

**General Business Terms and Conditions
for Contracts for Work**

**Article I
Introductory Provisions**

- 1.1 These General Business Terms and Conditions issued by STARTECH spol. s r.o., Školní 354, 664 82 Říčany u Brna, company ID (IČ): 634 83 751, registered with the Commercial Register held by the Regional Court of Justice in Brno, Section C, Entry 21140 (hereinafter referred to only as the “Contractor”), regulate, in accordance with the provisions of Section 1751, paragraph 1 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to only as the “Civil Code”), the mutual rights and obligations originating on the basis of contracts for work effected pursuant to the provisions of Section 2586 *et seq.* of the Civil Code (hereinafter referred to only as the “GBTC”) between the Contractor and their customers (hereinafter referred to only as the “Client”).
- 1.2 The GBTC regulate the basic legal relationships between the Client and the Contractor; any deviation from these GBTC shall only be possible on the basis of contractual agreements established in a contract for work. The contractual relationships between the Client and the Contractor shall be therefore governed primarily by such a contract for work and these GBTC.
- 1.3 The Contractor shall be entitled to modify or amend the wording of the GBTC pursuant to Section 1752, paragraph 1 of the Civil Code. This provision shall not affect any rights and obligations originating in accordance with the current GBTC. The Contractor shall be obliged to inform the Client of any modification to the GBTC. The Client shall have the right to reject such modifications and to terminate the contract for work within a period of 30 days from delivery of notification of such modification to the GBTC undertaken in accordance with these GBTC.
- 1.4 Application of these GBTC shall exclude application of other business terms and conditions referred to by the Client. Unless specified otherwise in these business terms and conditions, relationships between the Contractor and the Client shall be governed in particular by the provisions of Section 2586 *et seq.* and Section 1721 *et seq.* of the Civil Code.
- 1.5 The GBTC shall apply, with the necessary modifications, also to cases when the contract being concluded between the Contractor and the Client would be assessed as a contract of sale.
- 1.6 The GBTC shall apply, with the necessary modifications, within the limits of statutory protection, also to cases when a person who intends to conclude a contract for work with the Contractor is a consumer pursuant to Section 419 of the Civil Code.

**Article II
The Conclusion and Content of a Contract for Work**

- 2.1 A proposal to conclude a contract for work made by the Client must contain at least the name, company ID (IČ), tax ID (DIČ) and complete and accurate address of the Client, telephone or fax number, e-mail address and the date of issue. In addition, the same must contain unambiguous specification of the required work, including implementation documentation and the price for the work; possibly, if the work is ordered on the basis of a prior quotation or other offer of the Contractor, it is necessary to state the number of said quotation or other offer or its exact identification, as well as the required deadline for the performance of the work and reference to these GBTC. The contract for work shall be concluded upon delivery of the proposal to conclude the contract for work to the Contractor and concurrently upon its confirmation by the Contractor. In the case that some element is absent, the proposal of the Client shall not be considered a proposal to conclude a contract for work, but merely a request for the Contractor to submit a proposal. Other matters shall be governed by the provisions of Section 1731 *et seq.* of the Civil Code.
- 2.2 In the case that the Client fails to state in their order any reference to these GBTC, the Contractor shall be entitled to accept such an order with the reservation of confirming the acceptance of the order including the

GBTC by the Client. The contract for work shall then be concluded, if the Contractor does not receive within 3 days after the acceptance of an order with the reservation of confirming the acceptance of the order including the GBTC by the Client written disapproval of the Client with acceptance of the GBTC.

- 2.3 By the contract for work, the Contractor undertakes to perform the work pursuant to instructions from the Client, which shall be in greater detail unambiguously specified in the implementation documentation, containing in particular the type, quantity and exact parameters of the work, set of drawings (individual parts of the work, work as a whole, sections, details), and possibly a cover report, technical report, calculations, technical procedure and the like, according to which it is possible that the work is unambiguously implemented by the Contractor, this at the Contractor's own responsibility. The Client undertakes to take over the work and to pay the stipulated price for the same.

