

## **Business Terms and Conditions for the Supply of Goods / Spare Parts valid from 30.4.2020**

### **I. Fundamental Provisions:**

1. The Business Terms and Conditions set out below constitute an integral part of an order. Any stipulations diverging from these Business Terms and Conditions shall only apply if they are:
  - a) Stated directly in the text of an order; or
  - b) Stipulated in the General Purchase Agreement/General agreement to which the order refers.
2. These Business Terms and Conditions shall apply to legal relationships that arise in the purchase of goods by UNIPETROL DOPRAVA s. r. o. (hereinafter referred to as the "Buyer"), if the contractual parties explicitly agree on their application in their general purchase agreement or in an order (hereinafter referred to as "Purchase Agreement", "Agreement", or "Order"). A Purchase Agreement, appendices thereto, and these Business Terms and Conditions constitute the entire and complete Purchase Agreement that represents a set of the rights and obligations of contractual parties in relation to the delivery of goods in line with the conditions stipulated in the Purchase Agreement. Where these Business Terms and Conditions refer to a Purchase Agreement or an Agreement, they also mean an Order unless the contents of the provision explicitly indicates otherwise.
3. These Business Terms and Conditions shall take precedence over non-mandatory statutory provisions.
4. Should a Purchase Agreement / Order contain a different provision, the stipulation made in the Purchase Agreement / Order shall prevail over the stipulations contained in these Business Terms and Conditions.
5. An Order / Purchase Agreement shall be deemed concluded once the contractual parties agree in writing on all particulars stated in the Purchase Agreement. Should either contractual party make comments, supplementing or amending the proposal of the other contractual party, such comments shall be deemed to constitute a new proposal of the contractual party concerned. The Buyer rules out adoption of an Order by the Seller with amendments or with a deviation and/or the adoption of an Order by the Seller with a reference to the Seller's business terms and conditions.
6. The Seller shall confirm an Order and send a confirmed copy of the Order back electronically to the person who is handling the Order.
7. By confirming an Order, the Seller undertakes to deliver the goods to the extent, with the specifications, in the quality, and on the date specified in the Order, and the Buyer undertakes to accept the delivery and pay subject to the terms and conditions specified in the Order.
8. Each delivery of goods shall also include information pertaining to hazardous substances as defined by EP and Council Regulation (EC) No 1272/2008 should the goods contain any such substances. The said information shall be included in the Delivery Document.
9. The necessary part of this Business Terms and Conditions is the document Contractual anti-corruption clause which is mandatory for contractual parties.

### **II. Contractual anti-corruption clause:**

1. Both contractual parties declare that they shall exert appropriate care in relation to the performance of this contract and will adhere to all legal regulations that are binding for the parties in the area of preventing corruption issued by authorized bodies in the Czech Republic and in the European Union, directly as well as when acting through subsidiaries or closely linked economic entities of the contractual parties.
2. Each party furthermore declares that in relation to the performance of this contract they shall adhere to all internal regulations that are binding for the given party and which govern the standard of ethical behavior, prevention of corruption, related to laws governing transactions, costs and expenses, conflicts of interest, provision and accepting of gifts and anonymous reporting as well as explanation of errors, directly as well as when acting through subsidiaries or closely linked economic entities of the contractual parties.
3. The contractual parties declare that in relation to the conclusion and performance of this contract, neither party and also none of their owners, shareholders, members of the board, directors, employees, subcontractors and no other person acting on their behalf had implemented, proposed, promised, or authorized to make a payment or provide other services/activities which could lead to financial or other enrichment and/or other direct income of any of the following persons:

- a) a member of a statutory body, director, employee or representative of the given contractual party or any subsidiary or closely related economic entity of the contractual parties,
  - b) a state official, i. e. understood as a natural person that holds a public office as defined in the legal system of the country where the performance of this contract takes place or where the official headquarters of the contractual parties and/or of any subsidiary or closely related entity of the party are located;
  - c) a political party, a member of a political party or an applicant for a position in a government office;
  - d) a representative or mediator acting as a recipient of payments on behalf of any of the aforementioned persons; and/or
  - e) any other person or entity - with the aim of securing their influence, positive decision or activities which may lead to any illegal advantage or any other undesirable purpose, if such an activity violates or would violate legal regulations in the area of preventing corruption issued by authorized entities in the Czech Republic and in the territory of EU, directly as well as when acting through subsidiaries or closely linked economic entities of the contractual parties.
4. The contractual parties are obliged to immediately inform each other of each case of violation of the provisions of this clause. Upon written request of one contractual party, the counterparty will provide information and a response to a justified question of the first party that will pertain to performance of this contract as per the provisions of this clause.
  5. In order to ensure the due performance of the aforementioned obligations, both contractual parties declare that during the performance of this contract they will ensure that every person acting in good faith will have the option to anonymously report problems via an email sent via the Anonymous System for Reporting Unethical Behavior: [securityreport@unipetrol.cz](mailto:securityreport@unipetrol.cz).
  6. If there is a suspicion that corruption took place in relation or for the purpose of providing performance as per this contract by any representative of the contractual parties, the UNIPETROL DOPRAVA s. r. o., reserves the right to perform an anti-corruption audit at the other contractual party in order to verify whether the other contractual party adheres to the provisions of this paragraph, notably in order to explain all matters related to potential corruption.

