

"General Terms and Conditions of MROZEK a. s."
(purchase of work and services)

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I. INTRODUCTORY PROVISIONS

I.1. These terms and conditions (hereinafter referred to as **"business terms and conditions"**) of MROZEK a.s., with its registered office at Bystřice No. 1361, postal code 739 95, identification number: 25904612, registered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, Insert 2576 (hereinafter referred to as the **"Customer"**) governs, in accordance with the provisions of Section 1751(1) of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as **the "Civil Code"**) governs the mutual rights and obligations of the parties arising in connection with and/or under a contract (hereinafter referred to as the **"Contract"**) concluded between the Client and another person (hereinafter referred to as the **"Contractor"**).

I.2. The terms and conditions apply to cases where the contractor is a legal person or a person who acts when ordering goods in the course of his business or in the course of his own profession.

I.3. Arrangements deviating from the terms and conditions may be negotiated in the contract. The derogating arrangements in the contract shall take precedence over the provisions of the Terms and Conditions.

I.4. The terms and conditions are an integral part of the contract.

I.5. The terms and conditions of the Client may be amended or supplemented. This provision shall be without prejudice to rights and obligations arising during the period of application of the previous version of the Terms and Conditions.

I.6. These Terms and Conditions are binding on the parties if they are known to them or have been referred to by the parties or have arranged their validity in another way for a particular business case.

Furthermore, it is considered that the parties have agreed to apply these Terms and Conditions and that they have become familiar with their content if they have attached their signature to a contract or order where there is a reference to these terms and conditions, even if the signature of the parties is not attached to the terms and conditions themselves.

I.7. For the purposes of these Terms and Conditions, fax and electronic communications in the name of the legal person acting are also considered to be legal acts made in writing for the purposes of these Terms and Conditions.

II. ESTABLISHMENT OF THE CONTRACT

II.1. A proposal for the conclusion of a contract (hereinafter referred to as **"order"**) means a written document sent by the Client to the Contractor designated as an Order or a Proposal for conclusion of a contract, containing at least a basic description of the work, the type of works and services, the price and the required date of construction.

II.2. The individual contract is validly concluded at the moment when the authorized person confirms the receipt of the order in writing. Acceptance of an order by the contractor, which contains additions, reservations or any other changes, is a rejection of the order and is considered a new proposal for the conclusion of the contract by the contractor and if the Client is not accepted within 7 working days of receipt of such a proposal, it shall cease to be. In the event that the order is not accepted by the Contractor within 7 working days of delivery, it shall be deemed to be extinct. Acceptance of an order with an addendum or derogation within the meaning of § 1740 para. 3 of Act No. 89/2012 Coll., the Civil Code, is excluded. The Client is entitled to withdraw the order within the time limit for its acceptance.

II.3. The contract is validly concluded only if it is confirmed by the authorized persons of both parties. The parties assure each other that the contract has been concluded by the persons authorised to negotiate the contract. The parties thus find themselves in good faith that the contract has been signed by the persons authorized to conclude such a contract on the buyer and the seller.

II.4. Oral or written arrangements made by the parties prior to the conclusion of the contract, relating to commercial cases under a later concluded contract, shall become invalid unless included in the contract.

III. GENERAL COMMITMENTS

III.1. The contractor is obliged to carry out the subject of the work agreed in the relevant contract in accordance with the terms and conditions. The contractor confirms that it has all legal and technical requirements, capacities and expertise, including čsn knowledge and all regulations, which are necessary for the performance of the work, that he has become familiar with the documentation of the Client, including any

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subsequent annexes and documents, processed by other entities relating to the execution of the work and with all the supporting documents provided by the Client and that he is able to professionally carry out the subject of the contract in the project documentation (or other similar supporting documentation) of the prescribed scope; he assures the Client that he is professionally competent to carry out the subject of the contract. Furthermore, the Contractor declares that he is aware of all technical, qualitative and other conditions necessary for the material and timely fulfilment of the subject matter of the contract.

III.2. The contractor guarantees that the definition of the subject of performance in the contract contains everything necessary for the proper execution of the work, that his offer, which forms the basis for the conclusion of the contract, is correctly, fully and reasonably calculated, that the prices in the price lists or elsewhere in the contract are complete, i.e. sufficient to adequately cover all expenses incurred by his contractual obligations. The Contractor is bound by any instructions of the Client when the work is performed and undertakes to comply with it, but is obliged to notify the Client without undue delay of the inappropriate nature of the client's instruction and to wait for the client's reply to this notice.

III.3. No other materials, technologies or changes against the project documentation or documentation according to which the work is to be carried out may be used without the written consent of the Client. At the same time, the contractor undertakes and warrants that he will not use any material that is known to be harmful when the work is realized. If the contractor does so, the contractor is obliged to make an immediate correction at the written invitation of the Client and all costs associated with it shall be borne by the contractor.

III.4. The Contractor may entrust the execution of the work with the prior consent of the Client to another person (subcontractor). When carrying out the work by another person, the contractor corresponds according to the provisions of Section 1935 of the Civil Code as if he had carried out the work himself. If a contractual penalty is agreed between the Client and the Contractor for the fault of the obligation, the contractor is also credited with the fault of the obligation by the person whom he has entrusted with the execution of the work (subcontractor), unless otherwise agreed in writing.

IV. COMPLIANCE WITH LAWS AND REGULATIONS

IV.1. The Contractor will comply with the provisions of applicable laws and other legal standards in all matters arising out of the contract. The Contractor will issue all notices and pay all fees required by applicable laws, regulations and regulations to comply with its contractual obligations under the Contract.

IV.2. The Contractor hereby expressly declares that he is properly fulfilling his obligations to the tax authority (i.e. duly paying taxes), social security administration, labour office, health insurance company, etc.

IV.3. The contractor is obliged to comply with the conditions of the building permit and regulation of the relevant building authority, to implement the work according to the relevant ČSN, standards applicable in the EU, technical conditions, the customs of manufacturers and further to the extent specified in the contract and the project (or other similar underlying) documentation. If any damage is incurred by the infringement of these regulations, all costs incurred and liability consequences shall be borne by the contractor.

IV.4. At his expense, the Contractor shall obtain all permits, licenses or consents necessary for the smooth implementation of the work entrusted to him.

IV.5. The contractor shall, upon request, submit to the Client or the authorities or control authorities all necessary certificates of ability to carry out or ensure the execution of the work. These include, in particular, the registration of an activity in an extract from the Commercial Register or trade certificate of a general and special authorisation for carrying out work under the contract (author's certificates and other specific examinations of workers intended for the management of works and execution of the work, etc.), certification of the contractor's person, licences and other documents of the contractor on the ability to professionally perform the work under the contract.

IV.6. The contractor is obliged to inform the client of the demonstrable training of contractors and subcontractors with environmental, safety and health conditions at work, in particular in the areas of risks, management of chemicals and preparations, waste, accident measures, accidents, etc.

IV.7. The contractor, who is established outside the Czech Republic and sends his employees to perform his duties in the course of his performance under a contract in the Czech Republic – a so-called foreign employer, is obliged, at least 2 days before the date of arrival of such employees for the performance of the work, to communicate in writing to the Client the data necessary to fulfil the information obligation of the Client vis-à-vis the Office of Labour, in particular:

- the identification data of the posted staff,
- the address of the posted staff member in the country of residence and the address for delivery of consignments,
- the number of the travel document of the posted staff member and the name of the authority which issued it,

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- the type of work, the place of work and the period during which the work should be carried out,
(a) any change to such data at all within 3 days of the date on which it occurred.