Article III

Some Obligations and Rights of the Contractor and the Client

- 3.1 The Contractor declares that they are authorised and qualified to perform the work described in the contract for work in accordance with all legal regulations and these GBTC.
- 3.2 The Client shall be obliged to provide all technical data as well as complete and full implementation documentation for performance of the work to the Contractor.
- 3.3 The Contractor declares that they have examined the implementation documentation regarding the work and related supplementary information and data supplied by the Client, and that they find the same complete for performance of the work relating to the moment of conclusion of the contract for work. In the case that the Contractor finds, following the commencement of performance of the work, that the implementation documentation related to the work or related supplementary information is incomprehensible, inaccurate or insufficient, the Contractor shall request that the Client amend the information or implementation documentation; until such deficiencies are rectified by the Client, the Contractor shall be entitled to discontinue engagement in the work; during such a period of time, default on the part of the Contractor shall be excluded and the stipulated time limit for the performance of the work shall be prolonged by the length of such a period of time.
- 3.4 The Contractor may invite sub-suppliers for discharge of individual partial performances, this even without consent from the Client.
- 3.5 The Contractor shall be liable for the fact that the work performed by them shall not suffer from any legal defects which would originate in the operations or products forming the work according to the contract for work. The Contractor shall also be liable for the fact that the work is not affected by the protected rights of third parties.
- 3.6 The work shall be performed in accordance with valid technical standards and effective legal regulations, unless the Client and the Contractor agree otherwise, or possibly unless the Client insists on deviation from such technical standards and regulations or unless such deviation is clear from the implementation documentation supplied. The contractual parties explicitly stipulate that, with respect to the fact they are both professionals, the Contractor shall not be burdened with the obligation to inform the Client of the inappropriate nature of an instruction or object which the Client has given to the Contractor, and for such a reason, the Client shall acquire no rights from any possible defects in the work being performed.

Article IV

Performance of the Work

- 4.1 The place of performance shall be the registered office of the Contractor, unless the parties stipulate otherwise. Reimbursement for possible transportation of the completed work outside the place of performance shall not form part of the price for the work, unless the parties stipulate otherwise.
- 4.2 The Contractor shall be obliged to perform the work within the deadlines and time limits stipulated in the contract for work. The Contractor shall discharge their obligation to perform the work upon completion of the same and handover of the same to the Client in the registered office of the Contractor, unless the parties stipulate otherwise.

- 4.3 The work shall be deemed completed once it has been performed in accordance with the implementation documentation handed over, with the exception of any possible defects and incompleteness which do not influence the work's capability to serve its purpose which is evident from the implementation documentation or its standard purpose.
- 4.4 The handover shall occur upon drawing up a handover report. The Contractor shall be obliged to notify the Client without undue delay that the work has been completed and prepared for takeover. The Client undertakes to take over the work within a period of 5 (five) days from the date on which it was reported to the Client that the work had been prepared for takeover. Should the Client fail to take over the work even following an additional request within a period of ten (10) days from the end of such a time limit, the Contractor shall have the right to withdraw from the contract for work.
- 4.5 If the completed work is dispatched outside the registered office of the Contractor and transportation of the completed work is provided by a carrier commissioned by the Contractor, then the work shall be deemed as handed over upon handover of the same by the carrier to the Client or a recipient specified by the Client. If the completed work is dispatched outside the registered office of the Contractor and transportation of the completed work is provided by a carrier commissioned by the Client, then the work shall be deemed as handed over upon handover of the same to the carrier. The work shall be deemed as handed over also under the circumstances of the Client, or a recipient specified by the Client, refusing to take over the completed work from the carrier or of the carrier not succeeding in delivering the completed work to the Client or a recipient specified by the Client.
- 4.6 The Client shall be obliged to exercise any and all reservations relating to the work being handed over at the latest at the moment of takeover of the same.

