

General Terms and Conditions

1. General Provisions

1.1 These General Terms and Conditions (hereinafter referred to as the "Terms and Conditions") have been issued by BETONBAU, s.r.o., with its registered office at Průmyslová 698/5a, 108 00 Prague 10 – Malešice, Id. No.: 49614819, registered in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 21098 (hereinafter referred to as the "Contractor"), as general terms and conditions pursuant to Section 1751 (1) of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code").

1.2 These Terms and Conditions regulate the performance of the Work by the Contractor in the Czech Republic and in other EU Member States consisting particularly of the supplies of distribution transformer stations and precast reinforced concrete monoblocks and their installation as technological structures for power engineering, gas engineering, chemical industry, water management, small recreation structures, small manufacturing plants, etc.

2. Contract for Work

2.1. The Contract for Work is concluded between the Contractor and the Client (hereinafter referred to as the "Client") in writing (hereinafter referred to as the "Contract for Work") and stipulates a specific subject of the Work (hereinafter referred to as the "Work"). However, these Terms and conditions also apply to such obligations between the Contractor and the Client, that do not arise from a written Contract for Work, but have another form, such as the Contractor's price quote and consequent Client's order.

2.2. The provisions of the Contract for Work and its Annexes shall take precedence over the provisions of these Terms and Conditions.

3. Price of the Work

3.1. The Client shall be obliged to pay the Contractor the price for the performance of the Work agreed in the Contract for Work (hereinafter referred to as the "Price").

3.2. VAT at the statutory rate shall be added to the Price.

3.3. The Price agreed in the Contract for Work includes performance of the Work (i.e. delivery and installation) on the property (as specified in Art. 5).

3.4. The Price does not include the so-called additional work, i.e. work that must be performed by the Contractor in order to execute the Work but the performance of which has not been envisaged in the Contract for Work. If the Contractor does not agree with the Client on a different price of these additional works, the Contractor shall be entitled to claim the usual price.

3.5. The Price also does not include any costs to the Contractor resulting from the Client's delay in performance of any obligation under the Contract for Work and these Terms and Conditions (e.g. transportation of the subject of the Work to the Property to no effect in case of insufficient preparation of the construction site on the Property, etc.). The Client shall reimburse the Contractor for these costs in full.

4. Payment of the Price

4.1. The Client shall pay the Price as follows:

4.1.1. The Client shall pay 30% of the Price, including VAT, to the Contractor within 15 days of the date of conclusion of the Contract for Work,

4.1.2. The Client shall pay 60% of the Price, including VAT, to the Contractor by the date on which the Contractor is obliged to commence performance of the Work on the Property under the Contract for Work,

4.1.3. The Client shall pay 10% of the Price, including VAT, to the Contractor within 15 days after the handover of the Work to the Client.

4.2. The Price or its respective part shall be paid by a wire transfer to the Contractor's bank account specified in the Contract for Work or to another bank account defined by the Contractor in a written form for the purpose of payment of the Price or its respective part, i.e. shall be specified for example on the invoice (hereinafter referred to as the "Account").

4.3. The Price or its respective part shall be deemed paid upon crediting the Account with the relevant amount.

5. Place of Performance of the Work

5.1. The Work shall be performed (installed) by the Contractor on the property designated in the Contract for Work (hereinafter referred to as the "Property").

6. Obligations of the Client

6.1. The Client shall be obliged to provide the Contractor with technical documentation necessary for the performance of the Work (hereinafter referred to as the "Documentation") within the deadline agreed in the Contract for Work, but not later than within 6 weeks before the agreed date of commencement of performance of the Work by the Contractor on the Property.

6.2. The Client shall be obliged to arrange any and all final public-law permits (e.g. construction permit, etc.) required for the execution of the Work by the Contractor on the Property in accordance with the Documentation, if such permits are required for the execution of the Work by legal regulations (hereinafter referred to as the "Permits"), and deliver these Permits to the Contractor no later than 1 week before the date on which the Contractor is due to commence to perform the Work on the Property.

6.3. The Client shall be responsible for ensuring that if the Documentation or the Permits are delivered to the Contractor only after the conclusion of the Contract for Work, they shall not be at variance with the specification of the subject of the Work or with other conditions agreed in the Contract for Work or any other documents provided to the Contractor before the conclusion of the Contract for Work.

6.4. If the Client is obliged, in particular on the basis of the Contract for Work, to procure items necessary for the performance of the Work, the Client shall be obliged to deliver these items to the Contractor no later than 10 working days before the performance of the Work is due to commence on the Property.