IV.8. The contractor, who is established outside the Czech Republic and sends his employees to perform tasks in the course of his performance under the contract in the Czech Republic – the so-called foreign employer, is obliged at least 2 days before the date of arrival of such employees to perform the work to the Client to prove that the posting employees are properly logged into social and health insurance in the country of permanent residence.

V. CONSTRUCTION SITE, DELIVERY AND QUALITY CONDITIONS

V.1. A **construction site** means an area defined for construction or maintenance work and for a construction site installation to the extent agreed upon acceptance of the site, which will be made by the registration of the handover of the site. Unless otherwise agreed, the construction site always includes building land or built-up building land. By taking over the construction site for the performance of the work, the contractor assumes the risk of all damage to the work performed to the Client until its completion and handover to the Client. The contractor undertakes to inspect and examine the construction site and its surroundings before taking over the site and to ensure the shape and character of the site, including the base conditions, hydrological and climatic conditions, the scope and nature of the work, the scope and nature of the materials necessary for the execution and completion of the work and the possibilities of access to the construction site and the construction site equipment.

V.2. If the contractor uses the premises and warehouses of the Client, including energy, water services and security, the payment for their provision will be agreed upon acceptance of the construction site and the client is entitled to pay the contractor for their provision; if the amount of payment is not agreed by the parties at the acceptance of the site, the contractor is obliged to pay the customer the payment at the usual amount at the time of conclusion of the contract.

V.3. The Client shall transmit to the contractor the construction site no later than 3 days before the contract, the expected or the contractor notified the start date of the work, unless the parties agree otherwise.

V.4. The contractor is obliged to ensure the proper design of the construction site and the work and during construction to properly take care of the basic directional and height points until the time of handing over the work to the Customer. The contractor also ensures detailed design of individual objects and is responsible for its correctness. The contractor is obliged to continue to comply with the obligations laid down in Government Regulation No. 591/2006 Coll. on the specific minimum requirements for safety and health at work on construction sites, in particular to ensure that the construction site is organised in such a way as to comply with the workplace requirements laid down in a special regulation (Government Regulation No. 101/2005 Coll.). It is the contractor's responsibility to define the workplace for the performance of individual works and activities, while following specific legislation governing the conditions for the protection of workers' health at work, in particular, in accordance with Government Regulation No. 361/2007 Coll., as amended.

V.5. The contractor is obliged to have the underground line set out on the basis of individual statements of the administrators of the underground lines, which will be handed over to him by the client. If the underground lines are already located, the contractor is obliged to familiarise himself after taking over the construction site with the location and route of any underground lines on the site and either to translate them in an appropriate manner, or to protect them in order to avoid damage during the execution of the work. It is the contractor's responsibility to familiarise himself with the location of all existing networks (in particular power lines and masts or poles, telephone lines, drainage, water pipes, etc.) before starting with ground or other works that could interfere with existing networks; the contractor shall be liable for any damage to the networks of any kind caused by he or his subcontractors when performing the work.

V.6. If, in connection with the start of work on the site, it is necessary to place or relocate road signs in accordance with the Road Regulation, the contractor shall provide for such work. The contractor is also responsible for placing, moving and maintaining road signs in connection with the course of the work. In the case of the location of safety signs and the introduction of signals, it is the contractor's responsibility to comply with vl. the No. 11/2002 Coll., as amended.

V.7. Unless otherwise agreed, the contractor must, at his own expense, take the necessary measures to ensure the supply and distribution of water, fuels, light and energy (hereinafter referred to as "**media**") to all places where this is required for its contractual performance (individual construction equipment, makeshift, parts of the work, etc.); the costs in question are included in the price of the work, unless otherwise agreed. The contractor is obliged to maintain order and cleanliness on the taken site, further it is obliged to dispose of

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the waste and impurities resulting from his work and to comply with the conditions set out in Chapter X. of these Terms and Conditions. He is obliged to maintain cleanliness even on public roads.

V.8. The contractor shall ensure, at his own expense, the guarding of the site and, if necessary, its fencing or other appropriate security, unless otherwise agreed upon the takeover of the construction.

V.9. The Client has the right not to initiate the acceptance procedure of the work according to Article VII. these terms and conditions, if there is no order on the construction site, in particular the remaining material is arranged or if the waste is not removed from the construction site incurred during construction work, etc. Failure to take over the work for these reasons is not a delay on the part of the client.

V.10. No later than 3 days after the removal of defects according to the acceptance protocol, the contractor is obliged to clean the site and modify it as determined by the project documentation or contract or agreement of the parties. If the construction site is not cleaned up within the agreed deadline or if it does not adjust it to the agreed state, the Client is entitled to charge the contractor a contractual penalty in the amount specified by the contract. In the event that the amount of the contractual penalty is not agreed in the contract, for each commenced day of delay with the obligation to clear the site and/or for each commenced day of delay with the modification or placing of the site in the contract or agreement agreed or documentation of the specified condition, the Contractor shall pay the Contract penalty to the Client in the amount of 0,3 % of the agreed price of the work.

VI. EXECUTION OF THE WORK

VI.1. The contractor is obliged to keep a building log during the execution of the work. In the logbook, the contractor is obliged to record on a daily basis all important circumstances during the execution of the work, and to record all the facts relevant for the performance of the contract, in particular details of the scope and time procedure of the work and their quality, the reasons for any deviations of the work carried out from the project documentation and the data necessary for the assessment of the work by the competent authorities or administrative authorities. In addition, the contractor duly fills in the introductory batches of the building journal (basic data, list of suppliers, list of basic documents, list of documentation, overview of tests and measurements carried out, list of other documents). Each Contracting Party shall comment on the entries of the other Contracting Party in the building log relating to it no later than 3 calendar days from the date of their registration, for works preventing further progress within 1 day from the date of their registration, unless otherwise agreed. Otherwise, it is deemed to agree to the entry.

VI.2. If the contractor provides documentation for the execution of the work, movables (components), manuals, calculations, is responsible for ensuring that the things (components) are free of defects and the documentation (calculations, manuals) are correct and complete. The contractor is obliged to submit to the Client the technological procedure, including the schedule of works, before the start of the realization of the work. During construction, the contractor records any possible changes that arose during the execution of the subject of the work into one copy of the project documentation. The work will not be considered proper and complete for the purpose of handing over and taking over the work until this actual condition documentation has been passed on to the Client and approved by it. Amendments shall be marked and recorded in a clear and easily understandable form.

VI.3. The authorized worker of the client specified in the contract, or otherwise by the client notified by the contractor, is entitled to supervise on the construction site the performance of the terms of this contract and in the course of it, in particular, to monitor whether the contractor's work is carried out according to the valid project documentation of the building, according to the contract, technical standards and other legislation and in accordance with the decisions of the public authorities. For this purpose, he has access to the site at any time. The Client is entitled to notify the contractor without delay by entering the building log and setting a time limit for the elimination of the defects. The Contractor is entitled to carry out checks on the execution of the work during the performance of the work by the contractor. In the event of a finding of deficiencies, they will be recorded in writing in the building log, and it is the contractor's duty to remedy the deficiencies thus identified without delay.

