

General Terms and Conditions of Purchase of the company ItalPipe SrlS, version 1.1 effective from 1.3.2021

1. Definitions

1.1 Definitions. Unless otherwise specified below, the capitalized terms used in these GTCP have the following meanings:

“**Acceptance**” means the acceptance of the Performance by the Customer pursuant to Clause 8.4 of the GTCP.

“**Civil Code**” means the Act No. 89/2012 Coll., the Civil Code, as amended.

“**Completion of Services**” means the completion of the Services in accordance with Clause 8.2 of the GTCP.

“**Contract**” means a contract concluded between the Customer and the Contractor in accordance with Clause 3 of the GTCP, the subject of which is the provision of Performance by the Contractor to the Customer. The Contract may be, in particular, a purchase contract, a contract for work, or an in nominate contract according to the Civil Code.

“**Contract Price**” means the agreed price which the Customer undertakes to pay to the Contractor for the proper and timely provision of the Performance in accordance with Clause 4 of the GTCP.

“**Contractor**” means a natural or legal person who provides the Customer with a Performance under the Contract.

“**Copyright Act**” means the Act No. 121/2000 Coll., the copyright act, as amended.

“**Customer**” means the business company ItalPipe Societa' A Responsabilita' Limitata Semplificata, Id. No. 03830680363, VAT Id. No. IT03830680363, Numero repertorio economico amministrativo (REA) MO – 421469, with its registered seat at Via G. Mazzini 186A2, 41049 Sassuolo Modena, Italian Republic.

“**Delivery of Products**” means the delivery of the Products in accordance with Clause 8.1 of the GTCP.

“**GTCP**” means these General Terms and Conditions of Purchase of the company ItalPipe SrlS with a total of 15 Clauses. The actual version of the GTCP is available on the website www.italpipe.it (link: <https://www.italpipe.it/general-terms-and-conditions-of-purchase/>).

“**Main Contract**” means the contract between the Customer and his customer, in which the Customer in the position of a supplier provides his customer with a performance, a part of which is the Contractor's Performance under the Contract.

“**Party**” or “**Parties**” means individually the Customer or the Contractor, respectively, jointly the Customer and the Contractor.

“**Performance**” means the delivery of Products and/or the provision of Services under the Contract and these GTCP. The Performance includes all things, works, services, complete documentation and rights of use related to the provision of the Performance specified in the Contract, these GTCP or arising from the nature of the Performance or which are necessary for the utilization of the Performance.

“**Products**” means individually or according to the quantity determined movable property and their parts, which the Contractor undertakes to deliver to the Customer on the basis of the Contract.

“**Services**” mean the services, works and activities that the Contractor undertakes to provide to the Customer on the basis of the Contract.

“**Subcontractor**” means a third party who supplies the Contractor with the Performance or a part thereof or who provides the Contractor with any things, services, works or rights forming part of the Performance under the Contract.

“**Working Day**” means any day of the week from Monday to Friday, except for non-working days according to the Act No. 245/2000 Coll., on public holidays, as amended.

2. Introductory provisions

2.1 Subject of the GTCP. These GTCP are prepared in accordance with § 1751 et seq. of the Civil Code and set out the basic rules and conditions that will govern all contractual relationships in relation to the provision of Performance by the Contractor to the Customer.

2.2 Part of the Contract. These GTCP form an integral part of each Contract for the provision of Performance to the Customer, to which the Customer is a participant. The actual version of the GTCP is available on the website www.italpipe.it (link: <https://www.italpipe.it/general-terms-and-conditions-of-purchase/>). Together with the Contract, these GTCP represent the complete agreement of the Parties in relation to the provision of the Performance. The Contractor is obliged to become properly acquainted with all provisions of these GTCP and with all their changes, to expressly accept them in the Contract and to comply with them.

2.3 Prior stipulations. Any oral or written representations, warranties, conducts, agreements and business practices not expressly stated or expressly incorporated by reference in the Contract or in these GTCP shall not be binding on any Party. The Parties declare that they do not rely on or have been influenced by any statements of the other Party which are not contained in the Contract or in these GTCP. The Contract together with these GTCP supersedes all previous written or oral agreements of any nature, statements, warranties, business practices and all other documents relating to the provision of Performance by the Contractor to the Customer, which were the subject of considerations, negotiations or business relations of the Parties prior to conclusion of the Contract.

2.4 Binding nature. By entering into the Contract, the Contractor bindingly agrees with all rights and obligations contained in these GTCP. The Contractor is obliged to comply with the version of the GTCP actual at the time of conclusion of the Contract.

2.5 Priority of the Contract. In the event of inconsistency or deviating provisions, the provisions of the Contract shall prevail over the deviating provisions of these GTCP.

2.6 Commercial terms and conditions of the Contractor. The Contractor's commercial terms and conditions are ineffective and inapplicable for contractual relations established by the Contract, except for the cases when the Customer expresses his express consent to the application of specific provisions of the Contractor's commercial terms and conditions within the Contract.

2.7 Interpretation. By entering into the Contract, the Parties confirm that the Contract and these GTCP are the result of their mutual negotiations, because the text of these GTCP was available to the Contractor before the conclusion of the Contract and was known to him, and deviations from these GTCP were or could be agreed within the Contract. In view of this fact, the Parties declare that neither Party is considered to be the author of the text of the Contract or the GTCP for the purposes of interpretation of the Contract and these GTCP, and therefore any terms allowing different interpretations may not be interpreted to the detriment of either Party. The terms used in the singular include the plural depending on the context of the GTCP, and vice versa.

2.8 Business practices. In accordance with § 558 paragraph 2 of the Civil Code, the Parties hereby declare that the business practices maintained in general or in the given industry shall not be taken into account in their legal relations, and that the business practices shall not take precedence over the provisions of the Civil Code, which do not have obligatory effects.

