



GENERAL TERMS OF BUSINESS¹

of **SIAG CZ s.r.o.** company

with registered seat at Průmyslová 307, Chrudim, Post Code: 537 01, Czech Republic

Identification No. 47124539

incorporated in the Trade Register of the Regional Court in Hradci Králové, Section C, Insert 19304

1) General provisions

- 1.1 The present General Terms of Business (hereinafter only: **“Business Terms²”**) of **SIAG CZ s.r.o.** company seated at Průmyslová 307, Chrudim, Post Code: 537 01, Czech Republic, Identification No. 47124539, (hereinafter only: **“Contractor”**) govern - in compliance with the provisions of Act No. 89/2012 Coll., Civil Code (hereinafter only: **“Civil Code”**) - mutual rights and obligations of the contractual parties arising in connection with, or on the basis of, the contract for work (hereinafter only: **“Contract for Work”** or just **“Contract”**) concluded between the Contractor and Orderer³ as per Section 2586 *et seq.* of the Civil Code.
- 1.2 The provisions of the present Business Terms constitute the basis of the contractual relationship between the Contractor and Orderer. The Business Terms are binding; deviations thereof are only possible if so explicitly agreed in the Contract. Divergent stipulations in the Contract prevail over the wording of Business Terms.
- 1.3 Except as otherwise expressly provided in the Contract, application of any other business terms (hereinafter only: **“Business Terms of the Orderer”**) is excluded. In case that Business Terms of the Contractor and of the Orderer are contradictory, the Contract is concluded with a content determined within such scope within which the Business Terms are not contradictory.

¹**Translator's note:** or, alternatively, “Standard Conditions of Business”

²**Translator's note:** or, alternatively, „terms of business“, “terms of trade“, „trade terms“, „conditions of sale“, etc.

³**Translator's note:** or, alternatively, “Ordering Party“, or “Client”

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č.úctu CZK: 73590005/2700
č.úctu EURO IBAN: CZ8627000000000073590013

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Společnost je zapsána v obchodním rejstříku
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2) Conclusion of the Contract and the content thereof

- 2.1 Any pre-contract negotiations held between the Orderer and Contractor (in reference of price, technical solutions, delivery period and suchlike) do not oblige the Contractor to concluded a Contract. In accordance with the provisions of Sections 1728 to 1729 of the Civil Code, *culpa in contrahendo* is excluded.
- 2.2 On the basis of a concluded Contract, the Contractor shall make - at his own expense and danger - the work for the Orderer, and the Orderer undertakes to in due form and on time take over the orderer work, and pay the agreed on price for it.
- 2.3 Any amendment and alterations of the Contract shall be made in writing and signed by both contractual parties.

3) Obligations of the Orderer before commencement of work on the order

- 3.1 Before the commencement of the work on the order the Orderer is obliged to provide the Contractor with all necessary technical specifications and other information concerning the work/order.
- 3.2 In case that negotiated between the contractual parties was an advance payment of the price of the work, the Orderer is obliged to pay such advance payment within no later than 5 days from issuance of the prepay-ment invoice. Failing that, the Contractor shall not commence work on the order/product.

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4) Realisation of the work/product, time of performance and default by the Orderer

- 4.1 The specific work is outlined through the Contract for Work. The work shall be realised under the conditions laid down in the Contract for Work, in the present Business Terms, and in additional annexes to these documents. The realisation of work includes all work/operations, associated activities and supply necessary for proper execution of the work.
- 4.2 The work is made by either the Contractor himself, by his employees or through third persons. In case that the work is realised by a person other than the Contractor, the latter is responsible as if he himself performed the work.
- 4.3 When carrying out the work, the Contractor proceeds with due professional care and expertise, in line with the concluded Contract, and in compliance with relevant generally binding legal regulations of the Czech Republic, technical standards and the submitted technical dossier.
- 4.4 Whilst carrying out the work, the Contractor proceeds on his own, being only bound by the Orderer's instructions if so explicitly agreed on by the contractual parties. The Orderer is entitled to monitor the implementation of the work.
- 4.5 The Contractor undertakes to carry out the work within the deadline agreed on in the Contract (hereinafter only: **"Delivery Time"**). The condition that renders the delivery time binding is the fact that a) clarified between the contractual parties had been any and all business issues, and b) that the Orderer fulfilled all obligations necessary for due commencement of production pursuant to Article 3 of the present Business Terms. In case that any of these conditions fails to be met, the Contractor's delivery time is extended for a reasonable duration until such time when such condition is ultimately met.
- 4.6 The Contractor will not get into arrears with the realisation of work if he proves that the delay arose in connection with the conduct of manufacturers and suppliers of items intended for the realisation of the work.

