



TERMS AND CONDITIONS FOR CONTRACTS FOR WORKS CONSISTING OF PROVIDING SERVICE WORKS

PREAMBLE

1. These terms and conditions (hereinafter referred to as "**Terms**") govern the conditions for contracts for works (hereinafter referred to as "**Contract**") relating to a commitment to carry out works with or without the use of spare parts or consumable materials, which generally does not result in the creation of new thing, as a rule works carried out for a certain time, at the Purchaser's premises and for a remuneration based on time or for a lump sum (hereinafter "**Works**") concluded between ABB s.r.o., Business ID No.: 49682563, based in Vyskočilova 1561/4a, Michle, 140 00 Praha 4, registered in the Commercial Register maintained by the City Court in Prague under file No.: C 79391, (hereinafter "**Contractor**") and the Purchaser ordering the Works (hereinafter referred to as "**Purchaser**"). The Works are to be executed exclusively for the benefit of the Purchaser.
2. An offer to conclude the Contract is always revocable and may be revoked if the revocation is delivered to the Purchaser before the acceptance of the offer is delivered to the Contractor.
3. The term Contract also includes all Annexes and Supplements of the order and the Contract for Work and these Terms.

PASSING OF RISK

4. At any stage of Works, the Contractor does not take on the risk of damage on any device of the Purchaser or other things owned by the Purchaser or third parties.

COOPERATION OF THE PURCHASER

5. The Purchaser shall provide the Contractor with cooperation necessary for proper execution of the Works.
6. The Purchaser is especially obliged to ensure, free of charge, fulfilment of the following conditions:
 - a) The Purchaser shall ensure a timely bestowal and sufficient length of the validity of all the necessary permits to enter and execute the Performances and other permits necessary for the Contractor's personnel, and also permits to bring in and take out tools, equipment, measuring and testing instruments and materials;
 - b) The Purchaser shall carry out professional preparatory work according to the data supplied by the Contractor, and generally ensure the place for Works is prepared in order that the Contractor's personnel had the opportunity to execute the Works;
 - c) Before the work is started, the Purchaser shall inform the Contractor in writing of all his safety and other regulations that the Contractor's personnel shall observe when executing the Works. The Purchaser shall ensure a healthy and safe working environment

for the Contractor's personnel during whole time of execution of the Works,

- d) The Purchaser shall ensure that the transport and access roads to the place of execution of the Works are in a usable condition, and that the Contractor has access to the place of the execution of the Works;
 - e) The Purchaser shall ensure that, for the entire period of carrying out the Works, there is treatment available for the Contractor's personnel in case of injury or illness of the Contractor's personnel;
 - f) The Purchaser shall provide to the Contractor's personnel, in the period of carrying out the Works, a heated or air conditioned lockable space, such as a locker room, in the vicinity of the place of execution of the Works;
 - g) The Purchaser shall provide the Contractor with suitable storage facilities, providing protection against theft or damage to the stored things. The Purchaser shall enable the Contractor's personnel to use his hygiene and boarding facilities.
 - h) The Purchaser is obliged to supply electricity (including an appropriate connection to the place of execution of the Works), heating, lighting, lubricants, fuel, water and other mediums required to execute the Works, and any final control of the Works.
7. The Purchaser's provided means of assistance will be returned to the Purchaser after the execution of the Works. In the absence of appropriate guidelines for the return, the means of assistance will remain at the place of the execution of the Works, available to the Purchaser at his own risk.

PERIOD OF THE EXECUTION OF THE WORKS

8. The period of the execution of the Works agreed to in the Contract is binding, if the extent of the Works was sufficiently defined, and if all agreed conditions for execution of the Works and necessary commitments of the cooperation of the Purchaser are met.
9. The execution period of the Works can be changed if during the execution of the Works facts that were not known at the time of the conclusion of the Contract have arisen.

COMPLETION AND FINAL INSPECTION OF THE WORKS

10. If it is agreed to perform a final inspection of the Works, the Contractor shall inform the Purchaser that the Works are prepared for the final inspection and notifies him of the time for the inspection of the Works.