### **III. Price and Payment Terms:**

1. The price stated in an Order is exclusive of value-added tax (VAT), by which it will be increased in line with the law applicable as at the date of taxable performance.
2. The Seller shall issue an invoice which will serve as an accounting document pursuant to Act No. 563/1991 Coll., on accounting, as amended, and which shall contain the requisite details of a tax document pursuant to Act No. 235/2004 Coll., on value-added tax, as amended, or pursuant to other legal regulations.
3. An invoice must state the Buyer's order number.
4. A Delivery Document confirmed by the Buyer shall be enclosed with an invoice.
5. Invoices shall be delivered exclusively in PDF format. With a view to automatic processing of suppliers' invoices, it is necessary for the entire tax document, including its appendices, to be sent to the client as one PDF file.
6. The contractual parties have explicitly agreed that the period for the payment of justifiably and duly issued invoices of the supplier shall be **90** calendar days from the date an invoice is demonstrably delivered to the Buyer. The Seller, as the creditor, hereby explicitly declares that it does not consider the payment period specified in the previous sentence grossly unjust with respect to it, within the meaning of Section 1963 (2) of Act No. 89/2012 Coll., the Civil Code, as amended, and that hence, the Seller, as the creditor, considers this stipulation to be fully valid and binding for the contractual parties. The payment date shall mean the date on which the amount is debited from the Buyer's account. Should an invoice not feature all of the requisite particulars or should the date of taxable performance stated on the invoice come before the delivery of the goods, the Buyer shall be entitled to return the invoice. In the place of a justifiably returned invoice, the Seller shall issue a new invoice within 15 days, with a new due date such that the new invoice would be payable 90 calendar days after its delivery.
7. An invoice shall be delivered to the Buyer within 3 calendar days of the date of its issue.
8. Payment of purchase price means the debiting of the purchase price from the Buyer's account.
9. The Buyer shall pay all financial amounts exclusively to the account of the Seller (goods provider) published by the tax administrator in remotely accessible form, which is maintained by

a payment goods provider in this country. The Seller shall provide to the Buyer the number of an account compliant with all of the criteria mentioned above. Until such time as a number of an account published by the tax administrator in remotely accessible form is provided, the Buyer will not be in default in the payment of an invoice.

10. Should the Seller become an unreliable payer as defined in Act No. 235/2004 Coll., on value-added tax, this fact shall be deemed to constitute grounds for withdrawal from the Agreement by the Buyer. Invoices for goods delivered shall be paid such that the part of Seller's invoices that corresponds to the VAT amount shall be paid directly to the tax administrator's account in accordance with Section 109a of Act No. 235/2004 Coll., on value-added tax; the tax base shall be paid to the Seller's account.

#### **IV. Contractual Penalty, Default Interest:**

1. In the event of default in a payment, the Seller may demand, and the Buyer shall pay, default interest; the default interest amount shall be set in line with Government Decree No. 351/2013 Coll., laying down default interest and default payment amounts pursuant to the Civil Code, as amended, or in line with an applicable legal regulation that may replace the said Decree to the relevant extent at any point in the future.
2. Should the deadline for the delivery of goods stated in the Order not be adhered to for a reason that is attributable solely to the Seller, the Buyer shall be entitled to a contractual penalty of 0.05% of the aggregate price of the delivery for every day of default, unless otherwise stated in the Order. The payment of a contractual penalty shall not prejudice the Buyer's option to demand compensation of any harm sustained.

#### **V. Delivery of Goods**

1. Goods shall be delivered to the Buyer to the delivery address specified in the Order and at the time specified in the Order.
2. If a delivery item is to be supplied in line with drawings, the supplier shall enclose a copy of such drawings with the delivery.
3. Goods shall be delivered all at once (all items and volumes ordered, in their entirety). Should it be impossible to live up to this condition, a sub-delivery may only be made with the Buyer's consent.

