

GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS, WORKS AND SERVICES

CONCLUSION OF CONTRACT

1. Draft of the Purchase Contract, Contract for Work, or Contract for Services or other similar contract (hereinafter referred to as "the Contract"), submitted by the Purchaser, i.e. Hutní montáže, a.s., ID: 15504140, registered office: Ruská 1142/30, Vítkovice, 703 00 Ostrava (hereinafter referred to as the "Purchaser") made in written (in duplicate) or in electronic form shall also be confirmed by the Contractor (hereinafter referred to as the "Contractor") also in written or electronic form (depending on the form in which the proposal to conclude the contract by the Purchaser is made) within 14 days from the date of submission of the draft contract. If the draft to conclude the contract by the Purchaser is made in written form, the Contractor may also notify the Purchaser of the acceptance of the draft Contract by fax or email, in which case the Contractor is obliged to send the original written acceptance of the contract draft to the Purchaser's registered office address within 3 working days from the sending of the fax or email. However, acceptance and confirmation of the Purchaser's draft contract with an addition or deviation are excluded; any additions or deviations proposed by the Contractor thus constitute a rejection of the Purchaser's draft Contract and are considered as a new proposal. The contract is concluded if the Purchaser and the Contractor agree on the entire content of the contract.
2. The Contractor who received the draft Contract from the Purchaser may also express his acceptance of the draft Contract by supplying the required goods or performing the required services within the time limit set for the acceptance of the draft Contract, i.e. in particular by sending the requested goods, by performing the Work, by providing the requested services, etc.
3. The price agreement shall also be deemed to have been reached if the Purchaser paid the price required by the Contractor after the acceptance of goods and/or services.
4. Any changes to the contract after its conclusion are only possible upon agreement of both contracting parties, through a written amendment to the contract signed by both parties (or an electronic amendment if the contract was concluded electronically).
5. These General Purchasing Terms and Conditions for the Supply of Goods and Services (hereinafter referred to as the "Terms and Conditions") form an integral part of the Purchaser's draft contract. By accepting the draft Contract, the Contractor at the same time agrees with all Contractor's rights and obligations contained herein and resulting hereunder.
6. The Purchaser always concludes contracts using these Terms unless expressly agreed otherwise between the parties. It is the Purchaser's intent to exclusively subject the contract regime to these Terms (the Purchaser explicitly excludes the use of any Contractor's terms and conditions).

TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS

7. The Contractor shall supply the goods in quantity, quality and type in accordance with the contract.
8. The Contractor shall supply the goods to the address stated in the Purchaser's shipping instructions in the relevant contract. The Purchaser shall be notified of each single delivery, even of a partial delivery, by the shipping advice. Consignments shall always be identified by Purchaser's contract number on the outside of the packaging. The costs of transport are part of the purchase price.
9. The goods must be delivered in a package suitable for the agreed type of goods and for the agreed transport conditions so as to prevent damage of goods during transport to the agreed point of destination. Packaging and packaging costs will be borne by the Contractor and are part of the contract price. The used packaging and fastening materials shall be returned only if expressly agreed.
10. Goods delivered under several contracts, but shipped in a single shipment, have to be notified for each contract separately.
11. If the Contractor hands over the goods to the Purchaser in Purchaser's premises, a Handover and Takeover Report shall be prepared and signed by both parties.

12. The Contractor shall submit to the Purchaser in due time, not later than at the handover of goods, all documents needed for the takeover and free disposal of goods. These documents must be clearly legible, well-arranged, and error-free and marked with a contract number. Unless otherwise requested by the Purchaser, the documents must be drawn up in the Czech language.
13. The property right to the goods and the risk of damage to the goods passes from the Contractor to the Purchaser at the time when the goods are handed over to the Purchaser.