The Purchaser shall bear all costs of the final inspection. The Contractor shall bear all costs relating to participation of his personnel and representatives.

11. If the Purchaser fails to provide the necessary cooperation, or otherwise prevents the final inspection from being carried out, or is not represented at the final inspections, even

though it was notified in accordance with the Article 10, the obligation to perform the final inspection ceases to exist and the final inspection shall be regarded as having been satisfactorily completed at the time of the commencement of the final inspection proposed by the Contractor in his notice.

12. Due completion of the Works takes place:
 - a) when the final inspections have been satisfactorily completed or are regarded under the Art. 11 as having been satisfactorily completed; or
 - b) where the parties did not agree to carry out final inspection, when the Purchaser has received written notice stating that the Works have been completed, provided that the Works are free of defects preventing the Works from being used for the determined purpose.
13. As due completion of the Works is also regarded delivery with minor defects, which do not prevent the use of the Works for the determined purpose. This does not affect the Contractor's duty to remedy minor defects according to the Art.38.
14. During the final inspection the Purchaser together with the Contractor will inspect the execution of the Works, and record any minor defects in writing into the protocol about the final inspection of the Works, or in protocol about the performance of services or in hand-over protocol and state the agreed deadline for their removal (hereinafter "**Protocol**"). The date of signature of this Protocol shall not affect the date of due completion of the Works in accordance with the Articles 12, 13 or 15.
15. If the subject of the Works is the installation of equipment, or putting it into operation and/or its repair, the Purchaser is not entitled to operate the equipment or its part before the successful final inspection and the signing of the Protocol. If the Purchaser does so without the Contractor's written consent, the Works shall be regarded as taken-over and duly performed and the Contractor shall then be relieved of his duty to carry out the final inspection.
16. Provided the execution of the Works is agreed in stages the Articles 10 to 15 shall apply on completion and final inspection of the stage accordingly.

PURCHASER'S DELAY

17. If the Purchaser anticipates that he will be unable to carry out in time his obligations, including but not limited to the obligations mentioned in the Art. 5 and 6, he shall forthwith notify the Contractor in writing, stating the reasons and the assumed time of the remedy. In such case, the Contractor is entitled to proceed in accordance with the Articles 18 to 20.
18. In the event of delay of the Purchaser with providing cooperation and/or the fulfilment of his other obligations, and/or for other reasons in the opinion of the Contractor the safety or health of his personnel during the execution of the Works is not ensured, the Contractor is entitled to suspend the execution of the Works and/or, if it is appropriate, refuse the execution of the Works and to order the return of his personnel, and/or, if appropriate, remove the defective condition himself at the expense of the Purchaser. In such a case, the Contractor shall proceed in a reasonable and adequate manner. The time of delivery of the Works shall be extended at least by the time of the Purchaser's delay, unless an objectively longer period is needed for the Contractor's

demobilization and remobilization of production sources and inputs connected with suspension and restarting of the Contractor's performance of the Contract. This does not affect the obligation of the Purchaser to pay damages caused by the breach of his obligations.

19. Should the Purchaser fail to remedy his default within the reasonable additional period set by the Contractor, the Contractor is entitled to withdraw from the Contract.
20. The Contractor is entitled to terminate the execution of the Works and/or terminate the contract if it was finally and conclusively determined that the Purchaser is bankrupt or if the insolvency petition is lawfully dismissed for lack of the Purchaser's assets or if the Purchaser enters into liquidation.
21. The Purchaser is obliged, in cases pursuant to the Articles 17 to 20, to pay the price of the provided Works and all costs incurred by the Contractor in connection thereof.

CONTRACTOR'S DELAY

22. The Contractor's delay with completion of the Works entitles the Purchaser to contractual penalties against the Contractor, from the agreed date on which the Works should have been completed.
23. The contractual penalty shall be payable at a rate of 0.05% of the total price of the Works excluding VAT for each day of delay.
24. The aggregate amount of all contractual penalties is limited to the maximum amount of 7.5 % of the total price of the Works excluding VAT.
25. If only part of the Works is delayed according to individual milestones as determined in the Contract, the contractual penalty shall be calculated from the price of the delayed part of the Works. If the Contractor subsequently completes the entire Works within the agreed time, these contractual penalties shall not be applied.
26. The contractual penalties are payable based on the penalty invoice issued by the Purchaser, but they do not become due before the take-over of the Works or the withdrawal from the Contract according to the Article 27.
27. Should the Purchaser, as a result of the Contractor's delay, be entitled to the maximum amount of the contractual penalties, the Purchaser can withdraw from the Contract.

