

I. Introductory provisions

- These Terms and Conditions (hereinafter the "T&Cs") are terms and conditions as defined in Section 1751 of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter the "Civil Code") and form an integral part of each
 - delivery order or
 - purchase agreement(hereinafter "Order") concluded between UJP PRAHA a.s., as the buyer (hereinafter "Buyer") and the seller (hereinafter "Seller").
- The T&Cs serve to define the mutual rights and obligations between the parties, whereas the provisions of the T&Cs are binding for both parties.
- The parties have waived the use of the Seller's terms and conditions for the Order, unless they are expressly accepted by the Buyer. Should the Seller's Terms and Conditions also apply in addition to these T&Cs, then the parties declare, for the avoidance of doubt, that these T&Cs shall take precedence in the event of any conflict between them.
- Any and all deviations from the T&Cs must be agreed in writing in the Order. The provisions of the Order shall take precedence over the T&Cs. Any rights and obligations of the parties not addressed in the Order or in the T&Cs shall be governed by applicable Czech law, in particular the Civil Code.
- The Seller assumes the risk of change of circumstances pursuant to the provisions of Section 1765(2) of Act No. 89/2012 Coll., the Civil Code (hereinafter also the "Civil Code").

II. Terms of delivery of the subject of the Order

- The specification of the goods or products to be delivered (hereinafter the "Delivery") is defined by the Order. Unless other terms and conditions are agreed in the Order, the Seller shall be obligated to deliver the Delivery in the version and with the usual accessories suitable for the purpose for which such Delivery is used.
- The Seller is obligated to carry out the Delivery agreed in the relevant Order without defects and deficiencies and in accordance with the contractual conditions, these T&Cs, all supporting materials submitted by the Buyer, and also in accordance with the technical specifications, applicable laws, standards, technical regulations, good technical practice, and technological procedures.
- The Seller declares that prior to confirming the Order it has studied the technical documentation submitted by the Buyer and that it has examined it with a due standard of professional care, particularly in its technical and technological aspects and in terms of its completeness, and that it has found said documentation to be free of defects.
- The Seller is obligated to inform the Buyer in writing without undue delay of any defects, contradictions, or deficiencies in the submitted documentation, supporting materials, and other items received from the Buyer as part of the fulfillment of the Order. If Seller fails to give written notice or to review the supporting materials or items provided, the Seller shall be liable to the Buyer for damages thereby incurred and for defects arising therefrom.

- If the Buyer, in the course of the carrying out the Order, applies a requirement to the Seller for a change to the Delivery, the parties shall agree to amend the Order by means of a written amendment thereto.
- Partial deliveries are possible only upon prior written agreement between the Seller and the Buyer.
- A Delivery that exhibits defects or does not conform to contractual technical documentation or binding technical norms and standards shall be replaced with materials or in-kind contributions without defects. The non-conforming delivery may only be released by the Seller as a concession with the prior consent of the Buyer.
- The Seller is required to comply with all laws relating to intellectual property rights and to respect such rights.
- A Delivery without:
 - the related accompanying technical documentation or documents referred to in item XI. of these conditions and other documents necessary for the handling of the Delivery,
 - the granting of usage rights and licensing rights over the subject of the Delivery,
 - the provision of services necessary for completion, operability, and ensuring the smooth, reliable, and safe functioning of the Deliveryshall be deemed a Delivery with defects and the Buyer shall not be obligated to accept the Delivery; in such cases, the Buyer is not obligated to pay the purchase price or to provide any other performance related to the Order.

- The Delivery shall be delivered under the terms of the DAP delivery clause (per INCOTERMS 2020). The place and date of delivery are specified in the Order.
- A Delivery delivered as per an Order shall be shipped in packaging appropriate to the nature of the goods supplied. The Delivery must be protected with packaging and preservation from damage and corrosion during transportation and storage. Packaging used shall be returned by the Buyer to the Seller only if expressly agreed in the Order.

III. Price of the Delivery

- The price is determined by agreement of both parties and is specified in the Order as the not-to-exceed price.
- The price of the Delivery includes all costs associated with the performance of the Order and the T&Cs. The Seller is fully aware of the scope and nature of the subject of the Order and has properly evaluated and priced any and all Deliveries necessary for the proper fulfillment of the Order.
- The Buyer agrees to pay the Seller by the payment due date and in accordance with the terms of the Order and the T&Cs. The Buyer's obligation to pay to the Seller the price or part of the price by the payment due date as per the Order shall not arise if the Seller is delinquent with the Delivery as per the Order or if the Delivery as per the Order or part thereof is not delivered properly and is not of adequate quality; this shall apply until the Buyer accepts the Delivery free of defects and deficiencies, or until the last defect or deficiency discovered upon acceptance of the Delivery has been rectified.
- The Buyer shall pay the price of performance as per the Order

to the Seller on the basis of invoices duly issued by the Seller and agreed by the Buyer.

