

General Commercial Terms and Conditions of ŽĎAS, a. s. applicable for Contracts on Works, valid as of 1. 1. 2014

These General Commercial Terms and Conditions applicable for Contracts on Works (hereinafter referred to as the "**GCC-W**") of ŽĎAS, a. s., with a registered seat at Zďár nad Sázavou, Strojírenská 6, Company ID: 46347160, registered in the Commercial Register of the Regional Court in Brno, Section b, Entry 766, shall govern the contractual relations applicable for the conclusion of the Contract on Works.

GCC-W specify and delimit in detail the rights and obligations of the Contractor and the Client, the procedure for the conclusion of contracts and further partially determine the content of the individual offers = Draft Contracts on Works of the Client (hereinafter referred to as the "**DCW**"), including the basic particularities – subject-matter of the contract, performance period, price of the works. GCC-W form part of DCW pursuant to § 2586 et seq. of the Commercial Code (Act No. 89/2012 Coll.) and shall be binding for both Contractual Parties. Any provisions deviating from the provision laid in the Contract on Works (hereinafter referred to as the "**CW**"), or the provisions of the Framework Contracts shall have priority over these GCC-W. Any relations which are not governed in detail by these GCC-W shall be governed by the respective provisions of Act No. 89/2012 Coll. – the Commercial Code.

1. Introductory Negotiation:

1.1. All Introductory Negotiations (questions, requirements regarding the technical solution, price, deadlines, notification to attend the Tender Process, Contractor offers, etc.) shall serve for the needs of the Client of options and shall not bind the Client to conclude the contract. All these activities (transfer of data, solutions, consultations, participation, etc.) shall be provided free of charge. The pre-contractual responsibility pursuant to §1728-1729 of the Commercial Code shall be excluded during the conclusion of the contract.

2. Creation of the Contract and the Amendments:

2.1. By entering into the Contract on Works, the Contractor shall undertake to execute the Works for the Client at the Contractor's own costs and danger; the Client undertakes to take over the Works and pay the price.

2.2. By accepting Client's **DCW** to conclude CW, the Contractor concludes a valid contract with all legal effects. The acceptance of DCW with insignificant amendment or deviation pursuant to § 1740, par. 3 of the Commercial Code (Act No. 89/2012 Coll.) shall be excluded.

2.3. The Contractor shall confirm and deliver DCW for the conclusion of the contract submitted by the Client to the Registered Seat of the Client within the deadline stipulated in the draft contract. If such deadline is not stipulated, the period of time equal to 15 calendar days shall apply. § 1736 to §1744 of the Civil Code shall be respected for the conclusions of contracts.

2.4. If the Contractor fails to accept DCW within the above-mentioned deadlines, CW will not be created. The same legal effects shall apply for the situation that the Contractor makes amendments in GCC-W, which the Client does not accept within 30 calendar days from when the Contractor's counterproposal is delivered. The Contractor shall be obliged to execute the Works in person or to contract another to execute them under the Contractor's supervision. Pursuant to § 2630 of the Civil Code – Act No. 89/2012 Coll., joint and several liability of other subjects shall also apply to the construction projects. In the event that the DCW is accepted, the Contractor declares they were familiarized with the purpose of the contract.

2.5. CW shall include the agreed price of works, or it shall determine the manner to establish such price.

2.6. Any amendments and supplements annexed to the CW shall be prepared in writing and signed by both Contractual Parties. An emailed scanned document shall also be considered a written form.

2.7. Shall the circumstances change after the contract is concluded, and a "remarkable disproportion" to the detriment of one of the Contractual Parties arises, being it a disproportionate increase of the performance costs or a disproportionate reduction of the value attributed to the subject-matter of the performance, the affected Contractual Party shall have the right to request to resume the contractual negotiation, as long as such Contractual Party demonstrates that the change of circumstances could not be reasonably anticipated or influenced and that such fact occurred after the contract was concluded or the affected Contractual Party learnt about such change only after the

contract was concluded. The enforcement of the foregoing right shall not entitle the affected party to postpone the performance. Shall the Contractual Parties fail to reach agreement within an accurate period of time, the respective court may decide on the subject-matter based on a filed legal action.

