

**Commercial Terms and Conditions of Hutní montáže, a.s.  
for Subcontractors**

**Article I. Recitals**

- 1.1. According to these terms and conditions ("CTC"), the company **Hutní montáže, a.s.**, with its registered office: Ruská 1142/30, Vítkovice, 703 00 Ostrava, ID number: 15504140, registered in the Commercial Register kept by the Regional Court in Ostrava, File Ref. No. B 143, as the Customer ("Customer") of the Work Contract ("Contract") which subject on the side of the Contractor ("Contractor") is execution of welding, assembly, painting or other service works which execution is needed for the Customer's appropriate performance on a relevant Project ("Work") (the Customer or Contractor individually are also referred to as a "Contracting Party", and collectively also as "Contracting Parties").
- 1.2. The Customer always concludes contracts using the CTC if not agreed upon otherwise between and by the Contracting Parties. The will of the Customer is to subordinate the Contract regime exclusively to the CTC (the Customer excludes any other commercial terms and conditions use in advance, e.g. the Contractor's commercial terms and conditions).
- 1.3. If not agreed upon exclusively otherwise between and by the Contracting Parties, CTC form an integral part of the Contract irrespective whether the Contract directly refers to CTC or not.
- 1.4. Signing the Contract, the Contractor acknowledges he is aware of CTC and he is fully familiarized with the CTC content.
- 1.5. A reference to the Contract (if not stated exclusively otherwise) means also a reference to CTC. Covenants in the Contract have precedence over CTC.
- 1.6. A Contract acceptance with addenda or deviations is not permissible; application of provisions of § 1740 Par. 3 Act No. 89/2012 Coll., Civil Code, as amended („CC“), is excluded.

**Article II. Price and Payment Terms and Conditions**

- 2.1. A price for the work ("Price") includes (unless expressly stated otherwise in the Contract/Commercial Terms and Conditions) any and all costs incurred to the Contractor for proper and timely execution of the work, or also for all his other obligations performance, as well as a reasonable profit.
- 2.2. The price includes especially
- all wage costs of the Contractor, including costs of travel reimbursements, costs of statutory levies for the Contractor's workers,
  - the costs of equipping the Contractor's workers with protective equipment,
  - taxes, duties, other public charges,
  - all necessary insurance (Health Insurance for the workers etc.)
  - costs of claims,
  - transport costs: (i) when the work is carried out outside the territory of the Czech Republic, this means costs of transport to the collection point (specified by the Customer) and back (transportation costs from the collection point to the work performance site and back shall be paid by the Customer; further, turn-taking for rotation of the Contractor's workers will be 8 weeks as minimum), (ii) when the work is performed in the territory of the Czech Republic, this means costs of transportation to the work performance site and back,
  - costs of carrying out all related, even if not explicitly stated (e.g. auxiliary) works required for the execution of the work,
  - costs of proving the professional and medical competence of the contractor's workers.
- 2.3. The price does not include (the mentioned considerations of the Customer were taken into account in the amount of the price)
- VAT (VAT will be added to the price at a relevant statutory rate if the Contractor's performance under the Contract is taxable performance in the meaning of the Act No. 235/2004 Coll., on value added tax, as amended ("VAT Act"),
  - cloakrooms, hot and cold water supplies,
  - costs of accommodation for the Contractor's workers.

**Article III. Payment and Invoice Terms and Conditions**

- 3.1. A price will be charged in parts (**with a frequency 1x per past calendar month of work execution, however, always not later than 10 days from a date of a respective performance execution**) subject to a related invoice ("invoice") which shall contain tax document particulars according to relevant legal regulations, especially pursuant to the VAT Act; further, the invoice content shall be in compliance with the Act No. 563/1991 S., on accounting, as amended.
- 3.2. If not stated otherwise in the Contract, a price (its part corresponding to a respective Contractor performance for a related invoiced period) payment term is **30 days** from a day of the invoice delivery to the Customer. The price (its appropriate part) is deemed to be paid upon a moment of the respective amount debiting from the Customer's bank account.
- 3.3. A right for the price (its relevant part) payment arises if (i) the work (its relevant part) is completed, and, simultaneously, (ii) taken over by the Customer in form of a record about which a written acknowledging record will be prepared by the

Contracting Parties containing (a) a description of the Contractor's performance, (b) performance price, and (c) Customer's statement that the Contractor is taking over this performance ("**acknowledging record**"). The Contractor is not authorized to issue an invoice without the acknowledging record confirmed by the Customer.

