

# GENERAL PURCHASING CONDITIONS (GPC)

of P R O M O N T, a.s. - valid and effective from 20.01.2021

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## 1. DEFINITIONS

### 1.1. SUPPLIER

For the purposes of these GPC, SUPPLIER shall mean the seller in the sense of Section 2079 et seq. of the CIVIL CODE or the contractor in the sense of Section 2586 et seq. of the CIVIL CODE, notwithstanding whether it is expressly identified as such in the CONTRACT.

Any varying, supplementing or other general terms and conditions or any other terms and conditions of the SUPPLIER shall not be binding on PROMONT, and if attached to the CONTRACT in any form whatsoever, it shall hold that the PARTIES have not entered into any CONTRACT.

### 1.2. ORDER

ORDER shall mean a proposal of PROMONT for a conclusion of the CONTRACT.

### 1.3. CIVIL CODE

CIVIL CODE shall mean Act No. 89/2012 Sb., Civil Code, as amended.

### 1.4. SUBJECT OF THE GPC

The GPC stipulate and supplement the conditions of a conclusion of Contracts between PARTIES. The GPC are binding and form an integral part of the Contracts. By concluding the CONTRACT, the SUPPLIER expresses an irrevocable consent to the wording of these GPC.

If the contents of the CONTRACT vary from these GPC, the provisions of the CONTRACT shall prevail over the varying provisions of these GPC.

### 1.5. SUBJECT OF PERFORMANCE

For the purposes of these GPC, SUBJECT OF PERFORMANCE shall mean, depending on the nature of the CONTRACT, (i) if the contract is a purchase contract, things and parts thereof which the SUPPLIER agrees, by virtue of the contract, to supply to PROMONT and enable PROMONT, a.s. to acquire ownership title to the things, and PROMONT agrees to take over the things and accept them into its ownership and pay for them the agreed price to the SUPPLIER, or (ii) if the contract is a contract for work, the work which the SUPPLIER agrees to perform for PROMONT at its cost and expense and which PROMONT agrees to take over and pay the price for the work.

### 1.6. PROMONT

PROMONT shall mean the company P R O M O N T, a.s., ID No.: 00576638 with its registered office at Chemická 2122/3, 709 00 Ostrava – Mariánské Hory, For the purposes of these GPC, PROMONT is the purchaser within the meaning of Section 2079 et seq. of the CIVIL CODE or the client within the meaning of Section 2586 of the CIVIL CODE, notwithstanding whether it is expressly identified as such in the CONTRACT.

### 1.7. CONTRACT

CONTRACT shall mean the purchase contract or contract for work entered into in writing between PROMONT and the SUPPLIER under these GPC. Unless stipulated otherwise, purchase contract or contract for work under these GPC shall also mean any written framework purchase contract or framework contract for work, on the basis which the purchase contract or contract for work is entered into using the procedure under these GPC. A CONTRACT shall also mean any innominate contract, agreement or some other contractual arrangement in which PROMONT act in the position of a client, customer or in some other similar position.

### 1.8. PARTIES, PARTY

The SUPPLIER and PROMONT are hereinafter also jointly referred to as the PARTIES or each individually as the PARTY.

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## 2. CONTRACTS AND ORDERS

### 2.1. CONCLUSION OF THE CONTRACT

CONTRACTS are concluded in that the SUPPLIER confirms (accepts) an ORDER. ORDERS may be made only in writing; any ORDERS made orally or in writing shall be binding only with specification of the ORDER number and subsequent confirmation of the ORDER for the SUPPLIER in writing. The CONTRACT may be amended only by written agreement of the PARTIES.

### 2.2. ORDERS ACCEPTANCE & CANCELATION

The SUPPLIER shall confirm PROMONT accepting THE ORDER within 3 business days after THE ORDER delivery (by signing a copy of THE ORDER and sending it back to PROMONT). PROMONT is entitled to cancel THE ORDER even before the ORDER delivery period of the, even without the SUPPLIER'S consent.

### 2.3. THE ORDER DEVIATION

The SUPPLIER'S confirmation of acceptance of an ORDER with an addition, deviation, reservation, limitation and/or any other change which changes the conditions of the ORDER, even if insignificantly, and/or sending terms of conditions in a different wording, shall not be considered to be acceptance of the ORDER, shall not result in conclusion of the CONTRACT and shall be deemed a new proposal for conclusion of the CONTRACT. If PROMONT does not accept such a new proposal in writing within 10 days of the date of its demonstrable delivery, it shall hold that PROMONT disagrees with the proposed change and the CONTRACT has not been concluded.