6.5. The Client shall be obliged, to ensure at its own expense and at least 14 days before the date the performance of the Work is due to commence on the Property, that the construction site of the Property is prepared as per what is agreed in the Contract for Work and in accordance with the Documentation (ensuring that in case of conflict between the Contract for Work and the Documentation, the Contract for Work takes precedence), or at least prepared to the extent that allows the Contractor to commence the work on the date on which the performance of the Work on the Property is due to commence and immediately upon arrival at the Property and to perform such work without interruption.

The Client shall be obliged, by the date of commencement of performance of the Work on the Property, to ensure, at its own expense, an access road to the Property on which the Contractor shall be able to transport to the Property any and all material required for the performance of the Work, for the entire term of execution of the Work on the Property.

6.6. The Client shall further ensure, at its own expense, that no persons other than the Contractor shall have access to the Work during the term of execution of the Work on the Property.

6.7. The Client shall be obliged, at its own expense, to restore the Property and/or access roads to the Property to their original condition, if necessary.

7. Date of Performance of the Work, Completion of the Work

7.1. The Work is deemed to be performed if completed and handed over. The Work shall be completed by the Contractor by the date of completion of the Work agreed in the Contract for Work.

7.2. The Work is deemed to be completed upon the demonstration of its fitness for its purpose. Where fitness of the Work can be demonstrated by a revision report issued by an authorised person in accordance with the generally binding legal regulations and/or by generally valid confirmation/attestation confirming the fitness of the Work, then the Work shall be deemed to be completed upon issuance of any of the specified documents.

7.3. If the Client is in delay with the performance of any of its obligations (in particular any of the obligations specified in Art. 6 of these Terms and Conditions), the Contractor shall not be in delay with the performance with any of its obligations and the date of performance of the Work shall be postponed at least by the period of the Client's delay.

7.4. Should the Client be in delay with the performance of any of its obligations that prevents the Contractor from commencing the performance of the Work on the Property on the date agreed in the Contract for Work (i.e. in particular the Client's delay with the delivery of the Documentation, delivery of the Permits, delivery of items according to Art. 6.4 of these Terms and Conditions, procurement of preparation of the construction site in accordance with Art. 6.5 of these Terms and Conditions, procurement of the road according to Art. 6.6 of these Terms and Conditions) or should the Client be in delay with the performance of any other obligation exceeding 5 days, the Contractor shall be entitled to notify the Client that the deadline for completion of the Work shall be extended not only by the period of the Client's delay but by a longer period which may not exceed the period of the Client's delay by more than 10 weeks. In such case, the deadline for completion of the Work shall be extended in accordance with the Contractor's notification according to the previous sentence.

7.5. Where the Contract for Work and/or these Terms and Conditions stipulate any deadline that is expressed as a number of a calendar week in the given calendar year, the date and time of the deadline shall be recorded on the basis of ISO 8601 standard (in the Czech Republic designated as ČSN ISO 8601) and, unless a specific day in the given calendar week is expressly specified, the last working day in the set calendar week of the given calendar year shall in each case be the decisive day for compliance with an obligation and/or acquisition of rights.

8. Delivery of the Work, Risk of Damage

8.1. The Client shall be obliged to accept the completed Work with objections (description of defects) or without objections (as defect-free Work). The Work shall be handed over within 3

working days from the date of completion of the Work upon the Contractor's request delivered to the Client. The Contractor shall hand over the Work and the Client shall take over the Work within this deadline.

8.2. A handover protocol shall be drawn up at the handover of the Work and signed by the Client and the Contractor (hereinafter the "Protocol"). Should the Client fail to accept the Work or refuse to sign the Protocol despite the fact that the Work has no material defects preventing its use, the Work shall be deemed to have been delivered on the date determined by the Contractor as the date of handing over the Work.

8.3. The risk of damage to the subject of the Work shall pass to the Client upon the handover of the Work to the Client. Where the subject of the Work forms part of some other thing owned by the Client, the risk of damage shall pass to the Client at the time the subject of the Work becomes part of that thing.

8.4. If the Work is handed over to the Client on the Contractor's premises at the address of the registered office of the Contractor, the Client shall be obliged to pay the whole Price before the agreed date of handing the Work over. If the Work is ready for handover within the Contractor's premises at the address of the registered office of the Contractor and the Client is in delay with its acceptance, the Price shall be payable on the 10th day of the Client's delay with acceptance of the Work. Upon the first day of the Client's delay with acceptance of the Work within the Contractor's premises, the risk of damage to the subject of the Work shall also pass to the Client. In that case, the Client shall be obliged to reimburse the Contractor for the costs associated with storage of the Work according to Art. 6.8 of these Terms and Conditions.

