

GENERAL COMMERCIAL TERMS & CONDITIONS FOR PROCUREMENT OF SERVICES

issued in accordance with the provision of Section 1751 and subsequent of Act no. 89/2012 Coll., Civil Code, as amended (hereinafter referred to as the "Civil Code"), for conclusion of contracts of work of the company BONATRANS GROUP a.s. (hereinafter referred to also as "BONATRANS" or the "client") as the client

1. Preamble

These General Commercial Terms & Conditions for deliveries of services (hereinafter referred to as the "Conditions") are issued for the purpose of simplifying business contact whilst at the same time ensuring the precise delineation of the rights and obligations of the contracting parties upon conclusion of the contract of work, in which the joint stock company BONATRANS GROUP a.s. with its registered seat at Revoluční 1234, 735 94 Bohumín, IČ_[ID No.]: 27438678, DIČ_[Tax ID No.]: CZ27438678, entered in the Commercial Register at the Regional Court in Ostrava, section B, inset 3173, appears as the client. These Conditions form an integral component of the contracts of work arranged between the client and the producer. Any deviations from these Conditions or any addenda thereto are valid only if agreed upon in writing by both parties.

These Conditions relate as appropriate also to business relationships in which BONATRANS orders the performance of activity or provision of a service, the result of which is not a material result. For the purposes of the Conditions the term "work" is understood to cover also these activities or services, the term "producer" is understood to mean the contractor or provider or these activities, and the term "order" is understood to mean also other contracts and agreements.

2. Conclusion of contract, subject of contract

2.1 Individual contracts of work are concluded by means of written orders / proposals for conclusion of a contract of work signed by the authorised representatives of both contracting parties. Orders / contracts of work (hereinafter referred to as "contracts of work" or "contracts") must contain at least the following appurtenances:

- Identification of contracting parties: business name, registered seat, ID No., Tax ID No., bankers, account no.,
- Precise description of subject of contract (work, service or reference to tender proceedings, if applicable purpose for which the work shall be used by the client, or purpose for which the services shall be provided to the client),
- Price or method of determination thereof,
- Method of payment, conditions of payment,
- Date and place of fulfilment,
- Special technological requirements (if not stated in conditions of tender proceedings),
- Guarantee period,
- Provision that the General Commercial Terms & Conditions of the company BONATRANS GROUP a.s. for procurement of services are an integral component of the contract.

2.2 On the basis of the contract of work the producer (contractor) is obliged to implement the work delineated by the contract in a regular manner and to hand over this work to the client at the time and place stated in the contract, and the client is obliged to receive this work at the arranged time and place and to pay the producer (contractor) the agreed price for this work.

2.3 The contract is concluded upon signing of the contract's originals by authorized representatives or upon notification of acceptance of the proposal for the contract of work / by confirmation of the order. The producer is obliged to deliver the contract of work signed by both parties by post, e-mail or fax within a maximum period of 5 days from the sending of the order / proposal for contract, with no deviations allowed. Any deviation shall constitute a new proposal for the contract.

2.4 A concluded contract of work may be amended only on the basis of the consent of both contracting parties. Addenda and amendments to the contract are valid only in written form, and shall be confirmed by the representatives of the contracting parties, otherwise they are invalid. Telegraphed and telexed communications and communications by electronic means which enable the anchoring of the content of a legal function and designation of the person implementing the legal function are considered to constitute written form.

2.5 The number of the order / contract of work and the symbols prescribed in the order / contract of work must be stated in all written materials compiled in connection with the contract.

3. Price of work, taxes and conditions of payment

3.1 A precondition for the establishment of the contract is the agreement on the price. The producer is not authorised to adjust the price to the disadvantage of the client following the conclusion of the contract without the written consent of the client.

3.2 The price of the work also covers all auxiliary costs of the producer, and unless stated otherwise in the contract the price covers the costs for transport of the work to the place of fulfilment, costs in connection with transport of employees or subcontractors of the producer to the place of performance of the work or provision of services and if applicable further costs for services or activities implemented by the producer in connection with the delivery of the work (e.g. customs charges, transit fees etc.). The price also covers costs for insurance of the work unless the contract stipulates otherwise or if it is the obligation of the client to insure the work on the basis of the law.