#### **VI. Risk of Damage to Goods and Ownership**

1. The Buyer shall acquire ownership of the goods as soon as the goods delivered are handed over to the Buyer and the Buyer accepts them. Prior to hand-over, the Buyer shall acquire ownership to goods carried when it acquires control over the handling of the shipment.
2. The Buyer shall also acquire ownership if the Seller is not the owner of the goods sold, unless it is not acting in good faith as concerns the right of the other contractual party to transfer ownership.
3. The risk of damage to the goods shall transfer to the Buyer once it accepts the goods from the Seller or, should it not do so in a timely manner, once the Seller has made it possible for the Buyer to handle the goods and the Buyer has breached the Purchase Agreement by not accepting the goods.
4. The Seller shall be liable to the Buyer for ensuring that acquisition of ownership to the subject of purchase, and the use thereof, shall not infringe on the intellectual property rights (in particular, industrial rights, copyright, etc.) of a third party. Should intellectual property rights (in particular, industrial rights, copyright, etc.) be infringed upon by the use of the subject of purchase, the Seller undertakes to compensate the Buyer for any and all damage that the Buyer may incur due to the said infringement on intellectual property rights, and it shall ensure uninterrupted enjoyment of the right of ownership of the subject of purchase, in particular its use.
5. The Seller undertakes and guarantees that the subject of purchase shall be delivered in a quality and design fit for the purpose specified in the Purchase Agreement, that it will comply with all applicable permits, approvals, legal regulations, CSN standards, and the conditions set in the Purchase Agreement and appendices thereto.
6. The Seller undertakes and guarantees that all of the machines delivered and made, parts and accessories thereof, and any and all other materials and devices, equipment, and work that constitute the subject of purchase or its part shall be new (unless the Buyer agrees otherwise in

writing) and flawless in terms of their technical solution, the materials provided, and professional workmanship.

## **VII. Liability for Damages**

1. Goods have defects if
  - 1.2. They do not possess the properties that the parties have agreed in the Agreement; in the absence of such provisions, the properties that the Seller or manufacturer has described or that the Buyer expects with a view to the nature of the goods and on the basis of the advertising carried for the goods;
  - 1.3. are not fit for the purpose stated in the Agreement; if no purpose is stated, for the purpose that the Seller has stated with respect to the goods or for which goods of this type are usually used;
  - 1.4. do not correspond, in terms of quality or workmanship, to the agreed sample or model, if quality or workmanship were determined on the basis of an agreed sample or model;
  - 1.5. are not of the relevant quantity, amount, weight, or number of packages;
  - 1.6. are not compliant with the applicable legal requirements.
2. The Seller undertakes that the goods delivered will be fit for the agreed purpose, or otherwise, for the usual purpose, or that they will retain the agreed, or otherwise, the usual properties, for the duration of the warranty period. The warranty period is stated in the Purchase Agreement or in the warranty certificate or on the packaging of the goods as the use-by or best-before date, or it is defined in advertising.
3. If the goods suffer from defects, the Buyer may, at its choice, request a remedy of defects by the delivery of substitute goods for the defective goods, the delivery of missing goods, and request a remedy of legal defects, demand remedy of defects by means of repair of the goods if the defects are capable of repair, demand an appropriate discount from the purchase price, or, in the event of a material breach of the Agreement, withdraw from the Agreement.

## **VIII. Warranty**

1. Unless otherwise agreed in the Purchase Agreement or in an Order accepted by the Seller, the Seller grants a warranty for the goods that constitute the subject of performance under an agreement to which these Business Terms and Conditions apply, of 24 months. If contractual documents stipulate a different warranty, the stipulations made in an Agreement/Order shall prevail over the provisions of these Business Terms and Conditions.

## **IX. Technical Documentation**

1. The Seller shall supply, as an integral part of the goods, technical documentation in Czech or in English (certificates, copies of drawings for drawing items, passports, etc.) required and specified in the Order / Agreement, and shall deliver them with the goods to the delivery address specified in the Order.
2. The obligation to deliver documentation with the goods shall arise for the Seller automatically in those cases when documentation is not mentioned in the contractual documents related to the performance to which these Business Terms and Conditions relate but where the need of having such documentation is evident from the nature of the goods delivered, and provided it is required for using and handling the goods.
3. Unless otherwise agreed, a condition of acceptance of the goods by the client is the hand-over of the required quality control documents in line with Act No. 22/1997 Coll., on technical requirements for products (for products originating from the Czech Republic) and furthermore, in line with Decision No 768/2008/EC of the EP and C on a common framework for the marketing of products (for products originating from European Union countries), known as "EC Declaration of Conformity". The required Declaration of Conformity must be legible and comprehensible and must be in Czech or in English. The supplier shall be liable for the correctness and completeness of the documents provided and of all other documentation required.
4. Without such technical documentation being handed over, the supplier shall not be entitled to a payment of the purchase price given because in that case it is not considered as proper commitment.