- The invoices shall be due and payable within 30 days, whereas in case of doubt the Buyer shall be deemed to have received the invoice no later than by the fifth day after it has been verifiably sent by the Seller. The date of payment of the invoice shall be the date on which the amount due is credited to the Seller's account.
- Invoices must contain all mandatory formalities required by accounting and tax regulations as of the date of their issue and the mandatory formalities specified in the Order and these T&Cs.
- The invoice must also contain in particular the following information:
 - the Buyer's Order number;
 - the designation and number of the invoice;
 - the Seller's and Buyer's ID numbers and Tax ID numbers;
 - the names and registered offices of the Seller's and Buyer's companies;
 - specification of the Seller's banking coordinates;
 - the date of issue of the invoice;
 - the scope and subject of the Delivery;
 - the date of taxable transaction;
 - the payment due date of the invoice as per the Order and these T&Cs;
 - if the Seller is a payer of VAT, each invoice issued by the Seller shall include the price before VAT, the VAT rate in %, and the amount of VAT or if applicable, the price including VAT for each item of goods delivered and the sum of these prices;
 - information regarding any advance payments provided;
 - the signature and stamp of the Seller.
- If the invoice does not contain all the mandatory formalities and/or annexes or if the said formalities of the invoice contain errors, the Buyer is entitled to return this invoice to the Seller within the payment period, stating or marking the reasons for the return of the invoice. The Buyer shall not be delinquent with payment of the invoice until an invoice without errors has been received. Upon delivery of a proper invoice, a new time limit for payment shall also begin.
- Documents certifying the scope of the invoiced Delivery in accordance with Article VI of the T&Cs shall always be enclosed with the invoices.
- Invoices shall be sent by the Seller to the address of the Buyer's registered office.

IV. Title, risk of damage to items

- Title to materials and equipment delivered as per an Order shall pass to the Buyer no later than as of the date of delivery to the place of performance specified in the Order.
- The transfer of the risk of damage to the goods from the Seller to the Buyer shall take place upon handover and acceptance of a Delivery that has been duly completed, i.e. without defects.
- The Seller grants to the Buyer a non-exclusive license to its intellectual property rights pertaining to the Delivery; this license is granted for an indefinite term and free of charge.
- The Seller is obligated to compensate the Buyer for any

damage incurred by the Buyer in connection with any claim by a third party for infringement of any intellectual property right in connection with the Delivery.

V. Date of performance

- The Seller undertakes to deliver the Delivery within the time limits specified in the Order.
- The period of performance agreed for completion of the Order shall be reasonably extended if a disruption of the Seller's deliveries is caused by circumstances waiving liability (i.e. force majeure). The parties are obligated to inform each other immediately of the occurrence of such circumstances and to agree on the manner of their resolution, otherwise force majeure cannot be invoked.
- The Seller and the Buyer shall not be deemed delinquent in the fulfillment of contractual obligations established by an Order if such delinquency is caused by force majeure and such circumstances prevent or materially adversely affect the performance of obligations under the relevant Order; however, this shall apply only for the duration of the force majeure event or while its consequences are in effect and only in relation to the obligation or obligations directly and immediately affected by the force majeure event.
- Force majeure shall be deemed such events that the parties could not have foreseen at the time of concluding the Order and that objectively prevent the Seller or the Buyer from performing its contractual obligations. Force majeure shall be deemed to constitute circumstances that have arisen after the conclusion of the Order as a result of events of an extraordinary and irreversible nature that are unforeseen and unavoidable for the parties and which have an immediate effect on the performance of the subject matter of the Order. These include, in particular, natural disasters, weather anomalies, acts of war, general strikes, and grave social, economic, and financial changes.
- Delays in deliveries by subcontractors, production outages, or energy shortages shall not be considered force majeure unless these have also been caused by force majeure.
- A party seeking relief from its contractual obligations on grounds of force majeure must notify the other party in writing of the impact of such circumstances without delay and no later than within five days. It shall notify the other party in the same manner once such force majeure has ceased. The party claiming force majeure must, upon request, provide the other party with evidence of the circumstances of the force majeure or, if applicable, enable the other party to personally verify the existence of such circumstances.
- If the force majeure circumstances persist for longer than three months, the parties may agree on the next steps with the goal of finding mutually acceptable solutions. If no agreement is reached, the Buyer and the Seller have the right to rescind the Order.
- Any extended time for completing the Delivery shall be determined by the duration of the impediment, provided that the Seller has taken all possible measures to reduce or avoid the delay.