3.2 The price does not cover any taxes. The producer shall charge taxes in accordance with the tax prescriptions of the Czech Republic which are valid at the tax effective date. Valid confirmations of tax exemption must be attached to the contract of work to which they relate.

3.3 The producer declares by signing the contract that the contract contains true information about whether or not the producer is a payer of VAT in the Czech Republic or whether it is a person registered for VAT in another member state of the EU, or whether it is a foreign subject in the sense of the law on value added tax (i.e. the producer does not have a registered seat, place of business or operational premises, or place of residence or other location where it usually resides within the territory of the EU).

3.4 Unless this concerns a foreign subject in the sense of the preceding paragraph, the producer is at the same time obliged to state its Tax ID No. in the contract, if this has been allocated. If this concerns a subject registered for VAT in another EU member state in the sense of the preceding paragraph, it is understood that this subject does not have a registered seat, place of business or operational premises within the Czech Republic unless stated otherwise in the contract.

3.5 By signing the contract the producer undertakes the obligation to notify the client during the period of effectiveness of the contract of any change to the above information without delay (no later than 7 days) after such change has occurred.

3.6 A producer who is a foreign entity declares by means of signing the contract of work that it does not have permanent operational premises within the Czech Republic in the sense of Section 22 paragraph 2 of Act no. 586/1992 Coll., on income tax and the relevant treaty on prevention of double taxation. At the same time it declares that it has not concluded any contract on the basis of which permanent premises could be established in the sense of the aforementioned legal prescriptions. If the producer has or establishes permanent premises within the territory of the Czech Republic in the sense of the aforementioned legal prescriptions, or concludes a contract on the basis of which such premises could be established, the producer is obliged to notify the client of this matter before the conclusion of the contract or within 30 days at the latest.

In the case of breach of the obligations according to paragraphs 3.5 and 3.6 the producer is obliged to compensate the client in pecuniary form for any damages incurred by the client as a consequence of the breach of these obligations.

3.7 After the handover and receipt of the work the producer (contractor) shall compile an invoice. The invoice must contain the following appurtenances:

- Registration number of contract of client,
- ID No. and Tax ID No. of client and producer,
- Subject of contract of work,

- Total invoiced amount broken down according to contract,
- Tax effective date,
- Payment deadline in accordance with these Conditions,
- Seal and signature of producer,
- Indication of financial institute and number of bank account into which payment is to be made.

A record on the handover and receipt of the work (or part of the work if realised in phases) signed by both parties must be an integral component of the invoice.

- 3.8 Maturity of the invoice is arranged at 60 days from the demonstrable delivery of the invoice to the following invoicing address of the client:

BONATRANS GROUP a.s.
Oddělení účetnictví a rozborů
[Division of Accounting and Analytics]
Bohumín, Revoluční 1234, postcode 735 94
Czech Republic

The client shall pay the invoice by means of cash-free transfer into the account of the producer stated on the invoice, in which payment is understood to mean the sending of the payment from the account of the client. The day of payment is understood to be the day on which the amount corresponding to the agreed price is credited into the bank account of the producer. The client shall implement payment without offsets, counter-claims or reductions. If the producer provides a discount, it shall include the discount in the price of the work or state it on the invoice as a separate item.