3. Contract

- 3.1 Subject of the Contract and essentials of the Performance. By the Contract, the Contractor undertakes to provide the Customer with the Performance, i.e. to deliver the Products and/or to provide the Services, and to transfer to the Customer the ownership right to these Products and/or the results of the Services. The Contractor is obliged to provide the Customer with the Performance properly and on time with the necessary professional care and with regard to the needs and interests of the Customer, which the Contractor knows or should know taking into account all the circumstances. Performance must be provided by the Contractor as efficiently as possible and with minimal costs on side of the Customer. The Customer undertakes to take over the Performance provided in a proper and timely manner and to pay the Contract Price agreed for it to the Contractor.
- 3.2 Completeness of Performance. The Contractor is obliged to, at his expenses, supply all things, perform all work and services, hand over complete documentation and provide rights of use, although they are not explicitly stated in the Contract as part of the Performance, but are necessary to achieve completeness, operability, usability, required performance parameters and/or ensuring its reliable and safe operation or use in accordance with the Contract, as if these things, works, services, rights of use and documentation were expressly stated in the Contract as part of the Performance.
- 3.3 Proposal. The proposal for the conclusion of the Contract is: (i) a written order for the Performance prepared by the Customer and delivered to the Contractor, (ii) an offer to provide the Performance prepared by the Contractor and delivered to the Customer, or (iii) a draft Contract prepared by one of the Parties and delivered to the other Party (all hereinafter the “**Proposal**”). If the confirmation of acceptance of the Proposal contains reservations to the Proposal or any other changes, including reservations, amendments and deviations, which in the sense of § 1740 paragraph 3 of the Civil Code do not substantially change the conditions of the Proposal, then the Proposal is rejected and such confirmation constitutes a new Proposal. If there are other reservations or differences contained in the acceptance of the new Proposal, the above procedure will be repeated by analogy.
- 3.4 Form of the Contract. The Contract may be concluded only in writing, with the exception stipulated in Clause 3.5 of the GTCP. The written form is complied with if the acceptance of the Proposal is made by e-mail. The written form is further complied with in the case of an electronic copy of the Contract with scanned signatures of persons authorized to represent the Parties sent by e-mail; upon request, the Parties undertake to provide each other with a paper copy of the Contract. If the Customer expressly provides so within the Proposal, the Contract may be concluded only by signing a paper copy of the Contract by both Parties. The Contract may be amended only by a duly numbered and dated amendment in writing concluded by persons authorized to duly represent the Parties.
- 3.5 Conclusion of the Contract. The Contract is concluded when the written confirmation of the addressee on the unconditional acceptance of the Proposal is delivered to the proposer. For the avoidance of any doubt, the Parties agree that the Contract may also be concluded without acceptance of the Proposal, at the moment when the Contractor, acting with the Customer’s consent, demonstrably commences the implementation of the Performance and the Customer subsequently proceeds with the Acceptance of such Performance; in such a case, the Contract is concluded in the wording of the Customer’s last Proposal.
- 3.6 Deadlines for acceptance of the Proposal. The Contractor is obliged to confirm the duly received Proposal in writing or to express his justified reservations to it within the period specified in the Proposal, or within five (5) days from its delivery to the Contractor. If the Contractor does not accept the

Proposal in writing within the period according to the previous sentence, or does not communicate to the Customer his comments to the Proposal, the Contractor may still accept the Proposal under the conditions set out in the last sentence of Clause 3.5 of the GTCP. The Customer is not obliged to respond to the Contractor’s Proposal in any way.

- 3.7 Cancellation of the Proposal. The Contractor is not entitled to cancel his Proposal in the period from its delivery to the Customer until the moment when the period of five (5) days from its delivery to the Customer expires in vain. The Customer is entitled to cancel any of his Proposals at any time prior to the delivery of its acceptance by the Contractor to the Customer, whereas, the Parties exclude the application of § 1729 of the Civil Code for such an event.

4. Contract Price

- 4.1 The amount of the Contract Price. The Customer is obliged to pay the Contractor the Contract Price for the provision of the Performance, the amount of which is specified in the Contract. The Contract Price is agreed as a fixed price. In accordance with the provisions of § 1765 paragraph 2 and § 2620 paragraph 2 of the Civil Code, the Contractor assumes the risk of a change in circumstances.
- 4.2 Content of the Contract Price. Unless the Contract stipulates otherwise, the Contract Price includes, in addition to the actual value of the Performance, all costs associated with the provision of the Performance, including the costs of transportation, insurance and packaging, downtime, payment of all taxes, import licenses, duties or other fees, and the value of things, works, services, documentation and rights of use according to Clause 3.2 of the GTCP.

5. Payment terms

- 5.1 Authorization of the Contractor to invoice the Contract Price. Unless the Contract stipulates otherwise, the Contractor is entitled to issue an invoice for the entire Contract Price at the earliest at the moment of the Acceptance of the entire Performance documented by the protocol pursuant to Clause 8.4 of the GTCP.
- 5.2 Due date. Unless the Contract stipulates otherwise, the due date of the Contractor’s invoices for the payment of the Contract Price is sixty (60) days from the date of delivery of the invoice to the Customer. Notwithstanding the previous sentence, the Contractor may request the Contractor in writing to shorten the due date of invoices for the payment of the Contract Price to fifteen (15) days from the date of delivery of the invoice to the Customer; for such a case, the Contractor provides the Customer with a discount of 0.5% of the total Contract Price, which will be taken into account on the relevant invoice. Unless the Contract or these GTCP stipulates otherwise for a specific case, the due date of other monetary claims under the Contract and these GTCP (contractual penalties, compensation of costs or damages, etc.) is fifteen (15) days from their invoicing to the relevant Party.
- 5.3 Particulars of the invoice. The invoice must have all the requisites of a tax and accounting document according to § 435 of the Civil Code and other relevant legal regulations. In the case of payment of advance payments based on the proforma invoices, a tax document must subsequently be issued in accordance with the relevant legal regulations. Payment of the Contract Price shall be made by the Customer by non-cash bank transfer to the Contractor’s account specified in the relevant invoice. The invoice must contain in particular:
- (i) the invoice number, the date of issue, the date of the taxable transaction and the due date of the invoice;
 - (ii) the identification data of the Parties;
 - (iii) the account number of the Contractor (including IBAN/SWIFT data), which must be in accordance with the published VAT payer’s account (if any);

- (iv) the number of the Contract or the order of the Customer; if the Contractor does not know this number, he is obliged to request it from the Customer;
 - (v) the place of provision of the Performance;
 - (vi) the quantity and specification of the Performance, including any serial numbers;
 - (vii) unit price broken down without VAT, amount of VAT and the price including VAT;
 - (viii) the total price broken down without VAT, the amount of VAT and the price including VAT.
- (i) he is not an unreliable tax payer;
 - (ii) the bank account of the Contractor, to which any payments will be made by the Customer, is and will be an account which is published as a VAT payer's account;
 - (iii) there are no reasons on the basis of which the Customer would become or could become a guarantor for the Contractor's tax liability in connection with the performance of the Contract or the payment of the Contract Price.

The final invoice must be accompanied by a protocol on the Acceptance of Performance according to Clause 8.4 of the GTCP.