3.4. Further, the invoice shall include:

- serial number of the document, date of issue of the document and maturity term (date) according to the Contract (CTC),
- business company name or another registered name, registered office or place of business, tax identification number of the Contractor and tax identification number the Customer,
- Contract number,
- specification of performance and date of performance, a copy of the acknowledging record confirmed by the Customer, or other documents agreed upon in the Contract,
- signature and stamp of the Contractor,
- a total amount of the price excluding tax, or settlement of any advance payments provided,
- a date of the taxable supply provision.

3.5. The invoice can be issued in a paper form and sent (as a recorded delivery) to the address of the Customer's registered office, or electronically (in the PDF format) by sending it to the address: [HM.INVOICES@hutni-montaze.cz](mailto:HM.INVOICES@hutni-montaze.cz)

3.6. If the invoice fails to include particulars (Annexes) specified in the Contract (CTC), the Customer returns the invoice to the Contractor (within its due term) with a request to correct it or provide additions (this results into suspension of the due date of the invoiced claim). From a date of a faultless invoice delivery to the Customer, a due term starts running again (in its entirety).

3.7. Each of the Contracting Parties bears the expenses of its financial institution, the so-called standard bank expenses payment.

3.8. In case of the Customer delay in any financial obligation meeting under the Contract (CTC), a default interest amounts to 0.022% of the outstanding amount for each day of such delay.

3.9. Payments shall only be made in cashless form to the Contractor's bank account stated in the invoice - this account can only be a so-called published account according to § 96, paragraph 2 and § 98 of the VAT Act (if the Contractor is a VAT payer according to regulations of the Czech Republic). If the Customer as a recipient of performance under the Contract is liable under the VAT Act for the unpaid value added tax from this performance, the Customer is entitled to pay the value added tax on behalf of the Contractor directly to the Contractor's tax administrator, of which he will notify the Contractor in writing. With such a payment, the Contractor's claim against the Customer is reduced by a relevant tax amount, and, therefore, the Contractor is not entitled to demand such amount to be paid by the Customer.

3.10. **In addition, the following shall be applied if the work is carried out at the territory of the Federal Republic of Germany:** With regard to the Act on Combating Illegal Employment in the Construction Industry (Construction Withholding Tax), the Contractor is obliged to submit to the Customer a valid Withholding Tax Exemption Certificate (*Freistellungsbescheinigung*) in accordance with the Section 48b of the Income Tax Act effective at the territory of the Federal Republic of Germany (*Einkommensteuergesetz*, "EStG"), either in the original or as an officially certified copy, otherwise the Contractor acknowledges without any reservation (and, simultaneously, agrees with this procedure) that the Customer is obliged to make a deduction of 15% in accordance with § 48 et seq., EStG. The Contractor accepts such tax deduction is considered to be a payment for his remuneration according to the Contract (a deduction does not constitute any breach of the Customer's obligations and, therefore, does not constitute any delay in his payment or other obligations meeting).

**Article IV. Obligations of the Contractor**

- 4.1. The Contractor is obliged to perform the work properly and timely. The Contractor is obliged to follow instructions provided to him by the Customer (and persons authorized by the Customer). Concluding the Contract, the Contractor guarantees he disposes of any and all (particularly official) permits needed to perform Contractor's obligations following from the Contract (such as the Trade License), and the Contractor undertakes to keep the permits valid for the whole Contract term.
- 4.2. The Contractor is obliged to observe consistently procedural standards specified by the Customer (**see the Annex No. 5 to the Contract**); their full achievement is a basic precondition for proper and timely execution of the work and for proper and timely fulfillment of the Client's obligations as a major Project contractor as defined in the Contract ("**Project**") (if these procedural standards are not met, the price shall be reduced in aliquot which corresponds to the price structure agreed upon based on remuneration for so-called standardized performance; illustrative example: *if the standard is met by the Contractor by only 80%, then only 80% of the price belongs to the Contractor*).
- 4.3. The Contractor is obliged to carry out the work continuously and is not entitled to interrupt the work execution without a prior written consent of the Customer.