Article V Price for the Work and Terms and Conditions of Payment

- 5.1 The contractual parties have agreed that the price for performance of the work shall be the price determined by an estimate. The price shall include any and all costs for proper performance of the work, but does not include value added tax, unless stipulated otherwise. The price for the work may only be altered in the case of alteration in tax regulations, or in the case of pre-arranged modification to the scope of the work, or in a procedure according to Section 2622 of the Civil Code. In the case of such alterations, the contractual parties stipulate that considerable overrun shall be understood to be increase in the price established by said estimate by 20%.
- 5.2 The Contractor shall be entitled to require that the Client, at any time during the performance of the work, provide an advance payment for the price of the work, this also repeatedly; however, up to a maximum total of 100 per cent of the stipulated price for the work.
- 5.3 The price for the work as well as an advance payment may be provided in cash (if legal regulations so allow) or via a non-cash transfer to a bank account of the Contractor specified in a tax document, and always on the basis of a tax document delivered to the Client in accordance with these GBTC with a deadline for the payment specified (usually 14 days from the issue of the same). In the case of a non-cash payment, the Client shall be obliged to pay the price for the work or an advance payment, specifying the variable code for the payment pursuant to the document issued by the Contractor. In the case of a non-cash payment, the obligation of the Client to pay the price for the work or an advance payment shall be discharged upon the moment the account of the Contractor is credited with the given amount.

Article VI Ownership Right and Risk of Damage to the Work Performed

- 6.1 The Contractor shall bear the risk of origination of damage to the work being performed until handover of the work to the Client at the place of the registered office of the Contractor, possibly, in the case when the work is dispatched outside the registered office of the Contractor, until handover of the work to the carrier.
- 6.2 Ownership over the work being performed shall be acquired by the Contractor and transferred to the Client only upon the moment of complete payment of the price for the work.

Article VII
Liability for Defects

- 7.1 The liability of the Contractor for defects in the work shall be governed by the provisions of Section 2615 *et seq.* and Section 2099 *et seq.* of the Civil Code, unless the contract for work or these GBTC determine otherwise. Defects which originate through incorrectness of or incompleteness of or mistakes in either the instructions from the Client or the implementation documentation handed over and the supplementary information provided by the Client shall be excluded from the liability of the Contractor.
- 7.2 The Contractor shall be obliged, within a reasonable time limit following exercise of a claim for defects, usually within a period of 30 days, to inform the Client whether the Contractor accepts said defect, which time limit and which method the Contractor suggests to rectify the defect, or of the reasons for which the Contractor refuses to acknowledge said defect.
- 7.3 The contractual parties have agreed that in the case of justified exercise of rights from defective performance, the Contractor, at their own discretion, shall provide to the Client a reasonable discount from the price for the work or shall rectify the defect through a repair to the object; should it not be possible or should the Contractor fail to do so within a reasonable time limit, the Client shall have the right to rectification of the defect by delivery of a new object without defect or the right to withdraw from the contract for work. The contractual parties have agreed that the procedure for delivery pursuant to these GBTC shall suffice for proper exercise of claims for defects by the Client.
- 7.4 The Client shall be obliged, upon a request from the Contractor, to submit the work for evaluation of the defect, should the Contractor so require. The Contractor shall be entitled to choose whether to rectify the defect at the place where the work is located or at another suitable place, this particularly taking into account the minimisation of costs associated with rectifying the defect. The Contractor shall have the right to take over the work from the Client for a period of time necessary to evaluate and rectify the defect. The Client shall be obliged to provide assistance to the Contractor in rectifying the defects in the work which have been identified and claimed.

