

# GENERAL TERMS AND CONDITIONS FOR THE DELIVERY OF THE WORK

## 1. PREAMBLE

1.1. These Terms and Conditions of Delivery of the Work (hereinafter referred to as "OP\_SoD") regulate the relations during the performance of the Work between the company triotec s.r.o. with registered office at Náměstí 14. října 1307/2, 150 00 Praha 5, ID No.: 08056030, VAT No.: CZ08056030, registered in the Commercial Register, kept at the Municipal Court in Prague, Section C312240 (hereinafter referred to as "Contractor"), and the Client. Any deviations from the OP\_SoD must be agreed in writing in the respective Contract. The Contractor's performance under the Contract shall serve exclusively the interests of the Client.

1.2. An offer is always revocable and may be withdrawn if the revocation reaches the Client before acceptance is delivered to the Contractor.

## 2. DEFINITION

2.1. In these T&C\_CoW, the following terms shall have the following meanings:

„**Contract**“ means the contract for the work concluded between the parties including all its annexes and amendments

„**Work**“ means the fabrication, installation, maintenance or repair of an item, or the provision of other tangible work as specified in the Contract.

## 3. INFORMATION ABOUT PRODUCTS

3.1. All weight data, dimensions, performance parameters, prices and other information given in catalogues and price lists, whether in electronic or other form, are binding only if expressly stated in the Contract.

## 4. DRAWINGS AND TECHNICAL DOCUMENTS

4.1. All drawings and technical documents relating to the Work which have been provided by one party to the other party before or after the conclusion of the Contract shall remain the exclusive property of the party providing them and may be used only for the purpose for which they were provided.

4.2. Without the consent of the transferring party, the other party may not use such documents other than as provided in Article 4.1. above, make copies, reproduce or transmit to any third party. The end user of the Work, if different from the Client, shall not be considered a third party.

## 5. TESTS BEFORE DISPATCH

5.1. The performance of acceptance tests of the Work must be expressly agreed in the Contract. The tests shall be carried out at the manufacturer's premises during normal working hours and in accordance with the regulations in force in the country of the manufacturer.

5.2. Unless otherwise specified, the Contractor is obliged to notify the Client of the date of testing at least 5 working days in advance to enable the Client or his representatives to attend. In the event of the Client's non-participation, the test report shall be drawn up and confirmed only by the Contractor and subsequently handed over to the Client.

5.3. The Contractor shall bear all costs of testing at the manufacturer's site, except for travel, accommodation and other costs of the Customer's representatives, which shall be borne by the Customer.

## 6. TRANSFER OF RISKS

6.1. If the Contractor carries out the Work at the Client's premises, on the Client's land or on land provided by the Client, the Client bears the risk of damage to the Work. In other cases, the risk of damage to the Work passes from the Contractor to the Client at the moment of handover and acceptance of the Work. If the Client is in delay in taking over the Work, although he has been duly requested to take over and the Work is duly completed, the risk of damage to the Work shall be transferred on the first day of the Client's delay in taking over.

## 7. CLIENT'S COOPERATION

7.1. The Client is obliged to provide the Contractor with the cooperation necessary for the proper performance of the Work.

7.2. In particular, the Client is obliged to ensure that the following conditions are met free of charge: The Contractor's personnel must be able to commence work at the Client's site, or at another agreed site, in accordance with the agreed time schedule. If the Contractor notifies the Client sufficiently in advance, the Contractor's employees may carry out work outside normal working hours. Prior to commencing the Work, the Client shall inform the Contractor in writing of all its safety and other regulations which the Contractor's personnel are required to observe in the performance of the Work. The Client is obliged to provide a healthy and safe working environment for the Contractor's employees throughout the execution of the Work. The Client shall provide the Contractor with suitable storage facilities, secured against theft or damage to stored items. The Client shall allow the Contractor's workers to use its sanitary and catering facilities. The Client shall hand over the site of the Work to the Contractor in a protocol with all underground cables and networks accurately and completely marked. Access to the site of the Work shall be suitable for the transport of the goods and equipment forming the various parts of the Work.

## 8. CLIENT'S DELAY

8.1. If it becomes apparent that the Client will not be able to meet its obligations in time, including the obligations referred to in paragraphs 7.1. and 7.2., it shall immediately notify the Contractor in writing, stating the reasons and the expected time for remedy. The Contractor shall be entitled to proceed in accordance with paragraphs 8.2 and 8.3.

8.2. With prior notification, the Contractor is entitled to suspend the execution of the Work for the duration of the Client's delay or, if appropriate, to remedy the defective condition with its own forces at the Client's expense. In such case, the Contractor shall proceed in a reasonable and proportionate manner. The time for delivery of the Work shall be extended by at least the period of the Client's delay, unless a longer period is objectively necessary due to the demobilization and remobilization of production resources and inputs on the Contractor's side associated with the suspension and resumption of the Contractor's performance.