- 5.4 Return of the invoice. In the event that the invoice issued by the Contractor does not have the prescribed requisites, data or attachments according to the Contract or these GTCP, the invoice will not be paid to the Contractor and the Customer is entitled to return it to the Contractor for correction or reissue at any time before its due date, without the Customer being in delay with the payment of the Contract Price. In such a case, the due date of the new duly corrected invoice starts to run upon its delivery to the Customer. The moment of payment of the invoiced amount is the moment when the relevant amount was debited from the Customer's bank account.
- 5.5 Electronic invoicing. The Parties have agreed on electronic invoicing. The invoice must be delivered by the Contractor to the Customer with all the requisites according to the Contract and these GTCP to the e-mail: info@italpipe.it.
- 5.6 Payments to Subcontractors. In the event that the due and/or timely manner of providing any part of the Performance provided by the Subcontractor could be endangered for any reason, the Customer is entitled to pay the part of the Contract Price for the relevant part of the Performance directly to the Subcontractor, take over the affected part of the Performance from the Subcontractor and reduce the Contract Price paid to the Contractor by such amount paid to the Subcontractor. For these purposes, the Contractor expressly agrees that the Customer may acquire the Subcontractor's receivable against the Contractor for a fee; and subsequently set off this receivable against the Contractor's receivable for the payment of the relevant part of the Contract Price. The Contractor is obliged to provide the Customer with the necessary cooperation (in particular to allow the Acceptance of the relevant part of the Performance and assignment and the set-off of the relevant receivables).
- 5.7 Interruption of maturity deadlines. In the event that the Customer discovers any defect in the Performance, the maturity period of the Contract Price or its unpaid part shall be interrupted. The interrupted maturity period will start running again from the day when, in accordance with the Customer's choice according to these GTCP:
- (i) the Contractor eliminates the respective defects in the Performance and enables the Customer to use it properly; or
 - (ii) the Customer agrees with the Contractor on a reasonable discount from the Contract Price for the defective Performance, whereas the discount will be the subject of a credit note from the Contractor from the relevant invoice, the maturity of which has been interrupted.
- 5.8 Payment of income tax of a foreign Contractor. The Contractor is obliged to provide the Customer with a confirmation of his tax domicile. If the legal regulations in connection with the implementation of the Contract require the Customer to pay any taxes or advance payments on behalf of the Contractor, the Customer shall pay these taxes or advance payments, and the Contract price paid to the Contractor will be reduced by the given amount.
- 5.9 Declaration of an unreliable tax payer. The Contractor - a VAT payer - expressly declares that:
- 5.10 Declaration of tax obligations of the Contractor. The Contractor declares and undertakes to file a proper tax return for VAT and to pay the relevant amount of tax to the tax administrator within the due date. The Contractor further declares that he has no intention not to pay VAT in connection with the performance of the Contract, or any intention to reduce the tax, or to lure a tax advantage, and he has also no intention to get into a position where he will not be able to pay VAT.
- 5.11 Customer's retention right. The Customer is expressly entitled to withhold the amount of VAT from the invoice issued by the Contractor under the Contract and to make the relevant payment to the Contractor without such withhold amount of VAT in the following cases:
- (i) the Contractor becomes, at any time during the performance of the Contract, an unreliable payer;
 - (ii) the Contractor requires the Customer to make any payment under the Contract to an account other than the one published by the Contractor as a VAT payer's account.
 - (iii) the Customer gets a reasonable suspicion that the Contractor will not pay VAT, the tax will be reduced or the tax advantage will be misused, or the Contractor will get into a position where he will not be able to pay VAT.
- 5.12 Payment of withheld VAT. Acting at his discretion, the Customer disposes of the amount of VAT withheld according to Clause 5.11 of the GTCP as follows:
- (i) he pays it for the Contractor directly to the relevant account of the tax administrator; or
 - (ii) he pays it directly to the Contractor if the Contractor clearly demonstrates to the Customer that he has duly paid the respective VAT.
- 5.13 Exclusion of delays in payment of the Contract Price. For avoidance any of doubt, the Customer shall not be in delay with the payment of the relevant part of the Contract Price when he is acting in accordance with Clauses 5.6 to 5.12 of the GTCP.
- 6. Conditions of Performance**
- 6.1 Quality, design and quantity of Performance. The Contractor is obliged to provide the Performance to the Customer properly and on time in accordance with the Contract and these GTCP, while he is obliged to meet the requirements for quality specified in the Contract. The Performance must be provided in quality, design and with all the properties specified in the Contract. In the event that the quality, design or other specific properties are not specified in the Contract, the Contractor is obliged to provide the Performance in such quality and design that fully meets the purpose apparent from the Contract, and if such purpose is not clear, then for the purpose for which the Performance is usually provided. Furthermore, the Performance must comply with all technical requirements and technical and safety standards applicable to the given type of Performance. Products must be new, unused, undamaged and made of quality material, must be able to provide consistently standard performance and fully suit the purpose for which they are supplied. The Products and results of the Services must not be subject to any legal defects. The Contractor is obliged to provide the Performance in the extent specified in the Contract. The Contractor confirms that for the purposes of providing Performance in accordance with these GTCP, the recommended provisions of the relevant legal and technical regulations are binding.