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- 4.4 The Contractor is obliged strictly to comply with any and all relevant (i.e. legal and other) regulations (including regulations effective at the work performance place) as well as decisions, regulations, measures or instructions of public authorities regarding (i) occupational health and safety, (ii) hygiene, (iii) fire protection, (iv) environment, (v) waste management, (vi) performance of work in areas other than those listed here (the Contractor is obliged to instruct of such rules provably his workers or other persons employed by him in advance); responsibility for such rules violation is borne by the Contractor (if a sanction, including a public law sanction, e.g. a fine or the implementation of corrective measures, is imposed on the Contractor due to violation of these rules on the part of the Contractor, this adverse consequence is considered to be damage to the Customer which the Contractor is responsible for, and which the Contractor is obliged to fully compensate to the Customer).
- 4.5 Further, the Contractor is also obliged to follow operating rules at the place the work is carried out, e.g. construction site regulations.
- 4.6 The Contractor is obliged at his own expense to provide and provably present to the Customer prior to the work execution starting (documents listed below should be continuously available to the Customer at the work performance place):
- a result of a preventive medical examination with the ability to work at heights; the examination term is 1 x every 2 years, and further, with ability to work at the risk of noise and vibration, cat. no. 3,
  - certificate of qualification (binder's licenses, welding licenses),
  - fire protection training certificate according to the Act No. 133/1985, on fire protection, and **particularly** according to the Government Regulation No. 591/2006 Coll., on further minimum safety and health protection requirements when working at construction sites, according to the Government Regulation No. 362/2005 Coll., on detailed requirements for safety and health protection when working at workplaces with a risk of falling from the height or to the depth, according to the Decree No. 87/2000 Coll., which establishes fire safety conditions for welding and heating resins in melting vessels (all mentioned regulations are understood in the relevant time version),
  - own personal protective equipment for assembly work, including helmets with a chin strap,
  - a copy of insurance documents against the consequences of injury or death or caused damage,
  - Work Safety Book (work safety).
- 4.7 The Contractor acknowledges the following basic risks are present at the place of the work execution which (mainly in case of insufficient compliance with the rules of occupational safety) may endanger its workers, when it concerns, for example:
- a risk of injury due to crushing or pressing during operation of means of transport, including cranes,
  - risk of electric shock,
  - risk of injury due to knocking or crushing of transported, stored or assembled parts of steel structures,
  - risk of fire injury during electric and flame welding,
  - the risk of injury during work at heights due to materials and objects falling from the height,
  - risk of injury due to impact or crushing when operating lifting equipment and suspended loads,
  - risk of falling down from the height on unsecured parts of steel structures in progress,
  - risk of injury related to the machines and equipment used.
- 4.8 When carrying out work in operation plants under extraordinary safety and fire prevention measures, the Contractor's workers shall always be provably familiarized with these measures in advance. In order to prevent any occurrence of damage or other harm, the Contractor agrees that in case of violation of the measures according to the previous sentence, he is not longer authorized to use a respective worker (who violated the mentioned measures) for the work execution. In such cases, the Contractor is also aware of the Customer's potential right to compensation for damages or other detriments. Other special protective, signaling and diagnostic means (e.g. masks, analyzers) shall be provided to the Contractor (or individual workers) free of charge by the Customer (this fact is taken into account in the price); The Contractor (or his employees) always confirms the receipt of such means to the Customer in writing. If necessary, the Customer (at his own expense) will also provide a fire patrol whose instructions shall be binding for the Contractor.
- 4.9 If the work consists of welding, the Contractor is obliged to send the Customer copies of valid welder test certificates (for categories specified in the Contract) not later than 10 days before the employee starts to work at the respective work place. The welder's test certificate should be valid for 6 months as minimum from a day the worker starts to work at the work place.
- 4.10 Since the Customer acts as a so-called major contractor of the Project and holds relevant machinery and other equipment ("**equipment**") for the work execution, he shall provide this equipment to the Contractor for the work execution (this fact is taken into account in the price). The Contractor shall confirm the acceptance of the equipment in writing. The Contractor undertakes to use the equipment with care and to prevent its potential loss, destruction or damage. The Contractor is responsible to the Customer for damage, destruction and loss of equipment by his employees until the moment the equipment is returned to the Customer.
