



<p>შესყიდვის ბრძანება N85-210119-03</p> <p>მიმწოდებელი: Doosan Skoda Power s.r.o</p> <p>Address: ტილოვა 1/57, 30128 პილზენ, ჩეხეთი</p> <p>ბრძანების ძალაში შესვლის დღე: 2019 წ 21.01</p> <p>დანართი: 1. 2019 წლის იანვრის შემოთავაზება: DSPW/SE/0300/18 rev.2 2. Terms and Conditions (Purchase Terms and Conditions for delivery of Spare Parts, Execution of Work issued by Doosan Škoda Power s.r.o.)</p> <p>შესყიდვის ბრძანება შესყიდვის ბრძანების შესაბამისად ვთანხმდებით, რომ ქვემოთ აღნიშნული საქონლის (CPV31124000) შესყიდვა და მიწოდება განხორციელდება საქართველოს კანონის „სახელმწიფო შესყიდვების შესახებ“ და 2018 წლის 29 ოქტომბრის №505 მთავრობის დადგენილების შესაბამისად. დანართი: შემოთავაზება განსაზღვრული დანართი N1: DSPW/SE/0300/18 rev.2</p> <p>გადახდის პირობა მოდიფიკაციის ღირებულება 15 381 ევრო გადაიხდება ავანსის სახით ავანსის გარანტიის წარმოდგენიდან 5 სამუშაო დღის განმავლობაში. დარჩენილი თანხა მომსახურების გაწევიდან და მიღება ჩაბარების აქტის გაფორმებიდან 30 დღის განმავლობაში. ავანსის უზრუნველყოფის გარანტია უნდა გაცივს შესყიდვის ორდერის გაცემიდან 10 სამუშაო დღის განმავლობაში. მომწოდებლის ანგარიში: წარმოდგენილია მომწოდებლის მიერ დანართი 1-ში</p> <p>მიწოდების პირობა: მომსახურების გაწევა განხორციელდება დანართი #1-ით განსაზღვრული პირობებით 8 დღის განმავლობაში 2019 წლის</p>	<p>Purchase Order N85-210119-03</p> <p>Supplier: Doosan Skoda s.r.o</p> <p>Address: Tylova 1/57, 30128 Plzen, Czech Republic</p> <p>PO comes into force: January 21st 2019</p> <p>Addendum: 1. January 2019 Commercial Offer: DSPW/SE/0300/18 rev.2 2. Terms and Conditions (Purchase Terms and Conditions for delivery of Spare Parts, Execution of Work issued by Doosan Škoda Power s.r.o.)</p> <p>Purchase Order In accordance with this Purchase Order, Procurement and delivery of Goods (CPV31124000) shall be conducted in accordance with October 29th 2018 Government decree №505 and Georgian state procurement regulation. Subject of the Order are: Goods described in Offer from January 2019 (addendum 1: DSPW/SE/0300/18 rev.2)</p> <p>Payment Term: portion for SW modification 15 381 Euro shall be issued within 5 business days after receiving an advance payment bank guarantee as for the remaining payment it will be issued within 30 days after the services are performed and acceptance act is signed.</p> <p>APBG must be issued and delivered to the Purchaser within 10 business days after issuing the Purchase order.</p> <p>Suppliers Account info: Suppliers Bank information is presented in Annex 1.</p>
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ივლისში (საორიენტაციო პერიოდია 2019 წლის 10 ივლისიდან 20 ივლისამდე)

ღირებულება: ხელშეკრულების ჯამური ღირებულება განისაზღვრება 67 381 (სამოცდა შვიდი ათას სამსაოთხმოდაერთი ევრო და 00 ცენტი) ევრო დღგ-ს გარეშე. შემდეგ განაწილებით:

მოდIFIკაცია	15 381,- EUR
დღიური:	27 000,- EUR
ზეგანაკვეთური:	18 000,- EUR
მგზავრობა:	2 500,- EUR (ეკონომ კლასი)
დაბინავება:	4 500,- EUR
ჯამი:	67 381,- EUR

გარანტია: მომსახურების ხარისხი უნდა შეესაბამებოდეს შემსყიდველის მიერ წარმოდგენილ დანართს : DSPW/SE/0300/18 rev.2.

ჯარიმა: მომსახურების და ანაზღაურების დაგვიანება რეგულირდება ხელშეკრულების დანართი "Terms and Conditions"-ით.

იურისდიქცია: შვეიცარიის კანონმდებლობით.

შესყიდვის ბრძანების მოქმედება: ბრძანება ძალაშია საქონლის მიწოდებიდან 30 დღის დასრულებამდე

გენერალური დირექტორი
ლაშა მგელაძე



Performance Term: Supplier shall perform the services in accordance scope of work within the Annex 1 within 8 days, during the month of July (tentative dates July 10th to July 20th) 2019.

Price of Services: The total price of 67 381 (sixty seven thousand three hundred eighty one Euros and 00 cents) Euros excluding VAT, based on following price estimation:

SW modification	15 381,- EUR
Daily rates:	27 000,- EUR
Overtime rates:	18 000,- EUR
Travel expenses:	2 500,- EUR (economy class)
<u>Accommodation:</u>	<u>4 500,- EUR</u>
Total:	67 381,- EUR

Warranty: Supplier warranties that the Services provided adhere to the standards and terms as described in: DSPW/SE/0300/18 rev.2.

Penalty: Penalties for delay in delivery and payment and regulated by annex "terms and conditions"

Jurisdiction: Swiss legislation

PO validity: PO is valid 30 days after full delivery of the goods.

General Director
Lasha Mgeladze



STG LP steam temperature logic review & correction

SI.No.	Description of work	Scope of work	Quantity	Objective of maintenance	New control logic specification
1	<p>STG LP steam supply temperature protection logic review in control system and corrections</p>	<ol style="list-style-type: none"> 1. Complete engineering study of existing STG LP steam supply temperature protection logic. 2. Analysis of the LP steam supply temperature limits against the LP steam pressure. 3. Implementing the reviewed logic for LP steam temperature protection by up uploading to the existing control software. 4. Testing of the implemented protection logic of LP steam temperature. 	<p>One Unit</p>	<p>Correcting the existing LP steam temperature protection values to get the margin on STG LP steam temperature "low" & "low-low" limits while operating at < 50% load</p>	<p>STG LP steam temperature low & high alarm setpoints:</p> <ul style="list-style-type: none"> • Low L1: < 280 degC • Low-Low L2: < 265 degC (beginning of limit control of LP control flap) • LP control flap closed: <250 degC • High H1: > 291 degC • High-High H2: > 297 degC (beginning of limit control of LP control flap) • LP control flap closed: >311 degC <p>Sensors for temperature measurements for limits L: MAC10CT001; MAC11CT001.</p> <p>Sensors for temperature measurements for limits H: LBA10CT001; LBA10CT002; LBA10CT003.</p>



