury@egem.cz**. Moreover, the Seller must inform the Purchaser in the same manner that the procedure as per Section (106a) of the VAT Act has been instigated against the Seller by the respective tax administrator.
- 5.16. If the Seller is registered as an unreliable payer on the date of taxable performance or if the Seller becomes an unreliable payer prior to the payment of the tax document issued by the Seller as per this article, or in the case of any doubts whether the Seller is an unreliable payer as per the VAT Act or not, the part of the pecuniary consideration based on the tax document corresponding to VAT shall be paid by the Purchaser directly to the bank account of the respective tax administrator in compliance with the provision of Section (109a) of the VAT Act. The total pecuniary consideration as per the tax document will be reduced by this amount.
- 5.17. Should the Purchaser fail to pay the tax document in time, the Seller is authorized to charge an interest on late payment in the amount determined by a special legally binding regulation of the outstanding amount, exclusive of VAT.

## **Retention Bond**

- 5.18. If the Goods handed over by the Seller to the Purchaser have minor defects or fail to be handed over completely, the Purchaser is authorized to retain a reasonable portion of the Purchase Price as the retention bond ("Retention Bond"). The amount of the Retention Bond will be determined unilaterally either by the Purchaser, or the Engineering Supervision of the Purchaser so that the amount of the Retention Bond corresponds to the value of such minor defects. The aforementioned amount of the Retention Bond will be deducted from the respective tax document issued by the Seller.
- 5.19. The Purchaser is authorized to set off the Retention Bond against the payment of its expenses incurred as a result of the fact that the Purchaser authorized a third party to remove the minor defects and complete the work as per paragraph 9.6. In addition, the Purchaser is authorized to set off the Retention Bond against any of the Purchaser's receivables from the Seller incurred as a result of defects in the Seller's performance or in relation thereto.
- 5.20. The Retention Bond or its unused portion will be paid to the Seller by the Purchaser without any undue delay after the Seller removed all defects within the time limits agreed on in the respective Completion Certificate as per Art. 9.

## **6. TIME AND PLACE OF PERFORMANCE**

- 6.1. The Goods will be manufactured on the manufacturing premises of the Seller.
- 6.2. The Goods will be handed over in the Place of Delivery specified in the Contract ("Place of Delivery"). The type and mode of transport of the Goods is to be determined by the Seller with respect to the Goods nature and economic demands of transport concerned. Expenses related to packing will be borne by the Seller. In documents accompanying the Goods, the Seller is obliged to specify its recommended method of disposal of the packaging materials as per the applicable legislation and classification based on the Waste Catalogue imposed by the applicable legislation. In addition,

the Seller must provide such necessary packing of the Goods to prevent their damage or impairment during transport to their final Place of Delivery, storage, and handling in accordance with the Contract. The packaging materials must be sufficient to withstand rough handling without limitation, to prevent damage as a result of extreme temperatures, salt, and rain during transport as well as storage outdoors.

- 6.3. The Seller is obliged to hand over the Goods based on the Completion Certificate no later than within the date specified in the Contract and the Seller undertakes to proceed in the course of the Goods Manufacture in compliance with the agreed schedule of Manufacture. The same provision applies to Part Deliveries defined in the Contract.
- 6.4. The Purchaser reserves the right to change the due date and time for the Manufacture or delivery of the Goods if this measure is necessitated by the situation in the Czech Republic transmission system operation. The Purchaser must inform the Seller of such a change without any undue delay and sufficiently in advance.
- 6.5. The Seller will hand over the Goods to the Purchaser in the Place of Delivery.

### **Interruption of Manufacture**

- 6.6. The Purchaser is authorized to request the Seller to interrupt the Manufacture of the Goods at any time, if such interruption is necessitated by the situation in the Czech Republic transmission system operation and/or if objective obstacles occur during the Manufacture as per Art. 17. In addition, the Seller is authorized to suspend the Manufacture in accordance with the terms and conditions of the Contract if circumstances preventing Manufacture occur as per Art. 17, namely until instructions from the Purchaser are received. For the period of interruption of Manufacture, the Seller will provide for protection, storage, and security of the Goods that have not been accepted based on certificate yet, against damage, loss, or destruction. Expenses related to protection, storage, and security of the Goods will be borne by the Party that is liable for them.
- 6.7. In addition, the Purchaser will inform the Seller of the cause of the interruption of Manufacture. If such a cause is notified of and to the extent to which the Seller is liable for it, the Seller will bear expenses related to the interruption of Manufacture and will compensate the Purchaser for the expenses incurred by the Purchaser in relation to interruption of Manufacture.
- 6.8. If, exclusively as a result of the Purchaser's instruction, the Seller is in delay with fulfilment of due dates agreed on in paragraph 6.3, or the Seller incurs additional expenses as a result of following instructions of the Purchaser as per paragraph 6.6, and/or resuming the Manufacture, the Seller must inform the Purchaser accordingly. The Purchaser will assess such changes or additional expenses without any undue delay. The Parties undertake to subsequently conclude a written addendum to the Contract in respect of (i) extending the time limits as per paragraph 6.3, (ii) work completed by the Seller in relation to the Manufacture interruption, (iii) compensation for reasonable expenses incurred by the Seller sensibly and without prejudice in relation to the work as per clause (ii) appraised in accordance with the Purchase Price, and/or based on the Parties' agreement.
- 6.9. The Seller will not be entitled to extend the due date specified in paragraph 6.3 or to be paid the incurred expenses if the Seller failed to protect, store, or secure the Goods as per paragraph 6.6.
- 6.10. Upon receiving permission or instruction to continue, the Seller and the Purchaser together will carry out a check of the Goods. The Seller will be obliged to repair any and all damage or defects, and/or losses sustained on the Goods due to interruption of the Manufacture.
- 6.11. If the Manufacture is interrupted for a period exceeding one (1) year, the Purchaser is authorized to request unilaterally that the Seller hand over the Goods or part thereof and the Seller is obliged to hand over the Goods within the specified due date. In the case of long-time interruption as per the previous clause, the provisions of Art. 17 shall apply reasonably to the Goods handover. Based on the Completion Certificate, the Seller is authorized to an aliquot portion of the Purchase Price, including potential expenses incurred in relation to protection, storage, and security as per Art. 6.7, to

