

## GENERAL PURCHASING TERMS AND CONDITIONS OF PRAŽSKÉ SLUŽBY, A.S.

### 1. TERMS AND DEFINITIONS

Unless stipulated otherwise, capitalised terms used in these GPTC shall have the following meaning:

**“Price”** means the price that a Supplier invoices PS for the provision of Performance on the basis of an Agreement or an Order.

**“Invoice”** means a tax document issued by a Supplier to PS at the end of each relevant calendar month or another period in which Performance was provided, or immediately after the provision of Performance. An invoice shall have the requisite details of a tax document in line with applicable legal regulations, in particular with Act No. 235/2004 Coll., on Value-Added Tax, as amended.

**“Supplier”** means an individual or legal entity that provides Performance to PS on the basis of an Agreement or Order.

**“INCOTERMS 2010”** means a set of international rules for interpreting the most commonly used commercial (delivery) clauses in foreign trade, issued by the International Chamber of Commerce in Paris.

**“PS Website”** means the website of PS available at [www.psas.cz](http://www.psas.cz).

**“Place of Performance”** means a place designated in an Agreement or Order at which the Supplier provides Performance; if there are several such places, each such place shall be deemed to constitute a Place of Performance.

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

**“Order”** means a document whereby PS request Performance from a Supplier, or an extension of the scope of Performance provided by a Supplier, as stipulated in an Agreement. Unless otherwise stipulated, by virtue of the acceptance of an Order by a Supplier, the Order is incorporated in the Agreement and the performance requested in the Order becomes a part of Performance. Orders shall be approved in an order system and submitted electronically, which is why they shall not bear either a physical or an electronic signature of PS. Each order shall only state the name of the appropriate approval person. This shall not apply to orders approved by the CEO of PS or in cases when a Supplier so requests.

**“Business Day”** means any day of the week from Monday to Friday, with the exception of statutory holidays, pursuant to Act No. 245/2000 Coll., on Statutory Holidays, as amended.

**“PS”** means Pražské služby, a.s., a corporation with its registered seat in Prague 9, at Pod Šancemi 444/1, post code 190 00, ID No.: 601 94 120, registered in the Commercial Registry maintained by the Municipal Court in Prague, section B, entry 2432.

**“Performance”** means any provision of services, hand over the goods, i.e., items including parts thereof, the execution of a work that consists of the making of an item, its assembly, maintenance, repair, or alteration, or the execution of activities aimed at another result or another performance that a Supplier provides to PS pursuant to an Agreement or Order.

**“Agreement”** means any agreement or other stipulation between the Contractual Parties the subject of which is the provision of a Performance by a Supplier to PS. Unless these GPTC stipulate otherwise, the term Agreement shall include Orders. The terms and conditions of contractual relations set out in these GPTC for the conclusion of an Agreement shall also apply to contractual relations arising from Orders, unless otherwise stipulated below.

**“Contractual Party”** means either PS or the Supplier severally, and **“Contractual Parties”** means PS and the Supplier jointly.

**“Subcontractor”** means a third person that supplies or provides the Performance or its portion to the Supplier for the performance of an Agreement or Order.

**“Defective Performance”** means a breach of an Agreement or the GPTC by a Supplier, in particular an improper step taken or omission in the course of the performance of an Agreement, failure to provide Performance in a due and/or timely fashion, the use of inappropriate equipment, a result of work that does not correspond to the Agreement, etc.

**“Items”** means any and all items, aids, material, or tools required for the provision of Performance.

**“GPTC”** means these general purchasing conditions, as amended by any modifications and amendments. A consolidated version of the GPTC is provided on the PS Website.

**“Tender”** means a selection or request procedure announced by PS in order to select the most advantageous Supplier, in which suppliers submit their bids to PS for the provision of the performance of the requested performance to PS, including the price required for that performance.

**“Force Majeure”** shall mean an extraordinary, unpredictable and insurmountable obstacle occurred independently of the will of Contractual Parties which has temporarily or permanently prevented in the Performance of one or both of the Contractual Parties. For the purpose of these GPTC, such obstacles shall include, but not be limited to, natural catastrophes, accidents, incidents, terrorist attacks, wars, civil unrest, uprising, or revolution, and strikes of more than a local nature. A Force Majeure event shall not be an event such as a lock-out, delay in Subcontractor deliveries (unless caused by Force Majeure events), insolvency, workforce shortage, or shortage of material.

## **2. INTRODUCTORY PROVISIONS**

- 2.1. These GPTC have been drawn up in line with the provisions of Sec. 1751 of the Civil Code and set out the basic rules that will govern all relations between PS and a Supplier in the purchase of goods, provision of services, the execution of a work or other Performance for PS on the basis of an Agreement. The current version of the GPTC is available on the PS website, unless other terms and conditions are set in an Agreement concluded by and between the Contractual Parties.
- 2.2. These GPTC shall constitute an appendix to each and every Agreement and form an integral part thereof, regardless of whether they are enclosed with the Agreement or not.
- 2.3. By entering into an Agreement, the Supplier agrees in a binding fashion to all rights and obligations contained in these GPTC. The Supplier shall duly acquaint itself with all provisions of these GPTC and all changes thereto, explicitly accept them in the Agreement or in the Order and adhere to them. The Supplier shall ensure that any persons involved in the provision of Performance on its part, in particular Subcontractors, are acquainted with the GPTC to the requisite extent.
- 2.4. A Supplier’s commercial terms and conditions shall be invalid and inapplicable to any contractual relations established by an Agreement, unless PS express their prior written consent to the application of selected provisions of the Supplier’s commercial terms and conditions, even to contractual relations established by the Agreement; in doing so, PS shall also determine precisely which specific provisions of the Supplier’s commercial terms and conditions are to replace specific provisions of these GPTC.