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OFFER
No. DSPW/SE/0300/18 rev.2

for

CONTROL SYSTEM MODIFICATION

Gardabani
Unit 85 MW

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Article 1 - Key Information

Bidder:	Doosan Škoda Power s.r.o.
Address:	Doosan Škoda Power s.r.o. Tylova 1/57 301 28 Plzeň Czech Republic
Authorized persons for the contractual things:	Mr. Stanislav Šnejdar Director for Service & Modernization
Authorized for negotiation in the contractual things:	Mr. Jiří Hadrava Head of Maintenance, Repairs and Overhauls Department Tel. No.: +420 737 205 610 Email: jiri.hadrava@doosan.com Mr. Jan Houdek Project Manager Tel. No.: +420 737 205 358 Email: jan.houdek@doosan.com
Company Register:	Regional Court in Plzeň, Section C, File 24733
Bank Connection:	Komerční Banka, a.s. Na Příkopě 33/969 114 07 Praha 1 Czech Republic
Account No.:	CZ03 0100 0000 0048 5315 0287
Customer:	Gardabani TPP LLC

Article 2 - Subject of the Offer

Subject of this offer is Control system algorithm modifications + On-site installation at Gardabani 85 MW unit. (Hereinafter the "Work")

Scope of work:

SW modification of control system algorithms. The modification consists in change of control algorithms of LP control valve where algorithms will be modified for the control based on the steam turbine LP inlet steam temperature. There will be modified current control SW of inlet LP steam and modification of current control screen. LP control valve will be opened based on the inlet LP steam temperature.

Limits L1, L2, L3 will be measured after mixing with gland steam before entering the turbine – measurement 10MAC11CT001, 10MAC10CT001. L1 = 280°C, L2 = 265°C a L3 = 250°C. Lower of the two measured temperatures will be used for L activation. Limits H1, H2, H3 will not be changed and will be measured upstream the LP stop valve. After the modification there will be modified operational manual.

For the details please see Enclosure 1 - STG LP steam temperature logic modification.

Article 3 - Time Schedule

The delivery time of the Work is 10 weeks from the contract signature and advance payment paid + On-site installation (approx. 5 – 8 days).

Article 4 - Price

The price for SW modification is 15 381,- EUR

The price of the On-site installation shall be calculated based on daily rates and other costs as follows:

	Daily rates EUR/per person	Fixed price EUR
DŠPW personnel		
2x control system specialist	840,-	-
Accommodation	-	acc. to the real costs
Transport of personnel	-	acc. to the real costs

Above mentioned daily rates of DŠPW specialists are valid for 8 hours working day or its part / 5 days a week (Mo-Fr) for a total of 40 normal working hours.

Overtime work, Travelling time	Hourly rates EUR
DŠPW personnel	
Overtime work on working days	135,00
Overnight relay (22 - 6), Saturday, Sunday and holiday	190,00
Travelling time	105,00

The above mentioned rates do not include costs for personnel accommodation and transport. These costs will be invoiced according to the real costs.

Travelling time for one person / trip is stipulated for 8 hours.

Any additional services provided by the Bidder at the power station upon request of the Customer will be evaluated according to real hourly rates of Bidder's specialists.

If any interruption of the Technical assistance, not caused by the Bidder is needed, then above stated rates will be applied.

Price estimation:

SW modification	15 381, - EUR
Daily rates:	27 000, - EUR
Overtime rates:	18 000, - EUR
Travel expenses:	2 500, - EUR
Accommodation:	4 500, - EUR
Total:	67 381, - EUR

Article 5 - Payment Conditions

The payment for the SW modification shall be made by direct bank transfer.

100% of the Price for SW modification shall be paid as advance payment against Advance Payment Guarantee (see the Enclosed APG draft) issued by Bidder after the contract signature. Invoice is payable within 30 (thirty) days from the date of receipt by Customer.

The payment for the On-site installation shall be made by direct bank transfer.

Invoice is payable within 30 (thirty) days from the date of receipt by Customer.

The final invoice will be based on worksheets, approved by Customer. Travelling cost and additional cost occurring to the Bidder in connection with performing the work will contain calculation of separate items. In case the final Price will be lower than the Advance payment amount the difference amount will be returned back to the Customer without delay.

The entitled party is entitled to request the contractual penalty in the amount of 0,05% of the due amount for every commenced day of the delay.

Article 6 - Liquidated Damages

SW modification

Should, due to reasons solely attributable to the Bidder, delivery of the SW modification, be delayed beyond the confirmed date, the Customer shall be entitled for liquidated damages 0,2% of Price of delayed SW modification for each complete week of delay.

Should, due to reasons solely attributable to the Bidder, removing of defects be delayed beyond the confirmed date, the Customer shall be entitled for liquidated damages 0,2% of Price of not removed defects for each complete week of delay.

On-site installation

Should, due to reasons solely attributable to the Bidder, start of the On-site installation, be delayed beyond the confirmed date, the Customer shall be entitled for liquidated damages 0,2% of Price of delayed On-site installation for each complete week of delay.

Should, due to reasons solely attributable to the Bidder, removing of defects be delayed beyond the confirmed date, the Customer shall be entitled for liquidated damages 0,2% of Price of not removed defects for each complete week of delay.

The maximum aggregate amount of liquidated damages for any and all delays under the Contract shall be 6% of the Price.

The payment of liquidated damages as above shall be the sole and exclusive remedy of the Customer with any and all Bidder's breach of its obligation. No Harm no Fault principle shall apply.

Article 7 - Liability for the Defects

The warranty period of the Work shall expire in twelve (12) months after the performance of the respective Work.

The Bidder is in no way responsible for the duration of the On-site installation, deadlines of work performed, quality or progress of successive operations.

The warranty period will be applied provided that operation manual, technical standards, regulations and instructions are kept. In the event that a defect of the Work occurs during the warranty period the Bidder exclusively on its own professional exploration shall remove the defect by repair of the Work.

In case of complaint procedure under the Work supplied, the new warranty period starts from the date of delivery of repaired Work to the Customer. The maximum warranty period of the Work, however, is 24 months from the receipt of the Work by the Customer.

Article 8 - Governing law and Arbitration

The contractual relationship established by the Contract shall be governed by the laws of Switzerland.

In the event that any dispute arises under the relationship established by the contract, including any dispute regarding the validity or termination of the relationship established by

the contract, the representatives of the Parties shall make a maximum endeavor to resolve such dispute by amicable negotiations. In the event that an amicable settlement of the dispute is not reached within 30 (thirty) days from the submission of the dispute to the statutory bodies of the Parties, the dispute shall be decided by three arbitrators in the arbitration processed pursuant the Rules of ICC. The venue of the arbitration shall be Zurich and the language of arbitration English.

Article 9 - Liability

The Parties have agreed that the liability of one party towards the other party for all damages, including the liquidated damages, shall not exceed the amount of hundred per cent (100%) of the Price excluding VAT.

Therefore the liability of the Bidder to the Customer for any and all damage incurred, including any and all liquidated damages, shall not exceed 100% of the Price excluding VAT.

If any payment is delayed longer than one month the Bidder is right to cancel the contract and the Customer is obliged to pay Bidder's costs and 10% of these costs as a penalty.

Neither party shall be liable to the other party by way of indemnity or by a reason of tort (incl. negligence or otherwise) for any loss of profit, loss of revenue, loss of use, interruption of production, cost of capital, cost of purchased or replacement power, loss of contracts or for any financial or economic loss or for any indirect, incidental or consequential loss whatsoever that may be suffered by the other.

Force majeure excludes the applicability of the liquidated damages.