be determined by an expert appointed by the Purchaser. On the date of signature of the Completion Certificate, the Contract is discharged, and the entitlement of the Seller to an aliquot portion of the Purchase Price is not affected as per this paragraph and paragraphs 20.1 and 20.2 will apply accordingly in such a case.

## **7. AMENDMENTS**

- 7.1. Amendment refers to a deviation from the specification of the Goods provided in paragraph 3.1. (“Amendment”).
- 7.2. Amendment is effected by a written instruction of the Purchaser for the Seller. The Seller is obliged to prepare a proposal for the Amendment implementation if requested so by the Purchaser.
- 7.3. If the Purchaser agrees with the proposal of the Amendment, an amendment sheet is prepared and approved subsequently based on internal rules of the Purchaser. Upon approval of the amendment sheet, the Seller remains obliged to Manufacture the Goods while taking into account the proposed Amendment.
- 7.4. Upon approval of the amendment sheet, the amended specification of the Goods is prepared that includes all items affected by the Amendment, including amendments to the Project Documentation where necessary. The amended specification of the Goods is then regarded as the basis for the addendum to the Contract.
- 7.5. The appraisal of the Amendments in terms of price corresponds to:
  - a) The price determined by agreement, which however shall not exceed the unit prices defined in the Contract.
  - b) The price determined based on agreement by and between the Seller and the Purchaser while taking into account the prices that are customary in terms of place and time.
- 7.6. The Purchaser is authorized to issue the amendment sheet unilaterally at any time and the Seller must follow it.
- 7.7. Approved amendment sheets must be subsequently reflected in the addendum to the Contract.

## **8. RIGHTS AND OBLIGATIONS OF THE PARTIES**

- 8.1. The Purchaser is authorized to carry out checks during the Manufacture on the Seller’s manufacturing premises. The Purchaser’s participation in such checks does not affect its rights arising from the Contract, in particular rights related to defective performance.

### **Method of Manufacture of the Goods**

- 8.2. The Seller declares that it has at its disposal all required documents and certifications for the used materials, including technological procedures. In addition, the Seller declares that it has properly trained persons and all necessary and quality technological equipment for the Manufacture of the Goods. The Seller will submit the needed documents and certifications for the used materials and technological procedures.
- 8.3. The Seller is obliged to inform the Purchaser and the Engineering Supervision of the Purchaser at least three (3) working days ahead of the checks defined in the respective Contract – see the plan of checks and test. Such checks and the Manufacture shall not proceed without approval of the Purchaser or the Engineering Supervision of the Purchaser.
- 8.4. Should the Purchaser or the Engineering Supervision of the Purchaser fail to carry out the check of the Goods or part thereof in the case of Part Deliveries, although it was requested to do so, the Seller is authorized to resume the Manufacture. In such a case, it is understood that the respective checks and measurements were carried out in the presence of the Purchaser. If the Purchaser requests that the respective checks should be carried out, the Seller is obliged to carry out the checks. Where no defect of work is ascertained (and such a request for additional check refers to the Amendment),

the Seller will carry out the check at the expense of the Purchaser. Should a defect in the Goods or part thereof in the case of Part Deliveries be discovered in the course of such a check, the Seller will bear expenses related to the additional check, removal of defects and interruption of the Manufacture.

- 8.5. The Seller must ensure that the Manufacture of the Goods is always carried out by persons competent and qualified for the respective entrusted part activity.

### **Occupational Safety and Protection of Health at Work, Fire Protection, and Protection of the Environment in the Place of Delivery**

- 8.6. In the Place of Delivery, the Seller must ensure adherence to the principles of occupational safety and protection of health at work and fire protection as imposed by Act No. 133/1985 Coll. to regulate fire protection, as amended, in all its employees and subcontractors as per the Contract annex that includes terms and conditions concerning occupational safety, fire protection, and protection of the environment in the Place of Delivery.

### **Keeping the Environment Clean and Waste Management**

- 8.7. The Seller undertakes to keep the Place of Delivery and its environment, including access roads, clear and passable for vehicles as well as pedestrians, and the Place of Delivery must be kept clean.