### **3. ENTERING INTO AN AGREEMENT**

- 3.1 PS shall select a specific Supplier through a Tender in which the suppliers approached deliver their bids to PS; these bids shall contain, among other things, the price of the Performance requested. From those bids, PS shall choose the Supplier with which an Agreement will be concluded.
- 3.2 Unless these GPTC stipulate otherwise, pursuant to Section 1758 of the Civil Code PS shall express their will to enter into the Agreement between Contractual Parties only in writing, sent through a postal service provider or by e-mail, and always on the basis of a bid chosen in a Tender. Thus the Supplier is not entitled to accept the PS offer by preserving it, particularly if the Performance is provided.
- 3.3 Pursuant to Section 1740 (3) of the Civil Code PS exclude an acceptance of a PS offer for the conclusion of the contract with any amendment or variance.
- 3.4 In legal transaction among Contractual Parties, account is not taken of business usages maintained in general or in a given industry. Thus, the business usages in legal transaction do not take precedence over non-compelling provisions of the Civil Code.
- 3.5 Should PS choose to enter into an Agreement in writing through a postal service provider or by e-mail, it will fill out an Order in which they will specify the Performance requested and send that Order to the Supplier in the appropriate manner. In that case, the price will be set on the basis of the bid that the Supplier presented to PS in the Tender, unless PS and the Supplier agree otherwise. Immediately upon the receipt of an Order, the Supplier shall send PS a confirmation of its receipt, either through a postal service provider or by e-mail. The timely acceptance of an Order shall take effect upon the delivery of the consent to the Order to PS.
- 3.6 An Order confirmation that contains any amendments, reservations, restrictions or other changes shall constitute a rejection of the proposed PS Order and shall be considered to be a new proposal by the Supplier. In that case, an Agreement shall only be concluded if PS confirm that proposal of the Supplier in writing and deliver it back to the Supplier, either by post or e-mail. In the event that the Supplier rejects a proposed PS Order or Agreement pursuant to this paragraph, the original proposal of PS shall cease to apply, unless its conditions have been accepted without reservation.
- 3.7 If the exact Price is unknown to PS when PS fills out of an Order, pursuant to paragraph 3.5, PS shall state at least the Expected Price in its Order. In the event of an increase of the Expected Price, paragraph 9.3 of these GPTC shall be followed.
- 3.8 The provisions of this Article 3 of these GPTC shall apply mutatis mutandis to Orders for an expansion of a Performance provided on the basis of an Agreement that has already been entered into.

### **4. GENERAL RIGHTS AND OBLIGATIONS OF THE SUPPLIER**

- 4.1 A Supplier undertakes to provide Performance to PS in a due and timely manner and in line with the Agreement and these GPTC. The Supplier undertakes to provide Performance such as to restrict the operation of PS as little as possible. In providing Performance, the Supplier undertakes to take any measures required to ensure that no environmental pollution occurs and that no harm is sustained by the environment and that the health of people is protected.

- 4.2 Performance shall be considered delivered in a timely fashion if it is delivered by the agreed Performance date. A Performance shall be deemed duly delivered upon compliance with all of the conditions set out below:
- a) The Performance is duly delivered to PS at the Place of Performance;
  - b) Complete and flawless documents related to Performance are delivered with the Performance;
  - c) The Performance is received by PS after detailed inspection, unless PS reserve in its Order that Performance will be accepted without detailed inspection. The hand-over and acceptance shall be confirmed by the Contractual Parties in writing, where each Contractual Party receiving one copy of the confirmation of receipt;
  - d) Performance is delivered to PS free of defects or Performance is delivered with apparent defects with stating these defects by PS in their confirmation of receipt where PS explicitly states that they accept the said Performance. In that case, PS shall duly specify the apparent defect ascertained in its confirmation of receipt with the relevant apparent defect occurred.
- 4.3 A Supplier may provide partial or premature Performance solely with the prior written consent of PS; all legal consequences, in particular the warranty period, transfer of risk, and payment conditions, shall be in all cases determined on the basis of the time of Performance set out in the Agreement or Order. Partial deliveries of Performance shall only be permitted if this is stipulated in the Agreement or if PS agrees to this.
- 4.4 The Supplier undertakes to deliver the goods or work that represent Performance visibly labelled with the Agreement or Order number, together with all other documents related to the goods, such as documents governing the technical conditions of installation, operation, and maintenance of Performance in the form of goods or work, declaration of conformity, certificates, instructions for use, safety sheets, and any other documents required for the use or further handling of the goods or work, including a warning should the Performance require special treatment, assembly, maintenance, and/or documents that are required by generally binding or technical regulations, and any other documents required by PS. The Supplier shall deliver the originals of all documents, in writing, and legible, and upon the request of PS shall provide them in electronic form, as well. Should any documents not be available in the Czech language, the Supplier shall ensure their translation and provide at least one copy of each document to PS in Czech. Furthermore, the Supplier shall provide to PS, at their request, any and all assistance and cooperation in obtaining documents or relevant electronic reports issued or released in the Czech Republic and/or in the country of origin that PS may require for the import and/or export of goods and, if required, for the transit of goods through a third country. In the event that PS incur any additional costs due to the Supplier's default in the hand-over of proper and complete documents (such as customs, warehousing, or any other fees), the Supplier shall cover those costs.
- 4.5 The Supplier undertakes to cooperate with PS and provide them with any and all cooperation required for the due provision of Performance.
- 4.6 The Supplier undertakes to keep PS informed about changes in the scope and quality of Performance, in particular through written notices sent to PS.
- 4.7 The Supplier shall inform PS in a timely fashion about any and all circumstances and potentially dangerous activities in the provision of Performance that may pose a threat

to the lives or health of persons, or any equipment or operation of PS, or result in PS incurring damage.