VI.4. The authorized worker of the client carrying out technical supervision is entitled to give the contractor's staff an order to interrupt work if the authorised representative of the contractor is not achievable and if the safety of the construction, life or health of the workers working on the construction site is threatened or there is a risk of serious economic damage or if there is a significant deterioration in the quality of the construction site carried out. If the interruption is not solely attributable to The Contractor then the interruption will be subject to a Site Variation Order for both time and money. This is without prejudice to the provisions of Article VI.10.

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VI.5. No part of the work may be obscured or disabled without the consent of the Client; the contractor must provide the Client with all options to inspect and measure any part of the work that is prepared to be covered or disabled before any other part of the work is placed on it. The contractor shall notify the Client in writing at least three working days in advance that such a part of the work is finished or ready for inspection. If the client's representative does not appear to inspect the part of the work to be covered or disabled, although he has been properly and promptly called upon, the contractor is entitled to continue the execution of the work. If the Client subsequently requests the uncovering of these works (parts of the work), the contractor is obliged to carry out such unmasking at the customer's expense. In the event that, during the additional inspection, the Client finds that the work has not been properly carried out, the cost of uncovering these works shall be borne by the contractor. The contractor shall also pay the costs of uncovering if the work covers or is made available, without inviting the client to check the work under the above conditions. The contracting parties shall record a written entry in the building log of the results of the examination of the covered work carried out.

VI. 6. The Contractor is obliged to uncover any part of the work or to allow access to it at the request of the Client. After the performance of the inspection by the client, the contractor shall bring the part of the work to its original state and ensure that it is operational. If the inspection determines that this part of the work was carried out in accordance with the contract and the relevant documentation, the Client shall, in agreement with the contractor (in the absence of agreement, determine the costs in question of the Client at their usual price) the amount of the contractor's costs for uncovering the part of the work in question, allowing access and restoration and ensuring proper functioning. The amount of the costs thus determined will be added to the agreed price of the work. In other cases, the costs shall be borne by the contractor.

VI. 7. The contractor is obliged to check the quality and scope of the work and supplies carried out by the authorized employee of the client, ensure the participation of his employees and take immediate measures to eliminate any detected defects and deviations from the project documentation.

VI.8. It is the right of the Client to require the Contractor to withdraw from the execution of the work a natural person with whom he is in an employment or other contractual relationship in the event that the natural person, despite the prior notice, infringes:

- OSH principles,
- obligations laid down by law,
- contractual obligations applicable to the contractor and his staff,
- rules of decency and good manners

or is deemed undesirable by the Customer for other serious reasons. The Contractor undertakes to comply with the client's request without undue delay. A natural person who has been removed from performing a work may not be again entrusted with the performance of the work without the consent of the client. The contractor is obliged to replace the person who is withdrawn from the execution of the work without undue delay by another suitable person.

VI.9. The right of the Client to issue instructions for:

VI.9.1. removal of any material or operating equipment from the site, at that time or during the period specified in this instruction. This applies to material or operating equipment which, in the customer's opinion, is not in conformity with the contract.

VI.9.2. appropriate materials or operating equipment,

VI.9.3. removal and appropriate re-execution of the work, irrespective of previous tests or pre-payment for such works in relation to materials, operating facilities and working procedures or contractor documentation, only if these works are not in conformity with the contract.

VI.10. On the basis of the order or instruction of the Client, the contractor must interrupt the execution of work on the work on the work on the work or any part thereof, for such a period of time and in such a way that the Client may deem necessary. The Contractor will, if in the client's opinion, protect and secure the work or parts thereof accordingly during this interruption of work.

VI.11. In the event that the contractor

- enter into liquidation,
- finds itself insolvent within the meaning of § 3 para. 1, 2014 in New York No. 182/2006 Coll., insolvency law,
- (j) indebted or in danger of bankruptcy;
- breach of more than twice any of the obligations laid down in the contract or these terms and conditions, or
- does not comply with the terms of the partial transactions agreed between the parties,

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the Client has the right to withdraw from the contract within 6 months of fulfilling one of the conditions set out in this Article of the Terms and Conditions or within 6 months from the date on which he becomes aware of such fulfilment. In this case, the Client may complete the work himself or through another person. If the Client withdraws from the contract, he is not obliged to pay the Contractor's monetary performance (including damages) for the performance of the work or for the work of the contractor until the work (if completed) is properly completed and the costs of proper execution and completion (even with the possible removal of defects) of the work are fully established.

VII. HANDOVER AND ACCEPTANCE OF THE WORK

VII.1. The duly constructed subject of the work under the contract shall be handed over by the contractor to the Client within the term according to the contract and the Client, if he does not refuse to take over for defects or back-ups of the work, the subject of the work will be taken over by a log-written record. The Contracting Parties may agree that the duly constructed object of the work will be transmitted and taken over in duly completed parts.

The Contractor is obliged to notify the Client in writing at least 3 working days in advance, when the subject of the work or part thereof will be ready for handover and acceptance.

VII.2. The completion of the work is considered to be the written handover of the work by the contractor and its written acceptance by the Client without reservation. After signature of the minutes by authorised representatives of both Parties, all measures and dates set out therein shall be deemed to have been agreed.

VII.3. The Client may also take over the work with defects and insurances, provided that there are defects and non-work in progress preventing the proper and safe operation of the work, and at the same time that the date of their removal is mutually agreed between the parties. The contracting parties are obliged to draw up a record of this fact, which will form an integral part of the protocol of the transfer and acceptance of the work.

VII.4. In order to accept the subject of the work, the contractor is obliged to present to the Client, in particular, the following documents:

VII.4.1. attestations and documents on the required characteristics of products pursuant to Act No. 22/1997 Coll. – Act on Technical Requirements for Products

VII.4.2. registration of ensuring all other necessary tests, tests and revisions according to the contract in force at the time of the execution and handover of the work, which will be demonstrated to achieve the prescribed quality and prescribed parameters of the work

VII.4.3. documentation of the actual execution of the building, which will contain any possible changes to the building that were made during the construction

VII.4.4. revision reports

VII.4.5. operating documents for the operation of the work

VII.4.6. construction diary (building log)

VII.4.7. other documents necessary for the administrative decision authorising the use of the work, or other documents, as provided for by specific legislation.

VII.5. The Contractor undertakes to notify the Client that the work is ready to be handed over only if it is already properly completed. If the contractor notifies the Client that the work is ready for delivery and during acceptance proceedings it is determined that the work is not terminated or ready to be transferred under the terms of the contract, the contractor is obliged to pay the Client all costs with the resulting or contractual penalty of CZK 10,000. The Client chooses which method to apply.

VII.6. The contractor is responsible for the fact that the finished and the delivered work is carried out to the Client in accordance with the contract, it is complete that it has the characteristics specified by the project documentation, the valid ČSN and the contract and that the quantity delivered coincides with the data in the accompanying documents.