### **Tests of Material and Checks on the Manufacturing Premises to Attest Quality**

- 8.8. The purpose of the checks and tests carried out on the manufacturing premises of the Seller ("FAT") is to prove that the Goods have the quality parameters specified in the BTC P1 and the Contract.
- 8.9. The checks and test on the manufacturing premises are provided by the Seller in accordance with the received requirements of the Purchaser and the technical specification of the Goods. The Seller must provide the Purchase with documentation and aids necessary for the presence in the checks and tests on the manufacturing premises. For the purpose of the implementation of the checks and tests, the Seller must provide technical equipment imposed by the applicable standard. The checks and tests on the manufacturing premises are to be carried out only on the quantity of materials available during sample taking, prior to commencement of the tests, manufactured and available for taking samples intended for the implementation of the checks and tests.
- 8.10. The checks and tests on the manufacturing premises will be carried out in the presence of the Purchaser (unless the Purchaser announces that the tests can be carried out in its absence) and the Seller on the date that the Seller notifies the Purchaser of and that is approved with the Purchaser at least three (3) weeks before the expected commencement of the checks and tests. Together with the proposal of the date for the checks and tests, the Seller will submit to the Purchaser for approval a program of checks and tests, namely at least two (2) weeks prior to implementation thereof. The Seller will ensure reasonable accommodation and transport in the place of implementation of the checks and tests for the Purchaser. Expenses related to the Purchaser's travel and stay will be paid for by the Purchaser in the case of regular checks and tests.
- 8.11. The Purchaser is authorized to decide on the implementation of the selected checks and tests to attest the quality parameters in a remote manner (via online videotransmission or other available manner). The Purchaser must inform the Seller on the Purchaser's decision to implement the checks and tests in a remote manner at least three (3) weeks prior to the expected commencement of the checks and tests, and/or within a week as of delivery of the Seller's written notice as per paragraph 8.10. to the Purchaser. The Seller will ensure availability of remote connection and the system for digital recording of the implemented checks and tests and will send it to the Purchaser for approval. The Seller must submit records on the checks and tests, including reports, to the Purchaser without any undue delay.

- 8.12. If the results of all checks and tests prove the fulfilment of the technical parameters required by the BTC P1 and the Contract, the Purchaser will confirm this fact in writing and by its signature on the certificate. The certificate attesting fulfilment of the required parameters ascertained during the checks and test confirmed by the Purchaser does not replace the result of the acceptance procedure in terms of quality and quantity as per Art. 9.
- 8.13. Should the results of the checks and tests fail to comply with the requirements imposed by the BTC P1 and the parameters specified in the Contract, the Purchaser is authorized to request that the checks and tests should be repeated. The Seller must comply with such a request. All expenses incurred in relation to such checks and tests will be borne by the Seller, namely including all expenses incurred in relation to the Purchaser's presence.
- 8.14. Should the results of the checks and tests fail to comply with the requirements imposed by the BTC P1 and the parameters specified in the Contract, the Goods or part thereof cannot be used for the performance under the Contract without a prior written consent of the Purchaser. Such a potential written consent cannot be provided by the Purchaser's representative present in the checks and tests. Any stipulations concerning amendments to the required parameters of the subject-matter of the purchase must have a form of addendum to the Contract.
- 8.15. The Purchaser's rights arising from the BTC P1 and the Contract, in particular rights arising from defective performance are not affected in any manner by the fact that the checks and tests are implemented in the absence of the Purchaser with the Purchaser's consent.

### **Engineering Supervision of the Purchaser**

- 8.16. During the check of the Goods Manufacture, the Purchaser will utilize the Engineering Supervision of the Purchaser carried out by the Purchaser's representative or a third party authorized by the Purchaser. The Engineering Supervision of the Purchaser is authorized to order that the Manufacture of the Goods be suspended if the Goods are not manufactured in accordance with the BTC P1 and the Contract. Such circumstances will not release the Seller from its liability for the handover of the Goods in a proper and timely manner.
- 8.17. The Purchaser and the Engineering Supervision of the Purchaser must always have full access to all manufacturing premises of the Seller where the Manufacture of the Goods is being implemented, and will be authorized to test, check, and measure materials and work related to the Manufacture of the Goods.

### **Materials, Procedures, and Equipment**

- 8.18. Materials, procedures, and equipment used for the Manufacture of the Goods must comply with all Czech and European technical standards (ČSN, EN) and good manufacturing practices. All used materials and equipment (technology) must be certified in terms of quality and tested to attest the required parameters and must have declaration of conformity required by generally binding legal regulations.

## **9. HANDOVER OF THE GOODS (HANDOVER AND ACCEPTANCE)**

- 9.1. If the Goods have minor defects that do not prevent proper and smooth use of the Goods for the needs and purpose for which the Goods are purchased, do not limit the Goods in a significant manner, and are not non-compliant with generally binding legal regulations and technical standards, the Purchaser undertakes to take over the Goods, including such minor defects.



