

General Conditions of Sale of WIKOV GEAR s.r.o.

1. Definition of Terms

- 1.1. „Contract for Work“ in these General Conditions of Sale shall mean the Contract for the Work, purchase order or written purchase order confirmation provided by the Contractor.
- 1.2. “Work” in these General Conditions of Sale shall mean the making of a certain thing, including a possible assembly and making of a repair or maintenance of such a thing, or measurement of properties of a certain thing, which the Contractor undertakes to deliver to the Client under the Contract for Work.
- 1.3. “Client” in these General Conditions of Sale shall mean the entity described in the Contract for Work as Client.
- 1.4. “Contractor” in these General Conditions of Sale shall mean Wikov Gear s.r.o., VAT ID CZ47718617, described in the Contract for Work as Contractor.

2. Validity of General Conditions of Sale

- 2.1. Part of Contract: These General Conditions of Sale are an integral part of each Contract for Work concluded between the Contractor and Client.
- 2.2. Obligation: By concluding a Contract for Work, the Client expressly agrees to all rights and obligations in these General Conditions of Sale and arising from these General Conditions of Sale.
- 2.3. General Conditions of Sale of Client: General Conditions of Sale of the Client which are not expressly agreed in the written form as a part of Contract for Work do not become part of Contract for Work, not even to any partial extent.
- 2.4. Priority: In case the Contract for Work varies in content from the content of these General Conditions of Sale, the provisions of the Contract for Work shall take precedence over the different provisions contained in these General Conditions of Sale.
- 2.5. Technical Delivery Regulations: If technical delivery regulations form (also including operating and maintenance instructions) is an annex

to the Contract for Work and if these technical delivery regulations vary in content from the content of the Contract for Work or from the content of these General Conditions of Sale, the provisions of the Contract for Work, possibly of these General Conditions of Sale shall have precedence over the different provisions of the technical delivery regulations.

If the technical delivery regulations contain a certain regulation of the rights and obligations of the contracting parties and other facts, which rights, obligations or facts are not explicitly regulated in the Contract for Work or in these General Conditions of Sale, such modification of the technical delivery regulations is part of the Contract for Work.

3. Quantity, Quality and Packing of Goods

- 3.1. Quantity: The Contractor is obliged to supply the Work in quantity determined in the Contract for Work.
- 3.2. Quality: The Contractor is obliged to carry out for the Client the Work that is explicitly determined by the Contract for Work. In case the extent, quality or workmanship of the Work are not explicitly determined (maybe in part) by the Contract for Work, the Contractor is obliged to carry out the Work for the Client to the extent and in the quality and workmanship, which are suitable for the purpose for which such a Work is customarily used.
- 3.3. Internal Marking of Contractor: The Client notes that the Contractor shall mark the subject of the Work by stamping his internal number or the number of the project, drawing, etc. Based on the timely request of the Client, the contractor marks the goods according to the Client's specification as well.
- 3.4. Packing: In case of transport, the Contractor is obliged to pack the subject of Work or otherwise safeguard it in a way specially laid down by the Contract for Work. If the way of packing or another way of preparing the subject of Work for transport is not specially determined by the Contract for Work, the

Contractor is obliged to pack the subject of Work for transport or secure it in another way to ensure its preservation and protection.

- 3.5. Documentation: Together with the Work the Contractor shall deliver documents explicitly specified in the Contract for Work to the Client. Any fault in the documentation submitted in this way or its non-submission do not represent fault of the Work.

4. Contract Conclusion

- 4.1. Contract Conclusion: The Contract for Work is concluded by signing the contract by both parties or by confirming the Client's purchase order by the Contractor in writing. In case that the Contract for Work is not signed by both parties on the same day and together, the day of handover of signed Contract for Work to the other party is deemed as a day of conclusion of the Contract for Work.

- 4.2. New Proposal of Contractor: If the Contractor proposes a certain change in the execution of the Work in writing after conclusion of the Contract for Work (including design or technical solution of the Work) and the Client does not comment on such proposal within 7 working days of receipt of the proposal, for the purposes of Contract for Work it is considered that Client agrees with the proposed changes to the Work. In such a case, the Contractor is obliged to perform the Work for the Client in the execution according to the Contract for Work as amended in the proposal of change to the execution of the Work and the Client is obliged to take over the Work in this way and pay the agreed price. However, if the proposal of change to the execution of the Work also results in a change of the price for the execution of the Work, the assumption for the above-mentioned change of the Contract for Work is the conclusion of an addendum to the Contract for Work in writing.