### 2.4. WITHDRAWAL FROM THE CONTRACT

PROMONT may withdraw from the CONTRACT in the event that:

- a) the SUPPLIER is in delay with meeting the obligation to supply the SUBJECT OF PERFORMANCE properly and in due time;
- b) the SUPPLIER is in delay with performing any of the obligations arising from its liability for defects of the SUBJECT OF PERFORMANCE;
- c) an insolvency petition or a petition for comparable legal proceedings has been lodged with respect to the SUPPLIER'S assets or a part thereof and the insolvency or comparable proceeding have been initiated or the petition dismissed due to insufficient assets;
- d) there is a reason for initiation of insolvency proceedings on the SUPPLIER'S part;
- e) the SUPPLIER enters into liquidation;
- f) enforcement proceedings are being held against the SUPPLIER for an amount exceeding CZK 100,000.00;
- g) the financial situation of the SUPPLIER deteriorates to an extent where it is no longer possible to expect proper performance of the CONTRACT despite the fact that there is no reason for initiation of insolvency proceedings;
- h) changes occur in the ownership structure of the SUPPLIER that make continuation of the contractual relationships impossible for PROMONT;
- i) a force majeure event exists for a period exceeding 6 months.
- j) the supplier uses external personnel for the performance of the contract without to the prior written consent of PROMONT

Withdrawal from the CONTRACT or its termination in any other manner shall not cause the following to be terminated:

- a) claims for indemnification for breach of the GPC or the CONTRACT;
- b) claims arising from liability for defects of the SUBJECT OF PERFORMANCE;
- c) claims for payment of contractual penalties arising from breach of the GPC or the CONTRACT;
- d) arrangements on trade secrets, confidentiality obligation and obligation of know-how protection;
- e) agreements on the governing law and dispute resolution.

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Withdrawal from the CONTRACT must be made in writing and must be delivered to the other PARTY. E-mail is not a sufficient form. In case of doubt, it shall hold that the withdrawal from the CONTRACT was delivered to the other PARTY on the third day after it was demonstrably sent by the withdrawing PARTY.

## 2.5. ADHESION CONTRACTS

PROMONT and the SUPPLIER unanimously declare that they enter into the mutual contractual relationships in connection with their business activities and that Section 1798 et seq. of the CIVIL CODE shall not apply to the circumstances under which they were entered into; for the avoidance of any doubts, the Client and the SUPPLIER hereby agree that they exclude applicability of Sections 1799 and 1800 of the CIVIL CODE. The SUPPLIER expressly declares that it is not the weaker PARTY.

## 2.6. THIRD-PARTY RIGHTS

The SUPPLIER agrees to ensure that no provisions of the CONTRACT and/or their application unlawfully infringes on intellectual property rights of any third parties. In particular, the SUPPLIER warrants that as of the date of handover of the SUBJECT OF PERFORMANCE to PROMONT, the SUBJECT OF PERFORMANCE will not be encumbered with any third-party rights preventing a proper transfer of ownership title to the Subject of Performance to PROMONT and will not be encumbered with any rights preventing proper use of the SUBJECT OF PERFORMANCE by PROMONT, including, without limitation, any industrial property rights.

The SUPPLIER further undertakes to ensure that PROMONT, or any other company in the same group, does not suffer any harm as a result of breach of the aforementioned obligation by the SUPPLIER. The SUPPLIER expressly agrees to indemnify PROMONT for any harm incurred by breach of the aforementioned obligations.

## 2.7. SEVERABILITY CLAUSE

If any provision of the CONTRACT is or becomes invalid, ostensible or ineffective, this shall not result in invalidity, ostensibility or ineffectiveness of the CONTRACT as a whole or its other provisions provided that such invalid, ostensible or ineffective provision is severable from the remaining CONTRACT. The PARTIES agree to replace any invalid, ostensible or ineffective provision with a new valid or effective provision whose contents will be as close as possible to the substance and meaning of the original provision of the CONTRACT.

## 3. SUBJECT OF PERFORMANCE

### 3.1. PASSAGE OF OWNER TITLE AND RISK OF DAMAGE TO THE SUBJECT OF PERFORMANCE

A supplied SUBJECT OF PERFORMANCE becomes the property of PROMONT upon its takeover by PROMONT. The risk of damage to the SUBJECT OF PERFORMANCE shall pass to PROMONT upon passage of the ownership title.

### 3.2. CHARACTERISTICS OF THE SUBJECT OF PERFORMANCE

The SUPPLIER is responsible PROMONT for ensuring that the supplied SUBJECT OF PERFORMANCE is free of any defects regarding design, production and instructions in the sense of Act No. 22/1997 Sb., on the technical requirements on products, as amended.