**Handover and Acceptance of a Part Delivery**

- 9.2. The Seller undertakes to hand over a Part Delivery always within the due date required by the Contract. The Seller will prepare, in accordance with paragraph 5.6., the Completion Certificate, and the check activities carried out in the respective Part Delivery should confirm the scope.
- 9.3. Completion of a Part Delivery refers to the fact that all work on the Manufacture of the Part of the Goods have been completed, the Seller has carried out tests imposed in the Project Documentation or arising from technical standards and regulations, and certificates and all reports on performed tests and attestations have been issued, and the manufacturing documentation for the respective Part Delivery has been handed over.
- 9.4. Handover of Part Deliveries will follow engineering supervision and final tests of the Seller based on the Purchaser's instruction in the presence of the Seller, the Purchaser, and other persons (in particular the Engineering Supervision of the Purchaser). The Purchaser will take records and certificates of such engineering supervision and carried out tests that the Purchaser will provide to the Seller as the basis for the handover-acceptance procedure. In addition, the Purchaser will be handed over respective manufacturing documentation in two (2) copies and the respective accompanying documentation (attests, declaration of conformity, manuals in the Czech language, etc.), together with any other documents necessary for the use of the Goods. All documentation that is to be handed over by the Seller to the Purchaser as per this paragraph must be handed over in both printed, and electronic form.
- 9.5. Upon handover of the Part Delivery as per paragraph 9.2, inspection of the Goods to be handed over will be performed in the presence of the Parties and the Engineering Supervision of the Purchaser. After the inspection is completed, the Purchaser:
- a) will approve the Completion Certificate for the purposes of the Seller with the specification of date when the Goods were properly handed over in accordance with terms and conditions specified in the BTC P1 and the Contract, or
  - b) will refuse to approve the Completion Certificate for the purposes of the Seller and provide reason and specification of defects that the Seller is requested to remove to be able to issue the Completion Certificate. The Seller will then remove such defects without any undue delay and request the Purchaser to issue the Completion Certificate; the aforementioned procedure is to be employed also repeatedly until the Purchaser issues the Completion Certificate for the purposes of the Seller as per provision (a) or (c), or
  - c) will approve the Completion Certificate for the purposes of the Seller together with a list of minor defects and description of manifestation thereof and time limits for their removal.
- 9.6. In the case that the Goods or part thereof are taken over by the Purchaser with minor defects as per paragraph 9.1, the Parties will agree on the value of such minor defects. If the Parties fail to agree on the value of minor defects, the value thereof will be determined by the Purchaser. If the Goods or part thereof are handed over with minor defects, the Purchaser is authorized to reduce the Purchase Price specified in paragraph 5.1., namely by the value at which the minor defects were appraised (paragraph 5.18), and/or request removal thereof by the Seller within a specified time limit. If the Goods or part thereof have been handed over with minor defects, the Completion Certificate will include stipulations on handover of the Goods or part thereof with reservations, agreement on the scope and time limit for the removal of such minor defects, and their value, as well. Should such stipulations be omitted, it is to be understood that specification of minor defects in the Completion Certificate means that the Seller has been notified of the minor defects and must carry out removal thereof within thirty (30) calendar days as of the handover of the Goods or part thereof. Upon expiry of his time limit with no effect, the Purchaser is authorized to remove such minor defects on its own or through a third party, namely at the expense of the Seller.

**Final Handover and Acceptance of the Goods**

- 9.7. The Seller will request the Purchaser in writing to confirm the handover and acceptance of the Goods as a whole no later than fourteen (14) days prior to the date of their handover. The provisions of paragraph 9.5 and 9.6 shall apply reasonably to the final handover and acceptance of the Goods as a whole.
- 9.8. The Seller must keep any and all records on complaints after the handover of the Goods. Upon expiry of the guarantee period and removal defects that occurred during the guarantee period, such documentation must be submitted to the Purchaser.
- 9.9. Risk of damage to the Goods is on the part of the Seller until the Goods are handed over to the Purchaser, with the exception of the Goods already handed over as per paragraph 9.3. where risk of damage to such parts is on the part of the Purchaser until the handover thereof.
- 9.10. The person authorized to hand over the Goods and issue the Completion Certificate on behalf of the Seller, and/or accept the Goods and sign the Completion Certificate on behalf of the Purchaser, respectively is the representative for technical discussions or a person authorized by him/her.
- 9.11. Without the signed Completion Certificate the obligation of the Seller as per the BTC P1 and the Contract cannot be regarded as fulfilled.

**10. COLLABORATION OF THE PURCHASER AND THE SELLER**

- 10.1. The Purchaser:  
will provide the Seller with permission to enter the Place of Delivery of the Goods specified in the Contract.

**11. GUARANTEES**

- 11.1. The guarantee period  
The Seller will provide the Purchaser with the guarantee of quality for the manufactured and delivered Goods. The guarantee period will be sixty (60) months and starts running on the date of acceptance of the Delivery or Part Deliveries based on procedures defined in the Contract and based on the Completion Certificate.  
The guarantee of quality means that the Seller assumes liability for the Goods or part thereof to be fit for their intended use, their quality to comply with the conditions and requirements defined in the BTC P1 and in the Contract, and to retain their properties specified in the BTC P1 and the Contract, and/or customary ones, over the guarantee period. The Seller is obliged to remove at no expense for the Purchaser any and all material as well as legal defects in the Goods that occur in the Goods during the guarantee period, namely using the procedure defined in Art. 12.

