

General Terms and Conditions for Contract Research

1. General Provisions

- 1.1. These General Terms and Conditions (hereinafter referred to as the "GTC") are issued pursuant to Section 1751 et seq. of Act No. 89/2012 Sb., the Civil Code (hereinafter referred to as the "Civil Code"), by

Ústav přístrojové techniky AV ČR, v. v. i. (Institute of Scientific Instruments of the Czech Academy of Sciences)

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Company ID Number: 68081731, Tax ID Number: CZ68081731

Legal representative: Ing. Ilona Müllerová, DrSc., director

Registered as: the institute is a public research institution established by the Czech Academy of Sciences under Act No. 341/2005 Sb.

Bank details: Československá obchodní banka a.s., bank account No.: 372707963/0300

(hereinafter referred to as the "Contractor")

- 1.2. These GTC provide for the mutual rights and obligations of the Ordering Party and the Contractor who shall conduct contract research based on the Contractor's know-how and the use of their unique scientific equipment.
- 1.3. These GTC are an integral part of every concluded contract and contract research order; any derogating provisions stipulated in the contract or order shall prevail over the provisions of these GTC.

2. Subject Matter of the Contract Research

- 2.1. Contract research is based on the use of the Contractor's know-how for the benefit of the Ordering Party provided that no state aid is used by the Contractor and the contract research is carried out at the market price that at least covers the costs.
- 2.2. Each order or contract must describe the subject matter of contract research (hereinafter referred to as the "Work") and the description has to enable identification of the Contractor's know-how used.

3. Commencement of the Contractual Relationship

- 3.1. The Contractor reserves the right to decide whether to carry out the contract research based on a written contract or order.
- 3.2. The contract enters into force on the date of its signing by an authorized representative of the last contracting party and it takes effect on the day of its disclosure in the Register of Contracts if the disclosure is required by Act No. 340/2015 Sb., on the Register of Contracts. In this case, the anonymized contract will be disclosed by the Contractor.
- 3.3. The contractual relationship based on an order is always established by an act of the Ordering Party, either when the order unconditionally accepting the Contractor's offer of contract research, of which these GTC are an integral part, is placed or at the moment the Ordering Party accepts the Contractor's response to their order by which the Contractor specifies the order and supplements the order with these GTC. Application of Section 1740(3) of the Civil Code, which permits the conclusion of a contractual relationship even if there is no complete agreement on the will of the contracting parties is excluded. In particular, the acceptance of the Ordering Party's GTC is excluded. Should there be a conflict between the business conditions of the the Ordering Party and those of the Contractor, the application of Section 1751(2) shall be excluded and the contractual relationship will not be established.
- 3.4. The legal relations between the contracting parties exclude the application of Section 558 of the Civil Code on the priority of business practices.
- 3.5. By entering into a contractual relationship, both contracting parties confirm that they have been informed of all relevant factual and legal circumstances concerning the possibility of entering into a contractual relationship under Section 1728 of the Civil Code and that they do not expect or request any further information on the matter. If required by Act No. 340/2015 Sb., on the Register of Contracts, the Contractor shall publish anonymized documents proving the conclusion of the contractual relationship, whereby the contractual relationship takes effect.
- 3.6. By entering into a contractual relationship, the Contractor undertakes to carry out contract research at their own expense and risk and with all due commercial care and the Ordering Party undertakes to accept the subject of the contractual research and pay the agreed price for it.

4. Place of Performance

- 4.1. The place where the contract research is conducted is the Contractor's place of business.
- 4.2. The Ordering Party shall deliver any things or documents necessary for carrying out the contract research to the Contractor in an agreed manner within the agreed time after the conclusion of the contractual relationship. It is understood that the cost of the contract research is not reduced by the cost of these items.
- 4.3. The place and manner of delivery of the subject of contract research shall be agreed by the contracting parties when entering into the contractual relationship. The DAP clause according to INCOTERMS 2010 applies, unless agreed otherwise.