Upon PROMONT's request, THE SUPPLIER is obligated to identify its SUBSUPPLIERS which are involved in performing the order of THE SUPPLIER for PROMONT. THE SUPPLIER undertakes to ensure that the GPC conditions herein shall be fulfilled by its SUBSUPPLIERS as well. In case of breach of this provision of the GPC by a subcontractor of the SUPPLIER, the supplier is liable to PROMONT for the harm incurred.

If the SUBJECT OF PERFORMANCE consists in products whose introduction to the market or putting into operation is, under the applicable legal regulations, accompanied by the obligation to provide for a declaration of conformity, the SUPPLIER is obliged to deliver to PROMONT, together with the SUBJECT OF PERFORMANCE, a copy of the declaration of conformity in a language identical with the language of the technical documentation for the SUBJECT OF PERFORMANCE.

Together with the SUBJECT OF PERFORMANCE, the SUPPLIER is obliged to deliver to PROMONT a written declaration of origin of the SUBJECT OF PERFORMANCE. The SUPPLIER is liable to PROMONT for any harm incurred by PROMONT through the SUPPLIER'S failure to deliver the declaration of conformity properly and in due time.

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The SUPPLIER is obliged to subject the SUBJECT OF PERFORMANCE to quality control before dispatch. Any and all documentation of quality control shall be sent by the SUPPLIER at PROMONT' request, not later than at the time of issuing the invoice.

### 3.3. QUALITY WARRANTY AND LIABILITY FOR DEFECTS

The SUBJECT OF PERFORMANCE must correspond precisely to the agreed quality, must be new, performed to a high technical standard, and comply with all the requirements set out in these GPC, the relevant CONTRACT and the generally binding legal regulations. The SUBJECT OF PERFORMANCE must meet all technical requirements and technical and safety standards for the relevant kind of SUBJECT OF PERFORMANCE, both binding standards and recommendatory standards. The SUBJECT OF PERFORMANCE, as well as the components used in its production, must be unused, not damaged and made of a high-quality material. The SUBJECT OF PERFORMANCE must exactly correspond to the samples or drawings as stated in the ORDER or in the CONTRACT. The SUBJECT OF PERFORMANCE must be fit for providing the standard performance required by PROMONT and fully comply with the purpose for which it was ordered or delivered.

The SUPPLIER provides PROMONT, and simultaneously any other parties that acquire ownership title or some other right to the SUBJECT OF PERFORMANCE, warranty for quality of the SUBJECT OF PERFORMANCE. The SUPPLIER agrees that, during the warranty period, the SUBJECT OF PERFORMANCE will be fit for the purpose stipulated in the CONTRACT or for the purpose for which the SUBJECT OF PERFORMANCE is normally used, will have the characteristics required by PROMONT, the GPC, the CONTRACT, the generally binding legal regulations, as well as the valid technical standards, regulations, directives and decrees and that the SUBJECT OF PERFORMANCE will continue to show these characteristics without any variation.

The SUBJECT OF PERFORMANCE must be free of any defects, whether factual or legal, obvious or hidden, repairable or irreparable.

PROMONT is obligated to check THE SUBJECT OF PERFORMANCE or any partial deliveries HEREOF. PROMONT is obligated to check the properly delivered SUBJECT OF PERFORMANCE within 10 business days after the day of its delivery. PROMONT is obligated to notify THE SUPPLIER about a defect of THE SUBJECT OF PERFORMANCE within 10 working days after discovering the defect.

Unless agreed otherwise in the CONTRACT, the SUPPLIER shall provide a warranty for the SUBJECT OF PERFORMANCE for a period of 24 months from the date of proper delivery of the SUBJECT OF PERFORMANCE on the basis of the protocol of handover and takeover of the SUBJECT OF PERFORMANCE. If the SUBJECT OF PERFORMANCE is supplied in individual deliveries, the last individual delivery shall be considered to be the date of handover and takeover of the SUBJECT OF PERFORMANCE. The warranty period shall be extended always by the period from proper delivery of the SUBJECT OF PERFORMANCE on the basis of signing the protocol of handover and takeover of the SUBJECT OF PERFORMANCE to the time when the SUBJECT OF PERFORMANCE is used or otherwise incorporated by PROMONT in relation to a product, part or equipment for which the SUBJECT OF PERFORMANCE was supplied. The warranty period shall not run during the period when PROMONT is unable to use the SUBJECT OF PERFORMANCE due to defects for which the SUPPLIER is liable.

The PARTIES have agreed that especially a defect (or defects) of the SUBJECT OF PERFORMANCE which entirely or partly prevents (prevent) the use of the SUBJECT OF PERFORMANCE, or the occurrence of a large number of other defects, namely 3 or more defects, shall be considered by the PARTIES to be a material breach of the CONTRACT.