**12. RIGHTS ARISING FROM DEFECTIVE PERFORMANCE**

- 12.1. The Goods are regarded as having defects if they fail to comply with the result defined in the BTC P1 and the Contract, the purpose of their use, and/or lacks the properties expressly defined in the BTC P1 and the Contract and the generally binding legal regulations.
- 12.2. The Seller is liable for defects that will be discovered within the guarantee period as per paragraph 11.1.
- 12.3. The notice of defects must be sent to the Seller in writing without any undue delay after discovery thereof. If in doubt, it is to be understood that the notice of defects has delivered to the Seller on the third day after its posting. The notice of defects must include the defect description and must include a choice between claims specified in paragraph 12.4.
- 12.4. If defects in the Goods are discovered, the Purchaser has the right to:  
a) Request the defect to be removed by the provision of new Goods within a reasonable time limit, where defects making the Goods unusable for the agreed purpose, are concerned.

- b) Request the defect to be removed by the provision of new performance within the scope of the defective part, and/or repair, where repairable defects are concerned. In such a case, the Seller must remove the defect without any undue delay, no later than within three (3) days as of the date of delivery of the notice of defects to the Seller, in the case of defects preventing proper use of the Goods, and within fifteen (15) days as of the date of delivery of the notice of defects to the Seller, in the case of other defects, where possible considering the technological procedures, time limits and due dates of deliveries of the necessary material or machines and equipment. Should the Seller fail to remove the defect within the defined or agreed time limit, with the exception of cases where it is not possible considering the technological procedures, time limits and due dates of deliveries of the necessary material or machines and equipment, the Purchaser may withdraw from the Contract, return the defective Goods or part thereof, and charge the Seller for the loss incurred by the Purchaser in relation to the defect concerned. The Seller must settle the invoice within twenty-one (21) days.
- c) Request a reasonable discount on the Purchase Price. Unless agreed otherwise, the discount on the Purchase Price will be determined on the basis of expert opinion prepared by an expert appointed by the Purchaser. Expenses related to the preparation of the expert opinion will be borne by the Parties equally.
- 12.5. In matter related to defects and removal thereof, the Parties are represented by their representatives for technical discussions.
- 12.6. The Purchaser is obliged to notify the Seller of defects in writing and must include the following information:
- where the defect occurred,
  - when the defect was discovered,
  - how the defect is manifested,
  - proposal for the method of the defect removal (choice as per paragraph 12.4),
  - proposed due date for the defect removal,
  - name of the person on the part of the Purchaser who is authorized to confirm the removal of the defect.
- 12.7. Together with the notice of defects, the Purchaser will send to the Seller the form of the defect removal certificate that the Seller must complete and submit to the Purchaser for approval. The Seller will submit the confirmed defect removal certificate to the Purchaser.
- 12.8. Claims arising from defective performance have no effect on the entitlement of the Purchaser to be paid a stipulated fine and compensated for losses sustained.
- 12.9. The Purchaser has the right to request from the Seller compensation for expenses effectively incurred in relation to claims arising from defective performance. The right for compensation of the expenses may be exercised within six (6) months as of the expiry of the guarantee period.
- 12.10. In the case of delivery of new Goods or part thereof within the framework of defects removal, the new guarantee period related to such provided performance will run within the duration defined in paragraph 11.1.
- 12.11. For the period of time necessary for the settlement of the claim arising from defects, no guarantee period is running.
- 12.12. The provisions of the BTC P1 and the Contract concerning the place of performance and method of performance, and exercise of rights arising from defective performance govern the handover of the new performance within the framework of defect removal and liability for defects in such performance.
- 12.13. The Seller must remove the defect even in the case that it refuses to assume the liability for the defect concerned. The person responsible for the settlement of expenses incurred in relation to repair and method of settlement thereof will be agreed on subsequently by the Purchaser and the Seller or before the court. The agreement must be concluded within thirty (30) days as of the date of defect removal.

**13. TITLE TO THE GOODS AND RISK OF DAMAGE TO THE GOODS**

- 13.1. The title to the Goods and entire risk of damage to the Goods or part thereof will pass from the Seller to the Purchaser upon the handover of the Delivery or Part Delivery to the Purchaser in a manner specified in Art. 9.
- 13.2. By concluding the Contract, the Seller grants to the Purchaser an irrevocable, free, exclusive, transferable (assignable), sole and unlimited licence to reproduce, use by all known means and disclose to third parties, including granting sublicences, all documentation prepared by the Seller in relation to performance under the Contract, the Goods, and/or all parts thereof, where applicable, being subject to intellectual property rights, as well as to other documents, instruments, sketches, designs, Amendments to the Goods or details provided by the Purchaser as per the BTC P1 and the Contract that are or may be protected by the right of authorship, including the right to modify or amend the Goods or part thereof for the purposes of construction, operation, use, maintenance, repairs, modifications, and destruction, or for any other intentions of the owner of the Goods or any part thereof. This right is conferred on the Seller for the duration of the job, to which the respective Contract relates, or the respective intellectual property rights, whichever expires later. The Purchaser is authorized but not obliged to utilize the licence. The Purchaser is not obliged to inform the Seller of granting a sublicense or of the assignment of the acquired rights.
- 13.3. The Parties hereby agree that the licence as per paragraph 13.2 is granted by the Seller also for the benefit of the future owners of the Goods or individual parts thereof as the other entitled parties.
- 13.4. In addition, the Parties agreed that the Seller grants to the Purchaser an irrevocable, free, exclusive, transferable (assignable), sole and unlimited licence, including granting sublicense to use the technological procedures related to the Manufacture of the Goods for the purpose of management of adherence to these procedures on the part of the Seller and for the purpose of maintenance, repairs, or modification, namely for the duration of the respective intellectual property rights, however, always at least for the term of the Contract, meaning for the period of time when it is possible to exercise any rights arising from the Contract (in particular the guarantee), and for the period of time of possible judicial or other proceedings until the final decision thereof. The Purchaser is authorized to provide the specified technological procedures for a necessary period of time to persons who will ensure the management, maintenance, repairs, or modifications on behalf of the Purchaser.
- 13.5. In addition, the Seller declares that (i) the Seller is authorized to provide the licences without limitations and that (ii) the Seller is not aware of any rights of third parties that would restrict the valid granting of the licence and any rights conferred in the Contract. In addition, the Seller declares and agrees to indemnify the Purchaser, the owners of the Goods or any other third party to whom the aforementioned licence was transferred subsequently, namely for all damage, including immaterial damage that might be sustained by the entitled persons in relation to any claims filed by third parties in respect of infringement of their intellectual property rights. The obligation to indemnify as per the previous clause also applies to expenses related to protection against such claims, including expenses incurred in relation to legal representation.
- 13.6. The Seller is not authorized to terminate the Contract or withdraw therefrom for the reason defined in Section (2378)(1) of the Civil Code.