Article 10 - Customer's Obligations and other Conditions

- Technological arrangements necessary for the On-site installation
- Local staff in necessary range
- Common equipment and special tools for dismantling and repair activities of the Bidder
- Media, power supply
- Waste disposal
- Cloakrooms for the staff
- Short training of local safety instruction + safety set-out (helmets)

- Emergency medical care
- Equipped office with necessary telecommunication facilities
- Accommodation for the Bidder's staff
- Contact person for coordination between Bidder and Customer
- Arrangement of entrance permits for Bidders staff, bidder's subsuppliers and Bidder's company vehicles
- Local and international transportation for Bidder's personel

Article 11 - Validity of the Offer

The offer shall be valid until February 28, 2019.

Integral part of the offer are attached Purchase Terms and Conditions for delivery of Spare Parts, Execution of Work issued by Doosan Škoda Power s.r.o.

On behalf of Doosan Škoda Power s.r.o.
In Plzeň on January 17 2018



Jiří Hadrava
Head of Department
Maintenance, Repairs and Overhauls

**Purchase Terms and Conditions for delivery of Spare Parts, Execution of
Work**

issued by Doosan Škoda Power s.r.o.

(hereinafter referred to only as “Terms and Conditions”)

1. DEFINITIONS OF SOME TERMS

1.1. INCOTERMS 2010. Should a Contract or these Terms and Conditions contain a reference to INCOTERMS 2010, the same shall mean a reference to the International Rules for Interpretation of INCOTERMS 2010.

1.2. Contract. A Contract shall mean either:

- (a) a Purchase Contract for Spare Parts delivery; either
- (b) a Contract for Work for execution of agreed Work; or
- (c) a Contract on Provision of Services

entered in accordance with Part 3 of these Terms and Conditions. Unless specified otherwise, the Purchase Contract or a Contract for Work or a Contract on Provision of Services under these Terms and Conditions shall also mean a possible written General Purchase Contract or General Contract for Work or General Contract on Provision of Services on the basis of which a Purchase Contract and/or a Contract for Work and/or Contract on Provision of Services shall be concluded in accordance with the procedure specified under Part 3 of these Terms and Conditions.

1.3. Supplier. In these Terms and Conditions, the Supplier shall always mean trading company Doosan Škoda Power s. r. o., company ID (IČ) 491 93 864, with a registered office at Tylova 1/57, Pilsen 301 28, the Czech Republic, registered with the Registry of Companies administered by the Regional Court of Justice in Pilsen, Section C, Entry 24733.

1.4. Customer. In these Terms and Conditions, the Customer shall mean a purchaser pursuant to the provisions of Section 2079 *et seq.* of the Civil Code and/or a contractor pursuant to the provisions of Section 2586 *et seq.* of the Civil Code, irrespective of whether the same is designated as such in the Contract.

1.5. Civil Code. In these Terms and Conditions, the Civil Code shall mean Act No. 89/2012 Coll., the Civil Code, as subsequently amended.

1.6. Terms and Conditions. In these Terms and Conditions, the term Terms and Conditions shall mean this document which form an integral part of the Contract.

1.7. Proper delivery. In these Terms and Conditions, proper delivery shall mean proper discharge of the obligation on the part of the Supplier to supply the Spare Parts to the Customer, and/or to execute the agreed Work, and/or to provide agreed Services to the Customer (as the type of Contract may be)

1.8. Contractual Parties, Contractual Party. The Supplier and the Customer shall be jointly referred to also as the Contractual Parties or individually as the Contractual Party.

1.9. Spare Parts. In these Terms and Conditions, Spare Parts shall mean spare parts specified in details in the Contract which the Supplier undertakes to supply to the Customer and to make it possible to the Customer to come to the ownership rights to such Spare Parts and the Customer undertakes to accept the Spare Parts and take ownership of the same and to pay the agreed price for the same to the Supplier.

1.10. Works. The Works in these Terms and Conditions shall mean the work specified in details in the Contract which the Supplier undertakes to execute for the Customer and the Customer undertakes to accept such work and to pay the agreed price for the same to the Supplier.

1.11. Services. In these Terms and Conditions, the Services shall mean providing of the services specified in Contract which the Supplier undertakes to provide to the Customer and the Customer undertakes to accept such services and to pay the agreed price for the same to the Supplier.

1.12. Subject of performance. In these Terms and Conditions, the Subject of performance shall mean the supplement of the Spare Parts and/or execution of Works and/or the provision of the Services.

2. VALIDITY OF THE TERMS AND CONDITIONS

2.1. Subject, content. These Terms and Conditions shall set conditions of:

- a) the supply of Spare Parts, or
- b) the execution of the Works, or
- c) the provision of Services

by the Supplier.

2.2. Part of the Contract. These Terms and Conditions shall form an integral part of the Contract. Everywhere these Terms and Condition shall use the defined term "Contract" such defined term shall include as well all stipulations of these Terms and Conditions, apart from the exception set under paragraph 2.3. of these Terms and Conditions.

2.3. Priority. Should the contents of the Contract differ from these Terms and Conditions, the stipulations of the Contract shall have priority over divergent stipulations of these Terms and Conditions.

2.4. Business terms and Conditions of the Customer. Business terms and Conditions of the Customer which are not concluded in writing as a part of the contractual documentation between the Contractual Parties shall be ineffective.

3. CONCLUSION OF A CONTRACT

3.1. Offer. The offer shall mean an offer of the Supplier addressed to the Customer. These Terms and Condition shall form an integral part of such offer. Such offer shall be made via telephone and/or via written form by means of holder of postal licence, by means of fax message and/or by means of electronic email. In case the offer is made via telephone the Supplier shall be obliged to confirm such offer without undue delay in writing by any means declared in the previous sentence. The offer delivered to the Customer shall mean a proposal of the Contract.

3.2. Order. The order shall mean the written order made by the Customer addressed to the Supplier to conclude the Contract. The order delivered to the Supplier shall mean a proposal of the Contract.

3.3. The term for the acceptance of order. Within a period of offer validity or within a period of 7 days

from the date on which the offer is delivered in case that the offer validity is not stated, the Customer shall be obliged to accept the order in writing, i.e. to confirm and deliver the same to the Supplier, or to inform the Supplier in writing within the same period of time that the Customer rejects the offer. Acceptance and refusal of the offer shall be made in writing by the Customer by means of holder of postal licence, by means of fax message and/or by means of electronic email.

3.4. Conclusion of the Contract. Upon delivery of an accepted offer in writing (i.e. signed by the authorised person) without any additions, deviations, reservations and/or limitations by the Customer to the Supplier, or by any means under paragraph 3.3 of these Terms and Conditions), the Contract shall be concluded.

3.5. New offer by the Supplier. Any alteration contained in the acceptance of the offer, made by the Customer as compared to the offer by the Supplier, and/or any alteration made by Supplier included in the acceptance of the order as compared to the order of the Customer shall be considered to form a new offer for concluding a Contract. Should the addresser fail to accept such a new offer within a period of 7 days from the date on which the same is provably delivered, it shall be deemed that the addresser shall not agree with the proposed modification and the Contract shall not be concluded. The Contract shall be concluded only in the case if the offer is accepted without any additions, deviations, reservations and/or limitations or any other changes and deliver back to the sender of such new offer in a way described under paragraph 3.1. of these Terms and Conditions.