- 4.11 With regard to the nature of the work and position of the Contractor (the Customer's subcontractor), the Customer is entitled (in order to provide proper and timely execution of the work) to request a verification of qualifications of the Contractor's employees in form of a verification test (a place and date of the test, as well as evaluation of the test, will be determined and performed by an authorized employee of the Customer). The Customer is entitled to demand free compensation for the Contractor's worker who does not pass the verification test or who does not meet procedural standards when performing the work. A replacement of a respective worker in question will take place without any delay after the Customer communicates this request to the Contractor. All costs of this exchange shall be borne by the Contractor.
- 4.12 In case of damage to the property of the Customer, investor, other entity working on the Project, in case of damage to common accommodation spaces, in case of unexcused absence, in case of consumption of alcohol or other psychotropic substances, in case of a work safety violation, or in case of any other breach of the Contractor's obligations, the Contractor is obliged to immediately and at his own expense replace the worker who committed the breach of obligation.
- 4.13 In order to provide protection of property at the work execution place, the Customer shall hand over to the Contractor the passes for entering the place of the work execution ("**entry pass**"). The Contractor undertakes to protect the entry passes against their damage, loss or destruction. Furthermore, the Contractor shall ensure that Customer's entry passes are handed over before each departure from the work execution place.
- 4.14 Before starting the work, the Contractor is obliged to familiarize his workers with (i) the policy of the integrated management system of Hutní montáže, a.s., (ii) binding conditions for carrying out the activities of external persons in terms of health and safety at work, fire protection, and environmental protection at construction sites of Hutní montáže, a.s., (iii) Rules for use of accommodation facilities on Projects.
- 4.15 The Contractor is obliged to refrain from doing anything that could damage the Customer's good name. The Contractor is not authorized to deal with the investor in any way without a prior express consent given by the Customer, and without presence of an authorized representative of the Customer.
- 4.16 The Contractor is obliged to inform the Customer about withdrawal of its workers from the work execution, first of all the Director liable for execution, or the Customer's representative in commercial matters, then the Customer's Construction Manager, always in sufficient time before a respective worker is withdrawn from the work execution. The fulfillment of the Contractor's obligations should not be jeopardized by such withdrawal of workers.
- 4.17 In case (i) the work execution place is located in the Czech Republic, and (ii) the Contractor sends its employees (or other workers) to such place, and this posting is of a cross-border nature, the Contractor is obliged to report this fact properly and in due time to all relevant public authorities (especially a relevant Employment Bureau), however, always prior to a date the seconded persons start to perform work (and not only prior to the work execution commencement but also during the entire period of its execution). Further, in such cases, the Contractor is similarly obliged to notify properly relevant authorities of any change regarding seconded employees/other workers (e.g. termination of an employee/other worker posting). Copies of completed forms by which the Contractor makes notification in accordance with this paragraph shall be handed over (with a stamp of a relevant authority's office) to the Customer without any unreasonable delay. The Contractor is obliged to provide the Customer with all necessary co-acting and to communicate him all necessary data for proper keeping of records of posted persons if the Customer is obliged to keep such records according to relevant legal regulations. Any sanction imposed on the Customer as a result of any Contractor's obligations breach (listed in this paragraph) is considered to be a damage to the Customer caused by the Contractor, which the Contractor shall fully reimburse to the Customer.
- 4.18 The Contractor is obliged to (i) provide all its employees in advance with copies of documents on existence of employment relationships between these employees and the Contractor (i.e. an employment contract, work performance agreement, or an agreement on work activities, etc.), and further, (ii) provide them also a with work permit and a residence permit, a green or blue card, etc, if required so by relevant legal regulations, (and, simultaneously, the Contractor is obliged to arrange these permits term for the whole work duration; these permits will also be provided for all employees/other workers who start to perform work in the course of the work execution). Copies of these documents shall be available to public authorities (e.g. Employment Agency, Labor Inspectorate, foreign police, etc.) for the whole work term. In addition, the Contractor is obliged to provide the Customer with all necessary co-acting during inspections carried out by public authorities (e.g. labor inspectorates). The Contractor is aware of the fact that any failure to comply with this obligation can result in imposition of a public sanction (e.g. a fine) on the part of the Customer. Any sanction imposed on the Customer