**14. SOME PROVISIONS ON THE SELLER'S OBLIGATION TO COMPENSATE FOR LOSS**

- 14.1. In the case that performance under the Contract results in a loss sustained by the Purchaser or third parties, the Seller must remove such a loss without any undue delay by restoring the original condition. If removal of the loss by restoring the original condition is not possible, the Seller will compensate such a loss by pecuniary compensation. Where violation of the obligation to which the stipulated fine is imposed is concerned, the Purchaser is authorized, in addition to the stipulated fine, to damages for damage sustained, namely within the scope in excess of the stipulated fine.

- 14.2. If the Seller used a third party for the performance under the Contract, the Seller will compensate the loss caused by the third party as if the loss was caused by the Seller itself, namely regardless of the fact whether such a third party undertook to carry out a certain activity independently, or not.
- 14.3. The Purchaser's obligation to compensate damage sustained by the Seller that could not be reasonably envisaged at the time of conclusion of the Contract. In addition, the Purchaser's obligation to compensate the Seller for immaterial loss within the meaning of Section (2971) of the Civil Code is excluded.
- 14.4. An unsuccessful takeover procedure for which the Seller is liable authorizes the Purchaser to charge the Seller the expenses incurred by the Purchaser in relation to such unsuccessful takeover inspection. The reason of unsuccessful takeover procedure are not defects in the Goods that can be removed on the date of takeover inspection or minor defects and arrears not preventing proper and safe use of the Goods.
- 14.5. The exercised damages are payable within twenty-one (21) days as of delivery of the request to pay to the Seller. The Purchaser is authorized to set off the unpaid damages against other receivables of the Purchaser from the Seller arising from the Contract.

## **15. STIPULATED FINES**

- 15.1. For failure of the Seller's obligations arising from the Contract, in particular the following stipulated fines are agreed:
- a) Should the Seller be in delay with the handover of the Goods as per paragraph 6.3, the Purchaser is authorized to request from the Seller to be paid the stipulated fine:
    - for the first three (3) days of delay in the amount of 0.2% of the Purchase Price of the Delivery or the respective Part Delivery defined in paragraph 5.1 for each even started day of delay.
    - as of the fourth day of delay in the amount of 0.5% of the Purchase Price of the Delivery or the respective Part delivery defined in paragraph 5.1 for each even started day of delay.
  - b) Should the Seller fail to remove defects specified in the Completion Certificate within the time limit defined in this Completion Certificate as per paragraph 9.6., the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 10,000 for each and every individual case and for each even started day of delay. This provision shall not apply to defects defined in paragraph 12.4.
  - c) Should the Seller be in delay with the removal of defects claimed within the guarantee period within specified time limits, the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 50,000 for each and every individual case and for each even started day of delay.
  - d) Should the Seller fail to notify the Purchaser of the fact that it has become unreliable payer or that the respective tax administrator has instigated proceedings against the Seller in this respect, both circumstances as per paragraph 5.15., the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 20,000.
- 15.2. In the case of violation of the terms and conditions of the Contract in respect of occupational safety, fire protection, and protection of the environment in the Place of Delivery that are part of the Contract, the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 5,000 for each and every individual case of violation. In the case of repeated violation of the terms and conditions of the Contract in respect of occupational safety, fire protection, and protection of the environment for which the Seller was imposed the fine before, the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 20,000 for each and every such a case. If a preliminary test for alcohol or other habit-forming substances discovers that the employee or subcontractor of the Seller is in the Place of Delivery under the influence of alcohol or other habit-forming substances, or should such a person refuse to undergo such a preliminary test when instructed so by the authorized representative of the Purchaser or

security personnel, the Seller must pay to the Purchaser the stipulated fine of CZK 20,000 for each and every individual case of such violation of the Seller's obligations. In the case of violation of the Seller's obligation to proceed with the Manufacture of the Goods in accordance with the agreed technological procedures, the Purchaser is authorized to request from the Seller to be paid the stipulated fine of CZK 250,000 for each and every such a case.