- 4.8 The Supplier shall inform PS in a timely fashion about any and all circumstances that temporarily frustrate it or a Subcontractor in the provision of Performance, for operating or other reasons. Unless such reasons can be attributed to PS, the Supplier shall not be entitled to compensation of damages. In that event, the Contractual Parties undertake to discuss a substitute solution for the situation at hand.
- 4.9 The Supplier undertakes to adhere in the provision of Performance to any and all generally binding legislation applicable to the provision of Performance, as well as to all safety, hygienic, ecological, and fire regulations and the relevant provisions of technical standards.
- 4.10 If providing Performance of the subject-matter of an Agreement on the grounds of PS or on a site designated by PS, the Supplier shall only move about the premises and handling areas designated to it by PS for that purpose and adhere to any and all hygienic regulations and occupational safety and health regulations. The Supplier shall duly store any items or any other objects that are either used in the Performance of the subject of the Agreement, or that become a part thereof, on premises designated for that purpose by PS and shall duly secure them against theft and maintain them in a proper and tidy condition. Upon performing the subject of the Agreement, the Supplier shall restore the premises to their original condition or another agreed condition and hand them back to PS on the basis of a written protocol by the agreed date, but no later than within seven (7) calendar days of the performance of the subject of the Agreement.
- 4.11 In the provision of Performance, the Supplier undertakes only to use technically fit machines, devices, and other equipment.
- 4.12 The Supplier shall not use Subcontractors in the provision of Performance or a part thereof without the prior written consent of PS. Should PS grant their consent to the use of a Subcontractor (either a specific Subcontractor or Subcontractors from the list of qualified Subcontractors presented by the Supplier), the Supplier shall ensure that the Subcontractor is acquainted with these GPTC and adheres to them. The Supplier shall always inform PS which part of Performance was provided by a Subcontractor in line with the GPTC and if Performance provided in the form of goods is labelled with the Subcontractor's identification information, the Supplier shall leave any such identification information on the goods. The Supplier is liable to PS for any Performance provided by a Subcontractor as if it provided that Performance itself.
- 4.13 The Supplier shall proceed with necessary professional care in providing Performance, and in line with PS' mandates. In providing Performance, the Supplier shall draw PS' attention to the unsuitability of any PS mandates that could result in damage. Should the Supplier fail to draw attention to the unsuitability of PS' mandates in writing and without undue delay, the Supplier shall be liable for any defects and damage caused by the execution of unsuitable mandates given by PS.
- 4.14 The Supplier shall obtain any and all Items required for the provision of Performance unless those Items are to be obtained by PS on the basis of the Agreement, within the time-period set out in the Agreement or else within 14 days of the day of the delivery of the Supplier's written notice requesting the provision of those Items. If the Items for the provision of Performance are provided by PS pursuant to the previous sentence, the Supplier shall return any and all Items to PS that the Supplier accepted from PS for the purpose of the provision of Performance and which were not processed in the provision of Performance.

- 4.15 In the event of the delivery of Performance, the Supplier shall package the Performance at its expense for any transport, thereby ensuring in the appropriate manner that it cannot be damaged, destroyed, or stolen during transport, including loading and unloading, and that the packaging allows for the safe and long-term storage of the Performance without a diminution of its quality. The packaging of the Performance must show, legibly and in a visible place, the designation of the Supplier, PS, Order number, and other particulars required by the Agreement. If the Supplier designates the packaging as returnable, the Supplier shall collect the packaging from PS at its own expense within fourteen (14) calendar days of the date of the acceptance of the Performance by PS. In packaging and securing the Performance for carriage, the Supplier shall respect any mandates of PS. The Supplier shall draw PS' attention to any unsuitability of its mandates. If the Supplier does not draw PS' attention to the unsuitability of its mandates, the Supplier shall be liable for any damage that is caused by the execution of PS' unsuitable instructions.
- 4.16 The Supplier shall be liable in full for any damage caused to PS, PS' customers, or other persons in relation to a breach of its obligations arising from the Agreement. The Supplier shall compensate PS for any damage, in particular any and all amounts that PS expend in connection with the breach of the Supplier's obligation arising from the Agreement, the costs of proceedings conducted by PS in connection with the breach of the Agreement, and any and all costs arising in connection with Defective Performance. The Supplier undertakes to indemnify PS in full for any damage within thirty (30) calendar days of the delivery of a written request by PS.
- 4.17 The Supplier shall not be liable to PS for any damage caused exclusively for Force Majeure events. In the event of the occurrence of Force Majeure events, the time-periods provided for the performance of contractual obligations shall be extended by the duration of the circumstance that represents Force Majeure. The Supplier shall inform PS without undue delay of the occurrence or cessation of any circumstance constituting Force Majeure. The Supplier shall also inform PS in writing without undue delay of the occurrence or cessation of any Force Majeure event concerning its Subcontractor. Liability under an Agreement shall not be excluded by an obstacle that arose at a time when the obliged Contractual Party had already been in default in the performance of its obligation, an obstacle that arose due to economic situation of the obliged Contractual Party, or an obstacle that the Contractual Party was obliged to overcome. If the duration of a Force Majeure intervention or event does not exceed three months, the deadline for the given Performance shall be extended by the duration of that intervention. If a Force Majeure event lasts for more than three months, the other Contractual Party shall be entitled to withdraw from the Agreement.
- 4.18 The Supplier may not set off any of its receivables from PS against any PS receivables from the Supplier without the prior written consent of PS.
- 4.19 The Supplier shall not, without the prior written consent of PS, assign, pledge or encumber with a third-party right any of its rights, receivables, or payables to PS arising from this Agreement.

## **5. GENERAL RIGHTS AND OBLIGATIONS OF PS**

- 5.1 PS undertake to pay the set Price for Performance provided in a due and timely fashion, and shall do so in the manner and subject to the conditions stipulated in an Agreement and the GPTC.

- 5.2 PS may check the provision of Performance from time to time while the Agreement is in force and effect.
- 5.3 PS may present Orders, claims, and any other proposals to the Supplier.
- 5.4 PS undertake to grant the Supplier's employees who are ensuring the provision of Performance access to the Place of Performance, if the Place of Performance is on PS' site.
- 5.5 PS shall not be liable to the Supplier for any damage caused by Force Majeure events. PS shall inform the Supplier without undue delay of the occurrence of any circumstances that constitute Force Majeure.
- 5.6 Furthermore, PS shall not be liable to the Supplier for any damage caused:
- a) By events under the Supplier's control or events for which the Supplier is responsible;
  - b) By a breach of the Supplier's obligations from the Agreement and/or GPTC or the Supplier's default in the performance of its obligations under the Agreement;
  - c) By an illegal act of the Supplier;
  - d) By a breach of an obligation of PS, if such obligation was breached due to the Supplier's actions or insufficient cooperation from the Supplier that the Supplier was obliged to provide;
  - e) To the Supplier due to its own decision of a business or non-business nature;
  - f) Due to the fact that PS acted in line with the Agreement or binding regulations.
- Should any of the events specified in this paragraph of the GPTC occur or threaten, both Contractual Parties shall take reasonable steps to minimise the actual or threatening damage.
- 5.7 PS may, from time to time and without prior notice to and the consent of the Supplier, unilaterally set off any of its receivables from the Supplier, whether due or not yet due, against any receivable of the Supplier from PS, whether due or not yet due.
- 5.8 Furthermore, from time to time and without prior notice to and the consent of the Supplier, PS may assign, pledge, or encumber with any third-party right any of its rights, receivables, or payables to the Supplier arising from the Agreement, provided this does not worsen the collectability or security of the Supplier's receivable.