- 3.9 If the invoice does not contain the stipulated appurtenances or contains erroneous information, the client is authorised to return such an invoice to the producer within the maturity period. In such a case the maturity period is suspended and a new maturity period commences from the moment of delivery of the corrected or supplemented invoice to the client. The producer is further obliged to provide the client with co-operation in the case that the tax administrator disputes that the tax document compiled by the producer contains all the appurtenances of a tax document in accordance with the VAT Act as amended or other relevant legal prescription. Until the producer meets this obligation, the client is not obliged to pay any part of the price of the work or meet any other financial obligation ensuing to client from the contract on work or from these Conditions.
- 3.10 If the client receives the work with small defects and incomplete works which do not prevent the use of the work, the client is authorised to withhold payment of up to 10% of the price of the work (retainer for rectification of defects and incomplete works) until the moment of rectification.
- 3.11 In the case of provision of a deposit, the client reserves the right to demand at any time that the producer provides satisfactory fulfilment of its obligations in connection with the provision of the deposit for the price of the subject of the contract.
- 3.12 The producer, who has a registered seat / place of business in the Czech Republic, or who is a VAT payer within the territory of the Czech Republic, explicitly declares that the producer has no due liabilities towards the bodies of the tax administration and does not meet the conditions and circumstances stated in Section 109 of Act no. 235/2004 Coll. as amended, which could establish the obligation of the client to pay VAT on behalf of the producer in the sense of the above provision under the title of legal liability, and at the same time declares that there is no risk of the producer meeting such conditions or circumstances and that it shall take all measures in order to ensure that it does not meet these conditions and circumstances. The producer is obliged, should these conditions and circumstances be met at the moment of implementation of tax fulfilment, or in the case of a risk thereof, to inform the client of this matter in writing without delay. For the purpose of demonstrating the above, the producer is obliged upon request to submit an up-to-date confirmation (no older than seven days) to the client that it has no tax debts (confirmation of status of current tax account), no later than 30 days from the delivery of the demand from the client to the producer. If the last statement of accounts of the producer (or the last statement of accounts verified by an auditor if the verification of this statement of accounts is required by the law) is not placed in the collection of documents of the Commercial Register at the time of conclusion of the contract on work, in the case that the producer is subject to the obligation to compile a statement of accounts, the producer is obliged to submit a certified copy of this statement of accounts to the client on the basis of a written demand. In the case that the producer is in delay with the fulfilment of any of its obligations according to this paragraph by longer than 14 days, the client is authorised to withdraw from the contract of work.
- 3.13 Should the producer be marked as an unreliable payer in the central registry of taxpayers or in case the producer states as bankers an unregistered account in an invoice, the client is entitled to execute the tax payment, i.e. pay the tax to the applicable tax administrator. The client shall subsequently be reimbursed for the payment up to the amount representing the tax base.

4. Handover and receipt of work, place of fulfilment

- 4.1 The obligation of the producer to perform the work is fulfilled upon the regular completion and handover of the work to the client in accordance with the relevant contract of work, as well as with the relevant legal prescriptions, technical norms and prescriptions.
- 4.2 The client is authorised but in no way obliged to accept the work with small defects and incomplete works which do not prevent the regular use of the work either alone or in connection with other defects. The obligation of the producer to implement the work in a regular manner, in accordance with the contract, or the relevant rights of the client ensuing from the provided guarantee or liability of the producer for damages of the work are not affected by this provision.
- 4.3 Unless otherwise stipulated by the contract, the place of fulfilment is the seat of the client: BONATRANS GROUP a.s. Bohumín, Revoluční 1234. With regard to the place of fulfilment it is possible to specify the operation in which the work is to be implemented in the order.
- 4.4 The producer is obliged to hand over the work or part thereof and the client is obliged to receive the work or part thereof on the basis of a written transfer protocol or record of delivery, delivery note, record of provided services etc. (hereinafter referred to as the "transfer protocol"), which shall be compiled immediately after the completion of the handover proceedings and shall contain at least the following information:
- (a) Identification and specification of transferred work or part thereof, or performed services,
 - (b) Evaluation of quality of work or part thereof, or performed services,
 - (c) List of defects and incomplete works or defects of provided services,
 - (d) First name and surname of persons authorised to act in the name of the producer/client or authorised representatives of client/producer upon handover/receipt of the work / part of work.
 - (e) Date of handover and receipt of work or part thereof, signatures of transferring and receiving persons.
- 4.5 In the case that one of the contracting parties refuses to sign the transfer protocol for a work performed in a regular manner, in accordance with the relevant contract, the other party shall provide this party with an additional period for signature of the transfer protocol of a minimum length of 7 days. If the first contracting party does not sign the transfer protocol and does not state serious reasons which prevent it from signing the transfer protocol in writing, the work shall be considered to be transferred in a regular manner even without the signature of the transfer protocol.
- 4.6 In cases in which a work performed on the basis of the contract is not anchored in a material result, the contracting parties are obliged to compile a record on the procedure of performance of the work or a record on the provided services. Paragraph 4.4 of these Conditions is used reasonably for the content of this record and the appurtenances thereof.