- 15.3. Should the Seller or Seller's subcontractors violate the obligation defined in paragraph 8.7, the Purchaser is authorized to request from the Seller to be paid the stipulated fine of CZK 5,000 for each and every individual case of violation.
- 15.4. Should the Seller violate the obligation to protect confidential information as per Art.19., the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 100,000 for each and every violation of the obligation to protect confidential information.
- 15.5. In the case of violation of the obligation concerning information on the part of the Seller as per paragraph 22.6., meaning inform the Purchaser immediately that the entity or performance of the Seller is subject to international sanctions, the Purchaser is authorized to request from the Seller to be paid the stipulated fine in the amount of CZK 500,000.
- 15.6. Payment of the stipulated fine as per the BTC P1 and the Contract shall not affect the rights of the Purchaser arising from defective performance.
- 15.7. The exercised stipulated fine is payable within twenty-one (21) days as of delivery of the respective invoice to the Seller. The Purchaser is authorized to set off the unpaid stipulated fine against other receivables of the Purchaser from the Seller arising from the Contract.

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

- 16.1. The rights and obligations arising from the BTC P1 and the Contract are binding on legal successors of the Parties as well. The Seller may assign its rights and obligations arising from the BTC P1 and the Contract to a third party only based on a prior written consent of the Purchaser.

## **17. OBSTACLES TO MANUFACTURE OF THE GOODS**

- 17.1. The Seller and the Purchaser are not liable for full or part failure to fulfil their obligations arising for them from the BTC P1 and the Contract in the case and to the extent to which such failure is due to circumstances resting in extraordinary unpredictable and insurmountable obstacle that occurred independently of the will of the Parties to the BTC P1 and the Contract. However, liability for the violation of obligations as per the BTC P1 and the Contract is not exempt by an obstacle that occurred after the Party was already in delay with performance under the Contract, or an obstacle that the liable Party should have surmounted, or that occurred for economic reasons on the part of the liable Party is concerned.
- 17.2. In the case of obstacles as per paragraph 17.1 , all time limits to which the obstacles concerned, will be extended by the time for which the aforementioned obstacles lasted, and by the time that is technically reasonable for the removal of material consequences of such obstacles. The Purchaser and the Seller undertake to take any and all measures to minimize the effects of obstacles as per paragraph 17.1, in particular delays that occurred.
- 17.3. The Party that claims obstacles as per paragraph 17.1 , must prove the existence and circumstances of the obstacles, time, for which the circumstances occurred, duration thereof, and their direct causal link to the violation of obligations imposed by the BTC P1 and the Contract.
- 17.4. Should the obstacles as per paragraph 17.1. last longer than ninety (90) days, then the Party, against which the obstacles are claimed, is authorized to withdraw from the Contract, upon its own discretion either fully or partly, unless different agreement is achieved in within one month that follows. In the case of withdrawal from the Contract, the Purchaser and the Seller will try to reach resolution of mutual pecuniary settlement of payments for the Manufacture and handover of the Goods executed before withdrawal from the Contract (see Art. 20).

**18. LANGUAGE AND METRIC SYSTEM**

- 18.1. All communication as per the BTC P1 and the Contract will be executed in the Czech or Slovak language. However, all documents to be handed over to the Purchaser must be executed in the Czech language. In exceptional cases and only based on a prior written consent provided by the Purchaser, these documents can be submitted in a different language, based on the Purchaser's request, completed with officially authenticated translation. In the case of inconsistent language versions, the Czech language version shall prevail.
- 18.2. Details in all documents submitted to the Purchaser must be expressed in metric (SI) units. Exceptions are reports on type tests performed prior to the commencement of the Manufacture of the Goods, where details can be provided in other language and in different units than SI. Such reports must be completed with Czech translation and conversion of all values to the SI units.

**19. PROTECTION OF CONFIDENTIAL INFORMATION**

- 19.1. The Parties must protect information marked as confidential that was provided within the framework of performance under the Contract against disclosure to third parties. Facts forming trade secret are regarded by the Parties as confidential information as well. Such information shall not be used for any other purpose than performance under the Contract. The obligation to protect confidential information shall last over the entire life cycle of the confidential information.
- 19.2. When the Contract expires, each Party must return all provided materials necessary for the performance under the Contract that include confidential information, including copies possibly made, upon the other Party's request. The Parties will make a certificate attesting handover and takeover thereof.

**20. TERMINATION OF THE CONTRACT**

- 20.1. If the Contract is terminated, performance provided prior to the Contract termination is not to be returned. If the Contract is terminated during the period of the Manufacture of the Goods, the Purchaser must pay to the Seller the provable and effectively incurred expenses related to the Manufacture of the Goods, with the exception of withdrawal on the part of the Purchaser as per paragraph 20.3. In such a case, the Seller is obliged to hand over the Goods or part thereof to the Purchaser corresponding to the incurred expenses mentioned above.
- 20.2. Termination of the Contract does not affect the Seller's obligation to pay the stipulated fine or default interest where accrued, or the Purchaser's right to damages, or the provision on the protection of confidential information and the rights and obligations, the nature of which indicates that they should survive the termination of the Contract.

**Notice of Termination**

- 20.3. The Purchaser is authorized to withdraw from the Contract for convenience, namely based on a notice period of six (6) months that starts running on the first day following delivery of the notice of termination to the Seller. If the Contract is terminated by notice of termination on the part of the Purchaser, the Seller must hand over to the Purchaser the Goods or part thereof that was manufactured before the moment of expiry of the notice period. Art. 9. shall apply reasonably. In such a case, the Purchaser must pay to the Seller an aliquot part of the Purchase Price, namely for the Goods already handed over to the Purchaser before the notice period expiry.