- 6.2 Instructions and documents of the Customer. In the event that the Performance is provided on the basis of documents or instructions of the Customer, the Contractor is obliged to review these documents and instructions with due professional care and notify the Customer in writing of any unsuitability of such documents or instructions. If the Contractor does not notify the Customer in writing of the unsuitability of his documents or instructions no later than three (3) days from the moment when the Contractor learned or, acting with due professional care, could learn of such unsuitability, then the Contractor shall be liable for any deficiencies in Performance and damage caused by using such documents or the execution of such instructions.
- 6.3 Technical documentation. All technical and other documentation provided by the Customer to the Contractor in connection with the Contract remains the exclusive property of the Customer. The Contractor is not entitled to publish or make available such technical and other documentation to any third party or to use it for the benefit of any third party, unless the Customer gives his prior written consent. The Contractor is entitled to use such documentation only in connection with the fulfillment of his obligations under the Contract.
- 6.4 Compliance with legal regulations. The Contractor is responsible for ensuring that no legal regulations are violated during the provision of the Performance (especially regulations in the field of handling hazardous and toxic substances, environmental protection, safety and hygiene standards, technical standards, etc.) and that the Performance will meet all requirements set by the relevant legal regulations. In the event of a breach of the obligation under the previous sentence, the Contractor shall be liable to the Customer for the damage caused.
- 6.5 Activities performed by the Contractor at the Customer's premises. If the Contractor performs the Performance at the Customer's premises or at another place designated by the Customer, he is obliged to move only in the premises or handling areas defined by the Customer and comply with all occupational health and safety regulations, especially regulations governing rules of conduct in the relevant premises.
- 6.6 Subcontractors. Unless the Contract stipulates otherwise, the Contractor is entitled to use Subcontractors in providing the Performance. In such a case, the Contractor is obliged to ensure that the Subcontractors undertake to comply with the conditions set out in the Contract and these GTCP. The Contractor is obliged to enable the Customer to inspect the Subcontractors according to the Customer's requirements, including the dismissal and replacement of the Subcontractors on the basis of a reasoned request of the Customer. The Contractor is obliged to submit a list of all Subcontractors at the request of the Customer. The Contractor shall be liable to the Customer for the performance provided by the Subcontractor and any damage caused by the Subcontractor, as if the performance was provided by the Contractor or the damage was caused by the Contractor himself. If the Contractor uses an agent, employee or other assistant in his activity, he shall compensate the damage caused by them in the same way as if he had caused it himself.
- 6.7 Packaging. The Contractor is obliged to pack the Products and the results of the Services at his own expense and to ensure that during transport, including loading and unloading, they cannot be damaged, degraded or stolen and that the packaging allows safe and long-term storage without loss of quality. The packaging and delivery note must show in a visible place the identification of the Contractor and the Customer, the number of the Contract (or order) and other requisites according to the Contract. In the event that the packaging is marked as returnable by the Contractor, the Contractor is obliged, at his expense, to pick up the packaging from the Customer, within fourteen (14) days from the date of Acceptance pursuant to Clause 8.4 of the GTCP.
- 6.8 Documents provided with Performance. Unless the Contract stipulates otherwise, the Contractor is obliged to deliver to the Customer together with the Performance the documents necessary for taking over the Products and results of the Services, their handling and their use, as well as documents required by binding standards, legal and technical regulations. These are, in particular, documents regulating the technical conditions of installation, operation and maintenance of Products and results of Services, declarations of conformity, attests, safety data sheets, certificates or instructions for use containing, among other things, warnings if Products or results of Services require special handling, assembly, maintenance, etc. All documents must be delivered by the Contractor in the original, in writing, legible and at the request of the Customer also in electronic form. Unless the Contract stipulates another language of documents, the Contractor is obliged to hand over to the Customer at least one copy of the documents in the English language. The Contractor is also obliged to provide the Customer at his request with all assistance and cooperation in procuring the documents that the Customer needs for the export and/or import of Products or the results of the Services, respectively, for the transit of Products or results of Services through the territory of a third country. In the event that as a result of the Contractor's delay in submitting proper and complete documents, the Customer incurs any additional costs (such as customs, storage or other fees), the Contractor is obliged to pay these costs.
- 6.9 Change of Performance at the request of the Customer. At any time prior to Delivery of Products and/or Completion of Services, the Customer may request a change in Performance. The Contractor is obliged to comply with such request for change, and is obliged to inform the Customer within five (5) days from the delivery of the request for change about the effects of this change on the deadlines of Performance and any other effects on the provisions of the Contract. If the Contractor does not inform the Customer about the effects of the change within this five-day period, the Contractor confirms that the change has no impact on the deadlines of Performance and the Contract Price, and the Contractor is obliged to provide such changed Performance within the terms agreed in the Contract and for the agreed Contract Price.
- 6.10 Suspension of performance of the Contract. At any time before Delivery of Products and/or Completion of Services, the Customer is entitled to suspend the execution of Contractor's Performance under the Contract. During the period of suspension, the Contractor is obliged to properly take care of the completed or unfinished Performance and to perform the Delivery of Products and Completion of Services without undue delay after the cancellation of the suspension. Due to the suspension, the Contractor is not entitled to demand an increase in the Contract Price; the Contractor is entitled only to reasonable and duly documented storage costs according to Clause 6.11 of the GTCP.
- 6.11 Storage. If for any reason the Contractor stores or ensures storage of Products, results of Services, any material, semi-finished products or other things (including things owned by the Customer or any third party), then the Contractor is obliged to provide such storage (i) for ninety (90) days at his own expense and (ii) from the ninety-first (91st) day at duly documented costs corresponding to the usual storage price (i.e. the price at which storage at a given place and time can be secured in a similar manner). Storage according to the previous sentence is not a storage of any things during the performance of the Performance, which is included in the Contract Price, but only situations when the Contractor stores any items exclusively due to the Customer (e.g. due to impossibility of Delivery of Products attributable to the Customer).

- 6.12 Special provisions on author's work. If the result of the Performance is the creation of an author's work (including technical documentation), the following provisions will apply:
- (i) The respective author's work is created by the Contractor as a work created to order according to § 61 paragraph 1 of the Copyright Act and the Contractor gives the Customer explicit consent to the publication of this work. The Contractor also provides the Customer with the right to exercise the right to use the work in all ways specified in §§ 12 to 23 of the Copyright Act, even beyond the usual purpose of use of the work, and to make any adjustments or modifications to the work, including replacing the Contractor's logo with the Customer's logo. The right to use the work is expressly granted in the form of an exclusive license. The right to use the work is granted for the duration of the economic rights to the work, without territorial, quantitative or other restrictions. The Customer is not obliged to use his right to use the work. Royalty for the right to use the work to the specified extent is fully included in the Contract Price.
 - (ii) The Customer is entitled to grant (especially in the form of a sublicense) to a third party or assign to a third party his right to exercise the right to use the work in its entirety with all related rights; the Contractor hereby gives the Customer express consent to the granting of such sublicense or assignment.
 - (iii) The Parties expressly agree that the provisions of § 2378, § 2379 and § 2382 of the Civil Code shall not apply. The Contractor further confirms, in the sense of § 2368 of the Civil Code, that he is not interested in the confidentiality of documents and communications provided to the Customer in connection with the provision of rights to use and licenses.
 - (iv) The Parties, with reference to the provisions of § 61 paragraph 2 of the Copyright Act, expressly agree that the Contractor is not entitled to use the work himself or to grant a license to the work to a third party.
- 6.13 Ownership of development results. Unless the Contract stipulates otherwise, the Customer shall become the sole owner of all intellectual property rights that arise in connection with the fulfillment of the Contractor's obligations under the Contract.
- 7. Place and dates of providing the Performance**
- 7.1 Place of Delivery of Products and provision of Services. Unless the Contract stipulates otherwise, the Products and other things will be delivered by the Contractor in the delivery parity DDP according to INCOTERMS 2020 to the place specified in the Contract. Services will be provided at the place agreed in the Contract.
- 7.2 Term of Delivery of Products. The term of Delivery of Products is set out in the Contract. The Contract may also set out partial milestones for the Delivery of Products. In the event that the date of Delivery of Products is not specified, Delivery of Products shall take place no later than thirty (30) days from the moment of conclusion of the Contract. Unless the Customer specifies otherwise, the Contractor is obliged to deliver the Products on Working Days during the Customer's usual working hours from 8:00 to 14:00. The Contractor is obliged to notify the Customer in writing of the Delivery of Products at least ten (10) Working Days in advance, unless agreed otherwise. The Contractor is obliged to immediately inform the Customer in writing in the event that there is a risk of delay with the Delivery of Products. Partial deliveries of the Products are only possible if agreed so in the Contract or if the Customer expressly agrees.
- 7.3 Term of Completion of Services. The terms of Completion of Services are set out in the Contract. The Contract may set partial milestones for the Completion of Services. In the event that the date of Completion of Services is not specified, the Contractor shall commence the performance of the Services immediately after the conclusion of the Contract and subsequently perform the Completion of Services without undue delay. The Contractor is obliged to immediately inform the Customer in writing in the event that there is a risk of any delay in connection with the performance of the Services.
- 8. Delivery of Products, Completion of Services, Acceptance, ownership and risk of damage**
- 8.1 Delivery of Products. Delivery of Products is made properly and in a timely manner under the following conditions:
- (i) the Products are delivered by the Contractor completely, properly and without defects within the agreed term to the agreed place of Delivery of Products;
 - (ii) complete and flawless related documentation is delivered to the Customer together with the Products.
- Delivery of Products will be confirmed by the Customer on the delivery note or other appropriate document; confirmation of the Delivery of Products by the Customer does not constitute an Acceptance that will take place in accordance with Clause 8.4 of the GTCP.
- 8.2 Completion of Services. Completion of Services is performed properly and in a timely manner under the following conditions:
- (i) the Services are performed by the Contractor completely, properly and without defects within the agreed term and the Customer is allowed to dispose of the results of the Services without restriction.
 - (ii) complete and flawless related documentation is delivered to the Customer together with the results of the Services.
- Completion of Services may be confirmed by the Customer within the relevant document; confirmation of the Completion of Services by the Customer does not constitute an Acceptance that will take place in accordance with Clause 8.4 of the GTCP.
- 8.3 Late Delivery of Products and Completion of Services. If the Contractor fails to fulfill his obligation to perform the Delivery of Products and/or Completion of Services properly and in timely manner, the Customer is entitled to the payment of a contractual penalty from the Contractor according to Clause 11.1 of the GTCP. In the event that the Contractor's delay in the Delivery of Products, in starting to perform the Services, or meeting the deadline for Completion of Services reaches the period specified in Clause 14.2 of the GTCP, the Customer will be entitled to withdraw from the Contract in accordance with Clause 14.2 of the GTCP.
- 8.4 Acceptance of Products and results of the Services. The Customer performs the Acceptance of the Products by signing the protocol on Acceptance of Products without undue delay after fulfillment of both of the following conditions: (i) the Products are delivered in accordance with Clause 8.1 of the GTCP, and (ii) the inspection according to Clause 9.2 of the GTCP is successfully performed. The Customer performs the Acceptance of the results of the Services by signing the protocol on Acceptance of Services without undue delay after fulfillment of both of the following conditions: (i) the Services are completed in accordance with Clause 8.2 of the GTCP, and (ii) the inspection according to Clause 9.2 of the GTCP is successfully performed. The Parties expressly exclude the application of § 2628 of the Civil Code.
- 8.5 Transfer of ownership and risk of damage. Unless the Contract provides otherwise, the Customer acquires ownership of the Products (i) at the time of Delivery of Products according to Clause 8.1 of the GTCP, or (ii) by payment, whichever occurs first. The Customer acquires the ownership of the results of the Services gradually as they are performed. The risk of damage to the Products and the results of the Services passes to the Customer at the moment of Acceptance of the Performance according to Clause 8.4 of the GTCP.