WORKING HOURS

28. The period for the execution of the Works according hereof is referred to as "**Working Hours**".
29. Night work (between 10 pm and 6 am) and work on holidays (Saturdays, Sundays, and public holidays) are allowed only by prior agreement.
30. Time spent travelling and time to prepare formalities upon arrival shall be considered as Working Hours. Time spent travelling is considered:
 - a) the time required by the Contractor's personnel to move from the site of the Contractor, where they have their normal place of work, to the location of the execution of the Works and the time required by the Contractor's personnel to move from a place of their

temporary accommodation, which they use during the period of the execution of the Works, to the location of the execution of the Works, and the time required to move back to these places from the place of the execution of the Works,

- b) the period associated with the processing of official formalities necessary for entry to the location of the Works.

31. If there are no suitable boarding facilities in the vicinity of the location of the execution of the Works, the Contractor shall be entitled to count as Working Hours also half an hour for each worker spent a day on the way to a boarding facility. All expenses associated with a trip to the boarding facilities and back, particularly the cost of a suitable means of transport, including rent of a car, will be paid by the Purchaser.

32. The Purchaser confirms the Contractor's personnel's Working Hours in the time sheet. If the Purchaser or responsible personnel of the Purchaser fails to confirm the time sheets within 5 working days of a request, the basis for invoicing shall be the billing records of the Contractor.

PRICE

33. In the event that the duration of the contract exceeds 6 months, the Contractor is entitled to unilaterally change the agreed price of Works. The Contractor shall notify the Purchaser of the change of the price in writing. If the Purchaser does not express agreement with the price change in writing within 30 days from the date of receipt of the notice of the price change, the Contractor has the right to withdraw from the Contract within 90 days from the expiry of the period for the expression of the Purchaser's agreement.

34. In addition to the right to payment of the price the Contractor has also right to the compensation of effectively spent costs (hereinafter "Costs"). These costs namely include:

- a) Travel expenses,
- b) Cost of accommodation.

Travel expenses

Compensation will be provided for the costs of travel to and from the place of the execution of the Works, to and from the location of the normal place of work of the Contractor's personnel, and the travel within the place of the execution of the Works by transport means chosen by the Contractor, including necessary related costs, such as insurance, baggage transport, fees for entry permits and other similar expenses for the workers of the Contractor according to the actual cost.

Unless special conditions will require the use of other classes of transportation, as a standard the following will be invoiced:

- second class for train transport
- In case of use of a personal car, compensation according to the number of travelled kilometres (in the amount of the rate per 1km according to the current price list)

Cost of accommodation

The Contractor is entitled to bill the Purchaser for costs connected with ensuring accommodation for his workers executing the Works.

PAYMENT CONDITIONS

35. If not agreed otherwise in the Contract, the price of the Works means excl. VAT. The payment conditions are determined in the Contract.

36. The Purchaser's delay with payment of his monetary obligations entitles the Contractor to a contractual penalty against the Purchaser amounting to 0.05 % of the outstanding amount per day of delay.

If the Purchaser is in default with the payment of his monetary obligations under the Contract or any other contractual relationship between the Purchaser and the Contractor, or if there are objective grounds for concern that the Purchaser will get into such delay, the Contractor shall be entitled to suspend performance of the Contract until full payment of the outstanding amount. The time of delivery of the Works shall be extended by such a period of time.

37. The Purchaser is not entitled to unilaterally set off any payment of his obligations under the Contract, or otherwise reduce these payments.