3.6. Cancellation of an offer. Before an accepted offer is delivered to the Customer, it may be cancelled by the supplier via telephone and/ or in writing by the Customer by means of holder of postal licence, by means of fax message and/or by means of electronic email without any costs. In case the offer is cancelled via telephone the Supplier shall be obliged to confirm such cancellation of the offer without undue delay in writing by any means declared in the previous sentence.

Subject to any change of the Contract the Customer shall bear the risk of change of circumstances in accordance with the provisions of Section 1765 of Civil Code.

4. QUANTITY AND QUALITY

- 4.1. Quantity, Quality and make. The subject of performance must be supplied in the quality and make determined by the Contract. In the case that the quality and make of the Subject of performance are not explicitly established by the Contract, the Supplier shall be obliged to supply the Subject of performance in the standard quality and make of the Supplier.

5. PRICE

- 5.1. Price. The price for the Subject of performance shall be established by agreement of the Contractual Parties in the Contract.
- 5.2. In case the Subject of performance shall be the supply of Spare Parts the contractual price shall include only
- a) the price of the Spare Parts,
 - b) the cost of the packaging of the Spare Parts under paragraph 7.2. of these Terms and Conditions, and
 - c) the price of transport of the Spare Parts according to the delivery parity pursuant to INCOTERMS 2010 as specified in the Contract.

The contractual price shall not include the costs of transportation, transportation insurance, the Spare Parts assembly, preparation for putting the Spare Parts into operation, or provision of such activities unless otherwise specified in the Contract.

- 5.3. In case the Subject of performance shall be execution of the Works and the price shall be specified in the Contract on the basis of the cost estimate Supplier shall not be deemed to guarantee the completeness of such cost estimate, and the Supplier shall have the right towards the Customer to increase the price of Works in case of occurrence of activities not included in the cost estimate in case these activities could not have been predicable in the time of conclusion of the Contract. The Contractual Parties explicitly exclude the application of provisions of Section 2622 of Civil Code
- 5.4. Value added tax. The Supplier is a VAT payer. The legal rate of VAT shall be added to the price of the Subject of performance.

6. TERMS AND CONDITIONS OF PAYMENT

- 6.1. Price statement. The Customer shall pay the contractual price on the basis of the invoices issued by the Supplier in accordance with the Conditions specified in the Contract. The Customer shall execute the payment of any part of the contractual price by a wire transfer to the bank account of the Supplier referred to in the Contract or in the invoice or other bank account notified to the Customer by the Supplier in writing. This only on the basis the record on handover and acceptance of the Subject of performance shall be signed by both Contractual Parties under paragraph 10.1. of these Terms and Conditions. The Customer shall be obliged not to withhold to sign such record unreasonably.
- 6.2. Due date of the invoice. The due date of any invoice from the Supplier issued on the basis of the Contract shall be 30 days from the issuance of the Supplier. . The right to issue the invoice for the supply of the Subject of performance shall accrue to the Supplier as at the date of delivery of the Subject of performance.
- 6.3. Moment of the payment. As the moment of payment shall be considered the moment when the respective amount is fully credited to the bank account of the Supplier. The bank charges associated with the payments to the Supplier shall be paid by the Customer.
- 6.4. Suspensions. The Contractual Parties expressly agree that the Customer is not entitled to suspend any payment of any part of the contractual price due to defects of any Spare Part or other alleged claims of the Customer against the Supplier.
- 6.5. Delay in any payments. Should the Customer be in delay with any payment of any due part of the contractual price:
- a) the Customer is obliged to pay the Supplier the contractual penalty in the amount of 0.05 % (five hundredth of per cent) of the due amount for every commenced day of the delay; and
 - b) the Supplier is entitled to suspend the delivery of the Subject of performance until the respective unpaid payment is paid, whereas in such event the term of delivery of the Subject of performance shall be prolonged by the same period of delay with any payment by the Customer.

- 6.6. Set-off of receivables of the Customer. Without prior explicit written approval by the Supplier the Customer shall not be entitled to set off any receivable and/or any part which has accrued to the Customer against the Supplier on the basis of the Contract and/or any other contractual relationship, against a receivable of the Supplier to the Customer to pay contractual price under the Contract.
- 6.7. Pledging of receivables of the Supplier. Without prior written explicit approval from the Supplier, the Customer shall not be entitled to pledge any receivable which accrues to the Customer on the basis of the Contract.
- 6.8. Assignment of receivables of the Customer. The Customer shall be entitled to assign a receivable against the Supplier from the Contract only upon prior written approval by the Supplier.
- 6.9. Conventional fine. In the case that the Customer sets off, assigns or pledges receivables against the Supplier in contradiction of paragraph Articles 6.6, 6.7, 6.8 of these Terms and Conditions, the Customer shall be obliged to pay the Supplier a conventional fine at the amount of 10% of the value of the set-off, assigned or pledged receivable.

7. SEVERAL PROVISIONS REGARDING THE DELIVERY OF THE SPARE PARTS AND/OR EXECUTION OF WORKS

- 7.1. The inspection and tests of Spare Parts. In case the Contract determines any inspections of Spare Parts, any and all tests of the Spare Parts shall be executed at the Supplier's plant during the regular working hours in compliance with the regular procedures of the Supplier. In case the Contract anticipates participation of the Customer in any test and/or check of the Spare Parts, the Supplier shall notify the Customer of the particular tests at least two (2) working days in advance. Should the Customer not participate in any test, then such test shall be performed without its participation. The Customer shall bear all costs related to its participation in the tests.
- 7.2. Spare Parts Packaging. The Supplier is obliged to package the Spare Parts in compliance with the Contract. Should the Contract not specify the packaging details, the Supplier shall package the Spare Parts and provide it for the transport in the manner common in the commercial relations for the type of transportation determined in the Contract.

Provided that the type of transportation is not referred to in the Contract, the Supplier shall package the Spare Parts to the extent common for the road transportation. The costs of the common packaging of the Spare Parts shall be included in the contractual price. Any additional costs related to particular requirements of the Customer shall be paid to the Supplier by the Customer. The Customer and/or insurance company of the Customer and/or any Party authorised by the Customer is obliged to attend and inspect the packaging of the Spare Parts before their shipment from the Supplier's Plant. The Supplier shall notify the Customer about scheduled date of Spare Parts packaging at least seven (7) days in advance. Should the Customer and/or insurance company of the Customer and/or any Party authorised by the Customer not inspect the Spare Parts packaging, then such inspection shall be deemed to have been duly performed, Spare Parts to have been complete and without any damage and the packing of the Spare Parts shall be deemed suitable and acceptable for the transport.