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- as a result of any Contractor's obligations breach (listed in this paragraph) is considered to be a damage to the Customer caused by the Contractor, and Contractor shall fully reimburse the Customer.
- 4.19 The Contractor is obliged to respect strictly relevant legal regulations in the area of employment (in particular a prohibition of enabling illegal work or prohibition of covert employment mediation)

**Article V. Customer's Measures**

- 5.1 The Customer is entitled - following the needs occurred in the course of the Project implementation (e.g. more or less work on the part of the Customer, additional requirements of a major Customer, investor, public authorities) unilaterally (*in writing or by e-mail sent to the Contractor's contact e-mail address*) to determine (both prior to and in the course of the work execution) a number of employed workers of the Contractor (i.e. to require an increase or decrease in the number of workers); this measure is binding for the Contractor, i.e. he is obliged to adjust his work capacity in this way within a period agreed upon with the Customer (otherwise in 7 days from the Customer's measure delivery).
- 5.2 Since the deadline requirements can be changed during the Project implementation (see the previous paragraph of CTC), the Customer is entitled (*in writing or by e-mail sent to the Contractor's contact e-mail address*) to adjust unilaterally these deadlines (require an earlier or later start of the work execution, postpone a date of the work execution), or unilaterally order the work execution to be interrupted (if not agreed upon otherwise between and by the Contracting Parties, other deadlines are postponed by a term of the ordered interruption).

**Article VI. Work Handover and Takeover**

- 6.1 Prior to a final work completion, however, 14 days prior to the work performance deadline at the latest, the Customer will call a so-called work pre-acceptance during which the Customer preliminarily assesses the work readiness for the acceptance procedure, and evaluates the completeness, quality and execution of the work. This pre-acceptance neither replaces acceptance of the work nor constitutes any approval of the state of the work by the Customer.
- 6.2 Based on a successful pre-handover, the Contractor will notify the Customer of the work readiness for handover by making an entry in the site diary, and the latter will call a handover procedure in 7 days of this notification. The Contractor is obliged to hand over the work to the Customer on a day of the work completion at the latest. The Contractor is obliged to hand over the work to the Customer in a condition corresponding to the Contract (CTC) and, for this purpose, will carry out at his own expense all necessary repairs or replacement deliveries and performances if the work indicates any defects, or has been damaged, stolen or destroyed in any way in the meantime. The Contractor shall immediately notify the Customer of any damages, losses and damages, and shall agree upon with him the terms and method of their liquidation and compensation.
- 6.3 A precondition for the work handover and takeover is successful completion of all tests prescribed particularly by relevant regulations, applicable (technical or other) standards, Project documentation, and Customer, which the Contractor carries out at his own expense. A record on progress and results of the tests shall be handed over by the Contractor to the Customer in 2 days after their completion. All documents by which the Contractor is obliged to demonstrate proper execution of the work shall be submitted by the Contractor to the Customer on a day of the preliminary acceptance at the latest.
- 6.4 If any defects in the work are detected during the acceptance procedure, the Customer is entitled to interrupt the acceptance procedure, prepare a list of identified defects including dates for their removal, and continue with the acceptance procedure after checking that the defects have been properly removed.
- 6.5 The Customer is entitled at its discretion (but not obliged) to take over the work even if it shows only a small number of minor defects and unfinished works, which by themselves or in combination with others do not prevent proper use of the work, or make it difficult or prevent follow-up work performance. In such a case, a list of specific defects with deadlines for their removal, or an agreement on a price discount in case of non-removable defects, will be a part of a (final) record of the work handover and takeover.
- 6.6 The work is handed over upon a moment of confirmation of a written (final) record of the work handover and takeover by the Customer, in which it will be expressly stated that the Customer is taking over the work.
- 6.7 The provision of § 2605, paragraph 2 of the Civil Code shall not be applied.

**Article VII. Rights Due to Faulty Performance, Quality Guarantee**

- 7.1 The work is deemed to be defective if it does not correspond to the Contract (CZC) or to the Customer's instructions. Defects are deemed to be also visual defects of welds (e.g. porous surface) or coatings (run-off).
- 7.2 If not agreed upon otherwise, technical, hygienic and safety standards (including ČSN, EN, OEG, ISO, IEC, DIN, ASME CODE standards) are also binding for the Contractor (these standards also define the work and its quality and design). Furthermore, technological welding procedures corresponding to industry practice are binding for the Contractor, too.