Unless PROMONT notifies the SUPPLIER of some other requirement in the notification of a material defect (or defects) of the SUBJECT OF PERFORMANCE, the SUPPLIER is obliged to take steps aimed at resolving the claimed defect and remedy the defect at its own expense not later than 48 hours of the date of notification, where if the SUPPLIER fails to do so to the full extent, PROMONT has the right to claim an appropriate discount on the price of the SUBJECT OF PERFORMANCE or withdraw from the CONTRACT or remedy the defect or defects itself or through a third party at the SUPPLIER'S expense and risk.

In the event of a defect (defects) representing a non-material breach of the CONTRACT, PROMONT has the right to request that the remedy thereof or claim an appropriate discount on the price of the SUBJECT OF PERFORMANCE. If the SUPPLIER fails to remedy the defect within 14 days after it is notified of the defect by PROMONT, PROMONT is entitled to claim a discount on the price of the SUBJECT OF PERFORMANCE or remedy

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the defect (defects) itself or through a third party at the expense and risk of the SUPPLIER or withdraw from the CONTRACT.

Delivery of a new thing free of any defects, delivery of a missing thing or repair of a thing shall be deemed as the remedy of a defect. The right to choose from among the above claims shall always belong to PROMONT. The warranty period for a defective SUBJECT OF PERFORMANCE shall not run from the time when a defect is claimed to the time when the defect is remedied by the SUPPLIER. In the event that there is the risk of delay, PROMONT has the right to remedy the defect itself at the SUPPLIER'S expense. This shall in no way prejudice other claims of PROMONT following from defects of the SUBJECT OF PERFORMANCE under the generally binding legal regulations, including, without limitation, the right to indemnification.

If the SUPPLIER is delayed with satisfying any claim of the Client following from defects of the SUBJECT OF PERFORMANCE within the agreed time limit, the SUPPLIER is obliged to pay the Client a contractual penalty in the amount of 0.5% of the price of the SUBJECT OF PERFORMANCE for each day of delay, where the Client shall become entitled to payment of the contractual penalty in relation to each individual breach of an obligation.

## 3.4. USE OF SUBCONTRACTORS

The SUPPLIER declares that it is fully entitled and professionally qualified to supply the SUBJECT OF PERFORMANCE. All activities

required for the performance of the CONTRACT shall be performed by the SUPPLIER using its own resources. If this appears to be useful or necessary, the SUPPLIER may perform its obligation partly with the assistance of a third, professionally qualified party. The SUPPLIER acknowledges that even if the CONTRACT is partly performed through a third party, the SUPPLIER is responsible to PROMONT as if the SUPPLIER performed the entire CONTRACT itself.

The SUPPLIER has the right to use SUBCONTRACTORS, external personnel and other third parties who are not the SUPPLIER'S employees (hereinafter jointly as the "SUBCONTRACTOR") for the performance of the CONTRACT only subject to the prior written consent of PROMONT. The proposed SUBCONTRACTOR shall be professionally qualified to perform the subcontract and must meet the requirements of the applicable legal regulations and standards. The SUPPLIER acknowledges that PROMONT may refuse partial performance of the CONTRACT through SUBCONTRACTORS, for any reason or without giving a reason.

The SUPPLIER is obliged to arrange in a contract that a SUBCONTRACTOR, external employee or some other third party provide the agreed performance in accordance with the requirements of PROMONT. The SUPPLIER is obliged to ensure that its obligations arising out of these GPC and the CONTRACT become binding parts of the CONTRACT between the SUPPLIER and the given SUBCONTRACTOR, external employees or other third parties, thereby ensuring that the relevant parts of the CONTRACT also apply to SUBCONTRACTORS, external employees or other third parties.

## 3.5. LIABILITY

The SUPPLIER is liable for any harm incurred by PROMONT as a result of the SUPPLIER, its employees or assistants providing performance inappropriately or inexpertly, whether intentionally or by negligence, or in connection with any such performance.

The SUPPLIER agrees to provide its employees and SUBCONTRACTORS with a training on the topic of the SAFETY STANDARD and ensure that the employees and SUBCONTRACTORS comply with the SAFETY STANDARD. SUPPLIER'S employees who have not been trained in the topic of the SAFETY STANDARD are not allowed to perform activities on the CUSTOMER'S premises.

## 3.6. BASIC DOCUMENTS FOR DELIVERY

The SUPPLIER shall immediately compare any drawings, designs and other basic documents sent by PROMONT with the contents of the ORDER; in case of any discrepancies (variance between the basic documents and the ORDER), the SUPPLIER is obliged to draw attention of PROMONT to such discrepancies not later than at the time of sending the confirmation of the ORDER to PROMONT, otherwise the SUPPLIER is liable to PROMONT for any harm incurred thereby. The aforementioned basic documents are in the exclusive ownership of PROMONT and shall be returned to PROMONT without unnecessary delay, without request and free of charge after the SUPPLIER performs its obligations under the CONTRACT.