- 7.3. The Customer is obliged to insure the Spare Parts during their transportation from the Supplier's premises to the Customer. Should the Customer detect any damage on the Spare Parts in the course of the inspection executed by the Customer after the Taking Over of the Spare Parts, it shall immediately inform the Supplier and notify the respective insurance company of the damage. The Supplier shall not be responsible for any damage of the Spare Parts occurred during the Spare Parts transportation.
- 7.4. Customer's instructions for execution of Works. The Supplier shall not be bound by the Customer's instruction while the Supplier determines the way of execution on the Works and executes the Works. The Customer is allowed to propose in writing the way of execution if the Works. The Supplier shall be obliged to inform the Customer about any inconvenience of such instructions of the Customer. Provided that the Customer anyway insist on such instructions the Supplier shall not be liable for any and all defects of the Works a damages caused by execution of the Works according inconvenient instructions of the Customer.
- 7.5. Hazardous chemical substance asbestos. In case of identification of dangerous chemicals substance asbestos which is included in some Customer's component within the performance of the Works, the Supplier is obliged to inform the Customer about the occurrence and method of disposal. The

component containing asbestos shall be disposed as waste at the expense of the Customer, if not agreed otherwise.

7.6. Objects provided by the Customer. Provided that the Customer shall be obliged to provide the objects for execution of Works, it shall be obliged to hand over such object within the term determined in the Contract, otherwise within a period of 14 days from the delivery of a written notice of the Supplier regarding handover of these objects. Should the Customer be in delay with the provision of these objects for execution of the Works, the determined term of delivery of the Works shall be prolonged by the same period as the delay. The supplier shall be obliged to inform the Customer without undue delay about any inconvenience of such objects taken from the Customer in case the Supplier was able to discover such inconvenience with common care. After the completion of the Works and/or the cancelation of the undertaking to execute the Works the Supplier shall be obliged without undue delay to return the objects and materials to the Customer which the Supplier taken for the Customer for the purposes to execute the Works and which were not used by the execution of the Works.

7.7. The Check and Tests of the Works. For the check and Tests of the Works the paragraph 7.1. of these Terms and Condition shall apply.

7.8. The Works packaging. For the Works packaging the paragraph 7.2. of these Terms and Conditions shall apply.

7.9. Site diary. The Supplier shall be obliged to maintain the site diary by the execution of the Contract if determined in the Contract and/or determined by legal provisions. The Supplier shall keep in it the procedure of works as determined in the timetable. The Supplier shall allow the Customer to check such notices in the diary. The Customer shall be entitled to state exact instructions and claims for execution of the Works into the diary and the Supplier shall confirm its fulfilment.

8. PLACE OF DELIVERY

8.1. Place of delivery. Unless agreed otherwise in the Contract, the Supplier shall be obliged to deliver the Spare Parts and/or the Works (provided the Works is executed in Supplier's premises and delivered to the Customer according to INCOTERMS 2010, FCA Plzeň condition.

9. TERM OF DELIVERY

9.1. Term of delivery. The Supplier shall deliver the Subject of performance to the Customer within the term specified in the Contract provided that the obligations of the Customer stipulated in the Contract are performed duly and in a timely manner. Should the Term of delivery fall on a holiday or a rest day, it shall be postponed till the subsequent working day. When the term of performance is not determined in the Contract, the Supplier shall be obliged to supply the subject of performance to the Customer within a period of 90 days from the conclusion of the Contract.

9.2. Extension of the term of delivery. The Term of delivery shall be automatically extended in the event of:

- a) Under the paragraph 6.5. letter b) of these Terms and Conditions;
- b) Under the paragraph 7.5 of these Terms and Conditions
- c) force majeure pursuant to Article 15 of these Terms and Conditions;
- d) initiation of bankruptcy proceeding relating to the Customer due to the proposal of the Customer and/or the Supplier and/or any other third party;
- e) it is obvious that the Customer shall not be allowed to fulfil its obligation determined in the Contract.

9.3. Time of delivery. The Customer shall be obliged to take the Subject of performance in the place of delivery under paragraph 8.1. of these Terms and Conditions on working days within the usual working hours of the Supplier, this meaning from 6:00 a.m. to 2:00 p.m., unless the Contract has determined otherwise.

9.4. Obligations to notify. The Supplier shall be obliged to notify the Customer of the scheduled term of delivery of the subject of performance at least 7 days in advance.

9.5. Proper delivery of the Subject of performance. The Delivery of the Subject of the performance shall be considered as executed duly and in a timely manner if the Subject of the performance is executed within the agreed Term of delivery (or term extended in accordance with paragraph 9.6 of these Terms and Conditions) in a manner as follows:

- (i) The Subject of performance has been duly handed over by the Supplier and at the same time the taking over of the Subject of performance was executed by the Customer or a carrier appointed by the Customer at the stipulated place of the delivery; or
 - (ii) The Supplier enabled the Customer to dispose of the Subject of delivery at the place of the delivery under paragraph 8.1. of these Terms and Conditions without the taking over of the Subject of performance the Customer or a carrier appointed by the Customer.
- 9.6. The Supplier's delay. Should the Supplier fail to deliver the Subject of the performance within the agreed term of delivery for more than 14 days for reasons solely attributable to the Supplier the Supplier shall pay the Customer, commencing the 15th day of delay, the liquidated damages in the amount of 0.2 % (twenty hundredth of per cent) of the contractual price for each complete week of delay of the Supplier, but not more than 5 % (five per cent) of the contractual price of the Subject of performance. As agreed by the both Contractual Parties is such liquidated damage as the sole and exclusive sanction, prevent and reparative claim of the Customer coming out of the delay of the Supplier to hand over the Subject of the performance in determined term.
- 9.7. The Customer's delay. Should the Customer fail to take over the Subject of the performance within the agreed term of delivery the Supplier shall be obliged to keep the storage of the Subject of performance in its or other premises. The Supplier shall ensure the relevant security of the Subject of performance against damage and/or stealing. The Customer shall be obliged to pay all costs of storage, customs and other payment occurred due to the Customer's delay to take over the Subject of the performance, all this within the period of 15 days from its invoice statement given to the Customer.

10. PROPER DELIVERY

- 10.1. Proper delivery. The Supplier shall discharge their obligation to deliver the subject of performance to the Customer through proper and due delivery of the same to the place of delivery pursuant to paragraph 8. 9. and 10 of these Terms and Conditions. The delivery of the Subject of performance shall be recorded by the Contractual Parties in a record on handover and acceptance of the Subject of

performance. Provided the Subject of performance shall be provision of Services the Contractual Parties expressly agree Services (including any and all material results) shall be handed over to the Customer exclusively after the Customer accepts the time sheet of the Supplier. Provided the Customer refuses to accept the timesheet without any serious reason it shall be in delay under paragraph 9.6. of these Terms and Conditions and the Supplier shall not be in delay under paragraph 9.7. of these Terms and Conditions.

- 10.2. Receipt of the Subject of performance with defects non-impeding the usage. The Contractual Parties have expressly agreed the Customer shall be obliged to receive a Subject of performance as per determined term and place even if the Subject of performance shows defects non-impeding its usage for the purpose it has been asked and/or in case the Supplier shall not be given any Document under paragraph 10.3 of these Terms and Conditions. Above described shall not limit the Supplier the liability for defects of Subject of performance and the Supplier shall be obliged to rectify these defects non-impeding the usage on its own cost under paragraph 13 of these Terms and Conditions.