VIII. PRINCIPLES OF SAFETY AND HEALTH AT WORK

VIII.1. The contractor's employees and the employees of its subcontractors are obliged to comply with the legislation relating to safety and health at work. The contractor is obliged to create conditions to ensure safety and health at work within the framework of the contractor's documentation, of which a technological or working process is an integral part. The contractor is responsible for the fact that all its employees and the employees of its subcontractors are professionally and medically competent to work. Valid documents on the professional and medical competence of the contractor's staff and its subcontractors must be deposited with the contractor and, at the request of the client, the contractor is obliged to submit them for inspection without delay. The failure to demonstrate the professional or medical competence of the contractor's staff or its subcontractors is the reason for granting an immediate ban on the performance of the work by such persons,

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at the same time entitles the Client to grant an immediate ban on entry to such persons on the premises of the client or on the construction site, without such facts affecting the proper performance of the duties of the contractor. The Contractor is also responsible for accidents and damages arising from violations or negligence of the relevant provisions of Act No. 262/2006 Coll., the Labour Code, Act No. 309/2006 Coll., Government Regulation No. 361/2007 Coll., laying down the conditions for the protection of health at work and other legislation only if solely attributable to Contractor.

VIII.2. Employees and representatives of the contractor are obliged to follow the instructions of the control bodies of the client (security technician, energy, quality control worker, etc.), as well as construction managers (head of contracts). On the detection of violations of OSH law and other regulations, the control body of the client (safety technician, energy, quality control worker, etc.), as well as the construction managers (contract manager) may write a record of the detection of deficiencies in the field of OSH. The persons of the contractor are obliged to sign such registration, where appropriate, to provide their observations. In the event of a finding of violations of the principles of safety and health at work by the employee or representatives of the contractor, or by third parties, who perform the work as contractor, the contractor is obliged to arrange the remedy according to the instructions of the control authorities, or the client's representative, including respect for the prohibition of work or the reporting of violators from the site. The contractor is obliged to inform each other in writing about the risks created and cooperate with each other in removing them in accordance with the provisions of Section 101/3 of Act No. 262/2006 Coll., the Labour Code and the obligations laid down in sections 101 to 105 of the Labour Code.

VIII.3. Any interruption and reopening of work, the contractor must notify the Client in writing and record it in the building log.

VIII.4. Any accident at work caused by a worker who participates in the performance of the work by the contractor must immediately notify the Client so that the Client has immediate opportunity to participate in the investigation of the causes and circumstances of the accident. The Contractor is obliged to proceed according to the regulation of the Government No. 201/2010 Coll. on the method of recording accidents, reporting and sending an accident record. A copy of the accident record is obliged to be handed over to the Client. The occurrence of the accident will also be recorded in the building log.

VIII.5. All legal entities involved in the construction site must, before starting work, prepare an overview of the risks created by the working activities of individual suppliers at this event pursuant to § 101 No. 262/2006 Coll., the Labour Code, and pass this in writing to all other employers whose employees may be affected (record of handover and introduction to the assembly building log, OSH journal).

VIII.6. The Client warns the contractor that the technologies used in the client's business and the activities of the client are characterised by risks to health, in particular the dangers of:

- mechanical (capture, compression, hitting) from construction and other machinery, technological equipment (material processing machines, drives, service machines, forming machines and other equipment);
- from flammable liquids and gases;
- from energy media (electricity, industrial gases, pressure equipment);
- operated and use of transport technologies (roads, railways, crane transport, transport equipment);
- from the action of chemical and physical pollutants (dust, noise, vibration, and others);
- from the layout of the workplace (inadequate handling work area, work in a confined space, and others);
- fall on roads for possible wear and pollution;
- resulting from non-compliance with ergonomic principles (lifting and carrying loads, microclimatic conditions - heat, cold, humidity);
- from a height.

A complete overview of the client's identified risks is annexed No. 1 to these Terms and Conditions.

VIII. 7. The contractor shall comply in particular with the following basic safety instructions:

VIII.7.1. Before the work starts, the workplace must be handed over in writing, at least in the form of an entry in the building logbook; the entry must include, in particular, all known facts which are relevant for ensuring the safety and health of natural persons who are present at the site or workplace. The handover shall include:

- definition of workplace
- identification of access and, where appropriate, escape routes
- the identification of the contractor and the client responsible and the designation of the person coordinating the
- mutual written information of the client and contractor on the risks and measures prior to their operation, which he creates in the workplace,

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this information must be accessible at the workplace. Without written transfer of the workplace, including information on risks, the contractor may not commence work. The provisions of Chapter V of these Terms and Conditions are hereby without prejudice.

VIII.7.2. The responsible staff of the contractor (technicians, construction managers, assembly crew managers, masters, leaders) are obliged to take the instruction at the customer's office before starting work. The contractor is obliged to ensure that all employees of the contractor and its subcontractors are demonstrably familiar with the information from the briefing and the technological or working practices to the extent covered by them.

VIII.7.3. The contractor is obliged to identify and notify the Client of **the professionally competent person responsible in the field of risk prevention**, including the communication of contacts to that person, before starting work. This professionally qualified person is a partner of the customer's chief employee and safety technician on occupational safety and health issues and is responsible for supervising compliance with the principles of occupational safety for activities carried out by the contractor or his subcontractors.

VIII.7.4. The contractor's staff and its subcontractors may only stay in designated workplaces and premises where they perform their duties. Staying in other places is strictly prohibited.

VIII.7.5. Each contractor's working group must have a pre-designated manager as the person responsible for organising the work of the working group and for respecting these "General Terms and Conditions", by the contractor's staff and its subcontractors. The appointment of a responsible worker is the responsibility of the contractor even if it is a two-member working group. The head of the working group must be designated by the contractor and published by the building journal entry stating the telephone contact and, in the event of his absence from the workplace, his attainability throughout the work of the working group concerned;

VIII.7.6. The contractor's employees and their subcontractors are obliged to use protective equipment and aids at work on the basis of the identified risks of the activity. Natural persons carrying out work in an employment or other contractual relationship for contractors must use personal protective equipment and equipment on the site throughout the period of operation to protect the part of the body which is at risk of the activity carried out. In the conditions of production operations, the minimum equipment shall be a protective helmet, protective work clothing, boots on footwear and clear goggles, all employees of the contractor and his subcontractors shall be visibly marked by the commercial company or other designation of the person on whose behalf they carry out their activities; the provisions of specific legislation concerning the equipment of the contractor's staff with protective equipment are not affected and their compliance is the contractor's responsibility.

VIII.7.7. The contractor is responsible for order and cleanliness on the site and compliance with the obligations laid down in Government Regulation No. 591/2006 Coll. In particular, the contractor is obliged to ensure the continuous removal of construction rubble or materials that occur during the execution of work in accordance with the agreement of the Contracting Parties. Furthermore, the contractor is obliged to ensure the security of excavation of all kinds, working areas, places at risk of falling objects, obstacles on the roads and the like.

VIII.7.8. In cases where the work carried out on the performance of the work interferes with the passage profile of the track and it is work in which passage through the track is necessary or in which the control or direction of the scroll space for the shifters at the tracks of the normal gauge is at a distance 3000 mm from the track axis and 6 m height above the top of the rail and in the case of the tracks of the narrow gauge to the distance of 2300 mm from the track axis and the height of 4 m above the track top, to disrupt the stability of the rolling stock, or in the event of any other danger, the contractor shall agree with the railway representatives the necessary safety principles and procedures.