- 4.3. Change of Contract: If any changes in the technical or contractual documentation originally handed over by the Contractor to the Client or by the Client to the Contractor in another form (in the offer or purchase order and in annexes to these documents or

in the technical documentation itself which the offer or purchase order refers to), the Client is obliged to expressly notify the Contractor of all changes in writing, including a comparison of changes with the form of technical or contractual documentation before the changes were made.

If the Client does not fulfill the above-mentioned obligation or if the Client is not able to clearly demonstrate the fulfillment of the above-mentioned obligation, the technical or contractual documentation applies as amended in the form previously submitted by the Contractor to the Client or in which the documentation was originally handed over to the Contractor by the Client (before the changes were made), unless the Contractor subsequently agrees in writing with such changes.

5. Place of Delivery

- 5.1. Place of Delivery: The place at which the Contractor shall deliver the Work to the Client is determined by the Contract for Work.

If the place of delivery is not expressly determined in the Contract for Work, it is applied FCA (a) according to INCOTERMS 2020 – company address of Contractor at Tylova 1/57, Pilsen, Czech Republic.

- 5.2. Delivery Terms: If the Contractor is requested by the Client to send the subject of Work to a different place than determined in the Contract for Work, the Contractor's commitment to deliver the Work (carry out the Work) to the Client shall be fulfilled by handing the subject of Work over to the first freight forwarder for the subject of Work to be transported to the Client. In that case the Contractor is obliged to make it possible for the Client to assert its rights ensuing from the transport contract with the freight forwarder, provided the Client does not already have those rights under the transport contract itself made by the Contractor.

- 5.3. Assembly of Work: If the Contractor is required to carry out the assembly of a thing made, repaired or modified by it under the Contract of Work, the Contractor's obligation will be fulfilled by carrying out the assembly in a proper manner.

6. Term of Delivery

6.1. Term of Delivery: The term of delivery is the time, when the delivery of the subject of Work is to take place between the Contracting Parties and it is determined by the Contract for Work.

6.2. Adequate Period: If the Contract for Work does not explicitly specify the date of fulfilment, the Contractor is obliged to deliver the subject of Work to the Client within an adequate period of time, taking the nature of the Work and the place of delivery into account.

6.3. Work Takeover: The Client is obliged to take the subject of Work over from the Contractor on the day of delivery.

6.4. Storage: In case that the Client accepts the handover protocol on the handover of the subject of the Work within the term of execution, but does not physically take over the subject of the Work, the Contractor stores the goods and the Client is obliged to pay the specified storage fee for this storage. If the storage conditions are not explicitly stipulated in the Contract for Work, the Client is obliged to pay to the Contractor a storage fee (flat-rate reimbursement of costs associated with storing and caring for the object of Work) in a lump sum of 25,- EUR/1m² for each calendar month started. The area in m² which is relevant for the determination of the amount of storage is determined in the following ranges, the upper limit of the specified range always being used for the determination of the amount of storage:

- up to 5 m² inclusive
- from 5 m² to 10 m² inclusive
- from 10 m² to 20 m² inclusive
- over 20 m² based on the reality

The storage covers the costs associated with storage, except of costs of insurance and transportation of the subject of the Work.

6.5. Delay in Advance Payment: In case the Client is in default in fulfilling his commitment to pay an advance on the price for the execution of the Work fixed by the Contract for Work, this will automatically, without further negotiations or agreements, lead to the prolongation of the term of delivery

(delivery of the Work) laid down by the Contract for Work or these General Conditions of Sale. The term of delivery shall be prolonged by at least the same number of days as that for which the Client is in default in fulfilling its commitment to pay the advance on the price for the execution of the Work. At the same time, the Contractor has the right for compensation of costs incurred in connection with this default.

However, the Contractor is entitled to perform the Work within the term agreed upon when concluding the Contract for Work.