- 10.3. Documents. Together with the Subject of performance, the Supplier shall be obliged to supply any and all documents specified in the Contract, as well as any and all documents necessary for the acceptance, free disposal, possible clearance and use of the subject of performance. The Supplier shall be obliged to supply to the Customer together with the Subject of performance such certificates of materials, notices of test executions, certificates of conformity and other documentation as expressly specified in the Contract. Manufacturing documentation and factory drawings regarding the Subject of performance shall not constitute any part of the Subject of performance, these shall not be delivered to the Customer and the Customer shall not have any right and/or licence to use these documents. The Customer shall be entitled to use all the documentation, dates and any other information handed over by the Supplier together with the Subject of performance only as to the extent of purpose of usage, maintenance and service of the Subject of performance. Such documentation shall not be copied or provided to any third party without the prior written consent of the Supplier. Any documentation, including all its copies and counterparts which was not handed over to the

Customer together with the Subject of performance shall remain the property of the Supplier and the Customer shall be obliged to return it to the Supplier upon the notification of the Supplier. The Supplier shall be and remain the sole owner and the Customer shall have no right of ownership, licences nor a right to use in relation to rights of intellectual property and know-how which are incorporated in the handed over documentation, with the exception of the fourth sentence of this paragraph. Inspection of the Subject of performance at the delivery. The Customer shall be obliged to inspect in details the Subject of performance on its costs on the basis of the notice under 9.4 of these Terms and Conditions that before the delivery i.e. even before the packing of the Subject of performance.

11. OWNERSHIP RIGHT; TRANSFER OF THE RISK OF DAMAGE

11.1. Risk of damage. The risk of damage to the Subject of performance shall pass from the Supplier to the Customer at the moment of delivery of the Subject of performance under paragraph 9.4. of these Terms and Conditions.

11.2. Ownership right. The ownership right to the Subject of performance (except the Services where the character of such Services excludes that matter) shall pass to the Customer at the moment of complete payment of the agreed price of the Subject of performance to the Supplier.

12. RIGHTS FROM DEFECTIVE PERFORMANCE

12.1. Defects in the Subject of performance. The Subject of performance shall be considered as having defects provided that the same does not correspond to the qualitative Conditions, scope, properties and criteria determined by the Contract and/or generally binding legal regulations. Defects non-limiting the usage of the same shall not be deemed as the defect under paragraph 10.2. of these Terms and Conditions.

12.2. Defects in documents. Defects in the Subject of performance shall be deemed to include also defects in all and complete documents and data relating to the subject of performance, which the Supplier shall be obliged to deliver to the Customer on the basis of the Contract, together with the Subject of performance. Defects in documents and/or the omission of any of the documents at the moment of delivery shall not be deemed as the hindrance for the

delivery of the Subject of performance under paragraph 10.2. of these Terms and Conditions. In the case that the documents supplied contain errors, the Customer shall be entitled to return the same to the Supplier and/or to request the Supplier to deliver documents without errors. In such a case, the Supplier shall be obliged to deliver to the Customer complete documentation without errors.

12.3. Rights from defective performance. The Supplier shall be obliged to remove any defects of the Subject of performance by repair or substitute delivery in the case any defects shall occur in the Subject of performance. The Customer shall be obliged to report any evident defects at day of delivery under paragraph 9.5 of these Terms and Conditions and any latent defects without undue delay after the Customer discovers the same however at the latest twenty four (24) months from the date of delivery of Spare Parts or twelve (12) months from the date of Works delivery or six (6) months from Services delivery under paragraph 9.5. of these Terms and Conditions or delivery of the Subject of performance under clause 10 of these Terms and Conditions.

12.4. Record on defects. If the Customer discovers any defects in a Subject of performance the Customer shall draw up a record on said defects containing data on the Subject of performance, reference to the Contract (including its number), a detailed description of the defect(s) discovered and the process of the respective defect(s) and the date of discovery of the defect(s). The Customer shall deliver the record on defects to the Supplier via a holder of postal licence and/or electronic mail and/or facsimile.

12.5. In time defect notification. The Contractual Parties shall conclude that a defect in Subject of performance shall be considered notified in a timely manner (i.e. without undue delay) if it is notified to the Supplier within:

- (i) twenty-four (24) hours from the identification of the defect in cases where the defect may affect the safe and reliable operation of the Subject of performance or in the event that the defect may cause damage to other equipment operated jointly with the Subject of performance; or
- (ii) seven (7) days from the identification of any other defect.

In the event that the defect is not notified the way defined under paragraph 13.4. of these Terms and Conditions in time, i.e. within the terms determined in such paragraph the Contractual Parties shall agree all the claims and/or rights of the Customer connected with the respective defect shall cease to exist. In

addition, in the event that the Customer fails to notify the occurrence of a within the stipulated term, the Customer shall be liable for any and all damage incurred to other equipment operated jointly with the Subject of performance.

- 12.6. Rights from defective performance. The contractual Parties have agreed that:
- a) In case of the defect of Services provided the sole and exclusive right of the Customer for the defect in Services of the Customer coming from the defective performance of the Supplier shall be the provision of replacement Service,
 - b) In case of defects in Spare Parts and/or the Works;
 - i. In the case of repairable defects the sole and exclusive right of the Customer for the defects in Spare Parts and/or Works coming from the defective performance of the Supplier shall be a repair of such by the Supplier.
 - ii. In the case of non-repairable defects however such defects not affecting proper and safety usage of Spare parts and/or the Works the sole and exclusive right of the Customer for the defects in Spare Parts and/or Works coming from the defective performance of the Supplier shall be to provide of relevant deduction form the agreed price (i.e. in reliance to the scope and character of such defect). The value if such deduction shall be agreed by the Contractual Parties in writing.
 - iii. In the case of non-repairable and affecting proper and safe usage of the Spare Parts and/or the Works the sole and exclusive right of the Customer for the defects in Spare Parts and/or Works coming from the defective performance of the Supplier repair of such by the Supplier shall be provision of other Spare Parts or the Works.
- 12.7. Arrival of the Supplier to remedy the defects. The Supplier shall be obliged to remedy the defects of the Subject of performance only in the case the Supplier is solely liable for such defects and such defects have been in timely manner and properly noticed au Supplier under this paragraph. The supplier shall be obliged to arrive to remedy properly notice defects of the Subject of performance at the latest"
- a) Within forty-eight (48) hours form the receipt of the claim notice to the Supplier in the case the defects should influence safety and proper operation of the Subject of performance and/or the

defect should damage other equipment operated jointly with the Subject of performance; or

- b) Within seventy-two (72) hours in any other cases.
- 12.8. Supplier's Liability Exclusion for the defects. The supplier shall not be liable for any of the following defects on the Subject of performance:
- (i) defects which were not duly notified by the Customer under paragraph 13.7. of these Terms and Conditions;
 - (ii) defects occurred as a result of improper installation, operation, repairs or maintenance of Subject of performance by the Customer or any third Party;
 - (iii) defects occurred due to extraneous causes not originating in the Subject of performance;
 - (iv) defects occurred due to common wear and tear of the Subject of performance;
 - (v) defects occurred due to the fact that the Supplier was not provided within the demanded period not shorter than 24 hours by the operation or maintenance logbook or other operational records and reports required by the Supplier;
 - (vi) defects occurred due to negligence or other improper conduct of the Customer, its employees or any third Party;
 - (vii) defects occurred due to the fact that the Supplier was not provided by the Customer with necessary access to the Subject of performance.
- 12.9. Limitation of the defects repair value. The Parties agree that the Supplier shall be obliged to remedy the defect of the Subject of performance it is solely liable for up to the total value of such repairs of 100% of the contractual price. In the case the value of remedied defect of the Subject of performance reaches 100% of the contractual price the Contractual Parties agree that any and all further claim for repair and/or change of the Subject of performance shall cease and the Customer shall make further repairs on the cost of Customer.
- 12.10. The Customer is not entitled to execute the removal of any defect, by itself or by a third Party, without a prior written approval of the Supplier. The Customer is obliged to provide the Supplier, free of charge, with all necessary assistance for the proper removal of any defect.
- 12.11. Removal of any defect in accordance with this paragraph is the sole and exclusive remedy to which the Customer is entitled and the sole and exclusive liability of the Supplier in case of any defect occurring on Subject of performance.