VIII.7.9. If the work interferes with or interferes with internal communications, the contractor is obliged to agree in advance in writing the procedure of work and security measures with the client, or directly with the owner, the controller or the operator of the communication or with the technical supervision of the communication manager responsible according to the client's plan and to secure the communication according to the regulations.

VIII.7.10. The contractor may or shall be connected to the consumption of energy and media from the operating networks only with the knowledge and consent of the entity concerned. The same rule applies to the use of operating equipment or tools.

VIII.7.11. Temporary structures (scaffolding):

VIII.7.11.1. The contractor carrying out the construction of scaffolding (hereinafter referred to as **the "scaffolding contractor"**) is obliged to carry out the construction of the scaffolding in accordance with the requirements laid down by law. It is responsible for their compliance and for damages caused by its operational activities.

VIII.7.11.2. Each scaffolding must be technically documented; responsibility for proper and complete documentation lies with the contractor.

VIII.7.11.3. Before the construction of the scaffolding is started, the scaffolding contractor is obliged to

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discuss with the affected entities its location in the required premises.

VIII.7.11.4. The finished scaffolding is transmitted to the client by the contractor in writing only if the work is the subject of the construction of scaffolding.

VIII.7.11.5. The scaffolder is responsible for the safe execution of the scaffolding according to the technical documentation and applicable regulations, carrying out professional inspections and the removal of detected defects and deficiencies, which he writes in the building or assembly journal. If it cannot immediately correct defects during a professional inspection, it informs all contractual partners of the need to interrupt work on the scaffolding until the defects are corrected. Information about defects is recorded in the assembly journal.

VIII.7.11.6. After the scaffolding has been corrected, the scaffolding contractor has demonstrably (by writing in the building or assembly journal) informs the contractual partner of the removal of the defect.

VIII.7.11.7. The removal of scaffolding is ensured by the contractor at his expense and under his responsibility, unless expressly agreed otherwise.

VIII.7.12. Construction sites and separate premises of workplaces must be fenced and secured within the meaning of 591/2006 Coll. (see Article 2(1)(a) of the basic Regulation. III. GTC), or according to the client's other instructions.

VIII.8. The contractor undertakes to ensure compliance with the prohibition of the consumption of alcoholic beverages and substance abuse, the prohibition of entry to the construction site under the influence of these substances and the prohibition of their delivery to the premises of the construction site and the premises of the client by all persons who for the contractor perform activities in an employment or other contractual relationship in the performance of the work.

VIII.9. The contractor is obliged to ensure, at the request of the Client, that the client designated individual natural persons who perform activities for the contractor in an employment or other contractual relationship during the performance of the work, submit to the examination of whether they are under the influence of alcohol or other addictive substances. In the event of a breach of this obligation, the contractor pays the Client a contractual penalty of CZK 10,000 for each individual case and at the same time bears all liability consequences for possible damages or damages. Article 11 of Regulation No 123 XIII.6. these terms and conditions shall also apply to such cases.

IX. FIRE PROTECTION

IX. 1. The Contractor shall assume all the obligations laid down in Act No. 133/1985 Coll. on Fire Protection and Implementing Regulations, in particular By Decree of The Government No. 172/2001 Coll. The Contractor shall be responsible for compliance with the fire protection regulations and shall ensure that such regulations are also complied with by its subcontractors.

IX.2. Employees and representatives of the contractor are obliged to follow the instructions and submit to the competence of the control authorities of the client in the field of fire protection (hereinafter referred to as "FP") according to the general and internal regulations of the client for the performance of the given control activity. The powers of this control body of the client are the technician of the FP and the head of the construction.

IX.3. The duties of the contractor shall be in particular:

IX.3.1. respect the principles of FP, comply with and comply with the laws and technical standards related to the FP;

IX.3.2. provide for fire-fighting measures and require the protection of FP when operating an activity or premises with an increased fire hazard (also related to the relationship with subcontractors);

IX.3.3. ensure that its employees and subcontractors are trained on FP under Regulation No. 246/2001 Coll. on Fire Prevention before entering the site and before starting work;

IX.3.4. require that, when operating an activity or premises with increased fire hazards, such objects are fire-protected (fire extinguishers, escape routes, fire surveillance);

IX.3.5. submit to the Client a written report of any fire resulting from the fire at the workplaces transmitted by the contractor, which does not relieve the contractor of the obligation to report the fire to the competent state authorities;

IX.3.6. carry out control activities in their premises in accordance with the FP regulations;

IX.3.7. provide follow-up supervision after completion of welding and other work with increased danger within the meaning of ČSN for welding.

IX.4. Activities and objects with increased fire danger are listed in Act No. 133/1985 Coll., on fire protection as amended and supplements, or in implementing legislation.

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X. ENVIRONMENT AND WASTE MANAGEMENT

X.1. The contractor or its subcontractors are obliged to comply with the applicable legal requirements of the Legislation of the Czech Republic and other regulations and standards in the field of environmental protection in the performance of their obligation under the contract, in their activities and procedures. Especially according to the wording of laws, decrees, regulations, etc. waste management, chemical and product management, water protection, air protection, soil protection, landscape protection, etc.

X.2. In the event of non-compliance with the obligations of the contractor or its subcontractors, in connection with compliance with the legal and other requirements applicable in the field of environmental protection in its activities, this fully bears the subsequent possible financial penalty from the Czech Environmental Inspection Authority and other environmental control authorities. Any penalties and costs associated with the corrective actions will be applied to the Contractor by the Client.

X.3. The Contractor undertakes to inform the Client in advance in writing of all aspects of its activities, services and products which have or may have significant environmental impacts.

X.4. The contractor undertakes to be in satisfactory technical condition when performing the work used by the construction mechanization. This means that there will be no leaks of operating fillings, mechanization will be equipped with means to remediate their possible leakage (sorbents, capture baths, etc.) and the operator of the mechanization will be demonstrably trained by the contractor on measures in cases of accidents of this kind, to avert ecological damage, or to the contractor, to reduce the potential consequences.

X.5. Where the performance of the work entails a high risk of leakage of hazardous chemicals or preparations that pose an environmental threat, the contractor shall prepare the necessary quantities and types of intervention devices. Instead of storing them on the site, they must consult with the customer. The Contractor shall draw up a "Plan of Emergency Measures" to guide the resolution of possible emergency situations and submit this information before commencement of the performance of the work for inspection to the Client, unless the parties otherwise agree

X.6. The contractor is obliged to provide the customer on request with a list of hazardous chemicals and preparations and copies of the safety data sheets with which he disposes of the construction site in accordance with Act No. 350/2011 Coll. on chemicals and chemical mixtures and amending certain laws (chemical law) as amended. The contractor is obliged to demonstrably train his employees and subcontractors about the way they are used, about the risks in dealing with them, etc., according to safety data sheets or written rules.

X.7. The contractor is responsible for compliance with Act No. 114/1992 Coll., on the Protection of Nature and Landscape, as amended. The contractor undertakes not to damage the woody species or other stands in the construction site and in its surroundings when carrying out the work, unless otherwise agreed and permitted by the competent administrative authorities. When felling trees, which will be discussed with the order, the investor or his representative already in the framework of the zoning procedure and building permit under the said law, the contractor must comply with the specified conditions specified in the relevant official permit.