5. Date of fulfilment, sanctions for failure to adhere to date of fulfilment

- 5.1 The date of fulfilment is arranged in the contract of work. If the performance of the work is arranged in individual phases in the contract, the producer shall invite the client to receive the completed part of the work at the latest 3 days before the completion of the works in connection

with the completion of the relevant part of the work, i.e. the production, assembly and conducting of individual tests according to the schedule of works.

- 5.2 In cases where it is necessary to transport the work to the place of fulfilment, the producer is obliged to ensure transport of the work to the place of fulfilment and to secure all consents and decisions of the relevant bodies which are necessary for the delivery and transport of the work to the place of fulfilment. The client is obliged to provide the producer with the necessary co-operation for this purpose.

6. Further rights and obligations of client

- 6.1 In the case that the work is performed within the premises of the client, the client is obliged to:
- (a) train or secure instruction of the authorised employee of the producer in occupational health and safety at the handed over workplace (construction site), about which a written record shall be compiled,
 - (b) delineate and hand over to the producer / authorised representative of the producer the relevant workplace / construction site, in a condition enabling performance of the work. The client and producer are obliged to make an entry on handover of the workplace / construction site in the assembly (operational) / construction log,
 - (c) provide the producer / employees of the producer / subcontractors of the producer with access to the workplace / construction site within the premises of the client in connection with performance of the work. The client is further obliged to secure entrance permits for all vehicles of the producer necessary in order to fulfil the obligation on the basis of a written request.
- 6.2 The client is authorised to check the performance of the work and to issue the producer with binding instructions during the performance of the work. In the case that these instructions of the client are inappropriate or in conflict with the contract, the producer is obliged to notify the client of this matter without unnecessary delay. Should the producer fail to do so, the client shall not be liable for the damage caused as a consequence of its instructions. If the client determines that the producer is performing the work in a manner which is in breach of its obligations, the client is authorised to demand that the producer rectify the defects caused by the defective performance and implement the work in a regular manner.
- 6.3 The client is authorised to check the employees of the producer with regard to adherence to the valid regulations (including the internal regulations of the client) relating to occupational health and safety, as well as the relevant fire protection regulations (in particular the law, the accompanying decrees, other regulations on fire protection and the internal regulations of the client on fire protection) and the regulations relating to environmental protection, with which these employees were familiarised upon entry to the premises of the client.
- 6.4 The client shall provide the producer with information relating to risks to health within the conditions of the client, which form an integral component of the order – proposal for contract of work or contract of work.