3. Warranty:

3.1. Works warranty shall be negotiated in the CW, otherwise the defects liability shall be governed by the applicable provisions of Act No. 89/2012 Coll., the Commercial Code. The Client shall be obliged to review, test the Works and subsequently to notify the Contractor in writing about the identified defects.

4. Contractual Performance:

4.1. The Contractor will fulfil their commitment under this Contract by means of due completion of the Works and the handover of the Works to the Client. The Client shall have the right to take over the Works with or without reservations if obvious defects are identified. The Works are deemed completed if the Contractor demonstrates their ability to serve their purpose.

4.2. Unless the Contractual Parties agreed otherwise in the Contract, each invoice shall be payable within 60 calendar days. Unless otherwise agreed by the Contractual Parties, the invoice shall serve as a payment document. The contractor's right to issue an invoice at the sum agreed for Works shall arise at the moment when the contractual commitment is fulfilled, i.e. when the Works are duly handed over to the Client.

4.3. Liability for damage to the subject-matter item shall be transferred to the Client upon the handover of the Works, even in cases when the Works are executed at the Client's premises, on Client's land or land provided by the Client. The Contractor shall be liable for the damage to the subject-matter item – the Contractor secured to execute the Works – until the Contractor's property right to such item is valid.

4.4. The property right to the Works shall be governed by provisions § 2 599 to § 2 603 of the Civil Code. At the same time, the Client excludes any reservation enforced in the property right pursuant to § 2 134 of the Civil Code.

4.5. The Client shall be entitled to pay the VAT retention to the bank account of the respective bank, if the Contractor becomes an untrustworthy payer in respect of the taxable performance date, or if the Contractor includes on the tax document a national bank account or a bank account not published by the tax authority. The Client shall notify the Contractor in writing about the realized payment.

5. Contractual Penalties, Delay Interest and Compensation of Damage:

5.1. If the Client is delayed with the payment of the invoice or any other equivalent document, the Contractor shall be entitled to require the payment of the contractual interest for each day of delay at the amount of 0.03% of the price stated on the invoice, VAT included. The maximum sum of the contractual delay interest shall not exceed 5% of the price stated on the invoice, VAT included.

5.2. The Client shall be entitled to ask the Contractor for a contractual penalty at the amount of 0.05% of the agreed price (VAT included) for each day of delay. This provision shall not affect the Client's right of compensation for damage enforced from the Contractor. The Contractual Penalty may have the form of a deduction from the price of Works, unless otherwise agreed.

5.3. Damage compensation shall be governed by the respective provisions of the Civil Code act.

6. Other Provisions:

6.1. If it is anticipated that the delivery date of the Works could be delayed, the Contractor shall be obliged to notify the Client immediately. The Contractor may refer to the delayed delivery date only in the event of force majeure, and only if the facts causing delay were communicated to the Client without undue delay.

6.2. The Contractor hereby undertakes to notify the Client immediately about any change of technology, change of decisive parameters, transfer of the production and other important circumstances substantially impacting the performance of Works, payment terms and other circumstances under this CW. The Contractor shall be entitled to test the performed Works; the Contractor shall be obliged to allow such tests at their own costs.

6.3. Accepted DCW or other written documentation may be delivered via the mail service, the delivery date shall be the 3rd calendar day from when the consignment was registered for post office shipment. If the documents are delivered in person, they shall be delivered to the competent employee who shall be obliged to acknowledge their acceptance (in writing). If delivered using fax, the sending party shall be obliged to provide the original within 3 calendar days.

6.4. All input data, which the Client provided to the Contractor, shall remain the property of the Client. The Contractor shall be obliged to return any data not later than upon the handover of the Works and shall not copy data either digitally or in writing or use data to execute the Works for other entity without the Client's approval.

6.5. If the Contractor executes the Works on the Client's premises, the Contractor shall be obliged to comply with the "General OHS, RS, FP Principles for External Suppliers of Works in ZĎAS, a.s." available at www.zdas.cz/Logistika.