WARRANTY AND LIABILITY FOR DEFECTS

38. THE PARTIES HAVE AGREED THAT THE CONTRACTOR'S OBLIGATION ARISING FROM ITS LIABILITY FOR DEFECTS AND WARRANTY IS TO REMEDY FOR FREE THE DULY AND TIMELY NOTIFIED DEFECTS OF THE WORKS, AT ITS OPTION, BY REPAIR OR REPLACEMENT. THE PURCHASER SHALL AT ITS COST PROVIDE WORKING ACCESS TO THE PERFORMANCES NECESSARY FOR THE REPAIR/REPLACEMENT. THE WARRANTY DOES NOT INCLUDE AN UNDERTAKING BY THE CONTRACTOR THAT DURING THE WHOLE WARRANTY PERIOD THE WORKS WILL BE FREE OF ANY DEFECTS. THE FOREGOING IS AN EXCLUSIVE DEFINITION OF RIGHTS ARISING FROM THE LIABILITY FOR DEFECTS AND WARRANTY.

39. The warranty period is 12 months from the completion of the Works.

40. The Purchaser shall notify the Contractor, in writing, of any defects of the Works (including latent defects) without undue delay after the defect could have been discovered and within the warranty period. As for the defects of the Works that may cause damage, the Purchaser shall notify the Contractor immediately with subsequent written confirmation. The notification of a defect shall contain a description of the defect and, as the case may be, specification of how the defect is shown.

The Purchaser shall bear the risk of the damage arisen as a result of breach of his obligations under this Article.

41. On receipt of the notice under the Art. 40, the Contractor shall remedy the defects without undue delay and at his own costs.

42. If the Purchaser has notified the Contractor in accordance with the Art. 40 and no defect is found for which the Contractor is liable, the Contractor shall be entitled to compensation for the costs he has incurred in connection with the notice.

43. The warranty shall not cover the defects of the Works caused by encroachment by the Purchaser or a third party, and the defects of the Works where it is not possible to prove that they occurred due to defective material used, faulty construction or incomplete manufacture, especially the defects of the Works that occurred due to normal wear and

tear, faulty maintenance, non-compliance with operation manuals, excessive strain, use of inadequate operation media, chemical and electrolytic influences, construction and assembly works by other persons than the Contractor and any and all other reasons that are not the Contractor's fault.

44. In connection with its liability for defects and warranty obligations, the Contractor shall not be obliged to remedy defects for free elsewhere than in its designated premises or at the delivery place agreed in the Contract.

FORCE MAJEURE

45. Both parties are entitled to suspend performance of their obligations under the Contract for the time of duration of force majeure. The Force Majeure is deemed to be an obstacle which arose independently of the liable party's will and that prevents this party from performing its obligation, provided that it cannot be reasonably expected that the liable party could avert or overcome such an obstacle or its consequences, and further that the occurrence of such an obstacle was unpredictable at the time of formation of the Contract (hereinafter referred to as "**Force Majeure**"). Examples of the Force Majeure include especially: strike, epidemic, fire, natural disaster, mobilization, war, uprising, embargo, prohibition of foreign exchange transfer, accidental regulation of electric power supply, terrorist attack, etc.
46. Force majeure excludes the claim for contractual penalties and claims against the party afflicted by Force Majeure.
47. The party claiming to be affected by the Force Majeure shall notify the other party of this event without delay in writing and take all possible measures to reduce the consequences of non-performance of the contractual obligations.
48. Should the Force Majeure last for more than six months, both parties are entitled to withdraw from the Contract.
49. Both parties are aware of the outbreak of a Coronavirus causing the COVID-19 disease or any mutation of such virus (hereinafter "Epidemic") which is impacting or may impact normal business and performance of the Contract. The parties agree that the Contractor is entitled to time extension, or other reasonably required contract adjustments, if any consequences whether directly or indirectly resulting out of, or in connection with the Epidemic, lead to delays in performance of the Works.