## **X. Packaging and Labelling**

1. The Seller shall package the goods and ensure their carriage in line with the customs in the delivery of these or similar goods, and if there are no such customs, in a manner required for the safe-keeping and protection of the goods; such protection and packaging must comply to generally binding legal regulations, in particular to Act No. 477/2001 Coll., on packaging, as amended.

### **INSTRUCTIONS FOR THE PACKAGING OF THE GOODS**

1. All packaging shall be labelled with the name, delivery address, and Order number of the Buyer.
2. The Seller shall enclose, **outside** of the package, a Delivery Document with a number to allow for a quick check of completeness.

**If such documents are not accessible without breaking the packaging, the delivery shall not be accepted.**

3. The Seller shall fulfil the obligations set in European Parliament and Council Directive 94/62/EC on packaging and packaging waste, as amended, and provide to the Buyer in writing, on the Delivery Document, information about the packaging of the products packaged, to the following extent:
  - a) specification of the type of packaging material: paper and cardboard, glass, plastic - PET, PE, PVC, PP, PS, another type of plastic, metal – Al, Fe, another metal, wood, composite material, other;
  - b) Weight of each type of packaging;
  - c) Possible methods of disposal of each type of packaging (recycling, organic recycling, energy-generation, or removal);
  - d) Reusability of waste (disposable or reusable packaging, returnable packaging, packaging returnable for a deposit);
  - e) In the case of returnable packaging, the method of returning the used packaging to the person who put the packaging in circulation.
4. Furthermore, each delivery shall be labelled with information about the quantity or weight: gross, net, and tare; and with other labelling or information in line with the Buyer's requirements. The labelling shall be in line with all local and international regulations, including those applicable to the labelling of hazardous or risky materials. If it was not stipulated in an agreement, the Seller shall not charge the Buyer for the costs of packaging and any expenses related thereto.

## **XI. Waste handling**

1. The Seller shall, in any handling of waste, in particular, in its removal and use for materials, energy generation, or other uses, proceed in line with the requirements of Act No. 185/2001 Coll., on waste, as amended. Special attention shall be paid to the handling of hazardous waste and selected waste defined in the Act on Waste (e.g., asbestos, including products containing asbestos, PCB and devices containing it, waste oils etc. generated in connection with the fulfilment of the subject of the Purchase Agreement/Order. In the event of a breach of these obligations. The Seller shall compensate any and all harm (including non-financial harm, sanctions, fines, and penalties) that may be incurred due to that breach.

## **XII. Withdrawal from the Purchase Agreement**

1. In addition to other cases stipulated in these Business Terms and Conditions, the Seller and the Buyer may withdraw from the Purchase Agreement if the other contractual party commits a material breach of obligations arising for it from the Purchase Agreement. Material breaches of contractual obligations include, but are not limited to:
  - 1.1. The Buyer's default in the payment of the purchase price by more than 30 days, if the Seller has informed the Buyer in writing about it being in default.
  - 1.2. Default of the Seller in the delivery of the goods or documents related to the goods that are required for using or for the use of the goods.
  - 1.3. Default of the Seller in the removal of defects of the goods longer than 14 days from the delivery of a notice informing it of the defect.

2. Withdrawal from the Purchase Agreement shall take effect upon the delivery of a written notice of the withdrawing party to the other contractual party. The notice of withdrawal from the Purchase Agreement shall state the specific reason for withdrawal.
3. Upon withdrawal from the Purchase Agreement, all rights and obligations of the parties from the Purchase Agreement shall terminate, with the exception of the right to damages and to the payment of a contractual penalty and of any provisions of the Purchase Agreement and of these Business Terms and Conditions that pertain to the choice of law, to the resolution of disputes between the parties, and to the regulation of the rights and obligations of the parties in the event of the termination of the Purchase Agreement. If a debt has been secured, the withdrawal shall in no way concern the security.