13. LIABILITY FOR LOSS

- 13.1. Limitation of liability. The Contractual Parties stipulate that the liability of the Supplier to the Customer for any and all damage incurred, including any and all liquidated damages, shall not exceed one hundred per cent (100 %) of the contractual price excluding VAT.
- 13.2. Indirect damages. The Contractual Parties further agree that they do not expect incurrence of any indirect or consequential damage, such as loss of production, loss of good name, loss of profit, contractual penalties and fines paid by the Customer to the third Parties and public authorities etc. (hereinafter only the "Indirect Damages") that may be incurred by the Customer during the performance of the relationship established by the Contract due to the breach of one or more of the contractual or legal obligations of the Supplier. The Contractual Parties therefore stipulate that the Supplier shall not be liable to the Customer for any Indirect Damages and shall not be obliged to compensate any Indirect Damages.
- 13.3. The relationship between compensation for loss and the liquidated damages. Unless otherwise specified in the Contract, the payment of liquidated damages is the sole and exclusive liability of the Supplier to the Customer in the event of any breach of the contractual or legal obligations of the Supplier secured by the respective liquidated damages; i.e. the Supplier shall not compensate to the Customer any damages and that not beyond the scope of any liquidated damages.
- 13.4. Application of insurance. In the case the damage caused by the Supplier is covered by the insurance of the Customer, the liability of the Supplier shall be limited by the respective deductible payable by the Customer. The liability of the Supplier under this paragraph shall in no case exceed the limitations of the liability stipulated under paragraph 14.1 of these Terms and Conditions.. The Customer is obliged to ensure the insurer's waiver of subrogation in favor to the Supplier. The Customer is further obliged to inform the Supplier of the Conditions of the insurance policy without any delay after conclusion of the Contract..
- 13.5. Timely manner assertion of claims for in respect to damages. The Customer shall assert any of its rights and claims based on damages against the Supplier in respect of relationship form the Contract no later than ninety (90) days from their occurrence. In the event that the Customer fails to assert rights and

claims against the Supplier within the said period, the Contractual Parties expressly agree that the Customer waives the respective rights and claims and that such rights and claims cease to exist in total.

14. FORCE MAJEURE

Force majeure. An event of force majeure shall in particular include: strikes, lockouts and all circumstances independent of the will of a Contractual Party, such as fire, war, flood, earthquake, general mobilisation, rebellion, requisition, confiscation, embargo, governmental order or restriction by the European Union, restriction in power consumption, as well as defective or delayed supplies by Sub-suppliers on the basis of circumstances specified above. In particular the following shall not be considered to form an event of force majeure: in-plant strikes and lockouts, delay in the supplies of Sub-suppliers (unless the same are caused by an event of force majeure), insolvency, lack of workforce or material.

In the case of occurrence of an event of force majeure, the terms for discharging obligations determined for the Contractual Parties by these Terms and Conditions or the Contract shall be prolonged by the period of time for which an event of force majeure lasts. The Supplier shall not be in delay with the performance of its obligation under the Contract throughout the occurrence of the event of the force majeure. Breach of any obligation of the Supplier due to force majeure shall not constitute any claim of the Customer for damages, liquidated damages, or compensation of any costs or expenses. The Contractual Party shall be obliged to inform the other Contractual Party of the occurrence and termination of an event of force majeure without undue delay in writing. The Contractual Parties agree that the events of force majeure shall also be the events of majeure occurring at Sub-suppliers having any impact on performance of Supplier's obligation under the Contract.

15. WITHDRAWAL FROM THE CONTRACT

- 15.1. The Customer's right to withdraw from the Contract. The Customer is entitled to withdraw the Contract only in the following cases:

- a) the liquidated damages for the late delivery of the Subject of performance under paragraph 9.6. of these Terms and Conditions reaches the limitation specified therein; or
- b) the duration of any event of the force majeure exceeds the period of 6 (six) months.

15.2. The Supplier's right to withdraw the Contract. The Supplier is entitled to withdraw from the Contract in the following cases:

- a) the Supplier is in delay with the payment of any part of the contractual price for the period of more than thirty (30) calendar days after the term of payment;
- b) the Customer is in default with the opening of the L/C or maintenance of its validity, in the event the payment through the L/C was stipulated in the Contract, and such delay exceeds thirty (30) calendar days;
- c) the Customer fails to execute the taking over of the Subject of delivery under paragraph 9.7 of these Terms and Conditions for the period of more than within (30) calendar days;
- d) the duration of any event of the force majeure exceeds the period of 6 (six) months;
- e) in the case an insolvency proceeding or bankruptcy was declared on the Customer
- f) in the case the bankruptcy was declared on the Customer;
- g) the Customer sets off any of its claims against any claim of the Supplier contrary to paragraph 6.6, 6.7. and/or 6.8. of these Terms and Conditions;
- h) the Customer assigns to a third Party its right, obligation or interest under the relationship established by the Contract contrary to paragraph 21.6. of these Terms and Conditions;
- i) the Customer uses the right of retention against the Supplier of the things in the Supplier's property contrary to paragraph 21.4. of these Terms and Conditions.

15.3. Method and effect of the withdrawal. The withdrawal of the Contract shall be executed in writing and delivered to the other Party. To avoid any doubts the withdrawal of the Contract shall be deemed as delivered to the other Contractual Party the third day after the withdrawing Contractual Party provably sent the withdrawal to the address of premises of the other Contractual Party.

15.4. Continuing rights and obligations. Upon withdrawal from the Contract, the Contract shall

cease to exist. Upon withdrawal or any other manner of termination of the Contract, the following shall not cease to exist:

- a) claims to compensation for loss caused by violation of the Contract;
- b) claims resulting from liability for defects in the Subject of performance;
- c) claims for payment of liquidated damages incurred through violation of the Contract;
- d) agreements on the obligation to maintain secrecy, confidentiality and protection of know-how;
- e) agreements on election of law and settlement of disputes;
- f) agreements on trade secrets.