6.6. Material or Semi-finished Product Handover: If any materials or semi-finished products necessary for the execution of the Work for the Client are required to be delivered by the Client to the Contractor, the Client is obliged to deliver such materials or semi-finished products to the Contractor within the time limit fixed by the Contract for Work. If the Contract for Work does not explicitly fix such a term for the delivery of the materials or semi-finished products by the Client to the Contractor, it is understood that the Client shall deliver such materials or semi-finished products to the Contractor without undue delay after making the Contract for Work. Unless the Contract for Work provides explicitly otherwise, the price for the execution of the Work fixed by the Contract for Work or these General Conditions of Sale shall not be reduced by the price of the materials or semi-finished products thus delivered in this manner. If the Client is in delay in fulfilling his obligation to deliver to the Contractor materials or semi-finished products needed for the execution of the Work by the Contractor for the Client, this will automatically, without further negotiations or agreements, lead to the prolongation of the term of delivery (delivery of the Work) laid down by the Contract for Work or these General Conditions of Sale. The term of delivery shall be prolonged by at least the same number of days as that for which the Client is in default in fulfilling his commitment to deliver to the Contractor the materials or semi-finished products needed for the



execution of the Work by the Contractor for the Client.

However, the Contractor is entitled to perform the Work within the term agreed upon when concluding the Contract for Work.

Material or semi-finished products necessary for the execution of the Work, which remain at the disposal of the Contractor after the execution of the Work or after the cancellation of the Contract for Work (material or semi-finished products that were not or could not be used for the execution of the Work or which had to be replaced by other material or semi-finished products for various reasons during the execution of the Work), is the Contractor entitled at the Client's cost to liquidate, sell or otherwise dispose of them as with its own material, unless otherwise specified by the Client within 30 days after signing the Contract for Work. The Contractor is entitled to keep any profit from the liquidation, sale or other use of the material or semi-finished products (after deducting the costs associated with the storage, disposal or sale of the material or semi-finished products).

- 6.7. Changes: The specification or change of technical conditions of execution of the Work, performed by the Client after the conclusion of the Contract for Work, extends the date of execution of the Work by at least the same number of days that elapse between the Client's request for such specification or change and reaching agreement of the parties to perform this specification or change. Such an agreement must be provided in writing.

- 6.8. Missing Information: In case that the Client is in delay with the delivery of documents or other information or does not provide other necessary cooperation, the deadline for the Work is extended by at least the same number of days that elapse between the Contractor's request for additional information and their providing by the Client.

However, the Contractor is entitled to execute the Work within the original term agreed upon in the Contract for Work.

- 6.9. Contractual Penalty: If the Client is in delay in fulfilling its commitment to take the subject of Work over from the Contractor, the Client shall pay a penalty to the Contractor in an amount of 0.05 % of the price agreed in the Contract for Work for the execution of the Work for each day of delay in fulfilling its commitment to take the subject of Work over. In addition to the agreed penalty, the Contractor is entitled to claim from the Client the full compensation of damage (all costs) caused to the Contractor by the non-observance of the Client's duty to take the subject of Work over on the day of delivery.

7. Price

- 7.1. Price for Work: The price for execution of the Work is determined by the Contract for Work. If the price for the execution of the Work is not explicitly stated in the Contract for Work, the Client shall pay to the Contractor the customary price, which is paid for comparable Works at the time of the effective day of the Contract for Work, under contractual conditions similar to those contained in the Contract for Work.
- 7.2. Value Added Tax: The Contract for Work lays down the amount of the price for the execution of the Work excluding value added tax and stipulates that value added tax shall be added to the fixed amount of the price for the execution of the Work. In case the Contract for Work fixes the amount of the price for the execution of the Work without saying explicitly whether the price for the execution of the Work includes value added tax or not, it shall be understood that such a price for the execution of the Work does not include value added tax and the relevant VAT shall be added to the price for the execution of the Work.
- 7.3. Price for Packing and Transport: Unless otherwise explicitly provided for in the Contract for Work, it is understood that the price for the execution of the Work stated in the Contract does not cover the price for possible packing or transport of the subject of Work. In that case the Client is obliged to pay the full amount of costs incurred in the packing and

transport of the subject of Work to the Contractor in addition to the agreed price for the execution of the Work. The payment of such costs is due within 15 days of the issue by the Contractor of the invoice to the Client.