Article VIII
Guarantee

- 8.1 The Contractor shall provide to the Client a quality guarantee applying to the work performed to the length of 6 months from the handover of the work, in accordance with the contract for work and these GBTC. However, the guarantee period for materials and other products procured for the performance of the work shall be stipulated only as pursuant to the guarantees provided by their producers. In the case of occurrence of a defect in the work performed, the Client shall be obliged to immediately report such a defect to the Contractor and, upon request from the Contractor, to submit the work for evaluation of the defect, should the Contractor require the same.
- 8.2 The Contractor shall be obliged to rectify defects in the work, provided that the Client exercised the same within the guarantee period specified in paragraph 8.1 of this Article. If a defect which forms the subject of the guarantee occurs in the work performed, the Contractor, at their own discretion, shall provide to the Client a reasonable discount from the price for the work or shall rectify the defect through a repair to the object; should it not be possible or should the Contractor fail to do so within a reasonable time limit, the Client shall have the right to rectification of the defect by delivery of a new object without any defects.
- 8.3 The Contractor shall be entitled to choose whether to rectify the defect at the place where the work is located or at another suitable place, this particularly taking into account the minimisation of costs associated with rectifying the defect. The Contractor shall have the right to take over the work from the Client for a period of time necessary to evaluate and rectify the defect. The Client shall be obliged to provide assistance to the Contractor in rectifying the defects in the work which have been identified and claimed within the guarantee period.
- 8.4 The guarantee shall not apply to cases of non-compliance with technological procedures, incorrect usage or storage of the work handed over, or when the Client uses or installs the work performed in contravention of instructions or recommendations from the Contractor. Additionally, the guarantee shall not apply to defects

which occur through unprofessional handling or attendance of the work performed, or failure to discharge the obligations in relation to the work performed or maintenance of the same by the Client or a third party. The guarantee shall also cease to exist when the Client or a third party makes any changes to the performed work without the Contractor being aware of the same. In addition, defects which originate through incorrectness or incompleteness or mistakes in either the instructions from the Client or the implementation documentation handed over and the supplementary information provided by the Client shall be excluded from the guarantee.

Article IX Sanctions and Liability for Loss

- 9.1 In the case of delay on the part of the Client in payment of the price for the work or any part thereof, an advance payment or other pecuniary performance pursuant to the contract for work or these GBTC, the Client shall pay to the Contractor from the first day of such delay a stipulated rate of default interest at the amount of 0.3% per day of the due sum for each day of delay until complete payment of the due amount.
- 9.2 In the case of delay on the part of the Client in payment of the price for the work or any part thereof, an advance payment or other pecuniary performance pursuant to the contract for work or these GBTC that exceeds 10 days, the Contractor shall have the right to discontinue performance of the work; the contractual parties shall qualify such a circumstance as an interruption to the time limit for the performance of the work. Upon delay on the part of the Client in payment of the price for the work or any part thereof, an advance payment or other pecuniary performance pursuant to the contract for work or these GBTC that exceeds additional 20 days, the Contractor shall have the right to withdraw from the contract for work.
- 9.3 The Contractor shall have the right to withdraw from the contract for work also in the case that the Client violates their obligation to hand over to the Contractor all the implementation documentation or supplementary information relating to the performance of the work, or their obligation to amend such implementation documentation, and fails to discharge such an obligation even within a period of 10 days from delivery of a request from the Contractor to discharge the same.
- 9.4 Additionally, the Contractor shall have the right to withdraw from the contract for work in the case that the Client defaults on takeover of the completed work for longer than 10 days.
- 9.5 In addition to cases specified by law, the contract and these GBTC, the Contractor shall have the right to withdraw from the contract for work in the case that insolvency proceedings are initiated with the Client. In such a case the Client shall be obliged to pay to the Contractor a conventional fine at the amount of the part of the price already paid for the work or an advance payment; however, at least at the amount of 20% of the stipulated price for the work.
- 9.6 In the case of withdrawal, the Client shall be obliged to pay to the Contractor the costs for labour as already performed; such costs will be accounted to the Client. The amount resulting from such accounts shall pertain to the Contractor as compensation for the expended costs.
- 9.7 If the contract for work or the GBTC specify conventional fines applicable in cases of violation of contractual or statutory obligations, then the right to compensation for loss caused by violation of such an obligation shall not cease to exist upon payment of such conventional fines. The Contractor's right to exercise sanctions stipulated in this Article of the GBTC, including the right to reimbursement of costs already expended, shall also not be affected by possible withdrawal from the contract by any contractual party.
- 9.8 The Contractor shall be liable to the Client for any pecuniary and non-pecuniary harm caused by violation of any obligation of the Contractor pursuant to legal regulations, from the contract for work or these GBTC; however, maximally to the amount of 100 per cent of the price paid for the work at the moment of origination of such pecuniary and non-pecuniary harm.