9. Monitoring of Performance

- 9.1 Inspections during implementation. The Contractor undertakes to carry out all inspections and tests of the Performance, in particular in order to determine whether the requirements of the Contract and these GTCP are met. These inspections and tests will be performed by the Contractor according to his quality assurance program and in accordance with legal regulations and technical standards. The Customer is entitled to monitor the course of performance of the Contract by the Contractor and his Subcontractors, i.e. in particular the course of provision of the Performance and execution of tests. Unless the Parties agree otherwise, the Contractor is obliged to inform the Customer ten (10) Working Days before performing any test and to allow the Customer to participate in these tests. Any inspections by the Customer do not release the Contractor from liability for the proper and timely provision of the Performance in accordance with the Contract and do not affect any claims of the Customer due to the liability of the Contractor. If the Customer finds out that the Contractor is performing the Performance under the Contract in violation of his obligations, the Customer is entitled to request that the Contractor immediately eliminate all deficiencies.
- 9.2 Inspection before the Acceptance. Without undue delay after Delivery of Products according to Clause 8.1 of the GTCP, respectively Completion of Services according to Clause 8.2 of the GTCP, the Customer shall inspect the Performance. As part of this inspection, the Customer is entitled, at his discretion, to inspect and examine the Performance in order to determine whether all requirements of the Contract and these GTCP have been met. In the event that the Performance does not meet the requirements and properties specified in the Contract and these GTCP, the Customer is entitled to a contractual penalty pursuant to Clause 11.1 of the GTCP and he is also entitled to:
- (i) refuse the Acceptance of the defective Performance and demand from the Contractor the elimination of deficiencies in the Performance at the place and within the time specified by the Customer, while the Customer is not obliged to proceed with the Acceptance of the Performance and pay the Contract Price until the moment of elimination of the deficiencies. If the Contractor does not eliminate the deficiencies of Performance within the period specified by the Customer, or it is clear that he will not do so, then the Customer is entitled to ensure the elimination of deficiencies of the Performance himself or through a third party at the expense and risk of the Contractor, whereas the costs incurred may be set off by the Customer, inter alia, against the Contractor's claim for payment of the Contract Price;
 - (ii) refuse the Acceptance of the defective Performance and return it at the expense of the Contractor without the Customer being in delay with the Acceptance of the Performance; if the Contractor does not provide the Customer with replacement Performance within ten (10) days after the return of the Performance, the Customer has the right to withdraw from the Contract pursuant to Clause 14.2 of the GTCP, whereas the Contractor shall be obliged to reimburse the Customer for all damage caused to the Customer and the costs and expenses incurred by the Customer, including the costs of obtaining a replacement performance;
 - (iii) perform the Acceptance of the defective Performance; in such a case the Customer is entitled to a corresponding discount from the Contract Price and/or the claim for elimination of the defects in accordance with Clause 10 of the Contract.

10. Rights arising from the defective performance and quality guarantee

- 10.1 Defects. The Performance is defective if it is not provided in the quantity, quality and/or design specified in the Contract or

these GTCP or does not correspond to the purpose specified in the Contract or arising therefrom. Defects are also the legal defects of the Performance and defects in the documentation which the Contractor is obliged to deliver to the Customer together with the Performance.

- 10.2 Guarantee. Unless the Contract stipulates otherwise, the Contractor shall be liable for all defects that occur on the Performance during the guarantee period of thirty-six (36) months, which commences to run at the time of the Acceptance of the Performance pursuant to Clause 8.4 of the GTCP. The Contractor undertakes that, during the guarantee period, the Performance provided under the Contract will be suitable for use for the purpose specified in the Contract, and (if not specified) for the usual purpose, and that it will retain the properties specified in the Contract. If the Contract does not stipulate certain properties of the Performance, the Contractor undertakes that the Performance will retain at least the usual properties for the guarantee period. The guarantee period does not run for a period during which the Customer or his customers cannot use the Products or the results of the Services due to defects for which the Contractor is responsible. In the event of a replacement Services, the guarantee period runs from the beginning in full extent.
- 10.3 Claims for defects. Defects will be claimed in writing. In the event of occurrence of defects, the Customer is entitled to:
- (i) request the elimination of defects by delivery of a replacement Performance or by providing the missing part of the Performance and request the elimination of legal defects;
 - (ii) request the elimination of defects by repair, if the defects are repairable; and
 - (iii) demand a reasonable discount from the Contract Price.
- The Customer is entitled to change and combine his claims arising from a defective performance at any time until the moment of complete elimination of the defect.
- 10.4 Defect elimination deadlines. Unless the Contract or the Customer within the claim for defects stipulates otherwise, the Contractor is obliged to start eliminating the defect in the manner chosen by the Customer (i) within forty-eight (48) hours after the claim for defects affecting the usability of the Performance, and (ii) within seven (7) days after the claim in case of other defects. The defect will be eliminated by the Contractor within the period specified by the Customer with regard to the nature and severity of the defect; if the Customer does not specify a deadline, the Contractor is obliged to eliminate the defect within the deadline according to the first sentence of this Clause 10.4 of the GTCP. The Contractor is obliged to eliminate the defect at his own expense in the manner specified by the Customer even in the event that the Contractor disputes his liability for the defect in question. In the event that the Contractor later demonstrates that he is not responsible for the defect, the Customer shall reimburse the Contractor for the reasonable incurred and duly documented defect elimination costs.
- 10.5 Failure to eliminate the defects. If (a) the Contractor fails to eliminate the defects in accordance with Clause 10.3 of the GTCP within the period according to Clause 10.4 of the GTCP, or (b) before the expiry of this period the Contractor informs the Customer that he will not eliminate the defects, or (c) it is clear that the Contractor will not be able to properly eliminate the defects within this period, then the Customer is entitled to:
- (i) withdraw from the Contract in accordance with Clause 14.2 of the GTCP;
 - (ii) request a reasonable discount from the Contract Price; and/or
 - (iii) repair the defects or provide replacement performance himself or through another person at the expense and risk of the Contractor. The Contractor undertakes to