8.3. If the Client fails to remedy the breach of its obligations even within a reasonable additional period specified by the Contractor, the Contractor is entitled to withdraw from the Contract.

## 9. CHANGES OF THE WORK

9.1. The Contractor is obliged to perform the Work in accordance with the legal regulations and standards in force at the time of conclusion of the Contract.

9.2. Provided that the condition of the agreement is fulfilled, see paragraph 9.5, the Client is entitled at any time to require the Contractor to perform changes to the Work until its completion.

9.3. Requests for changes to the Work shall be in writing and shall include a precise description and scope of the requested changes.

9.4. The Contractor shall notify the Client within a reasonable time after receiving a request for changes to the Work whether and how the changes can be made, their effect on the price of the Work and the time of performance. The Contractor shall make the same notification in the case of changes necessary in view of changes to the legislation and standards referred to in paragraph 9.1.

9.5. The Contractor shall not be obliged to make any changes to the Work until the parties have agreed on an appropriate amendment to the Contract.

## 10. ACCEPTANCE TESTS

10.1. If acceptance tests of the Work are agreed, the Contractor shall propose a date for the acceptance tests so that the Client has adequate time to prepare for and attend the tests. The Client shall bear the entire cost of conducting the acceptance tests. The Contractor shall bear the cost of the attendance of its personnel and representatives.

10.2. The Client is obliged to supply free of charge especially electricity, lubricants, fuels, water and other media and materials necessary for the acceptance tests. The Client shall also provide its personnel and any other assistance necessary for the preparation and performance of the acceptance tests free of charge.

10.3. If the Client breaches its obligations under Paragraph 10.2, or otherwise prevents the acceptance tests from being carried out, or fails to appear for the tests even though it has been duly informed of the date of the tests under Paragraph 10.1, the obligation to carry out such tests shall cease with the effects as if such tests had been successfully carried out at the time proposed by the Contractor for their commencement.

10.4. Unless other technical requirements are agreed, acceptance tests are carried out in accordance with generally binding legal regulations and the Contractor's internal regulations.

10.5. If the acceptance tests show defects in the Work that prevent its use for the intended purpose or safe operation of the Work, the Contractor is obliged to remedy these defects without undue delay, and if the Client insists, new acceptance tests are carried out in accordance with paragraphs 10.1, 10.2 and 10.3.

## 11. INTELLECTUAL PROPERTY

11.1. If the delivery and/or performance of the Work includes an item protected by intellectual property rights, the delivery of the Work does not transfer the intellectual property rights from the Contractor to the Client. The delivery of the Work does not establish co-ownership of the subject matter of the intellectual property between the Contractor and the Client.

11.2. The Client is not entitled to dispose of the Contractor's trademarks by changing, modifying or using them in any way other than as they were used by the Contractor in the delivery of the Work. If the Contractor's trademarks are used by the Client in the handling of the Work, the Client is obliged to indicate, if possible, that it is a registered trademark of the Contractor.

11.3. If a computer program is included in the delivery of the Work, the Contractor is the person entitled to exercise the copyright relating to the computer program.

11.4. If the delivery of the Work includes a computer program, the Contractor grants the Client a non-exclusive licence to use the computer program in connection with the use of the subject of the Work. The Client shall not be entitled to grant any further sub-licences without the prior written consent of the Contractor. The price of the licence is included in the price of the Work.

11.5. The licence granted for the computer program is granted as a time-limited licence for the period during which the subject of the Work is used by the Client, unless otherwise agreed between the Contractor and the Client.

11.6. The computer program may only be used with the subject of the Work. The computer program shall not be copied, analyzed, altered or combined with any other computer program without the Contractor's prior written consent.

11.7. Copies of the computer program may be made for backup purposes only.

11.8. The computer program may be used on multiple workstations designed to control, operate and/or monitor the functions of the Work. These workstations may be connected by a computer network.

11.9. The computer programme shall not be used in design activities, construction activities and/or operation of nuclear facilities, air traffic control and air navigation facilities, weapons systems including missile weapons systems and weapons of mass destruction. Nuclear facilities include, but are not limited to, nuclear power plants, nuclear fuel fabrication, storage, handling or transport facilities, uranium enrichment facilities, spent nuclear fuel handling, transport and/or storage facilities. Nuclear facilities also specifically include nuclear facilities used for scientific and/or research and/or teaching purposes.

## 12. PERFORMANCE OF THE WORK

12.1. Proper completion of the Work shall occur: when the acceptance tests have been successfully carried out or deemed to have been carried out in accordance with clause 10.3; or, if no acceptance tests have been agreed, when the Client receives notification from the Contractor that the Work has been completed, provided that the Work is free from defects which prevent its use for its intended purpose or the safe operation of the Work.

