



## **Terms and Conditions for the Performance of the Work or Provision of any Other Supply - ÚJV Řež, a. s.**

valid from 01/ 06/ 2015

### **I. Introductory Provisions**

1.1 The Terms and Conditions apply to the trade obligations arising from the Contract for Work or untitled contract (hereinafter referred to as the "Contract"), concluded pursuant to Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code").

1.2 For the purposes of the Terms and Conditions, the Employer shall always mean ÚJV Řež, a. s., and the Contractor shall mean the relevant entity supplying the scope of supply identified in the Contract.

1.3 Specific agreements on the Contract shall supersede the text of the Terms and Conditions.

### **II. Scope of Supply, Price of Supply**

2.1 The scope of supply is specified in the Contract.

2.2 The price of supply is stated in the Contract.

2.3 The price of supply includes all costs incurred by the Contractor, necessary for the proper and timely supply including transport to the place of supply as specified in the Contract, unless otherwise agreed in the Contract.

2.4 The price of supply may only be changed when the Parties agree upon change in the scope of supply.

### **III. Place of Supply, Date of Supply**

3.1 Unless otherwise stated in the Contract, the address for correspondence of the Employer is the place of performance of the Contract. Unless otherwise specified, the registered office of the Employer is the place of handover of the supply to the Employer.

2.1 The time limit for supply is specified in the Contract.

### **IV. Handover and Acceptance of the Scope of Supply**

4.1 Unless otherwise stated, the scope of supply shall comply with the applicable general binding legislation, valid Czech Technical Standards and requirements of the Employer. Where legislation or Czech Technical Standards prescribe any tests certifying the characteristics of supply, completion and handover of the supply shall be preceded by successful performance of tests. The scope of supply shall be performed as instructed by the Employer.

4.2 The scope of supply shall be completed on the day of its handover and acceptance by person authorised to act on behalf of the Employer. A handover certificate shall be drawn up on handover of the supply, except for the business cases when this certificate is not required by the Employer. The handover certificate shall be enclosed to the invoice as a basis for the payment of the price of supply.

### **V. Invoicing, Payment Terms**

5.1 The right to invoice arises on the day of handover and acceptance of supply. The provisions of Section 2611 of the Civil Code shall not apply.

5.2 All invoices shall be payable within 30 days of their receipt by the Employer.

5.3 All invoices shall meet the requirements laid down in Section 435 of the Civil Code; for VAT payers, the invoice – tax document (hereinafter referred to as the "invoice") shall meet the requirements for the tax document pursuant to Section 29 of Act No. 235/2004 Coll., on Value Added Tax, as amended. The invoice shall always include the Employer's Contract reference number.

5.4 If the invoice fails to meet the requirements or to include annexes referred to in the Contract or in these Terms and Conditions or the bank details and account number of the Contractor are in conflict with the Contract or in conflict with the written notice of its change, and/or these formalities are incorrect, the Employer may return the invoice to the Contractor within the period time limit for payment, requesting its correction or completion. The Contractor shall be obliged to correct the invoice and, where appropriate, the advance payment invoice, or issue a new invoice. Upon the receipt of the new, completed or corrected invoice, a new due date starts.

5.5 The invoice shall be delivered to the address of registered office of the Employer stated in the Contract.

5.6 Any payments shall be effected in the form of non-cash transfers to the Contractor's bank account specified in the Contract. The Parties agreed that the bank details and account number of the Contractor may only be changed by means of a written amendment to the Contract or written notification provably delivered to the Employer by the Contractor not later than together with the respective invoice. This notification shall be signed by Contractor's person authorized to sign the Contract.

5.7 The invoice shall be deemed to be paid when the Employer's account is debited and the Contractor's account is credited with the sum.

5.8 In the event that, pursuant to Section 109 of the Act on Value Added Tax, the Employer as recipient of supply is liable for the unpaid tax on this supply, the Employer is entitled to pay the value added tax for the Contractor directly to the tax authority of the Contractor for the purpose of a special way to ensure tax pursuant to Section 109a of the VAT Act. The Employer shall notify the Contractor of the fact that the payment was made. The tax paid in this manner shall reduce Contractor's debt for the Employer by the respective amount of tax and therefore, the Contractor is not entitled to request the Employer to pay such sum.

5.9 Any payments shall be effected only in the form of non-cash transfers to the Contractor's bank account specified in the Contract. This bank account of the Contractor must be a bank account with a national provider of payment services and published in the manner allowing for remote access pursuant to Section 96(2) of Act No. 235/2004 Coll., on Value Added Tax, as amended. The bank details may only be changed by means of a written amendment to the Contract or written notification provably received by the Employer not later than together with the respective invoice. This notification shall be signed by persons authorized to sign the Contract. Any change in the bank details shall meet the aforementioned requirements, i.e. this bank account must be a bank account with a national provider of payment services and must be published in the manner allowing for remote access.

5.10 If the Employer fails to meet the due date of invoice, the Contractor shall be entitled to request an interest on late payments at the rate of 0.02% of the amount due for each day of delay.