X.8. The contractor, his employees and all persons who carry out activities for the contractor in an employment or other contractual relationship in the performance of the work, shall maintain to the maximum extent possible order and cleanliness on the site and access routes.

X.9. The contractor and its subcontractors are obliged, unless otherwise agreed in the contract, to dispose of waste incurred in their activities at their expense. The contractor is obliged to ensure the management of the waste generated and their subsequent disposal in accordance with Act No. 185/2001 Coll., on waste and related legislation, as amended.

X.10. In particular, the contractor is obliged to set up and mark the collection points of each type of waste, sort the waste by species and categories and collect it in designated containers designated for this purpose.

X.11. The contractor is obliged to transmit the waste only to authorised persons authorised to dispose of the types of waste in question.

X.12. The contractor is obliged to provide all prescribed document records resulting from the relevant legislation (records of waste production, records of shipments of hazardous wastes, identification sheets of hazardous wastes, records of the transfer of waste to authorised persons, basic descriptions of waste, or their chemical analysis, etc.). Upon request of the Client, the contractor is obliged to submit this register. The contractor is obliged to demonstrably acquaint all his employees and subcontractors with regard to waste management methods.

X.13. The contractor is obliged to allow the client to enter his premises of the construction site in order to check compliance with the applicable legislation. Furthermore, it is obliged to allow the client to carry out an audit by his own inspection. The objective of the audit will be to identify compliance with environmental legal

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requirements and to comply with the provisions of these conditions. An audit according to this provision of the Terms and Conditions shall be notified to the contractor at least 7 days in advance.

XI.14. Any inspections, changes, defects, etc. on the construction site in the area of environmental impacts and environmental protection must be entered by the contractor in the building log.

XI. WARRANTY FOR QUALITY, RIGHTS FROM DEFECTS

XI.1. The Contractor is responsible for the quality, functionality and completeness of the work produced to the extent specified in the contract and it is guaranteed that the work will be made in accordance with the terms of the contract and in the parameters specified by the construction project documentation and its description and in a quality that will comply with the relevant CSN, the standards applicable in the EU, the technical conditions, standards and other regulations and directives of manufacturers and suppliers of materials.

XI.2. The contractor provides a quality guarantee for the entire work. The warranty period is 60 months, unless otherwise specified in the contract.

XI.3. The warranty period begins to flow after the removal of all defects and back-ups on the work identified by the Client at the time of handover and acceptance of the work. During the warranty period, the Contractor warrants that the work will have agreed, otherwise customary characteristics and will be eligible for use for the contracted, otherwise for its usual purpose.

XI.4. Unless otherwise specified in the contract, the contractor is obliged to initiate the removal of the defect, no later than 24 hours after the occurrence of such a defect has been notified to him ("notification of the defect" or "complaint"); at breach of this contractual obligation, the contractor shall pay the client a contractual penalty in the amount of CZK 3,000 for each the started hour of delay, while the customer is entitled to claim compensation for damage caused by the violation this obligation of the contractor and is entitled to claim damages in addition to the contractual penalty.

XI.5. The contractor is obliged, no later than 3 days after notification of the occurrence of the defect, to notify the Client in writing whether the complaint acknowledges what time limit it proposes to correct defects or for what reasons it does not recognise the complaint.

XI.6. If there is no agreement on the time limit for the removal of the claimed defect, it must be removed within 14 days at the latest as regards the defect which does not prevent operation; the defects preventing operation must be eliminated without delay, and the contractor is obliged to make every possible effort to eliminate the defect preventing operation. In the event of a defect preventing operation, the contractor is obliged to notify the contractor of a specific person, telephone number, email and fax number to which a notification of the occurrence of the defect may be sent, even when the contract is concluded.

XI.7. The complaint can be made no later than the last day of the warranty period, and even a claim sent by the Client on the last day of the warranty period is considered to have been applied in a timely manner.

XI.8. It is agreed that the contractor is obliged to initiate the removal of the which does not prevent operation, no later than 180 hours /unless otherwise specified in the contract/ after the occurrence of such a defect has been notified to him; in the event of a breach of this contractual obligation, the contractor pays the Client a contractual penalty of CZK 1,000 for each commenced hour of delay, and the Client is entitled to claim compensation for damages caused by the breach of this obligation of the contractor and is entitled to seek damages in excess of the contractual penalty.

XI.9. The costs of removing the claimed defect shall also be borne by the Contractor in disputed cases until the decision of a third impartial person to whom the parties agree and will respect its conclusions or pending the court's decision.

XI.10. If the contractor does not proceed to the solution and removal of the claimed defect in time, the Client is entitled to entrust the removal of the defect to another specialized company. All such costs are incurred by the contractor is obliged to reimburse to the Client in full, at the request of the Client.

XI.11. If it is proved in disputed cases that the Client has claimed unduly, i.e. that the defect claimed did not result from the contractor's fault and that it is not covered by the warranty for quality or that the defect was caused by the improper use of the work by the Client, the Client is obliged to pay the contractor demonstrable costs incurred in connection with the removal of the defect.

XI.12. The contractor removes the defects rightfully claimed free of charge, at his expense and risk.

XI.13. In the event of a legitimately claimed defect within the warranty period, the warranty period is extended by a period from the notification of the occurrence of the defect to the time of removal of the claimed defect. Acceptance of the removal of the claimed defect will always be done between the parties in writing.

XI.14. For legal relations established by the Treaty, the application of section 2111 of the Civil Code is excluded.

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XII. PRICE OF THE WORK

XII.1. The price for the work is agreed in the contract as a fixed and maximum price, corresponding to the price budget of the offer from the finished person, and includes all costs from the finished person associated with the execution of the work to the extent specified by the contract, including reasonable profit. The contractor shall not have the right to claim an increase in the price of the work due to errors or deficiencies in the item budget forming part of the tender, provided that such errors are the result of an inaccurate or incomplete valuation of the inventory of works, supplies and services in the statement of the acreage of the finished product. At the same time, the contractor carries the risk of changing circumstances which may make it significantly more difficult to complete the work, therefore any increase in the price for the work under this title is excluded, unless the circumstances are solely on the part of the Client.

XII.2. If the unforeseen facts which come to light after the conclusion of the contract force the extension of the subject matter of the work or the tightening of its parameters compared to the offer from the finished owner, the finished owner is obliged to accept such requirements and adapt the execution of the work to them. If these unforeseen facts force a change of the work, which will require the adjustment of the price or the date of its execution, the finished person is obliged to inform the director of this fact immediately, no later than three (3) working days after he has become aware of them, in writing to inform or to record it in the building log. The transaction thus resulting in the transaction exceeding the agreed scope of the work (hereinafter referred to as "**additional work**") is obliged to be valued by the finished person according to the unit prices used in the processing of the offer, otherwise according to the usual market prices applicable at the given place and time, and to pass this valuation on other negotiator for comment. This substantial change of work becomes binding on the contracting parties by concluding an addendum to the contract and cannot be bindingly negotiated by simply entering in the building log and its possible approval, unless the contracting parties agree otherwise in writing.