- 7.3 If the work is handed over in parts (based on detection records), defects can be claimed also for partial parts of the work handed over in this way.
- 7.4 The Contractor provides the Customer with a quality guarantee (for a period of 24 months, unless agreed upon otherwise), by which the Contractor guarantees the work and any and all of its parts are free of any defects, either material or legal defects, and that the work is suitable for the agreed performance for the entire warranty period, otherwise suitable to usual purpose, and it will keep the contracted, otherwise usual, properties.
- 7.5 A defect notifications (complaints) shall be made in writing or electronically (e-mail). The Contractor shall confirm a defect notification receipt to the Customer without any unreasonable delay. Unless otherwise stated in the complaint, the Customer is deemed to require a defect removal by repair.
- 7.6 The Contractor is obliged to start a respective defect removal immediately after the defect notification, and is obliged to remove the defect in a period specified by the Customer. The Contractor is obliged to remove the defect even provided he does not accept the complaint.
- 7.7 If the Contractor fails to remove claimed defects within a specified period, or if he is in any delay in the defect removal commencement, or if the Contractor informs that he will not remove the defects, the Customer is entitled to remove the defect himself or have it removed by a third party at the Contractor's expense and keeping the quality guarantee without any Customer's rights restriction under the Contract (CTC) in any way.
- 7.8 The Contractor is obliged to reimburse the Customer for all costs incurred in detection of defects (e.g. for the performance of non-destructive or destructive tests).

**Article VIII. Contractual Fines**

- 8.1 The Contractor is obliged to pay the Customer a contractual fine for any particular obligation breach as follows:
- Pursuant to Par. **Chyba! Nenalezen zdroj odkazů.** CTC, particularly in the amount of CZK 50,000.-,
  - Pursuant to Par. 4.13 CTC, particularly in the amount of CZK 2,000.-,
  - Pursuant to Par. 4.15 CTC, particularly in the amount of CZK 50,000.-,
  - Pursuant to Par. 4.16 TC, particularly in the amount of CZK 50,000.-,
  - Pursuant to Par. 4.17 CTC, particularly in the amount of CZK 50,000.-,
  - Pursuant to Par. **Chyba! Nenalezen zdroj odkazů.** CTC, particularly in the amount of CZK 50,000.-,
  - Pursuant to Par. **Chyba! Nenalezen zdroj odkazů.**9 CTC, particularly in the amount of CZK 50,000.-.
- 8.2 Further, the Contractor is obliged to pay the Customer a contractual fine
- due to a delay in the work performance commencement, for each day, even started day, of such delay (a day rate of such fine amounts CZK 5,000.-),
  - due to a delay in the work completion, for each day, even started day, of such delay (a day rate of such fine amounts CZK 5,000.-),
  - due to a work performance interruption, for each day, even started day, of such interruption (a day rate of such fine amounts CZK 50,000.-),
  - due to a delay in the work defect removal, for each day, even started day, of such delay (a day rate of such fine amounts CZK 2,000.-); a delay in any particular defect is fined individually),
  - If a number of workers according to the Contract is not deployed for the work execution (i.e. if personal presence of a full number of persons according to the Contract is not provided at the place of execution of the work) (the rate of this contractual fine for each absent worker and each commenced day of his absence amounts CZK 50,000.- CZK).
- 8.3 Further, stipulations on contractual fines contained in the document titled "Binding conditions for performance of activities by external persons in terms of safety and health protection at work, fire protection, and environmental protection at the construction sites of Hutní montáže, a.s." are binding for the Contractor, too (this document is deemed to be a binding Annex to the Contract).
- 8.4 The Customer is entitled (at his discretion) to pay these fines also in EURO currency (in these cases, the exchange rate of the Czech National Bank valid on a day when a respective obligation was violated is used for conversion).
- 8.5 A contractual fine stipulation does not affect the Customer's right to compensation for damages or other detriments. By paying the contractual fine, the Contractor is not released from his obligation to fulfill the obligation established by the contractual fine. Contractual fines (with exception of contractual fines in CTC) can only be agreed upon in writing.

**Article IX. Liability for Damages**

- 9.1 The liability for damages shall be governed by appropriate legal regulations.
- 9.2 The Contractor acknowledges that provided the Customer withdraws from the Contract due to reasons on the part of the Contractor, additional costs can incur to the Customer associated with a replacing contractor finding (these costs, and potentially also a difference in the price of performance of the replacing contractor

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compared to the price according to the Contract will be in such case considered as damage caused by the Contractor which should be compensated by the Contractor to the Customer; further, this does not exclude potential occurrence of other damages on the part of the Customer).

on their behalf, and (iii) they are fully authorized to conclude the Contract as well as to perform obligations arising from it while having the consent of their bodies (general meeting, supervisory board, etc.) provided such consent is required according to relevant legal regulations.