## **6. TIME AND PLACE OF PERFORMANCE**

- 6.1 If the exact time of the provision of Performance is not agreed in an Agreement or specified in an Order or in another stipulation between PS and a Supplier, the Supplier shall provide Performance at delivery periods that are appropriate, in particular, to the nature of the Performance, the technical possibilities of the Supplier, the distance of the Place of Performance, or natural conditions. If the date of Performance is not stipulated in an Agreement, the Provider shall provide Performance to PS within thirty (30) calendar days of the conclusion of the Agreement, but no earlier than after the expiration of the minimum period of fourteen (14) calendar days after the conclusion of the Agreement. Prior to the expiration of that minimum period for the provision of Performance set out in the previous sentence, the Supplier may only provide Performance with the written consent of PS. Unless PS stipulate otherwise, the Supplier shall hand its Performance over on Business days during the regular working hours of PS, i.e., between 8 a.m. and 2 p.m. The Supplier shall inform PS in writing in advance

about the delivery of Performance to the Place of Performance at least three (3) Business Days in advance.

- 6.2 If the exact Place of Performance is not agreed in an Agreement or specified in an Order or in another stipulation between PS and a Supplier, the Place of Performance shall be the registered seat of PS registered in the Commercial Registry or the address of the PS establishment specified in the Agreement or Order to which the Performance pertains.

## **7. TRANSFER OF TITLE AND RISK OF DAMAGE**

- 7.1 Unless the Contractual Parties stipulate otherwise and if the nature of the Performance so permits, PS shall acquire ownership of the goods or work that constitute Performance at the time of its receipt or once they acquire the right to handle a shipment. PS shall accept the goods or work delivered that represent Performance at the Place of Performance by having a delivery document confirmed by a responsible employee of PS. One copy of the delivery document signed by the authorised person of the Supplier shall be retained by the Supplier and the other shall be provided by the Supplier's employee to the PS employee who is accepting the goods or work that represent Performance.
- 7.2 The risk of damage to the goods or work representing Performance shall transfer from the Supplier to PS at the time of the transfer of ownership pursuant to the previous paragraph.
- 7.3 The risk of damage to any items and materials provided by PS to the Supplier for processing, which are owned by PS and which were provided to the Supplier for the performance of the Agreement, the Supplier shall bear [the risk of their damage] from the time it accepts them and for the period for which they are in its possession; if they are not processed, the Supplier undertakes to return them to PS no later than at the time of the delivery of the Performance.

## **8. CARRIAGE**

- 8.1 Unless otherwise agreed between the Contractual Parties and if the nature of Performance permits, the Supplier shall deliver the goods or work representing Performance to the Place of Performance at its expense and risk, and in the case of carriage, the Supplier shall fully cover the fare. Unless the Contractual Parties agree otherwise, the Place of the delivery of Performance shall be governed by the DDP delivery condition according to the INCOTERMS 2010 rules.

## **9. PRICE**

- 9.1 The Price shall be set in the Agreement or Order, and in the case of a Supplier chosen on the basis of a Tender, it will be set on the basis of the bid submitted by the Supplier in that Tender. Value-added tax at the statutory level, which is effective at the date of the taxable fulfilment, shall be added to the Price.
- 9.2 Unless otherwise stipulated in an Agreement, the Price shall include any and all costs related to Performance, including the costs of packaging, carriage, DDP insurance pursuant to INCOTERMS 2010, costs related to the obtaining of documents concerning Performance, labelling, customs, taxes, warehousing fees, etc. No additional fees or costs of any kind, unless they are explicitly stated in the Agreement as being outside of the scope of the Price, shall be accepted and paid by PS. If the Price specified in the Agreement is not fixed or is set in relation to any costs incurred by the Supplier in the



provision of Performance, PS reserve the right to demand the relevant documents and records that document the justifiability of the costs and the Price requested.

- 9.3 Every Price change (or a change in the Expected Price within the meaning of paragraph 3.7 of these GPTC) shall be approved in writing by PS in advance, prior to the commencement of the provision of the Performance that is to be concerned by the Price change. Should the Supplier fail to inform PS of its Price change proposal in a timely manner, and should it carry on in the implementation of the Performance without the prior consent of PS to the Price change, PS shall not be obliged to pay that changed Price to the Supplier. PS reserve the right not to accept changes proposed by the Supplier. The Supplier also declares that the Prices of Performance provided to PS pursuant to the Agreement are not less favourable than the prices for which the Supplier offers identical or similar performance to other customers at the time of the provision of the Performance.
- 9.4 If the contractual relationship is subject to the regime pursuant to Act No. 134/2016 Coll., on awarding of public contracts, the price change is possible only if the conditions regulated by this Act are met and must be carried out in the manner specified in this Act.
- 9.5 Pursuant to the provision of Section 1765 (2) and 2620 (2) of the Civil Code the Supplier assumes the risk of change in circumstances.