7. Further rights and obligations of producer

- 7.1 The producer is obliged to:
- abide by the valid regulations (including the internal regulations of the client) relating to occupational health and safety, as well as the relevant fire protection regulations (in particular the law, the implementing decrees, other regulations on fire protection and the internal regulations of the client on fire protection) and the regulations relating to environmental protection within the premises of the client; the internal regulations of the client in question are available at the website www.bonatrans.cz.
 - ensure that its employees / subcontractors / employees of subcontractors entering the premises of the client abide by the valid regulations (including the internal regulations of the client) relating to occupational health and safety, as well as the relevant fire protection regulations (in particular the law, the accompanying decrees, other regulations on fire protection and the internal regulations of the client on fire protection) and the regulations relating to environmental protection. The subjects stated in this article shall be familiarised with the relevant special regulations relating to occupational health and safety, fire protection regulations and regulations relating to environmental protection upon entry to the premises of the client, which they shall confirm by their signatures (training according to article 6 paragraph 6.1 of these Conditions).
 - ensure that the producer's employees / subcontractors / employees of subcontractors entering the premises of the client abide by the no smoking policy in the premises of BONATRANS GROUP a.s., except within the dedicated smoking areas as indicated by the icon.
 - ensure that its employees / subcontractors / employees of subcontractors entering the premises of the client abide by the instructions and orders of the employees of the client or other persons authorised by the client, concerning adherence to the regulations (including the internal regulations of the client) relating to occupational health and safety, as well as the relevant fire protection regulations (in particular the law, the accompanying decrees, other regulations on fire protection and the internal regulations of the client on fire protection) and the regulations relating to environmental protection.
 - ensure that its employees / subcontractors / employees of subcontractors entering the premises of the client provide the employees of the client or other persons authorised by the client with the appropriate co-operation upon implementing the instructions according to article 6 paragraph 6.1 of these Conditions, and that they sign the written record prescribed in article 6 paragraph 6.1 of these Conditions.
- 7.2 In the case that it is suitable and appropriate with regard to the nature of the work, the producer is obliged to keep an assembly log (or daily records of provided services) throughout the entire period of performance of the work, in which all matters of decisive significance for the fulfilment of the contract shall be progressively recorded, in particular information about the time progress of the works (or provision of services) and the quality of the work, as well as obstacles to the performance of the work. The assembly log is composed of the initial records, daily records and appendices. The daily records are entered in the log with numbered pages some of which are solid stapled and the rest perforated for two separable carbon copies. The perforated pages shall be numbered identically to the solid stapled pages.
- 7.3 The producer is obliged to present a daily record to the constant technical supervision at the latest on the next working day, and to submit the first carbon copy, the receipt of which the technical supervision shall confirm. If the representative of the client does not agree with the content of the record of the producer, he/she shall attach his/her statement to this record within three working days, otherwise it shall be understood that the representative of the client agrees with the content of the record or request of the producer. The same applies in the relationship of the producer to the client. The producer shall file the log for a period of 5 years following the handover and receipt of the work.
- 7.4 In the case that the work is performed within the premises of the client, the producer is obliged to inform the client in writing of the risks of damage and safety risks which may ensue during the course of performance of the work 2 days before the commencement of performance of the work at the latest. Should the producer fail to do so it shall be liable for damages caused as a consequence of the fact that the client was not informed of these risks in a regular and timely manner. In accordance with Section 101 Article 3 of the Act No. 262/2006 Coll., the Labour Code, the contracting parties have agreed on informing each other about hazards relating to carrying out the work and of the measures taken for protection against effects of such hazards, and have further agreed on cooperation in securing occupational health and safety for all employees at the workplace. The client is also commissioned to coordinate the measures for occupational health and safety and to ensure that the client's activities and work are coordinated for the entire period of carrying out the work and carried out in such a manner that secures concurrent protection of the client's employees in accordance with Section 101 Article 3 of the Act No. 262/2006 Coll., the Labour Code. These measures shall be taken by the producer's commissioned employee, whose commission in writing shall be handed over by the producer to the client. The producer is also responsible for any damage caused to the subject of the work or by its operation.
- 7.5 The producer is fully liable for the activity of its employees within the premises of the client and hereby explicitly declares that its employees are fully qualified to perform the work within the premises of the client.
- 7.6 Unless otherwise arranged within the order or the contract, the producer may entrust the performance of part of the work to another party. In the case of performance of the work by another party, the producer bears the same liability as if it had performed the work itself. For this case the producer is obliged to ensure the abidance by all contractual provisions ensuing from these Conditions and the individual contracts of work with its subcontractors.

- 7.7 The producer is liable to the client for damages caused by its employees or subcontractors during the implementation of the work. The producer is obliged to arrange an insurance contract within the relevant scope for the case of liability for damage.
- 7.8 Employees of the producer shall wear visible indication of the company with whom they are employed.
- 7.9 The producer may store material for the implementation of the work only in the area designated by the employee of the client, about which an entry shall be made in the log. In the case that the producer stores material outside of the designated (permitted) area, it shall be obliged to compensate the client for all ensuing damages.