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5) Completion of the contractual obligation, acceptance and handover of the work and the transfer of the ownership right

- 5.1 The Contractor shall fulfil his obligation arising from the Contract by proper completion and handover of the work.
- 5.2 The Orderer may only refuse to accept the work/product that has apparent defects and is unfit to serve its purpose. In case that – contrary to the previous sentence – the Orderer refuses to accept the work/product, the work/product is understood to be accepted on the day when being unjustifiedly refused to be accepted by the Orderer.
- 5.3 Unless otherwise agreed through, e.g., INCOTERMS, the risk of damage to an item of property passes over to the Orderer through acceptance of the work.
- 5.4 The Contractor stipulates that it is not until all due trade receivables against the Orderer are fully settled that the ownership right to the work passes to the Orderer.

6) Price, invoicing and interest on arrears

- 6.1 In case of the Orderer's delay in reimbursement of any payment, the Contractor is entitled to charge interest on arrears in the amount of 0.05 % of the outstanding amount per day of delay.
- 6.2 In the event that the Orderer is in delay with reimbursement of any payment exceeding 14 days, the Contractor is entitled to suspend the execution of the work. As a result, the delivery period is extended by the time elapsed till due payment.
- 6.3 The Orderer is not entitled to unilaterally offset any claim that he has against the Contractor.

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7) Price, invoicing and interest on arrears

7.1 The Contractor is not liable for defective work cause by/due to:

- a) Unsuitable or disproportionate use of the work/product, defective mounting/assembly of work performed by the Orderer or third persons, and particularly by Orderer's personnel not trained by the Contractor;
- b) a third person, normal wear and tear, improper and inappropriate handling, incorrect maintenance, by inappropriate operating conditions and appropriations, or by Force Majeure;
- c) the use of items handed over for processing to the Contractor (by the Orderer), if the Contractor was unable – despite exercising all necessary care – to identify the inappropriateness of such items, or to draw attention thereto, or if he drew the Orderer's attention thereto in writing yet the latter kept insisting on the use of such items;
- d) compliance of improper instructions issued to the Contractor by the Orderer, if the Contractor was unable – despite exercising all necessary care – to identify the inappropriateness of such instructions, or to draw attention thereto, or if he drew the Orderer's attention to the inappropriateness of such instructions in writing yet the latter kept insisting on compliance with those.

7.2 The Orderer is obliged to without undue delay notify in writing the Contractor of the defects of the work once they have been detected (hereinafter only: **"Note of Complaint"**). At the same time, the Orderer shall describe the defects and indicate what kind of redress is required.

8) Contractor right of withdrawal

The Contractor is entitled to withdraw from the Contract if a) the Orderer is in arrears with reimbursement of any payment exceeding 30 days or if b) Orderer fails to provide the Contractor with assistance necessary for carrying out the work by the Contractor not even after expiry of a reasonable period stated in the Contractor's application in writing.

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9) Choice of law and jurisdiction

- 9.1 The provisions of the present Business Terms are subject to the legislation of the Czech Republic, primarily to Act No. 89/2012 Coll., civil Code, as amended.
- 9.2 Any disputes arising from the Contract for Work, and in connection therewith, which will not be settled by mutual negotiations within one month from the written notice announcing such dispute by one contractual party to the another, shall be decided exclusively and definitely at the Arbitration Court attached to the Economic Chamber of the Czech Republic and to the Agricultural Chamber of the Czech Republic, according to the rules thereof, by three arbitrators.

10) Concluding provisions

- 10.1 In case that any of the provisions of the Contract for Work or of the present Contract is, or becomes, void, ineffective or unenforceable, the validity, effectiveness and enforceability of other arrangements remains unaffected. The contractual parties are obliged to provide each other synergy in order to replace the void, ineffective and unenforceable provision with a provision that is applicable, effective and enforceable, i.e. a provision that to the fullest extent possible maintains the economic purpose intended by the void, ineffective or unenforceable provision. The same applies even in case of a contracting gap.
- 10.2 The written form is maintained even when using electronic means of communication.
- 10.3 The present Business Terms shall come into force and effect as of 1 January 2014.

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