## **10. PAYMENT CONDITIONS**

- 10.1 The Supplier may issue an Invoice no earlier than on the day PS accept the Performance, unless otherwise stipulated in an Agreement. In the case of partial Performance, the Supplier may issue an Invoice no earlier than on the day of the acceptance of the partial Performance by PS, unless the Agreement stipulates otherwise.
- 10.2 Payments for Performance may be one-off or periodical.
- 10.3 In the event of periodical payments, unless otherwise stipulated, PS shall pay the Price on monthly on the basis of an Invoice, and the date of taxable performance specified in the Invoice shall be the last calendar day of the relevant calendar month.
- 10.4 In the case of a one-off payment, unless otherwise stipulated, the Price shall be paid by PS (i) immediately after the provision of Performance on the basis of an Invoice or cash receipt provided to PS immediately after the provision of Performance or (ii) on the basis of an Invoice that is sent to PS no later than within ten (10) Business Days after the provision of Performance. The date of taxable performance specified in each Invoice shall be the last calendar day on which Performance was provided, unless legal regulations stipulate otherwise.
- 10.5 The Supplier shall send Invoices to PS at the address specified in the Agreement or Order. Invoices shall be due for payment thirty (30) calendar days after their delivery to PS, unless otherwise stipulated in an Agreement. The Invoice payment date shall be the date on which the relevant amount is debited from PS' bank account.
- 10.6 Each Invoice shall include the requisite details required by legal regulations and:
  - a) The Order as well as Agreement number (if the invoice is issued in relation to Agreement fulfilment);
  - b) Date of Invoice issue and Invoice due date;
  - c) Invoice number;

- d) Subject and date of Performance;
- e) Identification information of PS, bank account number;
- f) Identification information of the Supplier, bank account number;
- g) The number of performances provided by the Supplier and unit prices per performance, or an otherwise set Price;
- h) Total amount invoiced, exclusive of VAT, the VAT amount, and the final amount inclusive of VAT;

and the requisite particulars of a tax document pursuant to Act No. 235/2004 Coll., the Value Added Tax Act, as amended.

- 10.7 An Invoice sent electronically by e-mail must always be in form required by PS and must be sent to e-mail address of PS [faktury@psas.cz](mailto:faktury@psas.cz).
- 10.8 An Invoice sent via postal or courier service provider shall be drawn up exclusively in the A4 documentary format, with single-sided print, on standard office paper with a weight of 80g/m2, scannable (copyable) in black and white without a loss of any of the information contained therein.
- 10.9 In the event that Performance was to be handed over to PS by means of a protocol, a document showing the due provision of Performance to PS (e.g., delivery document or protocol of hand-over and acceptance) shall be enclosed with an Invoice.
- 10.10 PS may return an Invoice to the Supplier before its due date if it does not contain all of the requisite details required by binding legal regulations of the Czech Republic or should it not state the correct information. In the event of the return of an Invoice, the Supplier shall supplement the missing particulars or incorrect information that gave rise to the returning of the Invoice, and deliver this modified Invoice to PS. In that event, the Invoice payment period shall run from the delivery of a duly corrected Invoice to PS.
- 10.11 In the event that the subject of the Agreement is several partial deliveries of Performance and should PS find a defect in any of these partial deliveries of Performance, PS shall not be deemed to be in default in the payment of the Price of Performance for all these partial deliveries of the Performance. The due period for the payment of the Price of Performance on all partial deliveries shall be suspended from the time the defect in Performance is discovered. This suspension of the due period for the payment of the Price of Performance on all partial deliveries shall continue until such day as any of the following occurs, as selected by PS, pursuant to the provisions of these GPTC governing rights of PS arising from Defective Performance:
  - a) The Supplier remedies the said defects in Performance and enables its due use; or
  - b) PS deliver a notice to the Supplier in which they request a proportionate discount for the Defective Performance; or
  - c) PS shall deliver to the Supplier of a notice of withdrawal from the part of the obligation the subject of which was the Defective Performance.

A similar suspension of the payment period shall be applied even if a defect is found in any Performance provided on a one-off basis, i.e., not in the form of partial Performance deliveries.
- 10.12 Unless otherwise stipulated, PS shall pay all amounts based on Invoices by cashless transfer in Czech crowns to the Supplier's account stated in the Agreement or Order.

## **11. SANCTIONS**

- 11.1 If the Supplier fails to meet its obligation to deliver Performance to PS in a timely and due manner and if no other amount of contractual penalty is stipulated in the Agreement, PS shall be entitled to the payment of a contractual penalty by the Supplier in the amount of 0,5% of Price of Performance for the due delivery of which the Supplier is at default, for every day of default commenced. Should the aggregate contractual penalty amount pursuant to this paragraph exceed 15% of the aggregate Price of Performance, the Agreement shall be deemed not to have been performed and PS shall be entitled to withdraw from the Agreement. The Supplier's obligation to pay a contractual penalty shall apply even to cases when the Supplier's default occurred due to a default of the Supplier's Subcontractor. To exclude any doubt, the parties agree that the breach of obligations referred to in this paragraph shall constitute a substantial breach of the Agreement and the GPTC.
- 11.2 For each individual breach of the obligation regarding the protection of Confidential Information and personal data pursuant to Article 14 of these GPTC, the PS is entitled to demand from the Supplier the payment of a contractual penalty in the amount of CZK 50 000.
- 11.3 The contractual penalty shall be due within fourteen (14) calendar days of the delivery of the settlement of the contractual penalty to the Supplier. The payment of a contractual penalty shall not prejudice the right to damages in full.
- 11.4 In case of delay of the PS with the payment of duly issued and delivered invoices, the PS is obliged to pay to the Supplier an interest on arrears according to Government Decree No. 351/2013 Coll., which determines the amount of interest on arrears and costs associated with claiming a receivable, determines remuneration of liquidator, liquidation administrator and a member of the body of a legal entity appointed by the court and regulate certain issues of the Business Gazette and public registers of legal and natural persons.

## **12. RIGHTS FROM A DEFECTIVE PERFORMANCE AND QUALITY WARRANTY**

- 12.1 The Supplier shall provide Performance in a due and timely manner, i.e., in particular, it shall deliver the goods or execute the work in the quality and form specified in the Agreement. If the quality, form, or other specific properties are not stated in the Agreement, the Supplier shall provide Performance in a quality and form fully fit for the purpose for which the Performance is delivered or supplied, and if no such purpose is agreed, then for the purpose for which this Performance is usually used; such Performance shall have properties that are usual for the relevant kind of goods or work. Furthermore, a Performance must correspond to and be in line with all of the technical requirements and technical and safety standards applicable to the given type of Performance (and the Contractual Parties agree and confirm that for the purpose of the Agreement and these GPTC, merely recommended technical standards shall be deemed binding), and if Performance is provided on the basis of samples, designs or drawings, it must fully comply with those samples or drawings. The Supplier shall deliver Performance in the amount or scope agreed in the Agreement. If Performance consists of the delivery of goods or making of an item, such goods (or items) must be new, unused, free of damage and made of a high-quality materials, must be capable of delivering standard performance on a continuous basis in line with the properties and quality set in the Agreement, and must be fully fit for the purpose for which they are delivered, must be free of all legal defects, and must be delivered in the amount specified in the Agreement.