VI. Handover and acceptance of the Delivery

1. The Seller shall be deemed to have fulfilled its obligation to fill the Order upon its due completion and handover and acceptance at the place of performance. Proper completion means free from any defects or deficiencies.
2. Acceptance of the Deliveries upon delivery at the place of delivery shall be confirmed by signing the delivery note.
3. The Seller's obligation for due handover of the Delivery shall include the provision of all necessary papers and documents relating to the subject of the Delivery. In relation thereto, the Seller shall provide to the Buyer in particular the following:
 - a) declaration of conformity;
 - b) documents certifying the successful completion of prescribed and agreed tests and code compliance inspections;
 - c) other documents required by relevant legal regulations;
 - d) the necessary accompanying technical documentation needed for the use of the Delivery (e.g. warranty certificates, operating manuals, certificates of compliance, etc.).
4. The Buyer is not obligated to accept the Delivery in the following cases:
 - a) such documents as implied by the nature of the subject of the Order have not been provided by the Seller or such documents are incomplete;
 - b) the Delivery has defects or deficiencies.

VII. Warranty and liability for defects

1. The Seller warrants that its Delivery will be carried out to such scope and quality that its outcome will constitute performance with the characteristics stipulated by legal regulations, the provisions of binding technical standards, the Order, and the T&Cs, or if applicable that it has typical characteristics and is complete and free of any defects.
2. A Delivery is defective if its performance does not correspond to the result specified in the Order or if it does not have the characteristics referred to in paragraph 1 of this article.
3. The Seller shall provide a contractual warranty of quality for the Delivery. **The duration of the warranty period is set at two years**, unless a different period is specified in the Order. By accepting this warranty, the Seller undertakes that the Delivery as per the Order will have the characteristics referred to in paragraph 1 of this Article during the warranty period, will be fit for the purpose agreed in the Order, and will retain the contracted or customary characteristics.
4. If a defect in the subject of performance is reported within the warranty period, the Seller shall be obligated to remedy the defect free of charge if it is liable for such defect.
5. The warranty period shall begin on the date of acceptance by the Buyer.
6. The Buyer is entitled to demand at its sole discretion:
 - a) elimination of the defect by delivery of replacement performance at the Seller's expense;
 - b) elimination of the defect by repair at the Seller's expense, if the defect is repairable;
 - c) a reasonable discount on the price of the Delivery.
7. A claim sent by the Buyer on the last day of the warranty period

of the period shall be deemed to have been filed in a timely manner.

8. The Seller is obligated to remedy the defects in the Delivery and provide Delivery without defects without undue delay. The time limit for remedy of a defect shall always be agreed in writing.
9. If it is evident from the Seller's actions that the required time limit for the elimination of defects will expire or has already expired in vain or the Seller refuses to eliminate the defect, the Buyer shall have the right to have the defect eliminated by a third party or to eliminate the defect on its own at the Seller's expense.
10. If it becomes apparent that the defect of the subject of performance or any part thereof cannot be remedied, the parties agree to the provision of a reasonable discount, unless agreed otherwise.
11. The warranty period for the Delivery shall not run for the period during which the Buyer cannot use it due to defects for which the Seller is liable. The warranty period shall be extended by the period during which the Delivery could not be used.
12. The parties shall agree a new warranty period for the repaired or replaced part of the Delivery for the duration of the warranty period specified in paragraph 3 of this Article.
13. The Seller is obligated to notify the Buyer in writing immediately if it considers such claim to be unjustified. In the notification, he shall also state the reasons why he considers the claim to be without basis. If the Seller fails to notify the Buyer in writing within ten business days of receipt of a claim, the claim shall be deemed justified.
14. Even if the Seller considers that the claim in question is not justified, it shall be obligated to remedy such defect in accordance with the terms of the Order and the T&Cs, whereas the costs of remedying the defect reported in the claim shall be borne by the Seller in such disputed cases, pending a final decision in the matter by a court, or other settlement of the matter between the parties.
15. The warranty provided shall not apply to defects caused by the inexpert handling, incorrect or inappropriate maintenance, or failure to uphold the manufacturer's rules for operating and maintaining the equipment the Buyer has accepted from the Seller at the time of handover or about which the Seller instructed the Buyer in writing.
16. The warranty also shall not apply to defects caused by the Buyer's willful misconduct.