reimburse all related costs and expenses to the Customer in full. The procedure pursuant to this point (iii) does not affect the Contractor's guarantee for the Performance or the Contractor's liability for damage caused by defects in the Performance or caused or arising during the elimination of defects in the Performance.

10.6 Nonpayment of part of the Contract Price until the elimination of defects. The Customer is not obliged to pay the Contractor a part of the Contract Price for the defective part of the Performance until the defect has been eliminated.

10.7 Contractual penalty for delay in eliminating defects. If the Contractor is in delay with the fulfillment of his obligations arising from liability for defects, the Customer is entitled to the payment of a contractual penalty from the Contractor in accordance with Clause 11.2 of the GTCP.

11. Contractual penalties and liability for damages

11.1 Contractual penalty for late Delivery of Products and Completion of Services. If the Contractor fails to fulfill his obligation to perform the Delivery of Products pursuant to Clause 8.1 of the GTCP properly and in a timely manner (including the situation where the Customer discovers any deficiencies within the inspection pursuant to Clause 9.2 of the GTCP), the Customer is entitled to request from the Contractor and the Contractor will pay to the Customer a contractual penalty in the amount of five percent (5%) of the Contract Price for each started period of seven (7) days of delay and each individual case. If the Contractor fails to fulfill his obligation to ensure the Completion of Services pursuant to Clause 8.2 of the GTCP properly and in a timely manner (including the situation where the Customer discovers deficiencies within the inspection pursuant to Clause 9.2 of the GTCP), the Customer is entitled to request from the Contractor and the Contractor will pay to the Customer a contractual penalty in the amount of five percent (5%) of the Contract Price for each started period of seven (7) days of delay and each individual case.

11.2 Contractual penalty for delay in eliminating defects. If the Contractor is in delay with the fulfillment of his obligation to commence eliminating the defect within the term according to Clause 10.4 of the GTCP and/or the obligation to complete the elimination of the defect within the term according to Clause 10.4 of the GTCP, then the Customer is entitled to request from the Contractor and the Contractor will pay to the Customer a contractual penalty in the amount of five tenths of a percent (0,5%) of the Contract Price for each started day of delay and each individual case.

11.3 Violation of no retention obligation. If the Contractor breaches his obligation under Clause 12.5 of the GTCP, i.e. retains or refuses to hand over to the Customer any item acquired by the Contractor in connection with the performance of the Contract and owned by the Customer or to be handed over or returned to the Customer, then the Customer is entitled to request from the Contractor and the Contractor will pay to the Customer a contractual penalty in the amount of EUR 1,000 for each commenced day of retention or refusal to hand over any item and each individual case.

11.4 General provisions on contractual penalties. The Contractor confirms that the contractual penalties according to these GTCP are proportionate to the relevant obligations. The Contractor's obligation to pay a contractual penalty also applies to cases where the Contractor's delay arose as a result of the Subcontractor's delay. The contractual penalty is payable according to Clause 5.2 of the GTCP. The arrangement of any contractual penalty or its payment does not affect the Customer's right to be compensated for damage or other harm in full in addition to the contractual penalty.

11.5 Liability for damage. The Contractor shall be liable for all damage caused to the Customer, the Customer's customers or other persons in connection with the breach of the Contractor's obligations under the Contract. The Contractor is obliged to

reimburse the Customer for all damages, especially all compensations of damages, contractual penalties, sanctions and other amounts incurred by the Customer in connection with breach of Contractor's obligations under the Contract, costs of Customer's proceedings conducted in connection with breach of Contractor's obligations under the Contract, as well as costs incurred in connection with defects in the Performance, including costs for disassembly and reassembly, costs for shutting down the final equipment, etc. The Contractor undertakes to compensate the Customer for the damage in full, within the period under Clause 5.2 of the GTCP.

11.6 Liability for damage caused to the Customer's customers. The Customer informs the Contractor and the Contractor acknowledges and understands that the Performance will become an integral part of highly technically advanced and complex equipment and/or other complex services supplied by the Customer to his customers under the Main Contract. The market value of the performance provided by the Customer under the Main Contract may reach the value of up to tens of millions EUR and the proper and timely performance of the Customer under the Main Contract is contractually secured by significant financial sanctions in the form of contractual penalties and the obligation to pay damages, including lost profits. With regard to the above, the Contractor fully understands and agrees that any damage related to the Contractor's delay under the Contract includes all fulfillment (especially the Customer's obligation to pay contractual penalties or other sanctions) and damage that the Customer will be obliged to pay under the Main Contract in connection with the Contractor's delay under the Contract. The Contractor confirms that he will take all necessary measures to prevent damage pursuant to this Clause 11.6, and in the event that damage occurs as a result of his delay or other breach, declares that he understands that such damage may substantially exceed the total Contract Price, and undertakes to compensate the Customer for such damage.

12. Other provisions

12.1 Offsetting of receivables. The Customer is entitled to unilaterally set off any of his (including those acquired by assignment) due and outstanding (not yet due) receivables against any receivables of the Contractor arising in connection with the Contract or these GTCP. The Contractor is not entitled to make a unilateral set-off against the Customer's receivables arising in connection with the Contract or these GTCP.

12.2 Prohibition of assignment of receivables. The Parties have agreed that the Contractor is not entitled to assign to a third party the receivables, which the Contractor has towards the Customer on the day of signing the Contract or which will arise towards the Customer on the basis of the Contract. The assignment of receivables according to the previous sentence is possible only with the prior written consent of the Customer.

12.3 Transfer of rights and obligations under the Contract. The Customer is entitled to transfer the rights and/or obligations under the Contract to a third party, whereas he is obliged to notify the Contractor in writing of such transfer of rights and obligations under the Contract to a third party. In case of a transfer of rights and/or obligations under the Contract, the Contractor grants his consent to such transfer and undertakes that in such an event he will fulfill his obligations under the Contract to the legal successor of the Customer. The transfer of rights and obligations takes effect upon delivery of the relevant notice to the Contractor.