12.2. The delivery of the Work with minor defects and deficiencies that do not prevent the use of the Work for its intended purpose or the safe operation of the Work shall also be deemed to be the proper completion of the Work. This is without prejudice to the Contractor's obligation to remedy minor defects and imperfections pursuant to clause 15.1.

12.3. The Client is not entitled to use or operate the Work or any part thereof before its handover and acceptance. If the Client does so without the written consent of the Contractor, the Work shall be deemed to have been accepted and properly executed and the Contractor shall be relieved of the obligation to carry out acceptance tests.

12.4. The Parties shall sign a written protocol confirming the handover and acceptance of the Work. This protocol shall include a list of any minor defects and shortcomings, with an indication of the agreed time limit for their elimination. The date of signature of this protocol shall not affect the date of completion of the Work pursuant to paragraph 12.1 or 12.3.

12.5. If the Client refuses to accept the duly completed Work, the Work shall be deemed to have been accepted and duly performed upon the expiry of the time limit set by the Contractor for acceptance of the Work.

## 13. CONTRACTOR'S DELAY

13.1. The Contractor's delay in completing the Work entitles the Client to claim contractual penalties against the Contractor from the date of the agreed completion of the Work.

13.2. The contractual penalty is agreed in the amount of 0.05% of the total price of the Work excluding VAT for each day of delay.

13.3. The aggregate amount of all contractual penalties is limited to a maximum of 7.5% of the total price of the Work excluding VAT.

13.4. In case of delay of the Contractor with partial delivery according to the individual milestones specified in the Contract, the contractual penalty is calculated from the price of the delayed partial delivery. If the Contractor subsequently completes the entire Work within the agreed time, these liquidated damages shall not apply.

13.5. Liquidated damages are payable on the basis of a penalty invoice issued by the Client, but not before acceptance of the Work or withdrawal from the Contract pursuant to clause 13.6.

13.6. If the Client is entitled to payment of the maximum amount of contractual penalties as a result of the Contractor's default, the Client may withdraw from the Contract

## 14. PAYMENT TERMS

14.1. Unless otherwise agreed in the Contract, the price of the Work is understood to be exclusive of VAT. The terms of payment are set out in the Contract.

14.2. The Client's default in payment of its monetary obligations entitles the Contractor to claim a contractual penalty against the Client in the amount of 0.05% of the amount due for each day of delay.

14.3. Default by the Client in payment of its monetary obligations under the Contract or any other binding relationship between the Client and the Contractor shall entitle the Contractor to suspend performance of the Work under the Contract until payment is made in full. The time for delivery of the Work shall be extended by this period.

## 15. WARRANTY AND RIGHTS OF DEFECTIVE PERFORMANCE

15.1. The parties agree that the contractor's obligation under the defective performance and warranty is to remedy any defects in the work that have been properly and timely notified, free of charge, by repair or replacement at the contractor's discretion. The Client shall provide, at its own expense, the labour access to the work, its dismantling and re-installation necessary for the proper performance of the repair/replacement. The warranty does not include a commitment that no defect will appear throughout the warranty period. The above is the exclusive definition of the content of the rights of defective performance and the guarantee of the quality of the work accepted by the contractor.

15.2. The warranty period for materials and purchased components implemented in the Work is determined according to the suppliers' warranties. The components of the Work created by the Contractor are warranted for a maximum of 12 months from the delivery of the last substantial part of the Work to the place of performance.

15.3. Replaced or repaired parts of the Work shall be warranted according to the warranties of their suppliers if such parts are purchased by the Contractor. In the case of a repair or replacement of a part of the Work created by the Contractor, the 12-month warranty period and warranty conditions shall apply as for the original performance. For other parts of the Work, the warranty period shall be extended only by the period during which such parts of the Work had to be out of service as a result of the defect removal. All warranty periods shall always end no later than 24 months after completion of the Work.

15.4. The Client is obliged to notify the Contractor in writing of any defects in the Work (including hidden defects) immediately after he has been able to discover them, but not later than the expiry of the warranty period. The Client is obliged to notify the Contractor of defects in the Work that may cause damage immediately with subsequent written confirmation. The notification of a defect in the Work must include a description of the defect, or an indication of how the defect manifested. The Client bears the risk of damages resulting from a breach of its obligations under this Article.

15.5. Upon notification of defects in the Work pursuant to clause 15.4, the Contractor shall without undue delay and at its own expense remedy such defects in the Work. Defective parts of the Work that have been replaced shall remain the property of the Contractor.

15.6. In case that the Client notifies the Contractor about defects in the Work pursuant to clause 15.4. and none defects are found in the Work which the Contractor would be responsible for, the Client shall reimburse to the Contractor the costs incurred in connection with this notification.