- 7.4. Exchange Rate: If the price for the execution of the Work stated in the Contract for Work is stipulated in a currency other than the Czech crown (CZK) and if on the day of payment of the price for the execution of the Work by the Client to the Contractor or on the day of payment of any part of the price for the execution of the Work the exchange rate of the Czech crown (CZK) in relation to the currency of the Contract is changed to the disfavour of the other currency by more than 1.5 % as against the exchange rate as of the date of conclusion of the Contract for Work, the Client undertakes to pay to the Contractor a price of the Work augmented as against its amount fixed in the Contract for Work, so that the price for the execution of the Work converted into Czech crowns (CZK) will remain the same as that valid on the day of conclusion of the Contract for Work, as well as on the day of payment of the price of the Work or any part thereof. For the purpose of this point, the exchange rate of the Czech crown (CZK) in relation to the other currency shall be the exchange rate fixed by the Czech National Bank.

If the due date of the price for the execution of the Work is postponed compared to the date specified in the Contract for Work due to the contractor's delay in proving of Work, for the purpose of this article it is considered that the day when the price for the Work or part thereof is paid by the Client is the day when the price for execution of the Work would be paid in case the Contractor provided the Work in time according to the Contract for Work.

8. Payment Terms

- 8.1. Invoice Due Date: The date on which the payment of the price for the execution of the Work is due is determined by the Contract for Work. In case no due date for the payment of the price for the execution of the Work is explicitly stated in the Contract for

Work, the Client is obliged to pay the price for the execution of the Work to the Contractor the moment the Contractor's obligation to deliver goods to the Client or to carry out Work was fulfilled.

- 8.2. Tax Documents Form: The Contractor is entitled to issue tax documents (hereinafter referred to as invoices), which the Contractor is entitled and obliged to issue on the basis of a Contract for Work, either in paper or electronic form. Invoices issued in paper form are sent by the Contractor to Client's postal address specified in the Contract for Work. Invoices issued in electronic form are sent by the Contractor to the Client's e-mail address specified in the Contract for Work. To fulfill the Contractor's obligation to issue and deliver an invoice to the Client, it is sufficient to issue an invoice in electronic form and deliver it to the Client's e-mail address. At the request of the Contractor, the Client is obliged to confirm the delivery of the invoice in electronic form to the Contractor in writing. The Client is obliged to pay the price for the execution of the Work to the Contractor within the due date of the invoice.
- 8.3. Payment of Price: In case of account-to-account payment, as the day of payment of the price for the execution of the Work is deemed the day, on which the bank credited the amount of the price for the execution of the Work to the Contractor's current account.
- 8.4. Non-delivery of Technical Documentation: The fact that the Contractor fails to deliver the ordered technical documentation along with the Work has no influence on the Client's obligation to pay the price for the execution of the Work by the deadline indicated in the Contract for Work, possibly the moment the Contractor fulfilled its obligation to deliver the Work to the Client.
- 8.5. Other Fees: The Client is obliged to pay the full price for the execution of the Work specified in the Contract for Work or these general conditions of sale to the Contractor. The Client is obliged to pay any bank or similar fees, except the fees for the bank maintaining the current account of the

Contractor to which the price for the Work is remitted by the Client without deducting these fees from the price of the Work. If the price for the execution of the Work is not credited in full in accordance with the Contract for Work or these General Conditions of Sale for reasons of payment (deduction) of the above fees to the current account of the Contractor, the Client is obliged to pay this price difference to the Contractor without undue delay.

- 8.6. Set-off of Receivables: The Client is not entitled to one-sided offset any of its own receivables or receivables acquired by assignment against the Contractor's claims resulting from the Contract for Work or these General Conditions of Sale. Offsetting against the Contractor's claims resulting from the Contract for Work or these General Conditions of Sale, including claims for the payment of advances, is only possible on the basis of a written agreement of both Contracting Parties.
- 8.7. Payment Stopping: The Client is not entitled to suspend the payment of the price for the Work or any part thereof to the Contractor. Suspension, e.g. due to waiting for the defect removal, is only possible on the basis of a written agreement of both parties.
- 8.8. Compensation of Damage: In case the Client is in delay in fulfilling its obligation to pay the price for the execution of the Work to the Contractor, the Client undertakes to compensate the Contractor for all costs incurred by it as a result of the Client's delay. The Client thus pledges to pay the costs of enforcing the Client's due payments, the costs incurred in the period concerned to the Client in securing exchange risks etc. to the Contractor.