TERMS AND CONDITIONS FOR WORKS AND SERVICES

14. In carrying out the work and/or providing services, the Contractor shall comply with all technological procedures, current technical or legal standards, requirements of state authorities, i.e. (but not limited to) labor-law regulations, environment protection regulations, OSH rules and operation rules, and the Purchaser's regulations.
15. The Contractor and its subcontractors shall employ only qualified and properly instructed employees and will fully comply with obligations regarding safety and health protection at work, as well as other obligations prescribed by legal regulations in the field of employment (especially the prohibition of facilitating illegal work or the prohibition of concealed employment mediation).
16. The Purchaser has the right to require the replacement of the contractor's staff in serious cases. This principle applies especially if there are justified doubts concerning the necessary experience or qualification of the involved employees, or if the OSH or environmental protection regulations are not complied with. The Contractor undertakes to provide a qualified replacement in these cases. The agreed delivery dates shall remain unaffected. Replacement of personnel by the Contractor is subject to prior written consent of the Purchaser. All additional costs shall be borne by the Contractor.
17. The Contractor undertakes to compensate the Purchaser for any direct and indirect damages and costs resulting from violation of legal regulations caused by the Contractor, its employees or subcontractors.
18. The dates of supply set out in the contract or based on the contract are binding. The Contractor shall immediately inform the Purchaser in writing if it finds out that any circumstance occurred or may occur that may affect the deadline.
19. The Contractor may invoke the absence of Purchaser's cooperation where such cooperation was not provided within a reasonable time from the written request by the Contractor.
20. Services agreed in the contract are deemed to be provided when the Purchaser issued a written acceptance certificate to the Contractor.
21. If the Contractor produces the object in Purchaser's premises under the Contract for Work or similar contract, the Purchaser remains the owner of this object, however the risk of damage to the object lies with the Contractor until the written acceptance by the Purchaser.
22. If the subject matter of the contract includes maintenance, repair or modification work on the object, the risk of damage to the object lies with the Contractor until the written acceptance by the Purchaser.
23. The property right to the result of the Contractor's activity passes to the Purchaser at the completion of the Work (except where the work is performed in Purchaser's premises according to the above para. 21), services, works or other activities.

CLAIMS FROM LIABILITY FOR DEFECTIVE PRODUCTS AND SERVICES

24. The Contractor shall provide the warranty for the quality of goods, works or services from the date of acceptance, for the period agreed in the contract, however not less than 24 months (hereinafter referred to as the "Warranty Period"). As a guarantee of quality, the Contractor undertakes the commitment that the goods, works, services, or provided service (or any part thereof) will be free from any defects, both material and legal, and that they will remain fit for the agreed-upon or otherwise customary purpose throughout the warranty period, maintaining the agreed-upon or otherwise customary characteristics.
25. The Purchaser shall notify the Contractor in writing, by letter, fax or e-mail of the defects found. The Purchaser shall describe the consequences of the defect and shall notify the Contractor of the required way of correction and of the deadline by which it has to be corrected.

26. The Purchaser may send the notice of claim for incorrect quantity of goods or apparent defects within one month from the receipt of goods, or acceptance of works or services from the Contractor or carrier, at the latest. Claims for other defects may be filed by the Purchaser at any time during the warranty period. The claim is deemed to be timely if it was filed by the Purchaser on the last day of the warranty period.
27. Unless otherwise agreed by the parties, the Contractor shall remedy the defects as per the Purchaser's request either by correcting or replacing defective goods and/or services by goods and/or services that are free from defects, in particular by delivering new goods, by performing new works or services, etc. within 7 days from the receipt of a claim. If defective goods and/or services are replaced by new ones, the Purchaser shall return defective goods and/or services to the Contractor in accordance with the notified shipping instructions at the Contractor's expense, if this is possible. The Contractor shall send without any undue delay his representative to examine the defect in order to assess it.
28. If the Contractor fails to rectify the defect within a period set by the Purchaser or within a period agreed in writing by the Parties, the Purchaser shall be entitled to have the defect remedied by others at the Contractor's costs, whereas the Contractor shall pay these costs within 30 days from the receipt of the invoice. The Purchaser may also withdraw from the contract or request a reasonable discount on the price.
29. If the defects have not been corrected, the Purchaser has no obligation to pay a part of the price that would correspond to its claim for a discount. This part of the price will be processed at the end of the claim procedure according to the final result of that procedure. The Purchaser shall not be deemed to be in delay with payment of the retained part of the price, even if its claim was not considered justified.
30. In addition to the defect liability claims, the Purchaser is entitled to compensation for damage incurred and to a contractual penalty at the rate specified herein or agreed in the contract.