COMPENSATION FOR DAMAGE

50. The Purchaser is responsible for damages that were created by his personnel. This is true even in cases where damage is caused during work managed or supervised by the Contractor. An exception is cases of proven damage caused by gross negligence of the Contractor.
51. The Purchaser is responsible for damage caused by inappropriate material, tools, spare parts and auxiliary resources that he provided to the Contractor for the Works. This also applies to cases in which the Contractor took them over without reservation and used them.
52. THE CONTRACTOR'S LIABILITY FOR ANY INDIRECT AND CONSEQUENTIAL DAMAGES ARISING OUT OF THE NON-PERFORMANCE OF OBLIGATIONS IN CONNECTION WITH THE CONTRACT SHALL BE EXCLUDED. THE INDIRECT AND

CONSEQUENTIAL DAMAGES AND/OR LOSSES SHALL MEAN IN PARTICULAR, BUT NOT LIMITED TO: LOSS OF PROFIT, ENERGY LOSS, LOSS OF USE, COSTS OF SUBSTITUTE ENERGY SUPPLY, COSTS OF CAPITAL, COSTS CONNECTED WITH DELAY, NON-COMPLIANCE OF THE WORKS WITH THE CONTRACT, NON-FULFILMENT OF THE CONTRACT, NON-FULFILMENT OF THE GUARANTEED PARAMETERS, ETC.

53. THE TOTAL AGGREGATE LIABILITY OF THE CONTRACTOR IN RESPECT OF ANY AND ALL DAMAGES INCLUDING THE CONTRACTUAL PENALTIES AND OTHER CLAIMS IN CONNECTION WITH BREACH OF ONE OR MORE OBLIGATIONS OF THE CONTRACTOR SHALL NOT EXCEED THE MAXIMUM AMOUNT OF 30% OF THE TOTAL PRICE OF THE WORKS EXCL. VAT.

54. None of the above limitations of the compensation for damage shall apply to damage caused by the Contractor intentionally or by gross negligence.

EXPORT CONTROL

55. The Purchaser acknowledges that the Works with the use of spare parts or consumable materials and/or such Works that include granting of rights (including transfers of rights), may be subject to Czech and/or foreign statutory provisions and regulations regarding export control, including but not limited to, the provisions of United States Export Administration Regulations (EAR), the International Traffic in Arms Regulations (ITAR) any applicable regulations of the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) and, without export or re-export permits from the competent authorities, may not be sold, leased or otherwise transferred or used for a purpose other than that agreed upon. The Purchaser agrees to comply with such provisions and regulations. The Purchaser acknowledges that such provisions and regulations may change and are applicable to the contract according to the wording valid at the time.
56. The Purchaser agrees not to export, reexport, sell, or supply the Works and/or any ABB products, directly or indirectly, to any person included on the Specially Designated Nationals and Blocked Persons ("SDN") List, without prior notification to and explicit written approval from the Contractor.
57. The Works may neither directly nor indirectly be used in connection with development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons. The Works may also neither directly nor indirectly be used in connection with nuclear installation that means (i) any nuclear reactor, including that one with which a means of sea or air transport is equipped; (ii) any factory using nuclear fuel for the production of nuclear material and any factory for the processing of nuclear material, including any factory for the re-processing of irradiated nuclear fuel; and (iii) any facility where nuclear material is stored, including storage incidental to the carriage of such material.
58. The Works are not sold to and must not be further offered for resale to the following countries: North Korea, Somalia, Crimea, Iran, Syria.

FINAL PROVISIONS

59. The Contract is governed by the laws of the state of the registered office of the Contractor with exclusion of the conflict of law rules.
60. Any and all disputes under the Contract, including disputes in connection with execution and validity thereof, shall be settled by the Arbitration Court at the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic in Prague in accordance with Act No. 216/1994 Coll., on arbitrary proceeding. The arbitration board shall consist of three arbitrators. The parties shall appoint one arbitrator each. The third arbitrator, the chairman, shall be appointed upon agreement of the first two arbitrators. Should these arbitrators fail to reach an agreement, the third arbitrator shall be appointed by the chairman of the above-mentioned Arbitration Court.
61. The Contract is not concluded as an order Contract.
62. The parties have agreed that any and all rights under this Contract shall be subject to the statute of limitation of three years.
63. The parties have agreed that the section 1978 (2) and 2173 of the act no. 89/2012 Coll., the civil code, as amended shall not apply in respect of the Contract.