15.5. Method of settlement. In the case of withdrawal from the Contract, the Contractual Parties shall arrive at a mutual settlement, this in a way and within deadlines determined by the Supplier. For this purpose, the Supplier, within a period of 30 days from the moment of withdrawal from the Contract, shall notify in writing the Customer of the method of settlement, and shall in particular:

- a) specify the mutual claims of the Contractual Parties, both claims incurred as a result of withdrawal from the Contract and claims incurred on the basis of the Contract;
- b) set adequate deadlines for compliance with the mutual claims;
- c) determine whether the Subject of performance, where the right of ownership has already been passed to the Customer on the basis of the Contract, shall be returned to the Supplier or whether the same shall remain under the ownership of the Customer.
- d) in the case the Subject of performance is the unfinished Works, determine whether the right of ownership shall be passed to the Customer for the price determined by the professional expert opinion and/or the professional statement on the basis of Supplier's tender The Customer shall be obliged to accept unconditionally such determined price.

15.6. Compensation of costs. In the case of withdrawal from the Contract for reasons on the part of the Customer, the Supplier shall be entitled to compensation for and the Customer shall be obliged to compensate the Supplier for all costs and losses which the Supplier suffered as a result of such withdrawal, this even beyond the scope of any

liquidated damages.

15.7. In the case of withdrawal from the Contract for reasons on the part of the Customer and the Supplier determines the Subject of performance shall remain under the ownership of the Customer under paragraph 16.5 of these Terms and Conditions, any and all rights of the Customer from the defective performance on the Subject of performance provided by the Supplier shall cease to exist.

16. INTELLECTUAL PROPERTY AND PROTECTION OF CONFIDENTIAL INFORMATION

16.1. Intellectual property rights. In the case the Subject of performance shall be resulted in an activity protected by industrial and/or any other intellectual property the Supplier shall be deemed (by concluding the Contract) to give to the Customer license to use the Subject of performance exclusively for the purpose as emerging from the Contract. The Customer shall not be entitled to use the Subject of performance for any other purposes than those emerging from the Contract

16.2. Ban of providing a sub-license. Unless otherwise specified in the Contract the Customer shall not be entitled to provide the Subject of performance to any other third party. In case of breach of this ban by the Customer the Customer shall pay the Supplier liquidated damage in the amount of EUR 20 000,-.

16.3. Obligation to maintain confidentiality. The Contractual Parties undertake to maintain confidentiality concerning any and all information and/or data which they learn directly or indirectly in connection with fulfilment of the Contract and/or which are disclosed to the other Contractual Party for the purpose of fulfilment of the Contract, and shall not disclose or otherwise make available such information and/or data to any third Party without prior written approval by the other Contractual Party. The Contractual Parties in particular undertake to use all information solely for attaining the purpose of the Contract. In the case of violation of any of the obligations determined under this paragraph of these Terms and Conditions, the breaching Contractual Party shall be obliged to pay the other Contractual Party liquidated damage of EUR 20 000,-. Notwithstanding the above mentioned the obligation to maintain confidentiality shall not be related to sub-supplier and/or administrative or other public body or offices

executing legal inspection or supervision as per legislation in power.

16.4. Confidential information. The following shall not be considered to be confidential information:

- a) information which became publicly known without the same being caused by the Supplier wilfully or by omission;
- b) information which a Contractual Party had legally available prior to concluding the Contract, provided that such information was not the subject of another conclusion on protection of information concluded earlier between the Contractual Parties, or when the same is not protected by law;
- c) information which is the result of a procedure through which a Contractual Party attained such information independently and the a Contractual Party is able to prove such a circumstance with their records or the confidential information of a third Party.

16.5. Third Party claims. In the event that any proceedings are initialized or any claim is raised against the Customer in connection with the matters referred to in this paragraph, the Customer is obliged to inform the Supplier of this fact immediately, but in no case later than ten (10) calendar days following the day when the Customer learned of such fact. In the event that the Customer fails to inform the Supplier within the said ten-day period, it holds that the Customer waives any and all of its claims arising from the respective claims of a third party and that such claims of the Customer cease to exist. In the event that the Customer informs the Supplier in time, the Supplier is entitled to take over the respective proceedings or handling of the claims and seek their settlement at its costs and on behalf of the Customer. In the event that the Supplier fails to inform the Customer of its intention to take over the respective proceedings or handling of the claim within ten (10) calendar days from receiving of the information of the Customer, the Customer is entitled to take over such proceedings or handling itself and act on its own behalf. In the event that the Supplier notifies the Customer within ten (10) calendar days that he takes over the respective proceedings or handling of the claim, the Customer shall not take any legal action that might endanger the bargaining position in the respective proceedings or handling of the claim. The Customer is obliged to provide the Supplier with any and all reasonable assistance in the respective proceedings or handling of the claim.

17. GOVERNING LAW

17.1. Governing law. The rights and obligations of the Contractual Parties resulting from the Contract and these Terms and Conditions shall be governed by the legal order of the Czech Republic, in particular by the Civil Code. Application of INCOTERMS 2010 shall not be affected by these provisions.

18. JURISDICTION

18.1. Jurisdiction. The Contractual Parties undertake to solve any and all disputes originating from the Contract preferably by amicable settlement. Should it not be possible to solve any of the disputes originating from the Contract in an amicable way, such a dispute shall be decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its Rules by three arbitrators in accordance with the Rules of that Arbitration Court. The venue of the arbitration shall be Prague and the language of arbitration English.

19. SEVERABILITY CLAUSE

19.1. Severability clause. Should any of the agreements of these Terms and Conditions or the Contract be or become invalid, ineffective, opposable or unenforceable, it shall not have any influence on the validity and enforceability of other agreements, provided that such an agreement may be separated from these Terms and Conditions or the Contract as a whole. The Contractual Parties undertake to exert all effort to replace such an invalid, opposable or unenforceable agreement with a new agreement which would be, in terms of its content and effect, as close as possible to the content and purpose of the invalid, ineffective, opposable and/or unenforceable agreement.

20. OTHER PROVISION

20.1. Liquidated damages. Any and all liquidated damages determined by these Terms and Conditions or the Contract shall be payable within a term of 30 days from delivery of the accounting statement for the conventional line to the other Contractual Party.

20.2. Exercising the claim. If any of the claims of the Customer pursuant to these Terms and Conditions or the Contract is not exercised within a period of 6 (six) months from the moment an event which established such a claim occurred, then such a claim on the part of the Customer shall automatically be time-barred upon the expiration of the mentioned period of time.

20.3. Omission. Any omission or failure to exercise any rights of the Supplier resulting from these Terms and Conditions or the Contract shall not be deemed to form a waiver of such rights against the Customer and shall not result in termination of such rights or termination of the possibility to exercise such rights.

20.4. Right of retention. The Customer shall not be entitled to use any Subject of performance supplied on the basis of the Contract as a subject of the right of retention pursuant to the provisions of Section 1395 *et seq.* of Civil Code.

20.5. Ban on employment. The Customer undertakes not to offer the employees of the Supplier the conclusion of employment or other contractual instrument resulting in the origination of a labour-law relationship with the Customer or any other third Party, and that they shall not conclude employment with any employee of the Supplier or any other contract resulting in origination of a labour-law relationship. In the case of violation of this obligation the Supplier shall be obliged to pay the Customer a liquidated damage of EUR 20 000,-.

20.6. Ban of assignment. the Customer shall not assign any and all rights or obligations under the contractual relationship established the Contract to any third Party without prior Customer's written consent.

20.7. Validity and effectiveness. These Terms and Conditions are valid and effective as at the date of 9th March 2016.