PAYMENT TERMS

31. Contractual supply (taxable supply) performed for a period longer than one month may be invoiced monthly by the Contractor. The invoice (tax invoice) issued by the Contractor has to be sent electronically to the address: HM.INVOICES@hutni-montaze.cz or by mail to the address of the Purchaser's domicile and must show:
 - Purchaser's draft contract number,
 - Purchaser's Project No.
 - Purchaser's Order No.
 - scope (quantity) and the subject matter of contract with the SKP code (Standard Production Classification Code),
 - contractual unit price and total price in the agreed currency,
 - the account number and bank code to which it is to be paid,
 - term of payment of the invoice 60 days; which starts from the date of receipt of the invoice by the Purchaser,
 - data according to Act No. 235/2004 Coll. on Value Added Tax, as amended.
32. The invoice shall be accompanied by a document attesting that goods or works or services have been properly accepted (delivery note or acceptance certificate).
33. Failure to meet the above conditions entitles the Purchaser to return the invoice to the Contractor for completion or correction. If the Purchaser exercises this right, it does not constitute a delay on the part of the Purchaser in fulfilling its payment obligations. The agreed payment deadline will restart from the date of delivery of the corrected invoice to the Purchaser.
34. Payments shall be made by the Purchaser by bank transfer to the account indicated on Contractor's invoice (tax invoice), the payment is considered to be made when the invoiced amount is deducted from Purchaser's account.
35. The Contractor acquires the entitlement to the agreed price when its contractual obligation has been properly fulfilled.
36. If something else is not agreed upon in the contract, the Contractor is obliged to pay the claims for damages or contractual penalties asserted by the Purchaser within 30 days from the delivery of the settlement.
37. The Contractor is not entitled to set off unilaterally claims arising from this Contract against any Purchaser's claims. The Contractor is not entitled to assign claims from this Contract without the prior written consent of the Purchaser.

PROTECTION OF INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

38. All technical documentation (drawings, technical documents, calculations, method statements, instructions, etc.) made available by the Purchaser to the Contractor as a basis for fabrication of goods, for works and services, etc., remains the exclusive intellectual property of the Purchaser. Subject matter of the Purchaser's intellectual property are all technical solutions and other solutions and methods described in the technical documentation which are properly identified.
39. The Contractor may not disclose or make available the technical documentation as set out in section 39 of these Terms and Conditions to any third party or use it for the benefit of any third party, nor to use it for its own works or production. The Contractor is entitled to use the technical documentation to carry out the subject matter of the Contract only. This obligation does not apply to administrative or other public bodies or authorities, if these bodies or authorities carry out statutory monitoring or other supervision under the relevant laws.
40. If the result of business activity/subject matter of the work delivered under the Contract is protected by copyright or industrial property right, the Contractor by concluding the contract with the Purchaser provides the Purchaser with the right to use such goods and/or services. The Contractor agrees that the Purchaser may use such goods and/or services also for purposes other than which result from the contract. The right to use such goods and services is not limited, in both time and place, whereas such right can be transferred along with these goods and services.

CONTRACTUAL PENALTIES

41. The Purchaser may claim, and the Purchaser shall pay, the contractual penalty in the amount of 0.05% (excluding VAT) for each day of delay of not delivered goods and/or services.
42. The Purchaser is entitled to, and the Contractor shall pay, a contractual penalty of 0.5% (excluding VAT) of the price of defective goods and/or services for each started day of delay for each defect found during the warranty period, which the Contractor fails to remedy within the time limit set by these "Terms and Conditions" or agreed by the parties, this contractual penalty to the Purchaser.
43. If the Contractor fails to complete the forms required for acceptance and free disposal of goods correctly or completely, it shall pay to the Purchaser a contractual penalty of CZK 500, - for each incorrect or incomplete form.
44. If the Contractor sets off or assigns unilaterally the claim arising under this contract, it shall pay to the Purchaser the contract penalty of the same amount as was the amount set-off or assigned.
45. If the tax office decides, in accordance with § 106a of Act No. 235/2004 Coll., On Value Added Tax, as amended, that the Contractor is an "Unreliable Tax Payer", the Contractor shall notify the Purchaser thereof immediately, however not later than within 48 hours from the receipt of the a.m. decision. Written notification shall include, in particular, the date of receipt of the decision, the bank account, together with the variable symbol of the relevant tax office to which the Purchaser shall pay the VAT amount on behalf of the Contractor directly to the tax office. If the Contractor fails to comply with the information obligation, the Contractor shall pay to the Purchaser a contractual penalty of 10% of the total price (excluding VAT) of all deliveries made under the contract. The Contractor shall pay the contractual penalty to the Purchaser within 30 days from receipt of the invoice by the Contractor. If the Contractor becomes an Unreliable Taxpayer, the Purchaser may pay the relevant VAT directly to the tax office and pay the price without VAT to the Contractor's account. By doing so the Purchaser will be deemed to have met its obligation to pay the contractual price.
46. By agreeing to any contractual penalty under these Terms, the Purchaser's right to compensation for all direct and indirect damages caused by the breach of the confirmed obligation is not affected.
47. All contractual penalties under these Terms are agreed upon as "penal" contractual penalties.