### **XIII. Indemnification**

1. A contractual party that breaches any of its obligations arising from the Purchase Agreement shall indemnify the other contractual party for damages that it has caused to it by that breach; or it shall indemnify the person whose interest was evidently to be served by compliance with the agreed obligation.
2. The obligation to provide indemnity for damages shall not arise if the failure of the obliged party to live up to its obligations was caused by the actions of the injured party or by a lack of cooperation that the injured party was obliged to provide. The contractual party that committed a breach of obligation shall not be obliged to indemnify the other contractual party for damages incurred by it if it proves that the breach of obligation was due to an exceptional, unforeseeable, and unsurmountable obstacle or a force majeure event.
3. In the event of a breach of any obligation arising from the Purchase Agreement by either contractual party, due to which breach the other contractual party or both contractual party incur damage, the contractual parties shall do their best and utilise all means to achieve an amicable out-of-court resolution of the compensation of such damage.

### **XIV. Force Majeure**

1. Neither contractual party shall be liable for a failure to live up to an obligation arising from the Purchase Agreement if such a breach or default is caused by an exceptional, unforeseeable, and unsurmountable obstacle that arose independently of the will of the obliged party and prevented it from living up to its obligation (hereinafter referred to as "**Force Majeure**"). An obstacle that has arisen from the personal circumstance of the obliged party or only once the party causing harm had already been in default in the performance of its agreed obligation, or an obstacle that the obliged party is obliged to overcome, cannot exempt that party from its liability for living up to its obligation.
2. For the purpose of this Agreement, Force Majeure events shall, provided that they meet the requirements stated in the previous paragraph, include, but not be limited to:
  - 2.2. Natural catastrophe, fire, earthquake, land slide, flood, flooding, windstorm or other atmospheric disruptions and phenomena of a significant extent; or
  - 2.3. War, insurrection, rebellion, civic unrest, or strike; or
  - 2.4. Decisions or normative acts of public authorities, regulation, restrictions, prohibitions, or other interventions of a state, state administration authority, or self-governing authority; or
  - 2.5. Explosion or other damage or serious faults of the relevant production or distribution facility.
3. The contractual party that has breached, is in breach, or, with a view to all known facts, assumes that it will breach its obligations from the Purchase Agreement due to a Force Majeure event, shall inform the other contractual party of such a breach or event and shall do its best to avert such an event or its consequences and to remedy such consequences.

### **XV. Arbitration Clause**

1. Should any dispute arise between the Buyer and the Seller in relation to an Order, its application or interpretation, both contractual parties shall do their best to resolve the dispute amicably.
2. Should the contractual parties fail to resolve their dispute related to an Order amicably, the dispute shall be finally decided by a court of general jurisdiction.

3. The legal relationship and the rights and obligations of the contractual parties arising from an order, the securing of their rights, and any changes and termination of their rights, shall be governed exclusively by the laws of the Czech Republic, in particular by Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as "CC"), as amended.

#### **XVI. Extension of the Limitations Period**

1. In line with the provisions of Section 630 of the CC, the parties hereby agree to extend the limitations period with respect to all rights arising from an Order to four years from the time when the period starts running, and agree that the extension of the limitations period applies to any and all rights arising from a withdrawal from an Order. The stipulations concerning the extension of the limitations period on the Seller's rights cannot be severed from stipulations concerning the extension of the limitations period on the Buyer's rights.

#### **XVII. Concluding Provisions**

1. The contractual parties rule out the application of Section 1740 (3) and Section 1751 of the CC, which stipulate that an agreement is concluded even if the expressions of the wills of the contractual parties are not entirely concordant.
2. The contractual parties explicitly rule out the application of Section 1799 and Section 1800 of the CC and state that neither contractual party considers itself the weaker contractual party, that the contractual conditions stated in the Order or in these Business Terms and Conditions are comprehensible and certain for the contractual parties, and that the provisions of these Business Terms and Conditions do not run contrary to the business usage and principles of fair commercial relations.
3. The Seller accepts the risk of a change in circumstances in line with Section 1765 of the CC.
4. The contractual parties declare that neither of them feels and considers itself a weaker contractual party compared to the other contractual party and that they have had the opportunity to become acquainted with the text and contents of the Purchase Agreement and these Business Terms and Conditions, they understand their contents, wish to be bound by it, and that they have sufficiently discussed the contractual stipulations with one another. Furthermore, the contractual parties declare that the implementation of the Purchase Agreement does not result in an undue restriction of either of the contractual parties, as defined in Section 1793 of the CC.
5. The Seller is not entitled to assign its rights and obligations from the Purchase Agreement to a third party without the written consent of the Buyer. The Buyer may assign its rights and obligations arising from the Purchase Agreement to any third party.
6. The Seller may not assign or in any way alienate or encumber any of its receivables, or a part thereof, from the Buyer that arise from an Order to a third party without the prior written consent of the Buyer. In the event of a breach of this commitment, the Seller shall pay to the Buyer a contractual penalty amounting to 30% of the nominal value of the receivable concerned.