9. Danger of Damage to Goods

- 9.1. Danger of Damage: The danger of damage to the goods does not pass to the Contractor at all if the subject of Work is the making of a repair, maintenance or an alteration to a certain thing, or if the subject of Work is assembly, which is not incorporated in one work with the making of a new thing by the Contractor for the Client.

10. Warranty

- 10.1. Providing a Warranty: The Contractor grants the Client a guarantee for the Work carried out under the Contract for Work. By the warranty the Contractor pledges to the Client that the Work carried out under the Contract for Work will be fit for use for its customary purpose for the guarantee period and that it will maintain the properties stated in the Contract for Work. In case certain properties of the Work are not covered by the Contract for Work, the Contractor guarantees to the Client that the Work carried out under the Contract for Work will maintain its customary properties for the duration of the guarantee.
- 10.2. Warranty Period: The duration of the warranty period is laid down in the Contract for Work. If the Contract for Work does not specify the length of the warranty period explicitly, its length shall be 12 months from the delivery of the Work (making of the Work) by the Contractor to the Client, but not more than 6 months after the subject of Work was put into operation.
- 10.3. Defect Occurrence: The Client is obliged to notify the Contractor of any defect in writing without undue delay after the defect was ascertained.
- 10.4. Client's Objects: In case objects handed over by the Client were used in the production of goods under the Contract for Work, the Contractor shall not be responsible for any defects caused to the goods by the use of those objects, if the Contractor could not, despite all expert care, uncover the unsuitability of those objects for the production of the goods, or if the Contractor notified the Client of it, nevertheless the Client insisted on the use of those objects.
- 10.5. Client's Procedures: If technological or other procedures were used in the execution of the Work according to the Contract for Work on which the Client insisted and of which unsuitability the Contractor notified the Client in writing, the Contractor is not responsible for defects of the Work caused by the use of these procedures.
- 10.6. Work Inspection after notifying of the Defect Occurrence: The Contractor is



obliged, without undue delay after the Client informed it in writing about the defect, to make an inspection of the Work. The Contractor and the Client are obliged to make a written agreement on the way the defect will be eliminated or on another satisfaction of the Client's claim deriving from the Contractor's responsibility for the defect in question without undue delay after the written notification of the defect by the Client and following the inspection by the Contractor.

- 10.7. Warranty Exceptions: The Contractor shall not be liable for defects under the guarantee given to the Client by the Contractor in the sense of this article and the Contract for Work in cases, where the defects of the Work occurred after the passage of the danger of damage to the subject of Work (article 9) or in cases that article 9 of these General Conditions of Sale does not relate to, after the delivery of the Work, if the defects were caused by external occurrences and not by the Contractor or persons helping them to meet the Contractor's obligation towards the Client resulting from the Contract for Work.

Further, the Contractor shall not be responsible for defects under the provisions of the warranty given to the Client in the sense of this article and the Contract for Work in cases, where the defects of the Work were caused:

- a) by installation of the subject of Work carried out by the Client in contradiction with the technical conditions delivered to the Client by the Contractor along with the Work,
- b) by the operation of the subject of Work or its maintenance carried out in contradiction with the technical conditions delivered to the Client by the Contractor along with the subject of Work,
- c) in connection with interventions in the construction of the subject of Work made without the Contractor's consent after the subject of Work was delivered to the Client,
- d) in connection with the exchange of any part of the subject of Work made without the Contractor's

consent after the subject of Work was delivered to the Client,

- e) by a change in the defined operating conditions,
- f) by interventions made by an unauthorized person without the written approval of the Contractor,
- g) by damaging, destroying or evident manipulating the protection seal of the gearbox as a subject of Work, made or caused by the Client or any other person not appointed by the Contractor.

Rights from defective execution on the basis of the warranty provided to the Client by the Contractor in the sense of this article and the Contract for Work do not arise, or they expire in case and at the moment when the Client does not provide or refuses regular service inspection in the range according to technical delivery regulations.

- 10.8. Regular Service Inspections: The contracting parties agreed to conduct the regular service inspection, which is an assumption of proper function of the subject of Work.

Such inspections are not included in the price of the Work agreed upon based on the Contract for Work and are carried out against payment in accordance with the Contractor's current pricelist (valid on the day of the service inspection).