FINAL PROVISIONS

48. The following cases shall be considered material breach of Contractor's contractual obligations:
 - delay in delivering goods, performing works or services properly and in a timely manner,
 - delay in performing Contractor's obligations resulting from the liability for defects.
49. Also the fact that the Contractor was identified as "Unreliable VAT Payer" in accordance with § 106a of Act No. 235/2004 Coll., On Value Added Tax, as amended, shall be considered material breach of the Contractor's obligations laid down in this Contract.

50. If the Contractor commits a material breach of contract, the Purchaser may withdraw from contract. By submitting the withdrawal notice the contract ceases to exist, but the rights and obligations relating to the protection of industrial and intellectual property rights or the Purchaser's claims for damages and contractual penalty for the breach of contract, governing law provisions, jurisdiction provision and other similar provisions to be complied with even after termination of contract, shall not cease to exist.
51. The Purchaser and the Contractor hereby declare that these "Terms and Conditions" and the Contract have not been concluded by adhesion, in a manner contrary to the provisions of §§1798 et seq. of the Civil Code. Use of provisions of §§ 1799 to 1800 and the first sentence of § 1801 of the Civil Code is therefore excluded.
52. If the performance under the contract is subject to § 324a of the Labor Code, then the Contractor is obliged to provide the Purchaser, before commencing the implementation of the contractual performance, with (i) a confirmation (issued by the Czech Social Security Administration or health insurance company) that there is no arrears recorded in social security contributions and penalties for social security and contribution to the state employment policy and public health insurance, not older than 3 months, (ii) a confirmation (issued by the State Labor Inspectorate) that a penalty higher than 100,000 CZK for breach of obligations arising from labor regulations has not been imposed on the Contractor in the 12 months preceding the commencement of the implementation of the contractual performance for the Purchaser. Any breach of the Contractor's obligations under this provision is considered a material breach of the contract.
53. All contractual relations between the Purchaser and the Contractor shall be governed by the Czech law, in particular by the Act No. 89/2012 Coll., The Civil Code (referred to throughout these Terms only as the "Civil Code"). This provision constitutes a choice of legal regime (so-called choice of law), and a reference back to another legal system is not permitted. Any application of the UN Convention on Contracts for the International Sale of Goods (No. 160/1991 Coll.) is excluded.
54. Any disputes between the Purchaser and the Contractor arising from the contract or in any way related to the contract will be resolved by the courts of the Czech Republic (thus establishing international jurisdiction of the courts of the Czech Republic), with jurisdiction vested in the courts of Ostrava (Czech Republic).
55. Where the Contractor is a natural person it gives its consent to the Purchaser to the processing of personal data, such as the name and surname, date of birth, place of residence or place of business, electronic contact data for the administration and record keeping purposes, namely for the entire duration of the contractual relationship arising out of this contract.
56. By entering into the contract, the parties confirm that (i) they are entering into the contract as entrepreneurs on an equal footing, where no party to the contract can be considered a "weaker" party due to their status or capabilities, and further that (ii) they are acting on behalf of their authorized representatives, and furthermore, that (iii) they are fully authorized to enter into the contract and fulfill the obligations arising therefrom, with the consent of their bodies (general meeting, supervisory board, etc.), if such consent is required by the relevant legal regulations.

These General Terms and Conditions for the Supply of Goods, Execution of Work, and Provision of Services are valid from May 1, 2024.