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In case of any doubts concerning the SUBJECT OF PERFORMANCE, the SUPPLIER is obliged to contact PROMONT without delay and clarify, on its own responsibility, all details of the planned supply of the SUBJECT OF PERFORMANCE.

The SUPPLIER is obliged to obtain all basic documents important for the supply of the SUBJECT OF PERFORMANCE even if they are not expressly indicated in the CONTRACT or ORDER.

The SUPPLIER shall be liable to PROMONT for any defects of the SUBJECT OF PERFORMANCE and/or harm incurred as a result of failure to observe the obligations stipulated in this provision of the GPC.

## 3.7. DELIVERY TERMS

The obligation of the SUPPLIER to supply the SUBJECT OF PERFORMANCE to PROMONT shall be performed upon proper and timely delivery of the SUBJECT OF PERFORMANCE to the place of delivery, and if required, by the nature of the SUBJECT OF PERFORMANCE, also by demonstrating fitness of the SUBJECT OF PERFORMANCE for serving for the agreed purpose. A protocol of handover and takeover of the SUBJECT OF PERFORMANCE shall be drawn up by the PARTIES with respect to the supply of the SUBJECT OF PERFORMANCE.

The SUPPLIER is obliged to supply the SUBJECT OF PERFORMANCE to PROMONT at its own risk and expense to the registered office of PROMONT - the production plant of P R O M O N T, a.s. at Chemická 2122/3, 709 00 Ostrava – Mariánské hory, under INCOTERMS 2010, based on the DAP term.

The SUPPLIER is obliged to deliver the SUBJECT OF PERFORMANCE to PROMONT by the deadline set forth in the CONTRACT in the usual working hours of PROMONT from 7 am to 2 pm. Every delivery of the SUBJECT OF PERFORMANCE (or a part thereof if delivery in parts has been agreed) shall be preceded by written notice from the SUPPLIER concerning the planned date of delivery; every such notice must be made at least 3 business days before the planned date of delivery of the SUBJECT OF PERFORMANCE.

PROMONT shall be entitled, but not obliged, to accept an early supply of the SUBJECT OF PERFORMANCE; however, such acceptance shall not give rise to the SUPPLIER'S entitlement to demand early payment of the price for the SUBJECT OF PERFORMANCE. The obligation to deliver the SUBJECT OF PERFORMANCE shall be met only upon delivery of all parts of the supply (including plans, drawings and other accompanying technical documentation, attests, declarations of conformity, etc.) of the SUBJECT OF PERFORMANCE and confirmation of delivery in the protocol of handover and takeover of the SUBJECT OF PERFORMANCE. All accompanying technical documentation which forms part of the SUBJECT OF PERFORMANCE must comply with the requirements of technical standards including the harmonised standard EN10204 and must be delivered by the SUPPLIER in both Czech and English versions, one counterpart in written form and one in electronic form.

PROMONT is entitled not to accept the SUBJECT OF PERFORMANCE if it does not meet the requirements of these GPC, the CONTRACT and/or the generally binding legal regulations. In that case, PROMONT is obliged to hand over or send to the SUPPLIER a notice specifying the reason for the refusal to accept the SUBJECT OF PERFORMANCE, examination of the nature of the defects and determination of a reasonable time limit for remedy. In the event that the SUPPLIER fails to remedy the claimed shortcomings within the set time limit, it shall hold that the SUBJECT OF PERFORMANCE has not been supplied.

If the SUBJECT OF PERFORMANCE consists in a thing specified by type or a large number of individually specified things, PROMONT is obliged to perform only a random control of the quality of the SUBJECT OF PERFORMANCE. If PROMONT ascertains that more than 10% of the supplied SUBJECT OF PERFORMANCE shows defects, PROMONT has the right not to accept the entire supply of the SUBJECT OF PERFORMANCE and is not obliged to pay the price of the SUBJECT OF PERFORMANCE until the SUBJECT OF PERFORMANCE is supplied properly.

If PROMONT is bound under the CONTRACT to take over individual deliveries of the SUBJECT OF PERFORMANCE one at a time and if an individual delivery shows defects, PROMONT is entitled to refuse any further deliveries and is not obliged to pay the price of the SUBJECT OF PERFORMANCE until the defects are properly remedied.

The price of packaging of the SUBJECT OF PERFORMANCE is included in the price of the SUBJECT OF PERFORMANCE. The SUPPLIER is obliged to use such packaging as to sufficiently protect the SUBJECT OF PERFORMANCE against damage, destruction, loss and theft during transportation and to comply with all

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applicable legal regulations and technical standards. In case of returned packaging, the value of the packaging shall be credited; the SUPPLIER shall provide for disposal of the packaging. Together with the delivery of the SUBJECT OF PERFORMANCE, the SUPPLIER is obliged to submit to PROMONT the delivery note and consignment note specifying the number of the ORDER (CONTRACT).