8. Quality of work and guarantees

- 8.1 The producer guarantees that the work has, and shall continue throughout the arranged guarantee period to have the properties as stipulated in the contract, as well as the properties stipulated by the relevant legal prescriptions and technical norms and prescriptions valid at the time of implementation and completion of the work, or the usual properties. The producer further guarantees that the work has no legal defects and is fit for use for the purpose stipulated by the contract, otherwise for the usual purpose. The producer is liable for ensuring that the use of the work produced according to the contract by the client or the provision of a licence to a third party for use of the work, or transfer of ownership of this work from the client to a third party shall not infringe any right of any third party, or any legal prescription.
- 8.2 The producer provides the client with a guarantee for quality of the work. Unless arranged otherwise in the contract, it is understood that the producer provides a quality guarantee with a length of 24 months. The guarantee period of the performed work commences upon the handover and receipt of the regularly performed work. The period during which the client is unable to use the subject of the work due to defects thereof is not included in the guarantee period. If the work is transferred in parts (partial fulfilment), the guarantee period commences from the moment of handover of the last partial fulfilment of the work on the basis of the transfer protocol.
- 8.3 Defects of the work may be notified/claimed in writing at any time during the course of the guarantee period. In this the client is obliged to enable the producer to inspect the work/item on which the work was performed. Written form of the claim is maintained also in the case that the defects are notified by fax, e-mail or other analogous, demonstrable method.
- 8.4 The producer is obliged to rectify any defects to which the guarantee relates at its own costs.
- 8.5 The producer is obliged to rectify (by means of repair or supply of a replacement work or part thereof) claimed defects without delay during the guarantee period, at the latest by the next working day following notification thereof. The producer is obliged to rectify defects of the work which prevent use of the work, defects which have a direct influence on the work or defects which have a direct influence on the technical parameters of production, i.e. the quality and quantity of production, within 8 hours of notification thereof at the latest. In the case that the producer fails to rectify defects within the periods according to this paragraph, the client is authorised to rectify the defects itself or by means of a third party, at the costs of the producer. Other rights of the client, in particular the right to compensation for damages or rights to payment of the relevant contractual fines shall remain unaffected by this provision.
- 8.6 If it becomes apparent during the course of the guarantee period that the work has irrevocable defects which however do not prevent the use of the work, do not have a direct influence on the production of the client or do not directly influence the technical parameters of production, i.e. the quality and quantity of production, the client has the right to a commensurate discount on the price of the work. In the case that this concerns irrevocable defects which prevent the use of the work, have a direct influence on the production of the client or directly influence the technical parameters of production, i.e. the quality and quantity of production, the client is authorised to withdraw from the contract with immediate effect. Other rights of the client, in particular the right to compensation for damages or rights to payment of the relevant contractual fines shall remain unaffected by this provision.
- 8.7 The quality guarantee does not relate to defects caused by breach of the conditions of maintenance, service or the prescriptions recommended by the manufacturers of the individual components of the work on the part of the client in the case that the producer has familiarised the client with or notified the client of these conditions or prescriptions. Defects caused as a consequence of cases of force majeure are also excluded from the guarantee.

9. Contractual fines, sanctions, liability for damages, set off, withholding of work, pledging of receivables

- 9.1 In the case that a contracting party is in delay with the payment of any pecuniary amount according to the contract, the other contracting party may demand payment of a contractual fine from the party which is in delay of the amount of 0.05% of the owed amount for each day of the delay. This contractual fine cannot be applied to receivables past their maturity date in the case that the payment thereof has been suspended in accordance with article 3 paragraph 3.10 of these Conditions.
- 9.2 In the case that the producer is in delay with performance of the work within the deadline anchored in the contract, the client is authorised to demand a contractual fine calculated from the agreed price of the work of 0.5% of the price of the work for each commenced day of the delay. The contractual fine is payable within 15 (fifteen) days of the day of delivery of the written demand for payment thereof from the client. The right of the contracting parties to compensation for damages, rights ensuing from guarantee liability or liability for defects of the work shall not be affected by the provision on contractual fines. Paid contractual fines are not included within compensation for damages.
- 9.3 In the case that the producer breaches any obligation ensuing to it from article 14 of these Conditions, the client may demand payment of a contractual fine from the producer of the amount of CZK 100 000.00 for each such breach. Other rights of the client, in particular the right to compensation for damages or rights to payment of other contractual fines shall remain unaffected by this provision.
- 9.4 In the case that the client applies more than three legitimate claims (without regard to the nature of the notified defects) on the work during the period of effectiveness of the contract, the client shall obtain the right to payment of a contractual fine of the amount of 10 % of the work for each further case of occurrence of a defect of the work to which guarantee liability of the producer relates according to article 8 of these Conditions. Other rights of the client, in particular the right to compensation for damages or rights to payment of other contractual fines shall remain unaffected by this provision.
- 9.5 In the case that the producer repeatedly performs the work in conflict with the technical prescriptions and the contract of work in a manner which jeopardises the future use of the work for the purpose ensuing from the contract, the producer is obliged to pay the client a contractual fine of the amount of 10% of the price of the work.
- 9.6 In the case that the work manifests irrevocable defects or repeated defects preventing use of the work, the producer is obliged to pay the client a contractual fine of the amount of 10% of the price of the work.
- 9.7 In the case of breach of obligation ensuing from any contract or these Conditions, the party which has breached its contractual obligation shall compensate the injured party for the actual damage and lost profit incurred.
- 9.8 In the case of breach of the obligations stipulated in article 3 paragraph 3.12 of these Conditions on the part of the producer, the client may demand payment of a contractual fine from the producer of the amount of CZK 100 000.00 for each such breach. The other rights of the client, in particular the right to compensation for damages or the right to payment of other contractual fines, shall remain unaffected by this provision.