5. Delivery Time

- 5.1. The delivery time for the subject of contract research shall be agreed by the contracting parties in the contract, in the order or in the accepted specification of the order. The Contractor may, in agreement with the Ordering Party, deliver the subject of contract research before the agreed date.
- 5.2. If the Contractor finds out during the contract research that they are unable to carry out the contract research properly with all due commercial care, they shall notify the Ordering Party without delay but no later than by the deadline specified in clause 5.1, and agree with the Ordering Party on an amendment to the contractual terms.
- 5.3. The Contractor shall deliver the subject of contract research to the Ordering Party with a completion certificate, thereby enabling the Ordering Party to use it. Pre-agreed tests may be performed during the delivery of the Work. By signing the completion certificate, the Ordering Party confirms receipt of the Work, either with or without reservations.

6. Price and Payment Terms

- 6.1. The contract price agreed by the contracting parties under Section 2 of Act No. 526/1990 Sb., on Prices, and including the entire subject matter of the contract and all agreed related services, is binding on the Contractor and must not be exceeded.
- 6.2. If the amount of the contract research price cannot be determined in advance with sufficient accuracy, the Contractor shall specify an estimated price in the offer or when specifying the order. The final price will then be determined according to the actual scope of work.
- 6.3. VAT at the rate in force at the moment of invoicing will be added to the price.
- 6.4. The Ordering Party shall pay the price for contract research on the basis of an invoice issued by the Contractor no later than within 15 days of the date of the chargeable event. The price for the work shall be paid to the account of the Contractor first stated above, which is the registered account published by tax administration in the register of VAT payers.
- 6.5. If the invoice, which is at the same time a tax document, contains data which are incorrect or incomplete under Act No. 235/2004 Sb., on Value Added Tax, the Ordering Party is entitled to return the invoice to the Contractor by the due date. Similarly, if the Ordering Party finds a defect in the delivered subject of the contract before paying the invoice, they are entitled to return the invoice to the Contractor. The Contractor shall deliver a new invoice to the Ordering Party after the defect has been removed or after the Contractor's liability for the defect has ceased to exist in another way.
- 6.6. The invoice is due within 30 calendar days of the date of its provable receipt by the Ordering Party.

7. Transfer of Ownership

- 7.1. The risk of damage to the results of contract research shall pass to the Ordering Party after the delivery and acceptance under clause 5.3.
- 7.2. The title to the tangible results of contract research shall pass to the Ordering Party after the price has been paid in accordance with clause 6.4.

8. Contractual Penalties

- 8.1. Any default of the Contractor in complying with the agreed delivery time under clause 5.1 gives rise to the Ordering Party's right to claim a contractual fine amounting to 0.05% of the total agreed price for performance of the contract or order for each commenced day of the default.
- 8.2. If the Ordering Party is in default in timely payment of the price, the Contractor is entitled to require the Ordering Party to pay default interest at a rate laid down by the applicable legislation.

9. Defective Performance, Quality Warranty

- 9.1. The Work is defective if it is not as specified in the contractual agreement. A defect an item has at the time when the risk of damage passes to the Ordering Party, even if it becomes apparent later, gives rise to the right of the Ordering Party arising from defective performance. A defect which occurs later and which is caused by a breach of the Contractor's obligation will also give rise to the right of the Ordering Party arising from defective performance. The Ordering Party is obliged to notify the Contractor of any defects of performance without undue delay after they have been found or should have been found by the Ordering Party, had due attention been paid. During the warranty period, the Ordering Party has the right to have the defect remedied free of charge.
- 9.2. The Contractor provides a warranty on the subject of contract research for the period of 1 year from its delivery to the Ordering Party.

10. Withdrawal from the Contractual Relationship

- 10.1. Either contracting may withdraw from the contractual relationship due to a material breach of contractual obligations by the other contracting party. Legal effects of withdrawal shall occur on the date of receipt of the notice of withdrawal by the other contracting party. The relevant provisions of the Civil Code shall apply to the withdrawal.
- 10.2. The contracting parties are not liable for any breach of contractual arrangements if such a breach results from force majeure.