The conducting of a service inspection must be discussed and approved by both Contracting Parties. The Client is obliged to allow the Contractor's service workers access to the subject of Work for them to be able to carry out the service inspection. The Contractor's workers are authorized to take pictures of and measure the subject of Work, which is the subject of the service inspection. They also may make measurements on and taking pictures of the neighbouring fixed rotary equipment connected to it. The price of the service check is payable on the basis of an invoice issued by the Contractor and delivered to the Client.

11. Compensation of Damage

- 11.1. Compensation of Damage: The Contractor is not obliged to compensate the Client for damage that

exceeds the damage that the Contractor foresaw at the time of concluding the Contract for Work as a possible consequence of breach of any obligation arising from or under the Contract for Work or could have foreseen on the basis of information received by the Client.

The Contractor is not obliged to compensate the Client for any indirect or consequential damage incurred by the Client in connection with the breach of an obligation arising for the Client out of or on the basis of the Contract for Work. Indirect or consequential damages are understood primarily (in no case exclusively) as damages in the form of lost profits, lost production, loss of opportunity to conclude a contract, loss of business opportunity, damages incurred in connection with production interruption, losses due to inability to use the subject of Work, losses in the form of claims of the Client's customers for a contractual penalty or compensation for damage due to a delay in the execution of the Work or in connection with defects in the Work, etc.

Contractor is obliged to pay to the Client an amount equal to a maximum of 50% of the price in terms of article 7 of these General Conditions of Sale as a compensation of damages in connection with the breach of any obligation arising for the Contractor out of or on the basis of the Contract for Work.

The above-mentioned amount represents the maximum amount of the total of all compensation of damages, which the Contractor is obliged to pay to the Client for the breach of an obligation arising out of or on the basis of the Contract for Work. This maximum amount also includes the amounts of penalties that the Client became entitled to on the basis of the Contract for Work or these General Conditions of Sale.

The Contractor is not obliged to compensate the Client for damage caused as a result of breach of an obligation arising for the Contractor out of or on the basis of the Contract for Work beyond the above-mentioned maximum amount of damages.

However, the above-mentioned limitations of claims for damages do not apply in case of damages caused by the Contractor to the Client intentionally or through gross negligence. Damage caused by the Contractor to the Client intentionally or through gross negligence is not considered damage caused by excess (unforeseen or unexpected actions) of the Contractor's employee or another person authorized by the Contractor to perform certain tasks within the execution of the Contract for Work.

- 11.2. Application of penalties or compensation of damage: The Client is obliged to apply any claim for a contractual penalty or for compensation of damages incurred by the Client under the Contract for Work or in these General Conditions of Sale, in writing to the Contractor no later than two months from the right to a contractual penalty or compensation of damages.

Upon the expiration of the above-mentioned period in vain, the Client's right to a contractual penalty or compensation for damage to the Contractor expires.

12. Know-how and Patents

- 12.1. Technical Documentation: All technical documentation which the Contractor has delivered to the Client together with the subject of Work under the Contract for Work is the exclusive property of the Contractor. All technical designs and other designs including processes contained in the technical documentation are also coming under the Contractor's exclusive ownership.

- 12.2. Technical Documentation Disclosure by the Client: The Client may not publish the technical documentation in the sense of point 12.1 of these General Conditions of Sale, make it available to any third party or use it to the benefit of any third party. The Client is only entitled to use the technical documentation in connection with the use of the subject of Work. This obligation does not apply to administration and other public bodies and auditors, if they carry out control activities or supervision regulated by law.

- 12.3. Use of Technical Documentation by the Contractor: The Contractor is entitled to use the technical designs and other designs and processes contained in the technical documentation mentioned in Article 12.1 of these General Conditions of Sale also for other persons.
- 12.4. Intellectual Property: It is the exclusive right of the Contractor to have all new technical and other solutions found by the Contractor while delivering the Work under the Contract for Work patented, covered by a utility or industrial design, by another industrial and legal protection facility or by regulations on the protection of intellectual property.

13. Disputes and Governing Law

- 13.1. Governing Law: The Contract for Work, these General Conditions of Sale and all the rights and duties of the Contracting Parties arising from them are governed by the legislation of the Czech Republic.
- 13.2. Jurisdiction: All disputes which may arise from this Contract or in connection with it and which cannot be eliminated by negotiations between the Contracting Parties shall be decided by the final judgment of the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic according to its rules, by a single arbitrator. The place of arbitration proceedings is Prague.