10. Right of ownership and risk of damage to items

- 10.1 If the subject of the work is the maintenance, repair or adjustment of an item which is the property of the client, the client is the exclusive owner of this item throughout the entire period of effectiveness of the contract. However, the producer is obliged to take all measures necessary in order to safeguard the item against accidental damage during the course of performance of the work. The producer is obliged to inform the client of these measures and the client is obliged to provide the producer with the necessary co-operation upon the performance of these measures. The producer is also liable for damage caused to the item during the course of performance of the work in the case that the producer could and should have prevented this damage.
- 10.2 If the production of an item is the subject of the work, the client shall obtain right of ownership to this item at the moment of handover and receipt of the item. Risk of damage to the produced item or caused by its operation shall be transferred to the client at the same moment.

11. Force majeure

- 11.1 The contracting parties shall not bear liability for complete or partial failure to meet one of their obligations in the case that such failure is the consequence of such circumstances as flood, fire, earthquake or other natural disaster, as well as war or military action and other similar circumstances in the case that it cannot be reasonably assumed that the obliged party could overcome this obstacle or the consequences thereof, or that it could have foreseen the occurrence of the above-mentioned obstacle (case of force majeure) at the time of the establishment of its contractual obligation (i.e. at the time of conclusion of the relevant contract).
- 11.2 The party for which fulfilment of the obligation became impossible due to the case of force majeure must inform the other contracting party of this matter in writing without delay, no later than 7 calendar days following the occurrence of the above-mentioned circumstances, and in the same manner must inform the other contracting party in writing within 7 calendar days of the cessation of the case of force majeure.
- 11.3 If an obstacle as a consequence of force majeure persists for a period not exceeding 20 calendar days, the contracting parties are obliged to meet their obligations ensuing from the contract, in which the dates of fulfilment are postponed for the period during which force majeure persists. If an obstacle as a consequence of force majeure persists during the period of validity of the contract for longer than 20 calendar days, each of the contracting parties has the right to withdraw from the contract.
- 11.4 Circumstances which did not ensue until the time when the obliged party was already in delay with the fulfilment of its obligations or circumstances which occurred due to the economic relations of this party are not recognised as circumstances of force majeure.