- 12.2 A Performance shall be deemed to contain defects if it is not delivered duly packaged and equipped for carriage and in the amount, quality, and form set out in the Agreement or these GPTC (in particular pursuant to the previous paragraph) or if it does not correspond to the Agreement. Defects shall also include defects in the documents that the Supplier is obliged to deliver to PS together with the Performance in line with the Agreement and these GPTC. If the defects only consist of defects in documents, PS may return the documents to the Supplier at the Supplier's expense and/or ask the Supplier to deliver flawless documents. The Supplier shall deliver complete and flawless documents to PS without undue delay, but not later than within 7 days of the return of flawed documents or the delivery of a request from PS. Legal defects shall also be deemed to constitute defects. A Performance has legal defects if a third person asserts its right thereto, unless PS knew of such restriction and this fact confirmed in writing in the Agreement or the Order.
- 12.3 PS is entitled, throughout the entire duration of the quality warranty, to assert its right arising from a Defective Performance, which is established by any defect that a Performance has upon the passage of the risk of damage to a Performance to PS, even if it reveals later. PS is entitled to inform the Supplier of any such defects at any point during the warranty period. PS's right arising from a Defective Performance is also established by a defect which occurs later and which is caused by the breach of Supplier's obligation. This shall not diminish the Supplier's obligations arising from the warranty on the quality of Performance.
- 12.4 If the nature of the Agreement allows (i.e., in particular in the case of an agreement for work or purchase agreement) and unless the Contractual Parties stipulated otherwise, the Supplier shall grant to PS a warranty for the quality of the goods or the flawless execution of the work of a duration set out in the Agreement, which shall run from the time when PS accepts the goods or work from the Supplier or a carrier. If the subject of the Agreement is the Supplier's undertaking to build a real property and unless the Contractual Parties stipulate otherwise, the Supplier grants PS a warranty for the flawless execution of the work of five (5) years. The warranty period shall not run for the period for which PS, PS' customers, and/or users of the Performance cannot use the Performance delivered due to its defects for which the Supplier is responsible. In the event of the replacement of any Performance and the delivery of new Performance, the warranty period shall run from the beginning in full.
- 12.5 PS shall not be obliged, at the time of its acceptance or as soon thereafter as practicable, respectively after the passage of the risk of damage to a Performance, to inspect a Performance in order to discover any defects in Performance and verify its properties and quantity of a Performance. The Contractual Parties have agreed that the exclusion of this obligation and all other obligations of PS pursuant to Sec. 2104, Sec. 2105, Sec. 2111, Sec. 2605 (2), Sec. 2618, Sec. 2628 and Sec. 2629 of the Civil Code shall have no impact on the PS's right arising from a Defective Performance that PS claims to the Supplier at any point during the warranty period and on the Supplier's obligation to remedy those defects in line with the Agreement and these GPTC. If Performance has apparent defects at the time of its delivery to the Place of Performance (which does not prejudice the exclusion of the obligation to inspect the Performance in order to ascertain any defects thereof, set out in the previous sentences of this paragraph), PS shall be entitled:
- a) To demand that the Supplier check the Performance at a place and time appointed by PS;

- b) To refuse the acceptance of Defective Performance and to return it at the Supplier's expense without being in default in the acceptance of the Performance; or
  - c) To accept the Defective Performance, whereby PS is entitled to an appropriate discount from the Price or to the remedying of the defects. Other provisions of these GPTC governing the rights arising from a Defective Performance shall apply mutatis mutandis to steps taken in line with this sub-section.
- 12.6 PS may exercise its right arising from the Supplier's liability for Defective Performance by means of a claim. A notice of a claim need not be drawn up if PS declares in line with paragraph 4.2 (d) of these GPTC, that it is accepting the Performance with reservations of there being defects, in which case defects are described in the confirmation of receipt.
- 12.7 PS may submit a claim in writing, through a postal service provider, by courier, or by e-mail, or in person or by telephone to the Supplier's contact person.
- 12.8 The Supplier shall process PS' claim without undue delay, within the shortest period possible. The maximum period for the processing of PS' claim, including the remedying of any defects in a Performance, shall be thirty (30) calendar days from the delivery of the notice of the claim to the Supplier; this shall not diminish the Supplier's obligation under the following paragraph.
- 12.9 The Supplier shall, and agrees that within the period set in the Agreement, and otherwise within 24 hours of the delivery of a notice of a claim, it shall, in line with PS' instructions:
- a) Come to the Place of Performance or a place designated by PS in order to check the Performance and ascertain the details of any defects reported to it by PS in its notice of a claim, and within the same time-period shall inform PS of its proposal for specific steps to be taken to remedy the defects of Performance; or
  - b) Inform PS of its proposal for specific steps to be taken to remedy the defects in Performance, with the utmost effort, care, and with a view to technological periods, including the planned dates of the implementation of the set remedial measures;
- and all at the Supplier's expense.
- 12.10 The choice of the right arising from Defective Performance, and the choice of the manner in which the defects ascertained are to be remedied, shall be reserved exclusively to PS, and in this, PS shall not be bound by the Supplier's proposals. PS shall inform the Supplier in writing within seven (7) Business Days of the Supplier's notice, pursuant to paragraph 12.9 of these GPTC, that it:
- a) Agrees with the method of the remedy of the defects in the Performance proposed by the Supplier and the deadline set for their remedy, or PS sets another period; or
  - b) Disagrees with the manner proposed by the Supplier and it itself sets the manner and deadline for the remedy of the defects in Performance; or
  - c) Asserts his right arising from Defective Performance pursuant to these GPTC, other than the remedy of the defect in Performance.