14. Withdrawal from the Contract for Work

- 14.1. Withdrawal from the Contract for Work: If either of the Contracting Parties has substantially violated its obligation which it has under the Contract for Work and these General Conditions of Sale and in case it has not fulfilled that obligation even during an adequate term allowed to it by the other Contracting Party, the other Contracting Party shall be entitled to withdraw from the Contract for Work.
- 14.2. Form of Withdrawal: The withdrawal must be made in writing and must be delivered to the other Contracting Party.

- 14.3. Contract Cancellation: By withdraw from the Contract for Work the Contract for Work and these General Conditions of Sale shall cease. If the Contractor has already performed a certain separately usable part of the Work for the Client before the cancellation of the Contract for Work, any of the contracting parties may withdraw from the Contract for Work only in respect of the part of the Work not yet submitted.

- 14.4. Claims: However, withdrawal and cancellation of the Contract for Work does not affect the right to compensation for damages caused by breach of Contract, nor the agreement on damages or contractual penalties contained in Article 8.8 of these General Conditions of Sale, the compensation of damage contained in Article 12 of these General Conditions of Sale, the agreement on choice of the law and settlement of disputes contained in Article 14 of these General Conditions of Sale, nor the agreement on know-how contained in Article 13 of these General Conditions of Sale and the agreement on the handling of materials and semi-finished products supplied by the Client pursuant to Article 6.6 these General Conditions of Sale.

The Client is also obliged to compensate the Contractor in full for all costs incurred for the Work before withdrawing from the contract.

15. Force Majeure

- 15.1. Prolongation of Delivery Time: In case of an occurrence of force majeure the term of delivery fixed by the Contract for Work or these General Conditions of Sale shall be prolonged by the time for which the occurrence of force majeure lasts.
- 15.2. Force Majeure Notice: The Contractor is obliged to inform the Client of the occurrence of force majeure in writing without undue delay.
- 15.3. Force Majeure: Events such as delays in the supply of subcontractors (unless caused by force majeure events), insolvency, lack of manpower or materials, etc. are not considered force majeure events.

Force majeure includes in particular events such as strikes, lockouts and all circumstances beyond the control of the Contracting Party, earthquake, war, fire, flood, epidemic, general mobilization, insurrection, requisition, seizure, embargo, governmental order or regulation of European Union.

16. Final Provisions

16.1. Subcontractors: The Contractor reserves the right to fulfil its commitment to execute to Work with the help of subcontractors. The Contractor is nevertheless directly responsible to the Client for the full extent of the delivery.

16.2. Incoterms: If the Contract for Work refers to Incoterms, it is a reference to the International Rules for the Interpretation of Delivery Clauses – Incoterms 2020, a publication of the International Chamber of Commerce No. 560, unless the Contract for Work explicitly provides otherwise. If the Contract for Work contains a reference to a concrete Incoterms clause, the provisions of that clause in Incoterms become part of the provisions of the Contract for Work.

16.3. Substitution of Previous Agreement: The Contract for Work, together with these General Conditions of Sale as well as eventual technical delivery regulations mentioned in Article 2.5 of these General Conditions of Sale expresses the full agreement of the Contractor and the Client concerning their mutual rights and duties connected with the execution of the Work. The Contract for Work, together with these General Conditions of Sale, completely substitutes all previous agreements and arrangements between the Contractor and the Client relating to the execution of the Work.

16.4. Omission: No omission or non-application of any rights of the Contractor arising from these General Conditions of Sale or the Contract for Work shall be deemed as surrender of these rights and shall result in the termination of these rights or the termination of the opportunity to apply these rights.

16.5. Prohibition of Employment: The Client undertakes not to offer the conclusion

of an employment relationship to the Contractor's employees or any other contractual institute resulting in an employment relationship with the Client or any third party and not to enter into an employment relationship or any other contract resulting in an employment relationship with any Contractor's employee. In case of a breach of this obligation, the Client is obliged to pay a contractual penalty of CZK 500,000 for each individual breach of this obligation to the Contractor.

16.6. Disposal of hazardous waste: In case the part which was supplied by the Client to the Contractor contains any waste, oil or any other hazardous waste, the Contractor is entitled to dispose of this waste at the Client's cost.

On behalf of the Contractor:

In _____ Date _____

Name and signature

On behalf of the Client:

In _____ Date _____

Name and signature