9. Reservation of Ownership Title

9.1. If less than 90% of the Price incl. VAT is paid to the Contractor by the date on which the Contractor is obliged to commence the performance of the Work on the Property under the Contract for Work, the following reservation of the ownership title shall apply:

9.2. If the Work, after its execution, is a separate thing (in particular if it does not become part of another thing), the Work remains the property of the Contractor until full payment of the Price and the ownership title to the subject of the Work passes to the Client only upon full payment of the Price. During this time, the Client shall not be entitled to alienate, pledge or otherwise dispose of the Work (or the subject thereof).

9.3. If the Work becomes part of someone else's thing as a result of its execution (it does not exist as a separate thing) and that thing is owned by the Client, the Client agrees not to dispose of that thing (i.e. in particular not to alienate that thing or provide it as security) in any way until payment of the full Price .

9.4. If the Work is to become a part of a thing that is not owned by the Client, the Client shall be obliged to inform the Contractor thereof prior to commencement of performance of the Work on the Property. In that case, the Contractor shall be entitled to demand that the Price be paid before the performance of the Work on the Property, unless the Contractor and the Client agree on the provision of another security.

9.5. The Client shall be entitled to process the Work even before the passage of the ownership title to the Work in such a way so as not to breach the Contractor's ownership title and/or impair the value of the Work.

9.6. The Client and the Contractor agree that in case of the Client's delay with payment of the Price or part thereof in spite of the Contractor's written request, the Contractor shall be entitled to dismantle the supplied Work, at the Client's expense, even if the Work becomes a part of a thing. Therefore, the Client shall be obliged to ensure, upon the Contractor's request and at the Client's

expense and risk, that the Work is disconnected from the electric power distribution network and allow the Contractor access to the property where the Work is located.

9.7. If the Client provides the Contractor with a sufficient security or otherwise secures the payment of the Price and the Contractor confirms this fact (i.e. that the Contractor was provided with sufficient security or that the Price was otherwise secured) to the Client in writing, then if the security was provided / payment of the Price secured before the handover of the Work, the ownership title to the Work shall pass to the Client upon execution of the Protocol and if the security was provided / payment of the Price secured after the handover of the Work, the ownership title to the Work shall pass to the Client upon delivery of the Contractor's written confirmation of provision of security / securing the payment of the Price according to this Article to the Client.

9.8. In accordance with the above agreed reservation of the ownership title, if a transformer station is involved, the data plate of the Work shall contain, in addition to usual information, also the following text:

“The transformer station is exclusively owned by BETONBAU, s.r.o.”

The Client agrees to maintain the above data plate legible and not to remove it and/or damage it in any way for the term of the validity of the ownership reservation in the meaning of Art. 9 of these general terms and conditions. If the above data plate is damaged during the term of the validity of the ownership reservation in the meaning of Art. 9 of these General Terms and Conditions, the Client shall be obliged to replace the damaged data plate with a defect-free data plate with the same content.

10. Liability for Defects and Limitation of Loss Compensation (Damage)

10.1. The Contractor is liable to the Client only for the defects of the Work that the Work has at the time of its delivery to the Client.

10.2. The Client shall be obliged to inspect the Work or arrange for its inspection no later than upon its handover. If the Client fails to report a defect and, simultaneously, fails to raise any of the below specified claims under liability for defects of the Work (i) without undue delay (but no later than within 10 days) after the Client had identified or should have had identified, while exerting due diligence, the defect during the inspection according to the first sentence or (ii) without undue delay after the defect could have been identified, while exerting due diligence, however, no later than within 6 months from the handover of the Work or within 5 years from the handover of the Work in case of defects on the construction part of the Work, any claims resulting from the respective defect shall expire.

10.3. The Contractor shall not be liable for defects on the Work resulting from the Property, a breach of the Client's obligations, the materials or parts (components) supplied by the Client and the procedure required by the Client during the performance of the Work.

10.4. Unless the Contractor is also the supplier of technical installations to be built into the Work, e.g. power distribution board, transformers, etc., the Contractor shall not be obliged to check or otherwise identify whether these technical installations are suitable to be built into the subject of the Work and the functionality and/or state of these installations. The above installations are arranged by the Client at its own costs and responsibility. The Client hereby acknowledges that the Contractor's liability for defects on the Work does not apply to the above technical installations.

10.5. If the Work has defects, the Client shall be entitled to demand that the Contractor remedies the defects by repairing the Work or supplying (and installing) a replacement Work for the defective one, at the Contractor's discretion, within a deadline adequate to the character of the defect,

however, no later than within 30 days from the date when the Contractor was notified about the defect.