The SUPPLIER is obliged to specify the number of the ORDER and the exact address of the registered office of PROMONT in documents related to a delivery of the SUBJECT OF PERFORMANCE (invoice, delivery note and consignment note, advice of dispatch, declaration of origin of the SUBJECT OF PERFORMANCE, etc.).

If the SUPPLIER is delayed with delivery (or performance and handover) of the SUBJECT OF PERFORMANCE within the agreed time limit, the Supplier is obliged to pay the Client a contractual penalty in the amount of 0,5% of the price of the SUBJECT OF PERFORMANCE for each day of delay, where the Client shall become entitled to payment of the contractual penalty in relation to each individual breach of an obligation.

## 4. TERMS OF PAYMENT

### 4.1. PRICE FOR THE SUBJECT OF PERFORMANCE

The price for the SUBJECT OF PERFORMANCE specified in the ORDER is fixed and final unless agreed otherwise in writing. The price for the SUBJECT OF PERFORMANCE covers all costs of packaging, documents, transportation of the SUBJECT OF PERFORMANCE to the point of destination and, if applicable, insurance of the SUBJECT OF PERFORMANCE, as well as all other costs related to the supply of the SUBJECT OF PERFORMANCE.

### 4.2. SUPPLIER'S INVOICE

Every invoice from the SUPPLIER must contain at least the following, in addition to the requisites of a tax receipt stipulated in the generally binding legal regulations:

- a) identification of the PARTIES;
- b) CONTRACT number or ORDER number;
- c) invoice number, invoice date, invoice due date;
- d) subject of taxable supply;
- e) date of taxable supply;
- f) invoiced amount excluding VAT;
- g) total invoiced amount;
- h) bank details of the PARTIES;
- i) the invoice will include a handover protocol and guide documentation made by the SUPPLIER and confirmed by a PROMONT representative.

Otherwise, PROMONT is entitled to refuse such invoice and return it to the SUPPLIER for remedying the defects. The new period of maturity of the relevant invoice shall commence on the date of delivery of the new invoice to PROMONT. For the avoidance of any doubts, if the SUPPLIER'S invoice fails to contain the above requisites or if it is sent to some other address, PROMONT shall not be deemed in delay until the SUPPLIER ensures remedy.

### 4.3. TERMS OF PAYMENT

PROMONT is obliged to pay for the supplied SUBJECT OF PERFORMANCE after its defect-free and full delivery and proper issue of an invoice with a period of maturity of 60 days of the date of delivery of the invoice to PROMONT, by wire transfer to the SUPPLIER'S bank account indicated in the relevant SUPPLIER'S invoice.

PROMONT shall bear the costs of bank fees charged by its bank; all other costs related to the payment of the price of the SUBJECT OF PERFORMANCE shall be borne by the SUPPLIER. The obligation of PROMONT to pay the price of the SUBJECT OF PERFORMANCE shall be met at the time when the bank account of PROMONT is debited with the price of the SUBJECT OF PERFORMANCE.

PROMONT is entitled to suspend payment of 10% of the price of the Subject of Performance to the SUPPLIER and pay the aforementioned price (i) within 5 days of the date of signing of the protocol of handover and

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takeover of the SUBJECT OF PERFORMANCE confirming proper handover of the SUBJECT OF PERFORMANCE, or (ii) after all defects of the SUBJECT OF PERFORMANCE are remedied.

## 4.4. DISCOUNTS

PROMONT is entitled to a 4% discount on the price of the SUBJECT OF PERFORMANCE if the SUBJECT OF PERFORMANCE is paid within 30 days of delivery of the invoice, to a 1.5% discount on the price of the SUBJECT OF PERFORMANCE if the price of the SUBJECT OF PERFORMANCE is paid within 45 days of delivery of the invoice and to the net price of the SUBJECT OF PERFORMANCE if the price of the SUBJECT OF PERFORMANCE is paid within 60 days of delivery of the invoice.

## 4.5. VAT PROVISIONS

The SUPPLIER agrees that within the business co-operation with PROMONT, it will use only a bank account which is published in the public register of selected data on entities registered under Act No. 235/2004 Sb., on value added tax, as amended, which is administered by the Ministry of Finance of the Czech Republic through revenue authorities (hereinafter the 'Register of VAT Payers').

PROMONT is not entitled to make any payments into a bank account of the SUPPLIER which is not entered in the Register of VAT Payers. For this reason, PROMONT shall return for revision the original counterpart of any invoice of the SUPPLIER that contains any bank details of the SUPPLIER that are not contained in the Register of VAT Payers.