XII.3. In the event that some works and supplies that are part of the work according to the contract are not carried out with the prior agreement of the negotiator (i.e. lesswork), their price, determined according to the calculation of the item budgets forming part of the offer from the finished man, will be deducted from the total agreed price for the work and the negotiator is obliged to pay the price for the work at the amount taking into account this deduction.

XII.4. Works and supplies which have been proved by the contractor in violation of these terms and conditions, by way of derogation from works contracts may not be included in the list of works and supplies for invoicing. To pay for these works and supplies the customer will be obliged only if the customer recognizes them additionally as necessary or desirable, in the form by amendment to the contract or otherwise in writing in accordance with the agreement of the parties.

XII.5. Unless expressly stated otherwise, the price for the work and the individual price items are quoted at a rate not involving value added tax (VAT). These prices will be charged VAT at the rate applicable on the date of the actual (partial) taxable transaction, provided that the Value Added Tax Act No. 235/2004 Coll., as amended, provides.

XIII. BILLING, PAYMENT TERMS

XIII.1. A condition for the creation of a claim for the billing of the price for the work and for its payment is the proper completion and handover of the work and the drafting of the transfer protocol, confirming this fact. If the payment of the price for the work is agreed in part (after agreed time periods or after individual complex units/stages), the condition for the claim for the billing of the relevant part of the price for the work and the claim for its payment is agreed by the client of the inventory of works, which serves as the basis for invoicing, unless otherwise agreed between the parties. The final invoice issued by the contractor must be supported by the client with a signed protocol on the handover and acceptance of the complete item of the work by the Client.

XIII.2. Unless otherwise agreed by the parties, all invoices – tax documents shall be valid as soon as Thursday after 60 days from the date of their delivery to the Customer.

XIII.3. Invoices will not be considered as a proper tax document in which the price of a work made on the basis of more than one contract or order will be charged.

XIII.4. Invoices must contain the formalities laid down by law, in particular the Accounting Act and the Value Added Tax Act; the number of the account to which the payment is to be made. If the contractor is the payer of value added tax (hereinafter referred to as "VAT"), each invoice issued by it - the tax document will contain VAT in the appropriate amount and the statutory regime of its payment with regard to the transferred tax liability in accordance with the law. The invoice will always indicate the amount of the stop if it was agreed.

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- XIII.5.** The Client is entitled to return an invoice without payment before the expiry of the due date, which is not a proper tax document under the law or these terms and conditions.
- XIII.6.** Agreed additional content and annex formalities of the invoice:
- XIII.6.1.** each invoice will be accompanied by a copy of the order in question,
- XIII.6.2.** on each invoice will be the name of the entire building and the whole order number, contract
- XIII.6.2.** each invoice will be accompanied by a confirmed protocol and an inventory of the work carried out
- XIII.7.** If the Client returns the invoice to the contractor, he is obliged to indicate the reason for the return in the invoice. The original due date no longer runs by the authorized return of the invoice. The entire period runs again from the date of delivery of the corrected or newly drawn invoice.
- XIII. 8.** The Contractor is not entitled to make claims arising out of or in connection with this Contract without the prior written consent of the Client. In the event of a breach of this obligation by the contractor, the client is obliged to pay a contractual penalty equal to 20% of the nominal value of the assigned claim, and the Client is entitled to claim compensation for damages caused by the breach of this obligation by the contractor and is entitled to claim damages in excess of the contractual penalty. The contractual penalty is due within 15 days from the date of receipt of the bill by the Client.
- XIII. 9.** Set-off on claims against the Client arising from the contract is not allowed, except in the cases in these Terms and Conditions expressly stated.
- XIII. 10.** The Client is entitled to suspend (withhold) an amount of up to 10% of the total price of the work (excluding VAT) (hereinafter referred to as "**post-stop**" or "**withheld amounts**") from the invoice. A stop of up to 5% will be released and paid after receipt of the contractor's written request, accompanied by proof of the double-sided record of the proper completion of the work without defects, or the registration of the removal of all defects that were detected at the time of the handover of the work; the balance of the post-stopover will be released after the expiry of the warranty period on the basis of the written request of the contractor. If the investor of the work is a person different from the client, or if the work is performed for a client who is against this part and a third party (hereinafter referred to as the "**Senior Client**") in the position of contractor, is a condition of release and payment of any part of the suspension payment and release of the corresponding payment by the investor / higher the customer in favor of the customer; in such a case, the customer is not in arrears with the contractor.
- XIII. 11.** The Client is not in arrears, if it does not pay the contractor's invoice within the agreed due date on the grounds that the invoiced performance has not been paid by the investor/senior client; in this case, a replacement date is set for payment of the invoice (extended maturity) by the Client paying the invoiced performance within 5 working days following the date of payment of the relevant amount by the investor/senior client or the nearest Thursday, which occurs after the expiry of that period.
- XIII. 12.** The contractor undertakes to fulfil his VAT obligation resulting from the performance of the taxable transaction and declares that he is not aware of any circumstances which could impede the fulfilment of that obligation.
- XIII. 13.** The contractor providing services for construction or assembly works is responsible for establishing the correct tax regime in accordance with Act No. 235/2004 Coll., on value added tax, as amended.
- XIII.14.** The contractor is obliged to issue a tax document within 15 days from the date of the taxable transaction. In the event that construction or assembly work under Section 92e on value added tax will be invoiced on the basis of the transactions provided, as amended (reverse charge scheme), the tax document states that the amount of VAT is required to be supplemented and granted by the Client, including the indication of the six-digit code of the CZ-CPA production classification 41 to 43 corresponding to the rendering provided. If the tax administrator rightly challenges the relevant tax regime for construction or assembly works with the client, the contractor is obliged to issue a corrective tax document and to pay VAT or to demand payment of the tax regime from the Customer. Mutual obligations arising as a result of the correction of VAT will be fulfilled within 14 days from the date of issue of the corrective tax document. If the Client is obliged by the decision of the tax administrator to pay interest on late payment or other penalties due to an incorrectly issued tax document, the contractor is obliged to replace to the Client all the transactions paid by the Client under this title to the tax administrator or otherwise paid.
- XIII. 16.** The contractor declares that at the date of conclusion of the contract is not an unreliable payer within the meaning of Section 106a of Act No. 235/2004 Coll. on Value Added Tax, as amended, and at the same time is not in a position and there is no risk that, at the time until the maturity of the client's cash transactions under this contract, he will be in a position to not fulfil his VAT obligations vis-à-vis his tax administrator.
- XIII.17.** The contractor is obliged to indicate on each invoice – tax document, bank account, to which the price for the work and the relevant VAT is to be paid by the Client if it is properly charged to the price, and the

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contractor's bank account must simultaneously be a bank account, published by the tax administrator in a manner allowing remote access within the meaning of Section 109(2)(c) of Act No. 235/2004 Coll., on Value Added Tax, as amended (hereinafter referred to as "**published account**").

XIII.18. The Client is obliged to pay the price for the work and the relevant VAT, if it is properly charged to the price, to pay the contractor cashlessly to the published account, shown on the invoice. If the bank account, indicated on the invoice published by the account, the Client is entitled to immediately return the invoice to the contractor for repair – supplementing the published account with the fact that the delivery of the invoice thus corrected begins to run the new due date to the Client.