10.6. If the Contractor fails to remedy the defects on the Work according to the previous Article or if the Contractor notifies the Client in writing that the defects of the Work cannot be remedied, the Client shall be entitled to request an appropriate discount on the Price.

10.7. Apart from the claims according to this Article, the Client is not entitled to any other claims arising from defects on the Work and the Client hereby waives any other claims.

10.8. The Parties agreed that any monetary claims arising from the defects on the Work shall be limited to the amount of 40% of the Price and this amount represents the only foreseeable monetary claims arising from defects on the Work.

10.9. Should the Contractor be liable to the Client for loss (damage) resulting from the breach of the Contract for Work, liability for defects on the Work and/or negotiorum gestio, the Client agrees that the compensation for loss (damage) shall be limited. The Contractor shall be obliged to compensate the injured party only for actual damage (damage to property in the demonstrated extent) and only up to the amount of the insurance settlement received by the Contractor from the insurance company on account of this insured event. The Client acknowledges that the amount of insurance settlement received from the Contractor's insurance company is limited to the maximum of EUR 500,000 for one insured event and the total amount of annual insurance settlement is limited to the maximum of EUR 1,000,000. The Contractor shall not be obliged to compensate lost profits, losses resulting from production interruption of the injured party or any other indirect losses incurred by the injured party. This provision is without prejudice to the amount of limitation of monetary claims arising from defects on the Work according to the preceding paragraph.

11. Withdrawal from the Contract for Work

11.1. Should the Client be in delay with any monetary obligation exceeding 10 working days from the delivery of the Contractor's written request to the Client, the Contractor shall be entitled to withdraw from the Contract for Work.

11.2. If any obstacle arises after the conclusion of the Contract for Work independent of the will of the Contractor which prevents the Contractor from performing the Contract for Work and which the Contractor cannot be reasonably required to remedy, the Contractor shall be entitled to withdraw from the Contract for Work.

11.3. Withdrawal from the Contract for Work shall be without prejudice to the Client's obligation, if any, to pay contractual penalty to the Contractor and/or compensation for loss (*damage*).

12. Contractual Penalties

12.1. In the event that due to the Client's default, the Contractor is unable to commence the execution of the Work on the Property within two weeks from the agreed date at the latest, the Contractor is entitled to request a flat-rate contractual penalty

12.1.1. amounting to CZK 60,000 if the subject of the Work is the delivery and installation of a walk-over transformer station (serviced from the inside),

12.1.2. amounting to CZK 40,000 in the case where the subject of the Work is another performance.

12.2. In the event of a breach of any of the Client's obligations under Art. 6 of these Terms and Conditions which, however, does not give rise to the right to a contractual penalty under Art. 12.1. of these Terms and Conditions, and/or in the event of a breach of the Client's obligation to take over the Work under Art. 8 of these Terms and Conditions, the Client is obliged to pay to the

Contractor a flat-rate contractual penalty of CZK 10,000 for every individual breach of obligations and a contractual penalty of 0.1 % of the Price for every commenced day of the Client's delay.

12.3. In case of the Client's delay in performance of any monetary obligation, the Contractor shall be entitled to claim a contractual penalty in the amount of 0.02% of the outstanding amount for each, even incomplete, day of delay.

12.4. In case of delay of the Contractor with the performance of the Work, the Client shall be entitled to claim a contractual penalty in the amount of 0.02% for each, even incomplete, day of delay, but not exceeding 10% of the Price.

12.5. If the Client breaches its obligation under Art. 9.2, 9.3, 9.4, first sentence, Art. 9.6, second sentence, and/or Art. 9.8, the Contractor shall be entitled to claim a contractual penalty in the amount of the outstanding part of the Price at the time of breach of that obligation. This is without prejudice to the claim for payment of the Price.

12.6. If the Contractor withdraws from the Contract for Work according to Art. 11.1 of these Terms and Conditions, the Contractor shall be entitled to claim a contractual penalty from the Client in the amount corresponding to the part of the Price which is due at the time of withdrawal.

12.7. In addition to contractual penalty, the entitled party shall be entitled to claim compensation for loss (damage) exceeding the contractual penalty.

13. Purchase Contract

13.1. This Article of these Terms and Conditions governs the business relationship between the Contractor (as the Seller) and the customer where the customer is only interested in purchasing goods (movable assets) supplied by the Contractor but not its installation (hereinafter referred to as the "Goods" and "Buyer").

13.2. The Buyer shall purchase the Contractor's Goods on the basis of a written contract (hereinafter referred to as the "Purchase Contract"). The Purchase Contract must at least include the specification and purchase price of the Goods (hereinafter referred to as the "Purchase Price").