12.4 Pledge of receivables. The Parties have agreed to exclude the possibility of pledging the Contractor's receivables which the Contractor has against the Customer as of the date of signing the Contract or which will arise against the Customer on the basis of the Contract. The pledge of receivables according to the previous sentence is possible only with the prior written consent of the Customer.

- 12.5 Prohibition of retention. The Parties agree that the Contractor is not entitled without the prior written consent of the Customer to retain or refuse to handover any item (including documentation, Products, material results of the Services, any materials, semi-finished products, media, etc.) that the Contractor has or obtains in connection with the performance of the Contract and which is owned by the Customer or is to be handed over or returned to the Customer. The agreement according to the previous sentence explicitly excludes the application of the provisions of § 1395 of the Civil Code.
- 12.6 Receivables becoming due. In the event that insolvency proceeding is initiated against any Party and it is not terminated within twenty (20) days of its commencement due to unfoundedness, then on the twenty-first (21st) day from its commencement all outstanding receivables against the Party in insolvency proceedings become due.
- 12.7 Confidentiality. The Contractor and the Customer undertake not to make available to third parties without the prior consent of the other Party, except those which must be informed by law and/or to the extent necessary for the implementation of the Contract (e.g. subcontractors, Customer's business partners and Customer's customers), information on the existence of the Contract and its content or any information or documents which have been transmitted to each other and which relate to the Contract. The Contractor and the Customer shall be liable for any damage incurred by the other Party due to breach of this obligation.
- 12.8 Force majeure. Force majeure means an extraordinary or unforeseeable obstacle which has arisen independently of the will of the Party and which temporarily or permanently prevents it from fulfilling its obligation, unless it can be reasonably assumed that the Party could avert or overcome this obstacle or its consequences, and that it would have foreseen this obstacle at the time of the conclusion of the Contract. For the purposes of these GTCP, such an obstacle is considered to be, in particular, natural disasters, terrorist attacks, wars, civil unrest, insurrections or revolutions of a non-local nature. Events such as lockout, delays in the supply of Subcontractors (unless caused by force majeure), insolvency, lack of manpower or material are not considered force majeure. Furthermore, force majeure shall not be an obstacle which arose at a time when the obligated Party was already in delay with the fulfillment of its obligation or arose as a result of its economic conditions. In the event of a force majeure event, the deadlines for fulfilling the obligations stipulated by the Contract or these GTCP shall be extended for the affected Party, for the period for which the event of force majeure demonstrably lasts. The Contractor is obliged to inform the Customer in writing about the occurrence and termination of a force majeure event without undue delay, but no later than within five (5) Working Days from the occurrence of force majeure; if the Contractor does not inform the Customer within this period, he will not be entitled to invoke the circumstances of force majeure and the deadlines for the Performance will not be extended. In the event that the state of force majeure lasts longer than three (3) months, the Customer is entitled to withdraw from the Contract pursuant to Clause 14.2 of the GTCP.
- 13. Protection of personal data**
- 13.1 Protection of personal data. As personal data may be processed during the performance of the Contract, the Parties hereby agree on the conditions of personal data protection within the meaning of Clause 28 (3) of Regulation (EU) 2016/679 of the European Parliament and of the Council (hereinafter "GDPR").
- 13.2 General provisions. The Parties may, during the performance of the Contract, act against each other especially in the position of controller, processor, or two separate controllers. If a special agreement on the protection of personal data is (or will be) concluded between the Parties, the special agreement will take precedence over the provisions of this Clause 13 of the GTCP. The Parties undertake to proceed with due professional care in the processing of personal data and to defend the legitimate interests of personal data subjects. The Parties are obliged to respect the requirements of the GDPR, Act No. 110/2019 Coll., on the processing of personal data, as amended, and other legal regulations governing the protection of personal data. Upon completion of the processing, the Parties are obliged to delete or otherwise remove all personal data, unless the relevant legal regulations require the archiving of the personal data.
- 13.3 Purpose, length of processing and categories of personal data. The purpose of processing personal data is the fulfillment of the Contract, and the Parties are entitled to process the personal data exclusively to the extent necessary for the fulfillment of the given purpose. Processing will take place for the duration of the Contract, or longer for the duration of the legitimate interest of the relevant Party or for the period required by the relevant legal regulations. The subjects of personal data will be the persons participating in the performance of the Contract, especially project managers and other participating employees of the Parties or their suppliers. In particular, the following personal data will be processed: name and surname, job position, telephone number, e-mail address and, if necessary (entry permit, etc.) personal identification number, education and qualifications. No sensitive personal data will be processed during the performance of the Contract.
- 13.4 Cooperation, notification obligation and technical measures. The Parties are obliged to provide mutual cooperation for the proper and timely fulfillment of their legal obligations, especially the obligation of the controller to respond to requests for the exercise of the rights of personal data subjects. Taking into account the state of the art, the costs of execution, the nature, scope, context and purposes of personal data processing and the various probable and varying risks to the rights and freedoms of individuals, the Party shall take appropriate technical and organizational measures to ensure security corresponding to the risk within the meaning of Clause 32 of the GDPR. In the event of a personal data breach, the Parties are obliged to report such breach to the other Party without delay in accordance with Clause 33 (2) of the GDPR. Subsequently, the Parties shall make every effort to limit the adverse effects of such breach.
- 13.5 Another processor. The Parties are entitled to entrust the processing of personal data within the meaning of this Clause 13 of the GTCP to another processor only if such processing is permitted by the relevant legal regulations, the other Party has given its consent and provided that the processor has undertaken to fulfill personal data protection obligations in accordance with these provisions.
- 13.6 Written records. If a Party employs more than 250 persons, or the processing of personal data may pose a risk to the rights and freedoms of personal data subjects, the processing is not occasional or involves the processing of special categories of data or personal data relating to criminal convictions records, then the Party is obliged to keep written records of all categories of personal data processing activities, including in particular:
- (i) the name and contact details of the processor (or other processors), the controller, any representative of the processor or the data protection officer;
 - (ii) the categories of personal data processing carried out for the controller;
 - (iii) information on any transfer of personal data to a third country or international organization, including identification of that third country or international organization, and evidence of appropriate safeguards;

(iv) a description of the technical and organizational security measures.

14. Termination of the Contract

14.1 Termination of the Contract. The Contract may be terminated prematurely only by agreement of both Parties or by withdrawal of one of the Parties in accordance with the Contract and/or these GTCP.