**Withdrawal from the Contract**

- 20.4. The Purchaser is authorized to withdraw from the Contract in the case of violation of the Contract in a gross manner. The Parties stipulate that a violation of the Contract in a gross manner, apart from

other cases expressly specified in the Contract and circumstance envisaged by the provision of Section (2002)(1) of the Civil Code, also refers to the following circumstances:

- a) The Seller refuses to perform under the Contract or asserts its invalidity.
- b) The Seller fails to carry out the Manufacture of the Goods with no good reason for fifteen (15) consecutive days.
- c) The Seller goes bankrupt or at risk of bankruptcy.
- d) If duration of any obstacle in the Manufacture of the Goods on the part of the Seller exceeds six (6) months.
- e) The Seller, contrary to Art. 16., assigns its rights or obligations arising from the BTC P1 and the Contract, or assigns or transfers the Contract to a third party.
- f) The Seller, regardless of repeated notices by the Purchaser, prevents or makes impossible the implementation of the checks and tests of the manufactured Goods otherwise.
- g) The Seller is in delay with the performance of any of its obligations and liabilities imposed by the BTC P1 and the Contract for at least fourteen (14) days, namely also in the case that such a violation of obligation or liability is subject to a stipulated fine.
- h) On the part of the Seller or in its supply chain, a serious violation of human rights guaranteed by international treaties or generally recognized ethics and morals standards is revealed, both in the sense of the National Action Plan for Business and Human Rights approved by the Government of the Czech Republic.
- i) Circumstances under which the Seller or its performance has become subject international sanctions.
- j) The Seller has violated its obligation to inform as per paragraph 22.6.
- k) Insolvency or execution proceedings have been instigated against the Seller, or bankruptcy petition has been issued in respect of the Seller within the meaning of Section (136) et seq. of the Insolvency Act.

20.5. The Seller is entitled to withdraw from the Contract only provided that:

- a) a notice of execution commencement has been issued within the framework of the proceedings held against the Seller,
- b) a decision on the Seller's bankruptcy within the meaning of Section (136) et seq. of the Insolvency Act has been issued.
- c) The Seller is bankrupt or at risk of bankruptcy.

20.6. The Contract is terminated upon expiry of the time limit of fourteen (14) days as of delivery of a written notice of withdrawal to the other Party.

20.7. The Purchaser reserves the right to replace the Seller in the course of the term of the Contract, namely in the case that the Contract has been terminated by withdrawal from the Contract on the part of the Purchaser as per paragraph 20.4.

20.8. If any of the cases of withdrawal from the Contract described in paragraph 20.4 occurs, the Purchaser is authorized to conclude the Contract with a new contractor/seller.

## **21. OTHER PROVISIONS**

21.1. The Parties are obliged to inform each other if they become a party to insolvency proceedings.

21.2. The Seller is authorized to appoint always one (1) representative of the Seller for technical discussions and one (1) representative for discussions related to matters concerning the Contract. The Seller's representative is authorized to be represented always by just one (1) person in case that he/she is not able to fulfil duties related to their position for a limited period of time due to objective reasons.

21.3. The representatives of the Parties are authorized to communicate with the other Party in matters related to the Contract and technical matters concerning performance under the Contract. The Seller's representatives for technical discussions will be the contact person for the Purchaser over the entire term of the Contract for any technical discussions and discussions related to the Manufacture of



the Goods. If well-founded objections are raised on the part of the Purchaser against the person of the Seller's representative, the Seller must appoint a different person to act as the Seller's representative.

## **22. FINAL PROVISIONS**

- 22.1. The Contract may only be amended in the form of written numbered addenda signed by the authorized representatives of the Parties. The provision of Section (1740)(3) of the Civil Code shall not apply.
- 22.2. The Contract will be executed in electronic form with the validity of the original document.
- 22.3. The Parties expressly agreed that the Contract is governed and interpreted in accordance with the law of the Czech Republic, and that all rights and obligations stipulated in the Contract and arising therefrom are governed by the Civil Code, as amended. The Parties agreed that commonly observed business practice shall not take precedence over any provision of the act, not even over the provisions of the act with no peremptory effects.
- 22.4. Should any provision of the BTC P1 or the Contract is invalid or unenforceable, then such circumstances shall not result in invalidity or unenforceability of the remaining provisions of the BTC P1 or the Contract, provided that the provision concerned is severable from the BTC P1 and the Contract as a whole. The Parties undertake to take maximum efforts to replace such a provision of the BTC P1 or the Contract with a new one, the content and purpose of which is the closest to the content and purpose of the invalid or unenforceable provision.
- 22.5. The Contract is governed by the wording of these BTC P1 effective at the time of its conclusion, unless agreed otherwise.
- 22.6. The Seller is obliged to inform the Purchaser without any undue delay if the Seller experiences a change resting in the fact that the entity of the Seller or performance thereof has become subject to international sanctions.
- 22.7. The Contract becomes valid and effective upon signature by the Parties' authorized representatives, with the later date of signature being decisive.
- 22.8. The Parties exclude the application of Section (2126) of the Civil Code.