VIII. Set-off, assignment of claims

1. The Seller is not entitled to set off any of its claims unilaterally against the Buyer.
2. The Buyer is entitled to unilaterally set off its claim arising under the Order or these T&Cs or any other binding relationship.
3. The Seller shall not be entitled to assign to a third party any claim which the Seller may have against the Buyer under the Order without the Buyer's written consent.
4. The Seller is not entitled to assign its rights and obligations under the Order or any part thereof to a third party without the Buyer's prior written consent.

IX. Contractual penalties

1. If the Seller fails to meet any delivery date as per the Order, the Buyer shall be entitled to demand payment of a contractual penalty of 0.5% of the price of the Delivery for each day of delay. In the event that the Buyer and Seller have agreed to partial delivery of the Delivery in incremental performance, the delay shall run separately for each agreed partial delivery date.
2. In the event of failure to pay an invoice free of defects by the payment due date, the Seller shall be entitled to charge late payment interest at the rate of 0.01% of the amount due for each day of delay.
3. The contractual penalty for a delay on the part of the Seller in remedying each reported individual defect in the Delivery shall be 0.5% of the price of the Delivery, or of the price of the partial delivery defined in the Order to which the defect relates, for each individual defect, for each day of delay, up to a maximum of 30% of the total price of the Delivery.
4. Payment of the contractual penalty shall not affect the Buyer's right to compensation of damages. The Buyer shall be entitled to claim compensation for damages it has incurred due to breach of the Seller's obligations even if the breach of an obligation in question is subject to a contractual penalty. Damages shall include actual damage and loss of profit.

X. Protection of trade secrets, documentation and materials; non-disclosure obligation

1. Documentation and supporting materials submitted by the Buyer in connection with the Order are subject to trade secrecy as defined in Section 504 of the Civil Code.
2. The Seller undertakes to protect any trade secrets or confidential information it has learned in connection with an Order. Reproduction, dissemination, and use of these documents and supporting materials, as well as their disclosure to a third party, is prohibited without the express consent of the Buyer.

XI. Product History File

1. The Supplier undertakes to keep documentation on file for at least 20 years proving the quality history of the delivered product (known as the "Product History File") and to submit it to UJP PRAHA a.s. upon request.
2. The Supplier shall submit along with each completed Delivery a written declaration that the product has been delivered in conformity with the Order.
3. The Supplier shall permit a customer audit by UJP PRAHA a.s. and, if applicable, by the Buyer's auditing organization.
4. The "Product History File" must contain the identification of the product for the purposes of retroactive traceability from order to delivery, as well as the following related information (documents/records):
 - purchase of input materials and services, information about subcontractors, etc.
 - manufacturing processes that must be authorized by the responsible persons
 - inspections performed

- measuring equipment used
- qualifications of personnel
- non-conforming products
- any other applicable information

These records must be managed documents – i.e. with clear identification and authorized by the responsible person

XII. Final provisions

1. The parties declare that they have read the contents of the T&Cs and other annexes referenced in the Order before confirming or signing the Order.
2. The Contractor declares that it is able to fully perform its obligations under the Order and the T&Cs in a proper and timely manner while exercising all necessary and due professional care.
3. In the event that any legal regulations cited in these conditions change in the time after these conditions are signed, the Contractor shall be deemed to be obligated to comply with the legal provisions in force at the time of executing the work, regardless of how they are cited by number or name in these T&Cs.
4. The parties declare that if at any time in the future any of the provisions of these T&Cs are found to be inapplicable or to constitute a simulated legal act, the validity of the other provisions shall not be affected.
5. Any change to an Order shall require that a written numbered amendment be signed by authorized representatives of both parties. Any changes to an Order may be made only by mutual agreement in the form of written amendments signed by authorized representatives of both parties. For this purpose, the exchange of email or other electronic messages shall not be considered to constitute written form. Other minutes, reports, etc. shall not be deemed to constitute an amendment to the Order. For amendments to an Order to be deemed valid requires agreement to their entire contents.
6. Any disputes arising out of this Order and its performance shall be preferentially resolved by agreement of the parties. If no agreement is reached, disputes shall be resolved by the court with jurisdiction in the Czech Republic under Czech law. The language of any litigation shall be Czech.
7. The parties do not wish for any rights and obligations beyond the express provisions of the Order to be inferred from past or future practice established between the parties or customary practices in general or in the industry relating to the subject of the Order, unless otherwise agreed in the Order. In addition to the foregoing, the parties acknowledge that they are not aware of any custom or practice hitherto established between them.