15.7. The warranty does not cover defects in the Work caused by the Client's or a third party's unprofessional intervention, and defects in the Work where cannot be proven to have been caused by the use of defective materials, faulty construction or incomplete workmanship, in particular defects in the Work caused by natural wear and tear, faulty maintenance, non-compliance with operating regulations, excessive strain, use of unsuitable operating equipment, chemical and electrolytic influences, construction and installation work by persons other than the Contractor, and all other causes without fault of the Contractor.

15.8. In connection with its obligations under defective performance and warranty, the Contractor is not obliged to remedy defects in the Work free of charge at other than at its designated place of business or at the place agreed for delivery of the Work.

## 16. FORCE MAJEURE

16.1. Both parties are entitled to suspend the performance of their obligations under the Contract for the duration of the Force Majeure event. Force Majeure shall be deemed to be an obstacle which has arisen independently of the will of the Obligated Party and prevents it from fulfilling its obligation, if it cannot reasonably be assumed that the Obligated Party would have averted or overcome such obstacle or its consequences and, furthermore, that the Obligated Party would have foreseen such obstacle at the time of conclusion of the Contract (hereinafter referred to as "Force Majeure"). Force Majeure shall include, but not be limited to: strike, epidemic, fire, natural disaster, mobilization, war, insurrection, seizure of goods, embargo, blockade, prohibition of export or import of goods, raw materials or services, prohibition of transfer of foreign exchange, uncaused regulation of electricity consumption as well as any other obstacle caused by acts or omissions of public authorities, terrorist attack, etc.

16.2. Force Majeure shall preclude a claim for contractual penalties against the party affected by Force Majeure.

16.3. The party claiming Force Majeure must immediately notify the other party in writing and take all possible measures to mitigate the consequences of non-performance.

16.4. In the event of Force Majeure lasting for more than six months, both parties are entitled to withdraw from the Contract.

## 17. DAMAGE COMPENSATION

17.1. The Contractor is not obliged to pay for indirect and consequential damages resulting from a breach of duty in connection with the contract. Indirect and consequential damages include in particular: lost profits, energy losses, costs associated with the impossibility of using the item, costs of providing replacement energy supplies, capital costs, damages resulting from late completion, handover and acceptance of the work, failure to achieve full compliance of the work with the contract, failure to achieve the guaranteed parameters of the work, etc.

17.2. The Contractor's total aggregate liability for all damages, including contractual penalties and other claims arising from the breach of one or more of the Contractor's obligations shall in no case exceed a maximum amount of 15% of the total price of the work excluding VAT.

17.3. None of the above limitations on damages shall not apply to damage caused by the Contractor intentionally or through gross negligence.

## 18. EXPORT MANAGEMENT

18.1. The Client declares that it is aware that the Work may be subject to Czech or foreign export control regulations which may prohibit the sale, lease or other transfer or use of the Work without an export or re-export permit. The Client undertakes to comply with such applicable regulations. The Client further declares that it is aware that the above regulations may be subject to change and that they shall apply to the contractual relationship between the Contractor and the Client as in force at any particular time.

18.2. The Work may not be used directly or indirectly in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or the development, production, maintenance or storage of missile systems capable of delivering such weapons. The Work may also not be used directly or indirectly in connection with a nuclear facility, which means (i) any nuclear reactor, including reactors equipped with means of sea or air transport; (ii) any factory using nuclear fuel for the production of nuclear material and any factory for the reprocessing of nuclear material, including any factory for the reprocessing of irradiated nuclear fuel; and (iii) any facility where nuclear fuel is stored, including storage associated with the transportation of such material.

18.3. The work is not being made and may not be offered for resale to the following target countries: North Korea, Somalia, Sudan.

## 19. CONCLUDING PROVISIONS

19.1. The Contract shall be governed by the law of the State of the Contractor's registered office, with the exception of conflict of laws rules.

19.2. All disputes arising out of this Agreement, including disputes in connection with its conclusion and validity, shall be arbitrated by the Arbitration Court at the Czech Chamber of Commerce and the Agrarian Chamber of the Czech Republic in Prague in accordance with Act No. 216/1994 Coll., on Arbitration. The arbitration panel shall be composed of three arbitrators. Each party shall appoint one arbitrator. The third arbitrator, the chairman of the panel, shall be appointed by agreement of the first two arbitrators. If these arbitrators fail to agree, the President of the aforementioned Arbitration Court shall appoint the third arbitrator.

19.3. Neither party shall be entitled to assign any of its claims arising in connection with the Contract without the written consent of the other party. The Contract is not made on a series basis.

19.4. The parties agree on a limitation period of 3 years for all rights arising in connection with the Contract.

19.5. The Parties agree that the provisions of Sections 1978 (2) and 2173 of Act No. 89/2012 Coll., the Civil Code, as amended, shall not apply in connection with the Contract.

In Prague, date: 4th of April 2019  
managing director