If the SUPPLIER becomes an 'unreliable payer' due to a breach of its obligations relating to VAT administration and that status is indicated in the Register of VAT Payers, the SUPPLIER grants PROMONT its irrevocable consent that PROMONT may pay the relevant tax to the competent tax administrator for the SUPPLIER in accordance with Section 109a of Act No. 235/2004 Sb., on value added tax, as amended, and as a result of this, PROMONT shall pay to the SUPPLIER only the portion of the relevant part of the price of the SUBJECT OF PERFORMANCE which corresponds to the tax base.

If PROMONT, as a guarantor, is for any reason whatsoever requested by the competent tax administrator to pay an outstanding amount of VAT for the SUPPLIER and pays the outstanding amount of VAT for the SUPPLIER, the SUPPLIER agrees to pay PROMONT, in addition to the outstanding amount of VAT, a contractual penalty in an amount corresponding to the amount of outstanding VAT paid by PROMONT for the SUPPLIER.

The SUPPLIER acknowledges that the necessary information concerning the SUPPLIER which is decisive for the existence of the liability for unpaid VAT will be taken by PROMONT mainly from the Register of VAT Payers.

The obligations of the SUPPLIER under this Article of the GPC shall not apply if the SUPPLIER is not a VAT payer.

## 4.6. NO ASSIGNMENT, PLEDGE AND SET-OFF

Without the prior written consent of PROMONT, the SUPPLIER may not assign and/or pledge to a third party, wholly or partly, any receivables, rights and/or obligations arising on the basis of the contractual relationship between the SUPPLIER and PROMONT established by the CONTRACT or in connection with that relationship.

The SUPPLIER may not transfer as assignor any rights and/or obligations following from the contractual relationship between PROMONT and the SUPPLIER established by the CONTRACT or from a part of that relationship to a third party without the consent of PROMONT; this shall apply during the entire duration of the relationship.

THE SUPPLIER is not entitled to unilaterally include any of its receivables for PROMONT arising from the contractual relationship between THE SUPPLIER and PROMONT based on an AGREEMENT against PROMONT receivables for THE SUPPLIER. PROMONT is entitled to unilaterally include any of its due and undue receivables for THE SUPPLIER against the SUPPLIER'S receivables for PROMONT, even against undue receivables.

## 4.7. CONTRACTUAL PENALTIES

The contractual penalties under these GPC or agreed in the CONTRACT shall fall due within 3 business days of delivery of a written notice to the breaching PARTY for payment of the contractual penalty and shall be paid into the bank account of the non-breaching PARTY specified in the notice. Notices shall be sent to the address of the registered office of the breaching PARTY set forth in the header of the CONTRACT or to the address of the registered office registered in the public register in the sense of the COMMERCIAL CODE.

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The obligation to pay the contractual penalty under these GPC or agreed in the CONTRACT shall in no way prejudice entitlement of the relevant PARTY to indemnification in the full amount and the right to withdraw from the CONTRACT.

## 5. OTHER AGREEMENTS

### 5.1. NOTICES

PROMONT and the SUPPLIER have agreed that all communication between them relating to the CONTRACT shall take place by e-mail without a certified electronic signature and/or in writing by registered mail sent to the address of the registered office of the respective PARTY indicated in the header of the CONTRACT. Refusal to accept a consignment is considered to be delivery on the date of refusal.

Consignments sent by registered mail shall be deemed properly delivered upon their actual delivery, but not later than the third day of notification of their posting. A PARTY whose delivery address has changed is obliged to notify the other PARTY of this fact without unnecessary delay.

Only the e-mail addresses indicated in the CONTRACT or in the ORDER of PROMONT shall be used for communication by e-mail without the SUPPLIER'S certified electronic signature. An e-mail shall be deemed duly delivered on the date when it is sent by a PARTY. A PARTY whose e-mail address has changed is obliged to notify the other PARTY of this fact without unnecessary delay.

### 5.2. FORCE MAJEURE AND RISK OF CHANGE IN CIRCUMSTANCES

If an event of force majeure occurs, the deadlines for performance of the obligations stipulated for the PARTIES in these GPC or in the contract SHALL BE EXTENDED FOR THE DURATION OF THE FORCE MAJEURE EVENT. The SUPPLIER is obliged to inform PROMONT without unnecessary delay in writing of the occurrence and termination of a force majeure event. The SUPPLIER is obliged to inform PROMONT without unnecessary delay in writing of the occurrence and termination of a force majeure event existing at any of its SUBCONTRACTORS.