XIII.19. In the event that the contractor's bank account, indicated on the invoice, is not or will not be disclosed at the time of payment by the published account or at the time of the taxable transaction, the tax administrator will be made public in a remote access manner, that the contractor is an unreliable payer, the Client is entitled to pay the price for the work only in its amount without VAT, on the understanding that he is also entitled to pay the relevant VAT on the contractor to the tax administrator in the form of a so-called special method of securing the tax within the meaning of Section 109a of Act No. 235/2004 Coll., on Value Added Tax, as amended.

XIV. CONTRACTUAL PENALTIES

XIV.1. For breach of the contractor's obligations under Article IV. "Compliance with laws and regulations", Article VIII. "Principles of safety and health at work", Article IX. "Fire protection" and Article X. "Life environment and waste management" of these terms and conditions, the customer is entitled to the contractor to account for the contractual penalty in the amount specified in the Tariff of Contractual Fines, which is Annex No. 2 and thus an integral part of these terms and conditions, for each individual breach of obligations. If they will to the client, in connection with the performance of the work by the contractor, imposed by a final decision of the competent administrative body fines or other sanctions under the applicable legislation, the contractor is obliged to the client to compensate the customer for the damage thus incurred, ie at least in the amount of the paid fine or other sanction performance, and reimbursement of the costs of the proceedings.

XIV.2. In the event that the Contractor does not proceed to carry out the work within the term specified in the order or in the contract, even if the Client has been allowed to do so, the Client has the right to charge the contractor a contractual penalty up to 10% of the total price of the work or a contractual penalty of CZK 10,000 for each day of delay in fulfilling the contractor's obligation to carry out the work. The Client is entitled to claim compensation for damages caused by the breach of the contractor's obligation to perform the work and obligations arising from the contractual relationship properly and in a timely manner and is entitled to seek damages in addition to contractual penalties.

XIV.3. In the event that the contractor does not comply with the deadline for the execution of the work and its handover to the Client, or any of the partial dates of the execution of the work, contractually determined, the Client will pay a contractual penalty of 0.5% of the total price of the work for each commenced day of delay. The Client is also entitled to claim compensation for damages caused by a breach of the contractor's obligation to perform properly and in a timely manner and is entitled to seek damages in excess of the contractual penalty.

XIV.4. In the event that the contractor does not remove defects and failures from the registration of the transfer and receipt of the completed work within the deadline specified in the registration of the handover and takeover, the contractor is obliged to pay the Client a contractual penalty of CZK 5,000 for each commenced day of delay in the removal of each individual defect or failure; the Client is entitled to claim compensation for damages caused by the breach of this obligation by the contractor and is entitled to seek damages in excess of the contractual penalty.

XIV.5. If the Client finds himself in arrears with payment duly issued, the agreed invoice, the contractor is entitled to charge the Client for each day of delay interest of 0.02% of the outstanding amount.

XIV.6. For all contractual penalties between the parties agreed, the Client is entitled to claim compensation for damages caused by a breach of the obligation to which the contractual penalty applies. The Client is also entitled to seek damages in addition to contractual penalties. The contractor is obliged to pay the contractual penalty even if he has not caused the infringement; in such a case, however, he is entitled to ask the Client to waive the contractual penalty.

XV. OWNERSHIP RIGHTS, CARRYING THE RISK OF DAMAGES

XV.1. If the contractor produces the item with the client, on his land or on the land provided by the Client, the contractor bears the risk of damage to the manufactured goods and is the owner of the goods, unless the parties agree otherwise.

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XV.2. The risk of damage to the object, which is the subject of maintenance, repair or modification, passes to the contractor, at the time of its taking over for the purpose of performing the work, but not the ownership right to it, unless the contract provides otherwise.

XVI. FINAL PROVISIONS

XVI.1. Insurance - the contractor is obliged to provide the client on request with a copy of the insurance contract for insurance of property /stock/ and in case of damage caused to the work, defect of the project on the work, on other property or equipment of the client.

XVI.2. The Contractor undertakes to conclude the client's request without undue delay, no later than 10 days after receipt of the application, insurance contract, the content of which will be insurance of the contractor's liability for damage caused by his activities, or insurance of the contractor's assets (all in connection with the subject of contractual performance), the insurance contract undertakes to conclude the contractor so that the limits of insurance benefits have the right to be determined, unless otherwise agreed, by the contractor.

XVI.3. If the Contractor violates the obligation to conclude the Client's request without undue delay, no later than 10 days after receipt of the application, an insurance contract the contents of which will include insurance of the contractor's liability for damage caused by his activities, or insurance of the contractor's property pursuant to Article XVI.2. of these Terms and Conditions, the client is the right to withdraw from the contract.

XVI. 4. The contractor undertakes to maintain the contractor's insurance contract or insurance contract relating to the contractor's liability for causing damage and property insurance. If the insurance contractor envisaged by these Terms and Conditions does not enter into or maintain the insurance contract in force, then and in any such case the Client may enter into and maintain any policy and pay any premiums necessary for the purposes in question; it is agreed that in such a case the Client has the right to set off the premiums thus paid against the payable pecuniary obligations payable to the contractor and, in the absence of a credit, the Contractor undertakes to pay the Client the amount corresponding to the premium paid without undue delay after receipt of the client's call.

XVI.5 Any disputes arising out of or in connection with the contract that cannot be resolved amicably, will be decided by the general courts of the Czech Republic with territorial jurisdiction according to the registered office customer.

XVI.6. The contractor took on the risk of changing circumstances after concluding with the contract, for which it is not for him to claim the rights set out in Section 1765(1) of the Civil Code.

XVI.7. Referral with the contract or part thereof is possible only with the prior written consent of the transferred party.

XVI.8. Unless otherwise agreed in the contract, the rights and obligations of the parties, as well as the legal circumstances arising or arising therefrom, shall be governed by Act No. 89/2012 Coll., the Civil Code.

XVI.9. The application of the following provisions of the Civil Code to the contract is excluded: § 557, § 1766, § 1793, § 1794, § 1795, § 1799 and § 1800, § 1805 paragraph 2, § 2591.

XVI. 10. If any of the provisions of the contract prove apparent (insane), the effect of this defect on the other provisions of the contract shall be assessed *mutatis mutandis* in accordance with Section 576 of the Civil Code.

XVI. 11. The Contractor is responsible for carefully reviewing these General Terms and Conditions and Contracts in such a way as to ensure a clear scope of the work and work associated with its implementation; it is also responsible for studying in detail and with due professional care all the supporting documentation (including drawings, technical specifications, etc.) so that the work can be carried out properly.

XVI. 12 The derogating arrangements in the contract shall take precedence over the wording of these Terms and Conditions.

XVI.13. The contractor is obliged to demonstrably familiarize all his employees and subcontractors with these terms and conditions.

XVI.14. The annexes to these Terms and Conditions are:

- No. 1. Risk register
- No. 2. The tariff of contractual fines in the event of breach of the obligations of the contractor referred to in Article 11(1) shall be as set out in the Annex to this Regulation. IV. "Compliance with laws and regulations", Art. VIII. "Principles of safety and health at work", Article 10(1) of Directive 91/414/EEC; IX. "Fire protection" and Article 10(1) of Directive 91/414/EEC X. "Environment and waste management".

In Bystřice on 31.03.2014

MROZEK a.s.