**Article X. Site Diary**

- 10.1 The Contractor shall provide a site diary keeping at the work execution place. All facts relevant to execution of the work shall be recorded in the site diary, in particular the amount of work performed, time data on the work completion, notes on important instructions provided by the Customer, or a statement on why these instructions were not respected by the Contractor.
- 10.2 The site diary should be available both to the Customer and Investor.
- 10.3 Any and all requirements of the Contractor towards the Customer stated in the site diary should be signed by the Customer, or they should include the Customer's opinion; otherwise they are not be taken into account.
- 10.4 Entries in the site diary do not constitute any amendment to the Contract.

**Article XI. Force Majeure**

- 11.1 Any liability of the Contracting Parties for partial or complete breach of obligations under the Contract (CTC) is excluded if this happened as a result of Force Majeure (e.g. war events, natural disasters, strikes and riots, inaction, interventions or decisions of public authorities, including legal regulations issued and effective after the conclusion of this contract).
- 11.2 However, a Contracting Party affected by the force majeure consequence, is obliged to perform the contractual obligations (CTC) as soon as the Force Majeure effects have ceased. All deadlines resulting from the Contract (CTC) are postponed for a respective Force Majeure duration. The Contracting Party affected by Force Majeure consequences is obliged to notify the other Contracting Party of its occurrence and its termination without any unreasonable delay.
- 11.3 A Contracting party affected by the Force Majeure effects is obliged to provide demonstrable documentation of their impact on performance of its obligations under the Contract (CZC), and shall provide this documentation to the other Contracting Party as well.

**Article XII. Contract Termination**

- 12.1 The Customer is entitled to withdraw from the Contract under terms and conditions set forth in legal regulations, or in the Contract (CTC), in particular in case of a material breach of the Contract by the Contractor (such a breach is considered to be in particular any Contractor's delay in any of his obligations meeting lasting more than 14 days, interruption of the work performance, repeated breach of obligations at request of the Customer - repeated breaches of obligations are understood to be two breaches as minimum). Further, the Customer is entitled to withdraw from the Contract: (i) if the Contractor goes into liquidation, (ii) if a decision is made on the Contractor's bankruptcy (a legal force of such a decision is not required), (iii) if insolvency proceedings are initiated against the Contractor at his own proposal, (iv) if the Contractor submits a proposal for a moratorium declaration against his person.

**Article XIII. Other Covenants**

- 13.1 The Contract, CZC and any and all legal relationships governed by these documents or legal relationships related to them in any other way shall be governed by the legislation of the Czech Republic. This arrangement has a nature of a choice of legislation (a so-called choice of law), a back reference to any other legal system is not allowed. Any application of the UN Convention on Contracts for the International Purchase of Goods (No. 160/1991 Coll.) is excluded.
- 13.2 Any and all disputes arising from the Contract (CTC) or in relation to the Contract (CTC) will be resolved by courts of the Czech Republic of appropriate local jurisdiction for the City of Ostrava, Czech Republic (the international jurisdiction of the courts of the Czech Republic is hereby agreed upon).
- 13.3 Any provision of the Contract (CTC) is deemed to be fully severable; its potential invalidity, ineffectiveness, unenforceability or appearance does not affect the remaining part of the Contract (CTC).
- 13.4 The Contractor is not entitled to assign or set off claims from the Contract (CTC) to the benefit of a third party without a prior written consent by the Customer.
- 13.5 The Customer is entitled to set off unilaterally against the Contractor's claims also his claims for payment of a contractual fine or for compensation for damages or other detriment.
- 13.6 Any document is deemed to be delivered to the Contractor if it is delivered to the Contractor's address entered in the public register (e.g. Commercial Register), or to the address specified in the Contract. In case of any doubt, the shipment sent by the Contractor using a postal service operator is deemed to reach the Contractor on the third working day after dispatch; however, if it was sent to an address in another country (outside the Czech Republic), then on the fifteenth working day after dispatch.
- 13.7 By concluding the Contract, the Contracting Parties confirm that (i) they are concluding the Contract as businessmen being in the equal position, and any party to the Contract cannot be considered to be a so-called weaker Contracting Party due to its position or capabilities, and, further, that (ii) their authorized representatives act