Force majeure events include, without limitation: strikes, outages and all circumstances independent of the PARTIES' will, such as fire, war, deluge, earthquake, general mobilisation, uprising, requisition, confiscation, embargo, governmental order or limitation imposed by the European Union, limitation of energy consumption.

Force majeure events shall not include, without limitation: internal strikes and outages, delay of supplies by SUBCONTRACTORS (other than due to force majeure events), inability to pay debts, lack of labour force or material, prohibitions (in traffic etc.), traffic limitations, operational accidents (other than caused by force majeure events).

The SUPPLIER expressly assumes the risk of a change in circumstances in the sense of Section 1765 of the CIVIL CODE.

### 5.3. CONFIDENTIALITY AND PERSONAL DATA PROTECTION

PROMONT and the SUPPLIER unanimously declare that they consider all information obtained from mutual co-operation on the basis of the CONTRACT to be strictly confidential, agree not to disclose it to a third party and agree to use it exclusively for the purposes of the performance of the CONTRACT. Such information includes, without limitation, information on the purchased quantity of the SUBJECT OF PERFORMANCE, prices and information on products and development of products, research and development plans and all business data of the other PARTY. The SUPPLIER shall keep secret all obtained depictions, drawings, calculations and other basic documents and disclose them to a third party only subject to the express consent of PROMONT. This shall in no way prejudice the obligation of the SUPPLIER under Art. 3.6 of the GPC.

Without the prior written consent of the other PARTY, the SUPPLIER and PROMONT may not disclose confidential information pursuant to this Article of the GPC to third parties. If information is disclosed in the performance of the obligations under the CONTRACT to consultants or SUBCONTRACTORS, this shall not constitute a breach of the aforementioned obligations, provided, however, that the scope of the disclosure is essential for the performance of the CONTRACT and subject to maintaining confidentiality by the persons concerned.

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The CONTRACT and any and all information and documents following from it have a confidential nature. Confidential information shall mean, without limitation, operational and financial, personnel-related, legal, tax and other information relating to the PARTIES. Any other information declared to be confidential by PROMONT shall also be deemed confidential.

The following shall not be deemed confidential information:

- a) information known to a PARTY before it learned the same information through disclosure by the other PARTY,
- b) information which was made available to a PARTY independently of the disclosure by the other PARTY on the basis of independent research,
- c) information received by a PARTY from a third party which is not subject to any limitation regarding the use or transfer of such information, or
- d) information which is or becomes generally known through no fault or initiative of any of the PARTIES.

The SUPPLIER agrees that, without the prior written consent of PROMONT, it will not present its business relationships with PROMONT as a reference (e.g. through a corresponding link on a website, in company presentations and/or business reports, in publications, press releases or other public presentations of any kind) and will not in any other manner use the PROMONT logo in its promotion materials.

The SUPPLIER agrees to comply with Act No. 101/2000 Sb., on personal data protection, as amended, including other legal regulations governing personal data protection.

The PARTIES agree that if any of the PARTIES breaches the confidentiality obligation under this Article of the GPC, that PARTY is obliged to pay a contractual penalty to the other PARTY in the amount of CZK 150,000.00 for each individual breach.

The provisions of this Article of the GPC shall survive termination of the CONTRACT.

## 5.4. GOVERNING LAW AND PROROGATION CLAUSE

The contractual relationship between PROMONT and the SUPPLIER is governed by the Czech laws to the exclusion of the UN Convention on the International Sale of Goods.

The court having substantive jurisdiction for PROMONT shall have substantive and local jurisdiction for resolving disputes between PROMONT and the SUPPLIER.

## 5.5. EXCLUDED PROVISIONS

The PARTIES expressly exclude the application of Sections 557, 1395, 1917 to 1918, 1921, 2051, 2093, 2103 to 2104, 2106 and 2110 to 2112 of the CIVIL CODE.

## 5.6. EMPLOYEES OF PROMONT

The SUPPLIER agrees to refrain from the provision of any financial contributions, gifts and other benefits to PROMONT, persons authorised by PROMONT and/or employees of PROMONT, as well as related persons of employees and/or persons authorised by PROMONT. The SUPPLIER agrees to ensure that the aforementioned obligations are performed also by persons who have been authorised by or work for the SUPPLIER. For the purposes of this Article of the GPC, it is irrelevant whether such benefits have been offered, promised or provided to the above-specified persons or to a third party in their interest.

The SUPPLIER agrees not to offer the employees of PROMONT an employment relationship or any other contractual arrangement resulting in a labour-law relationship with the SUPPLIER or any third party and not to enter into an employment relationship or any other CONTRACT with any employee of PROMONT that would result in a labour-law relationship. In case of breach of the aforementioned obligation, the SUPPLIER is obliged to pay a contractual penalty to PROMONT in the amount of CZK 250,000.00 for each individual breach.