14.2 Withdrawal by the Customer. The Customer is entitled to withdraw from the Contract in accordance with the Civil Code. The Customer is also entitled to withdraw from the Contract in the following cases:

- (i) the Contractor's delay in the proper Delivery of Products or part thereof lasts fourteen (14) days compared to the set deadline;
- (ii) the Contractor's delay in starting to perform the Services or meeting the deadline for Completion of Services lasts ten (10) days compared to the set deadline;
- (iii) the Contractor does not provide the Customer with the replacement Performance within ten (10) days after the return of the Performance pursuant to Clause 9.2 of the GTCP;
- (iv) the conditions set out in Clause 10.5 of the GTCP are met;
- (v) the Contractor materially breaches any of his obligations under the Contract or these GTCP;
- (vi) the Contractor insignificantly breaches any obligation under the Contract or these GTCP and fails to fulfill this obligation even within an additional reasonable period specified by the Customer;
- (vii) the force majeure event pursuant to Clause 12.8 of the GTCP preventing the fulfillment of obligations under the Contract lasts for a period longer than three (3) months;
- (viii) insolvency proceeding is initiated against the Contractor, which is not terminated for unfoundedness within five (5) days from its commencement, or the Contractor enters into liquidation, or enforcement of the judicial decision (execution) is initiated by the sale of the Contractor's company, or the court decides on his insolvency or bankruptcy on his property, on reorganization, debt relief or other means of resolving the insolvency is allowed, or the insolvency petition is rejected due to lack of property of the Contractor;
- (ix) the Main Contract between the Customer and his customer is terminated for any reason.

14.3 Settlement after withdrawal by the Customer. In the event of withdrawal from the Contract pursuant to Clause 14.2 of the GTCP, the Customer is entitled, at his own discretion, to decide whether to keep the Performance or part thereof performed by the Contractor, regardless of the degree of its completion and the fact whether ownership has already been transferred to the Customer or not. In the event that the Customer decides to keep the Performance or its part, the Customer shall pay the Contractor a part of the Contract Price corresponding to the value of the kept Performance or its part; if the Customer has paid the Contractor before withdrawal from the Contract an amount exceeding the value of the kept Performance or part thereof, then the Customer is entitled to settlement and return of the amount exceeding the value of the kept Performance from the Contractor. The Contractor undertakes to ensure that the Subcontractors also proceed in accordance with this Clause 14.3, and in the event of withdrawal from the Contract, the Contractor is obliged to ensure, at Contractor's expenses and Customer's request, the transfer of rights and obligations under contracts with Subcontractors from the Contractor to the Customer.

14.4 Withdrawal without giving a reason. Notwithstanding any provision of these GTCP, the Customer is entitled to withdraw from the Contract without giving a reason, at any time before the Acceptance of the Performance. Unless the Parties agree otherwise, the following procedure will apply:

(i) The Customer shall take over the Performance which has been duly performed by the Contractor until the effective date of withdrawal, and shall pay the corresponding part of the Contract Price for such taken over Performance. If the Customer has paid the Contractor before withdrawal from the Contract an amount exceeding the value of the taken over Performance, the Customer is entitled to settlement and return of the amount exceeding the value of the taken over Performance from the Contractor;

(ii) In respect of a Performance or its part that has not yet been performed, the Contractor shall not be entitled to reimbursement of any costs related to its preparation. In such a case, the Contractor is only entitled to reimbursement of documented and reasonable incurred costs related to the termination of the Contract, which, however, shall not exceed ten percent (10%) of the price of the unfinished Performance. For avoidance of any doubt, it is agreed that in this case the Customer is not obliged to pay the Contractor any compensation for margin or any lost profit.

14.5 Withdrawal by the Contractor. The Contractor is entitled to withdraw from the Contract only in the event of a material breach of the Customer's obligations. A material breach of the Customer's obligations is only an unjustified delay of the Customer in paying the Contract Price for more than thirty (30) Working Days overdue, of which the Customer was demonstrably notified in writing by the Contractor, and the Customer does not pay the amount due to the Contractor within an additional reasonable period specified by the Contractor.

14.6 Form and effects of withdrawal. Withdrawal must be made in writing and must be duly delivered to the other Party. The withdrawal is effective from the day when the notice of withdrawal was delivered to the relevant Party.

14.7 Ongoing claims and stipulations. Withdrawal terminates the Contract. Withdrawal does not affect the following provisions of the Contract and the GTCP and the claims of the Parties:

- (i) claims for damages, costs, expenses and payment of contractual penalties;
- (ii) claims arising from liability for defects in the Performance;
- (iii) the provisions of Clauses 5.6 to 5.13 of the GTCP;
- (iv) provisions governing the quality guarantee and the rights arising from defective performance;
- (v) provisions governing the settlement of the Parties in the event of withdrawal;
- (vi) provisions regarding the return of entrusted items;
- (vii) provisions on confidentiality and personal data protection;
- (viii) provisions on applicable law and settlement of disputes;
- (ix) provisions relating to such rights and obligations, the nature of which implies that the Parties shall be bound by even after the termination of the Contract.

15. Final provisions

15.1 Applicable law. The rights and obligations of the Parties, including the conclusion of the Contract, its validity and effectiveness, are governed by the laws of the Czech Republic, especially the Civil Code. If these GTCP or the Contract contain a reference to a specific INCOTERMS 2020 clause, the provisions contained for this clause in INCOTERMS 2020 become part of the GTCP and the Contract. The application of the United Nations Convention on contracts for the international sale of goods is excluded.

15.2 Prorogation and arbitration clause. In the event that the Contractor is a person domiciled (resident) in the Czech Republic, the Parties have agreed that any disputes arising between them in connection with the Contract will be decided by the court with the subject-matter jurisdiction in Pilsen. In the

event that the Contractor is a person domiciled (resident) outside the Czech Republic, the Parties have agreed that any disputes arising between them in connection with the Contract will be finally decided by the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic, according to its Rules by three arbitrators. Each of the Parties shall appoint one arbitrator, who shall then elect a third arbitrator to chair the arbitration panel. In the event of disagreement on the third arbitrator, the President of the Arbitration Court shall appoint him. The place of the proceedings will be Prague and the language of the proceedings will be English. The Parties undertake to fulfill the obligations arising from the arbitral award.

- 15.3 Severability. If any provision of these GTCP and/or the Contract is, becomes or is found to be invalid, ineffective or unenforceable, this fact (to the maximum extent permitted by applicable law) will not affect the validity, effectiveness or enforceability of the remaining provisions of these GTCP and the Contract. The Parties undertake to replace such invalid, ineffective or unenforceable provision with a valid, effective and enforceable provision which has, to the fullest extent possible, the same meaning and effect and is permitted by law as the provision to be replaced.
- 15.4 Publication of the GTCP. Individual versions of these GTCP are published by the Customer on the website www.italpipe.it with the indication of their version and publication date. A reference to the actual published version of the GTCP is sufficient, comprehensible and certain for the relevant actual version of the GTCP to be applied to the contractual relationship in question.
- 15.5 Changes to the GTCP. The Customer is entitled to make changes to the GTCP at any time, by publishing them on the website www.italpipe.it. Newly concluded Contracts will be always governed by the actual wording of the GTCP. The new wording of the GTCP will apply to already concluded Contracts, if the Parties agree so in writing.
- 15.6 Limitation period. The Parties hereby, in accordance with the provisions of § 630 of the Civil Code, extend the limitation period of the Customer's rights arising from the Contract and these GTCP to a period of 10 years.
- 15.7 Effectiveness. This version of GTCP is effective from 1.3.2021.