13.3. The Purchase Price shall be paid to the Contractor in the following manner:

13.3.1. 80% of the Purchase Price shall be paid by the Buyer within 15 days from the conclusion of the Purchase Contract;

13.3.2. 20% of the Purchase Price shall be paid by the Buyer within 15 days from the delivery of the Goods to the Buyer.

13.4. Unless the Purchase Contract specifies the moment of handover of the Goods, the Goods shall be handed over on the basis of the Contractor's request and the Buyer shall be obliged to accept the Goods within the deadline specified in the request. Unless the place of handover of the Goods is agreed in the Purchase Contract, the place of handover shall be the registered office of the Contractor or a plant in the Czech Republic in which the Goods are manufactured as designated by the Contractor. The Contractor's obligation to hand the Goods over to the Buyer shall be fulfilled if the Contractor allows the Buyer to dispose of the Goods at the place of handover.

13.5. The Buyer becomes the owner of the Goods only upon providing a full payment of the Purchase Price. Art. 9 shall apply mutatis mutandis.

13.6. Other rights and obligations of the Buyer and the Contractor which are not regulated in this Article of the Terms and Conditions shall be reasonably governed by other provisions of these Terms and Conditions whereas instead of the contractual penalty under Art. 12.1. of these Terms and Conditions, the Contractor is entitled to claim a flat-rate contractual penalty of CZK 40,000 in case the Client fails to take over the goods within two weeks from the agreed date at the latest.

14. Possible Dispute Resolution

14.1. If the Client or the Buyer runs a business established in the territory of the Czech Republic or another EU Member State except the Slovak Republic, any and all disputes arising from and in connection with the Contract for Work or the Purchase Contract shall be finally resolved by the Arbitration Court at the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic pursuant to its Rules, by three arbitrators. The arbitration proceedings shall be held in Prague in the Czech language.

14.2. If the Client or the Buyer runs a business established in the territory of the Slovak Republic, all disputes arising out of or in connection with the Contract for Work or the Purchase Contract, including disputes concerning their validity, interpretation or cancellation, shall be settled before the Arbitration Court of the Slovak Chamber of Commerce and Industry in Bratislava according to its basic internal legal regulations. The Parties to the Contract for Work or the Purchase Contract shall be subject to the arbitration court's decision. Its decision shall be binding on the Parties of the Contract for Work or the Purchase Contract.

14.3. For the avoidance of any doubt, Art. 14.1 shall not apply if the Client or the Buyer runs a business established in the Slovak Republic, and Art. 14.2 shall not apply where the Client or the Buyer runs a business established in the territory of the Czech Republic or in the territory of another EU member state except the Slovak Republic.

15. Obstacles

15.1. The Contractor shall not be in delay with the execution of his obligation while an obstacle persists (be it a foreseeable obstacle or not) and this obstacle is independent of his will, is considered force majeure or the Contractor proves that such obstacle prevents him from executing such obligation. Force majeure includes especially war, revolution, acts of terrorism, coup, general strike, natural disasters, acts of power, epidemics and pandemics or massive energy blackouts.

15.2. The above also applies if the state restrictive measures to control the spread of COVID-19 become wider or stricter than they were at the beginning of the relationship being governed by these Terms and Conditions, be it generally (such as further restriction of movement) or solely towards a specific subject or a group of subjects (such as quarantine measures) or if the effect of the pandemic of the above mentioned disease starts to have other effects that will cause the Contractor difficulties to fulfil his obligations or the Contractor will only be able to fulfil only part of such obligation or will not be able to fulfil such obligation in time/properly.

15.3. The Contractor must notify the Client about any obstacles or difficulties including their consequences without undue delay immediately after he becomes or should become aware of them. Otherwise the provisions of the previous articles do not apply to him.

16. Final Provisions

16.1. These Terms and Conditions and the legal relations resulting therefrom shall be governed exclusively by the laws of the Czech Republic, to the exclusion of application of direct conflicting rules of private international law, in particular the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980, including the United Nations Convention on the Limitation Period in the International Sale of Goods of 14 June 1974. All aspects that are not expressly stipulated in this Contract for Work or these Terms and Conditions shall be governed by the Czech laws, particularly by the Civil Code.

16.2. The Client shall not be entitled to unilaterally set off any of the Client's receivables from the Contractor, if any, against the Price for the Work or any other receivable of the Contractor from the

Client arising on the basis of the Contract for Work or assign any of the Client's receivables from the Contractor to a third person.

16.3. These Terms and Conditions shall come into force and effect on 01 April 2020.

The Client acknowledges that he has become duly acquainted with the Terms and Conditions, that the Terms and Conditions have been fully discussed and that the Client agrees with them.