## **VI. Risk of Damage, Ownership Right**

6.1 The right of ownership of the scope of supply or of the output/outputs of supply and risk of damage, accidental losses and deterioration shall pass on the Employer on the day of handover and acceptance of the scope of supply. If the Employer accepts the supply with defects, the risk of damage to the scope of supply shall pass on the Employer after the signing of the report on the elimination of defects. The provisions on the transfer of ownership right referred to in the previous sentence shall not apply when the scope of supply (repairs, adjustments, maintenance) includes an object owned by the Employer.

## **VII. Contractual Penalties**

7.1 If the Contractor fails to meet the agreed time limit for the supply, the Employer shall be entitled to charge to the Contractor a contractual penalty in the amount of 0.5% of the price of supply for each, even commenced, day of delay.

7.2 If the Contractor fails to meet the time limit for the elimination of defects in the scope of supply according to Clause IX hereof, the Contractor shall pay a contractual penalty in the amount of CZK 1,000 for each single case of defect and each day of delay in the time limit for defect elimination.

7.3 The arrangement for contractual penalties shall not affect the right of the Employer to compensation for damages, including damage in excess of contractual penalty. The contractual penalty shall be payable within 30 days of the receipt of its statement.

## **VIII. Damage**

8.1 Compensation for the damage is governed by provisions of Section 2894 et seq. of the Civil Code. The Parties hereby expressly negotiate an obligation to compensate for immaterial injury (e.g. damage to reputation).

## **IX. Quality Guarantee**

9.1 The Contractor shall provide the Employer with a 24-month quality guarantee for the scope of supply starting from the date of signing of the handover certificate by both Parties, unless otherwise agreed. If the Employer accepts the supply with defects, the guarantee period shall start by signing the report on the elimination of defects.

9.2 The Contractor shall be obliged to eliminate any defects in the scope of supply without undue delay, but not later than within 15 days of the notification of defect, unless different time limit for defect elimination is agreed between the Parties, with respect to the extent and character of defect.

9.3 If the Contractor fails to eliminate any defect/defects in the scope of supply within the required time limit, the Employer shall be entitled to eliminate such defect/defects using its own means or under subcontracts, and to pass on to the Contractor all costs of elimination, without reducing any of its rights arising from the Contract. The Contractor shall be obliged to pay the reasonable costs of defect elimination, passed on it by the Employer, within 30 days of the receipt of statement.

9.4 The guarantee period shall not run for a period when the Employer could not use the scope of supply due to defects, for which the Contractor is liable.

9.5 For the parts of supply, which were replaced by the Contractor as a result of justified claim of the Employer, the guarantee period shall start to run again from the day of elimination of the defect by replacement.

9.6 The Contractor shall be obliged to eliminate any claimed defect, for which there is dispute over the justification issue, and shall bear all costs of defect elimination until a decision by a third impartial party, agreed upon by the Parties, has been taken or until a decision of the court has been taken.

## **X. Confidential Information**

10.1 During performance of the Contract, the Parties may obtain information that is considered as confidential by the Parties (hereinafter referred to as "Confidential Information").

10.2 The Parties undertake to protect and not to disclose or publish, without the previous written consent of the other Party, Confidential Information that the Party obtained from the other Party under the Contract and that has expressly been regarded as Confidential Information by the disclosing Party. The Party shall be entitled to use Confidential Information obtained from the other Party only for the purposes of performance of the Contract.

## **XI. Withdrawal from the Contract**

11.1 The Parties shall be entitled to withdraw from the Contract in accordance with the relevant provisions of the Civil Code.

11.2 The following shall be particularly considered as a serious breach of the Contract:

- Delay of the Contractor in the completion and handover of the scope of supply by more than 10 days
- Delay of the Contractor in the elimination of defect in the scope of supply by more than 10 days
- Breach of the duty of confidentiality in respect of information referred to in Clause X

## **XII. Other Arrangements**

12.1 The Contractor shall be entitled to delegate the performance of the scope of supply or any part thereof to a third party only with the previous written consent of the Employer.

12.2 The Contractor shall not be entitled to assign rights or obligations arising from the Contract to a third party without the previous written consent of the Employer.

12.3 The Contractor shall bear the risk of change in circumstances pursuant to provisions of Section 1765 of the Civil Code.

12.4 If the Contractor or any of its subcontractors applies during the performance of the Contract any of its corporate inventions, utility models or industrial designs, developed prior to the conclusion of the Contract or in the course of performance of the Contract, the Contractor grants to the Employer its consent to the use thereof on the day of acceptance of the relevant supply by the Employer. Acquisition of the right to use such subjects of industrial property for the purpose arising from the Contract is included in the price of the scope of supply. The above shall also apply to the right of the Employer to use the Work protected under the Copyright Act, with the remuneration for such use being included in the price of the scope of supply.

12.5 The Contractor shall make sure that all its employees follow the organisational, operational, safety and fire regulations and standards, associated with its activity on the premises of the Employer. The basic conditions in the field of occupational safety, fire protection, radiation protection, emergency preparedness and chemical safety (BOPR) and, where appropriate, environmental protection (EMS) are governed by the internal regulation of the Employer, which is, for the work carried out by the Contractor on the premises of the Employer, enclosed in Annex to the Contract.

12.6 The Contract may only be amended by written amendments concluded by authorised representatives of both Parties.