12. Withdrawal from contract, cancellation of contract

- 12.1 The client is authorised to withdraw from the contract in the case of fundamental breach of contract. Fundamental breach of contract is considered to cover in particular
- cases in which the producer is in delay with fulfilment by more than 20 calendar days,
 - cases in which the producer repeatedly performs the work in conflict with the technical prescriptions and the contract of work in a manner which jeopardises the future use of the work for the purpose ensuing from the contract,
 - cases of occurrence of irrevocable and repeated defects of the work, preventing use thereof.
- In the case of withdrawal from the contract as a consequence of fundamental breaches of contract, the validity of the contract shall be terminated upon the delivery of written notification of withdrawal.
- 12.2 The producer is authorised to withdraw from the contract in the case of fundamental breach of contract by the client, which is considered to cover delay upon payment of any part of the price of the work for longer than 30 days. Payment withheld in accordance with article 3 paragraph 3.10 of these Conditions is not considered to constitute a case of delay upon payment with part of the price of the work.
- 12.3 In the case of withdrawal from the contract as a consequence of breach of contract, the validity of the contract shall be terminated upon the delivery of written notification of withdrawal.
- 12.4 In the case of withdrawal from the contract as a consequence of breach of contract, the party which fundamentally breached its obligations is obliged to reimburse the other contracting party for demonstrable damages incurred in connection with the termination of the contract.
- 12.5 The relevant provisions of the Civil Code shall be used for the consequences of withdrawal from the contract, unless the contract or these Conditions stipulate otherwise.
- 12.6 In the case that withdrawal from the contract takes place and the subject of the work is the production of an item, the producer is obliged to return all items (in particular semi-finished products, spare parts, material, packaging material etc.) which it received from the client in connection with the performance of the work according to the contract. In the case that the producer returns these items in a damaged condition, the producer shall be obliged to reimburse the client for the damage caused to these items. In the case that these items have already been processed by the producer during performance of the work or that it is impossible to return these items, the producer is obliged to pay the client the acquisition value of these items.
- 12.7 In the case that withdrawal from the contract takes place and the subject of the work is the maintenance, repair or adjustment of an item which is the property of the client, the client is obliged to pay the producer for the valorisation of the item which took place within the framework of performance of the work by the producer before the withdrawal from the contract. The specific amount of this valorisation shall be determined by a third party (expert) who shall be appointed on the basis of an agreement of the contracting parties and who shall be qualified with all the relevant professional knowledge for assessment of the specific amount of valorisation of the item, unless the parties come to an agreement on stipulation of the value of the valorisation of the item.
- 12.8 In the case of withdrawal from the contract according to paragraph 12.1 of this article, the client shall also have the right to compensation for damages incurred as a consequence of withdrawal from the contract.

13. Resolution of disputes and governing law

All disputes ensuing from the contracts concluded according to these Conditions and in connection therewith shall be resolved, if possible by an agreement of the contracting parties. In the case that it is not possible to resolve these disputes by amicable means, they shall be ruled upon by the materially and locally relevant courts of the Czech Republic / in the first degree by the Regional Court in Ostrava.

14. Secondary provisions

- 14.1 Source materials provided by the client to the producer (documentation, tools, gauges etc.) remain the property of the client and may be used only in connection with the fulfilment of contracts on the part of the producer. These source materials must not be made available to any third parties, must be safely stored and secured and must be returned to the client in an undamaged condition without special instigation as soon as they become superfluous for the fulfilment of the relevant contract(s) on the part of the producer.
- 14.2 The producer is obliged to maintain in secrecy all construction, technological and manufacturing source materials, documents, information, equipment and other matters (referred to in summary as "business secrecy"), which it has obtained from the client in connection with the fulfilment or conclusion of contracts or has acquired by other means. The producer is obliged not to provide access to business secrecy of the client to third parties without the explicit consent of the client, and is obliged to ensure that this obligation is met also by its employees and business partners. This obligation to maintain confidentiality with regard to business secrecy applies also after the termination of validity of the contracts.
- 14.3 The producer is obliged not to misuse the business secrecy of the client as communicated according to the preceding paragraph in any manner for any purposes other than the fulfilment of the contracts.

15. Concluding provisions

- 15.1 The contracts of work are compiled in two copies, of which each contracting party shall obtain one.
- 15.2 Any amendments and supplements to the contract of work must be made in written form and confirmed by the authorised representatives of the contracting parties, otherwise they are invalid. In matters not outlined by the contract of work and these Conditions, the rights and obligations of the client and producer are governed by the relevant provisions of the Czech Civil Code and the Czech legal order, without regard to conflict rules.

Bohumín on September 26, 2014

Ing. Jakub Weimann, General Manager, m.p.



BONATRANS GROUP a.s.