Article X Force majeure

- 10.1 If circumstances specified under Section 2913 of the Civil Code occur, the Contractor or the Client shall be obliged to inform the other contractual party of such circumstances. Such notification must contain information on origination and kind of such circumstance. For the purposes of the contract for work, the

contractual parties shall consider that force majeure consists of circumstances which are unforeseeable and independent of the will of both parties, which occur following conclusion of the contract for work, specifically circumstances explicitly defined hereafter: war, terrorist attack, civil disturbance and revolution, political coup and air disaster; as well as intervention of power in the form of a boycott, embargo or other bans; as well as natural disasters, in particular floods, fires, earthquakes, volcanic eruptions, hurricanes and storms.

- 10.2 As long as circumstances which exclude liability endure, it shall not be possible for parties to apply sanctions for violation of mutual rights and obligations. If such circumstances endure for more than three months, then the parties, within an additional month, shall agree on further procedures. If such a month lapses without an agreement being possible, then each of the contractual parties may withdraw from the contract for work.

Article XI Methods of Delivery

- 11.1 Any and all expressions of will relating to the contract for work shall be made in writing in paper form or in electronic form (via electronic mail or via a data box). Any and all expressions of will must be dispatched to the other contractual party to the address or to electronic address specified in the contract for work, unless the contractual party later announces a different address or electronic address. If another address of the registered office or establishment of a contractual party is published in the commercial register or trade licensing register after the conclusion of the contract for work, the other contractual party may deliver written documents also to such an address. The contractual parties declare that to maintain the condition of written form a simple e-mail shall suffice; no authentication of identity of the acting person, in particular via warranted or authenticated signature, shall be required.
- 11.2 A written document dispatched to the other contractual party in paper form via the provider of postal services or a messenger service shall be deemed delivered upon their provable delivery or a refusal to receive the same; however, the same shall be deemed properly delivered at the latest on the tenth day following the dispatch thereof.
- 11.3 A notification dispatched to the other party in an electronic form shall be deemed delivered when the delivery of the same is confirmed; however, the same shall be deemed properly delivered at the latest on the third day following the dispatch thereof.
- 11.4 Both the Client and the Contractor shall be obliged to inform the other contractual party of a change in the contact data announced to the other contractual party when concluding the contract for work. Violation of such an obligation shall burden the party which has caused the same.

Article XII Closing Provisions

- 12.1 The Client declares that they consider any and all information provided to them by the Contractor during negotiations relating to the conclusion of the contract for work to be confidential; in addition, the Client considers confidential any and all facts of which the Client becomes aware in any way during the contractual relationship. The Client must not provide confidential information or confidential facts pursuant to this Article to a third party or to use the same in contravention of their purpose for the Client's own need or to the benefit of a third party; the Client undertakes to keep such information confidential in a reasonable manner. The Client undertakes to observe such an obligation also following termination of co-operation with the Contractor, for a period of five years from the termination of the contractual relationship.
- 12.2 Should any of the provisions of the GBTC be invalid or ineffective, or should any of the provisions of the GBTC become invalid or ineffective, then provisions with purport as close as possible to the invalid provisions shall supersede the invalid provisions. The invalidity or ineffectiveness of any of the provisions shall not affect the validity of other provisions.
- 12.3 If a relationship based on the contract for work contains an international element, then the parties stipulate that the relationship shall be governed by Czech law.
- 12.4 Any and all disputes arising from the contract for work and in connection with the same shall be settled with final validity by the Arbitration Court attached to the Economic Chamber of the Czech Republic and the

Agricultural Chamber of the Czech Republic according to its Rules by one arbitrator appointed by the President of the Arbitration Court.

12.5 These GBTC shall become valid and effective on 19th of October 2017. The contractual relationships originating prior to the effectiveness of these GBTC shall remain valid and shall be governed by the business terms and conditions valid at the time of their origination.

In Říčany u Brna on 19th of October 2017



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On behalf of STARTECH spol. s r.o.
Ing. Miloš Šildberger, executive

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