11. Intellectual Property Protection

- 11.1. The Contractor is the rightful owner of all intellectual property rights relating to the delivered results of contract research.
- 11.2. If the subject of contract research is the delivery of intangible work, i.e. the disclosure of Contractor's know-how, the know-how remains the property of the Contractor who grants the Ordering Party a non-exclusive license to use but not to further distribute the know-how.
- 11.3. If the Ordering Party intends to disseminate the results of contract within the scope of their activity or if they intend to sell the work to a third party, the Ordering Party shall initiate negotiations between the contracting parties in order to transfer the license to use the above intangible work to their ownership.

12. Information Protection

- 12.1. In the light of clause 2.2, it is stipulated that the subject of contract research fulfils the characteristics of the Contractor's trade secret as defined in Section 504 and Section 2985 of Act No. 89/2012 Sb., the Civil Code. The direct consequence is the anonymization of the subject of contract research when publishing the order or contract in the public administration information system, if such publication is required by Act No. 340/2015 Sb., on the Register of Contracts.
- 12.2. The contracting parties undertake not to disclose the commercial and technical information entrusted to them by the other contracting party without the written consent of the other contracting partner and not to use such information for purposes other than the performance of the contract. Exceptions to this arrangement are described in clauses 12.3 to 12.5.
- 12.3. The Contractor is subject to financial control pursuant to Act No. 320/2001 Sb., on Financial Control in Public Administration.
- 12.4. As the concluded contractual relationship can be used within the Contractor's projects to show a monitoring indicator for contract research, the Contractor is obliged to ensure that project control authorities have access to relevant documents. The documents must be archived for at least 15 years.
- 12.5. The subject of contract research will become the basis for preparation of a summary research report which the Contractor will prepare in connection with their obligation to record the contract research performed. The report deposited with the

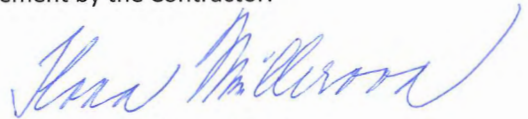
Contractor in a special archive will be marked as confidential in the Register of Information on Results (RIV) operated pursuant to Section 4 of Government Regulation No. 397/2009 Sb., on R&D Information Systems, and all information on the report will be adjusted with a view to the protection of trade secrets.

13. Liability for Damage

- 13.1. The Contractor has taken out liability insurance for damage caused to movable assets of others located in the premises of the Institute with an indemnity limit of CZK 1 million; the insurance can be applied to the items and documents referred to in clause 4.2.
- 13.2. The Contractor shall be liable for damage caused in connection with the performance of contract research.
- 13.3. The Contractor shall not be liable for any damage which may be caused to the Ordering Party or third parties in connection with the use of the properly delivered and accepted performance.
- 13.4. The contracting party which is demonstrably in breach of the rules defined in Article 11 and Article 12 is obliged to compensate the other contracting party for demonstrably caused damage. This shall also apply to withdrawal from the contractual relationship.

14. Final Provisions

- 14.1. The rights and obligations arising from the relationship between the Contractor and the Ordering Party shall be governed by the Czech law.
- 14.2. In the event of a dispute, the court in Brno has territorial jurisdiction.
- 14.3. Legal acts are made in writing and, for the purposes of these GTC, any e-mail communication is also considered to be in writing. In such a case, the moment of receipt of the system delivery message is considered the moment of delivery of the e-mail message to the recipient's mailbox.
- 14.4. Should any provision hereof become invalid, this shall not affect the validity of the other provisions of the GTC.
- 14.5. These GTC come into force and take effect on the day of their announcement by the Contractor.



Ing. Jitka Müllerová, DrSc., Director of the Institute

In Brno, 1 July 2019