Should the Supplier fall into default in its obligation to give a notice pursuant to paragraph 12.9, PS shall be entitled, if it has not already done so in its notice of a claim,

choose its right arising from Defective Performance and/or the manner in which the defect is to be remedied. The manner in which the defect is to be remedied and the deadline for its remedy set by PS pursuant to this paragraph, sub-paragraphs a), b), and the choice of the right arising from Defective Performance under sub-paragraph c) shall be binding for the Supplier.

12.11 PS shall, regardless of the nature of a defect and seriousness of the breach of the Agreement, always be entitled:

- a) To request a remedy of the defects by the provision of substitute Performance for the Defective Performance, the delivery of any Performance that has been omitted, and to demand the remedy of legal defects;
- b) To demand the remedy of defects by the repair of the Performance if defects can be repaired;
- c) To demand an appropriate discount from the Price;
- d) To withdraw from the Agreement;

And the choice among these options shall be reserved solely to PS.

12.12 Should it become subsequently evident that the defects in Performance are irreparable or that the repair would involve undue costs, PS may require the delivery of substitute Performance if it informs the Supplier of its decision without undue delay, from when the Supplier informs it of either of the facts referred to above.

12.13 Should the Supplier fail to remedy all defects in the Performance in the manner and by the deadline specified by PS or if, prior to its expiration, the Supplier informs PS that it will not remedy the defects, PS may, at its discretion:

- a) Withdraw from the Agreement;
- b) Request an appropriate discount from the Price;
- c) Check, sort, or repair the Performance or ensure substitute delivery, itself or through another person, at the expense and risk of the Supplier. The Supplier undertakes to reimburse PS in full for any such costs. The process described in this sub-paragraph c) shall not diminish the Supplier's warranty provided with respect to the Performance or the Supplier's liability for damage caused by Defective Performance or caused or incurred in the remedy of the defects of the Performance.

12.14 Until the defects of the Performance are remedied, PS shall not be obliged to pay to the Supplier the part of the Price of the Defective Performance which is estimated as reasonably corresponding to a right to discount from the Price.

12.15 Should the Supplier be in default in the performance of its obligations arising from Defective Performance, for example in default in the remedying of defects, PS shall be entitled to a payment of a contractual penalty by the Supplier amounting to 0.5% of the Price of the Defective Performance for every day of default in the performance of the obligation arising from chosen right of Defective Performance. The contractual penalty shall be payable within fourteen (14) calendar days of the delivery of a settlement of the contractual penalty to the Supplier. The payment of the contractual penalty shall not prejudice the right to damages in full.

### **13. MUTUAL COMMUNICATION**

- 13.1 The contact information of the Contractual Parties for all personal, written, electronic, and telephone communication between the Contractual Parties is stated in the Agreement or Order. The Contractual Parties may change their own contact information unilaterally. Any such change shall take effect with respect to the other Contractual Party upon the delivery of a written notice of change to the Contractual Party.
- 13.2 Should the Agreement, GPTC, or generally binding legal regulations require that a notice, communication, or other act be executed exclusively in writing, it may only be executed through a registered postal shipment, through a courier service, or by the personal delivery of the relevant written document, or by e-mail using an electronic signature (recognized electronic signature is not required).
- 13.3 If this Agreement or the GPTC do not require a notice, communication, or another act being executed exclusively in writing, it can also be made by telephone or e-mail. A Contractual Party is not entitled or obliged to accept any proposals, Orders, claims, and other communication made by electronic mail from any e-mail addresses other than those stated in the Agreement or Order, unless otherwise agreed between the Contractual Parties.
- 13.4 The Contractual Parties shall inform the other Contractual Party in writing about a change in any important information pertaining to the notifying Contractual Party, in particular a change in: (i) the identification information of the Contractual Party; (ii) registered seat or place of business or activity of the Contractual Party; (iii) persons authorised to represent the Contractual Party in matters arising from the Agreement or Order; (iv) contact information of the Contractual Party; and/or (v) any other information that is of importance for the due performance of the Agreement. A written notice of the change in important information concerning the notifying Contractual Party must be sent to the other Contractual Party within seven (7) calendar days of such a change occurring.

### **14. CONFIDENTIAL INFORMATION, PERSONAL DATA, ADVERTISEMENT**

- 14.1 The Contractual Parties shall keep confidential any confidential information of the other Contractual Party, even after the termination of the contractual relationship. Confidential information shall include, in particular, information about: (i) Prices; (ii) security systems and equipment at the entry to PS' buildings; and (iii) information that constitutes the business secret of the Contractual Parties. These provisions shall not apply to situations when the Supplier is providing confidential information to third persons used in the provision of Performance or a part thereof under paragraph 4.12 of the GPTC.
- 14.2 The Contracting Parties undertake not to disclose or make available Confidential Information to third parties and not to use it for themselves or for a third party. The Contracting Parties shall keep the Confidential Information in secret and shall communicate it exclusively to those of their employees or subcontractors who are authorized to the performance of the Contract and for this purpose are entitled to become acquainted with this information to the necessary extent. The Contracting Parties undertake to ensure that these persons also treat the mentioned information as confidential and maintain confidentiality about it.
- 14.3 The prohibition on disclosure of Confidential Information does not apply to information that:

- a) may be published without breach of Agreement;
  - b) have been exempted from the relevant restrictions by the written consent of both Contracting Parties;
  - c) are in the publicly available or have been published otherwise than as a result of a breach of an obligation by one of the Contracting Parties;
  - d) the recipient has known them before they are communicated by the other Contracting Party;
  - e) they are requested by a court, a public prosecutor's office or a competent administrative authority or by law;
  - f) the Contracting party shall communicate them to a person bound by a legal duty of confidentiality (e.g. an attorney or a tax adviser) in order to exercise their rights.
- 14.4 The duty of confidentiality lasts regardless of the termination of the Agreement, until the Confidential Information becomes generally known, provided that this does not happen due to violation of the obligation of confidentiality of the Contracting Party.
- 14.5 PS as the administrator processes the personal data of the Supplier, if the Supplier is a natural person, and both Contracting Parties as administrators process the personal data of contact persons provided in the Contract, or personal data of other persons provided under the Contract, only and exclusively for purposes related to the performance of the Contract any only for the duration of such Contract, or for purposes arising from the legislation for a longer period, which is justified by this legislation. The Supplier is obliged to inform similarly natural persons whose personal data is transferred by the PS for purposes related to the performance of the Contract. In this context, PS may keep a database containing all of the Supplier's identification information required for the due performance of this Agreement. PS shall protect that information to the maximum extent possible, and undertake to use it only for the purpose of performing this Agreement and in line with applicable legislation. These identification data means in particular title, name, surname, address, telephone numbers and e-mails, business name, name, registered office, place of business, identification number.
- 14.6 The Supplier shall not transfer any other personal data to the PS within the scope of the provision of the Performance, except for the case specified in paragraph 16.5 of this Article of the GTPC. If the Performance includes the transfer of personal data, which is subject to protection in accordance with the relevant legal regulations on personal data protection, the Supplier is obliged to notify PS of this fact in writing in advance and PS is entitled, at its own discretion, to refuse to accept personal data.
- 14.7 If the Supplier obtains, within the performance of the Agreement, a random access to such information which will contain personal data subject to legal protection, the Supplier is entitled to access such personal data only to the extent necessary for the performance of the Agreement. The Supplier undertakes to handle the disclosed personal data only on the basis of instructions of the PS as an administrator of personal data, only for the purposes of fulfilling the Agreement, to keep them confidential, and ensure their security against leakage, accidental or unauthorized destruction, loss, alteration or unauthorized disclosure to third parties.
- 14.8 If, in connection with the transfer of personal data, an obligation arises to conclude an agreement on the processing of personal data between the Contracting Parties and such an agreement has not yet been concluded between the Contracting Parties, the Contracting Parties undertake to conclude an agreement on personal data processing without delay and in compliance with the Regulation (EU) 2016/679 of the European



Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

- 14.9 The Supplier is not entitled to publish information on cooperation with PS without the prior written consent of PS, either in the form of communication of information, press releases, use in advertising, presentation, sales materials or otherwise.

## 15. INTELLECTUAL PROPERTY

- 15.1 All information, however materially captured, in particular assignments, descriptions, sketches, plans, samples, and preparations, handed over or made available to the Supplier by PS in connection with the Contract, remains the exclusive property of PS and the Supplier undertakes: (i) to provide and protect it from destruction and damage, (ii) use them solely to perform its obligations under the Agreement, (iii) not allow third parties to have an access to them, and (iv) protect them as Confidential Information. If the objects of protection according to the previous sentence were handed over to the Supplier of PS in connection with the Contract or Tender, these objects of protection remain the exclusive property of PS and the Supplier is not entitled to register these objects of protection (or their parts) as a trademark, patent, industrial design, or utility model (according to relevance).
- 15.2 The Supplier is obliged to hand over to the PS, samples, preparations, descriptions, sketches, plans, and other documents or results of activities which have been created by the Supplier or a third party used by the Supplier in connection with the performance of the Agreement; it has to be handed over in any materially captured form requested by the PS.
- 15.3 If the Performance or a part thereof meets the conditions for protection pursuant to Act No. 527/1990 Coll., on Inventions and Improvement Proposals, Act No. 207/2000 Coll., on the Protection of Industrial Designs, or Act No. 478/1992 Coll., on utility models (hereinafter referred to as the "**Subject of Protection**"), the Supplier is obliged to provide such protection at the request of PS and grant at the request of PS consent to use a patented invention, consent to use a registered industrial design, or provide consent to use a technical solution protected by utility model (according to the relevance and request of the PS), i.e. to grant the PS a license, at least to the following extent:
- a) for the duration of the property rights;
  - b) non-exclusive and transferable to third parties without the need for consent and other costs that PS or third parties would have to incur in excess of the Price specified in the Agreement, even if PS or third parties already have contractual or any other secured rights of use licenses of the same manufacturer or author, including any additional remuneration;
  - c) to a territorial extent covering the entire territory of the Czech Republic;
  - d) without obligation to use the license;
  - e) with a possibility to change, complete the Subject of Protection, or include it in a collective or mass work.

At the same time, the Supplier undertakes to make the necessary license registrations so that it is valid and enforceable.

- 15.4 Without prejudice to the provisions of paragraph 15.3, the Supplier is obliged to provide PS with all cooperation, information, and documents to enable PS to register a

trademark, patent, industrial design, or utility model (according to relevance) in accordance with legislation. This obligation of the Supplier applies only to cases where the trademark, patent, industrial design, or utility model (according to relevance) has not been registered on behalf of the Supplier before the conclusion of the Agreement.

15.5 To objects protected by the Copyright Act, the PS requires the provision of at least such a form of licenses that will be:

- a) granted for the duration of the property rights;
- b) non-exclusive and transferable to third parties without additional costs that PS or third parties would have to incur in excess of the Price specified in the Agreement, even if PS or third parties already have contractually or otherwise secured rights to use licenses of the same manufacturer or author;
- c) granted in a territorial scope covering the entire territory of the Czech Republic;
- d) without obligation to use the license;
- e) with the possibility to change, complete the Subject of Protection, or include it in a collective or collective work.

15.6 For the avoidance of any doubt, it is expressly stipulated that the remuneration and reimbursement of costs for the activities and performance of the Supplier pursuant to this Article of the GTPC is included in the Price.

## **16. TERM OF THE AGREEMENT**

16.1 Unless otherwise specified in an Agreement, the Agreement shall be concluded for an unspecified period of time.

16.2 The Agreement, whether concluded for a specific or unspecified term, may be terminated prematurely only by an agreement of the two Contractual Parties, written notice of either of the Contractual Parties, or withdrawal by either of the Contractual Parties in line with the Agreement and the GPTC.

16.3 Should the subject of the Agreement be an undertaking to perform a continuous or repeated activity, either Contractual Party may terminate the Agreement even without stating a reason. In the event of an Agreement for an unspecified period of time, either Contractual Party may terminate the Agreement; the termination period in the event of the Supplier's notice of termination shall be six (6) months and in the event of termination by PS, the termination period shall be one (1) month. In the event of an agreement concluded for a specific period of time, only PS may terminate the Agreement, and in that event, the termination period shall be one (1) month. The termination period shall commence on the first day of the month following after the month in which the notice was delivered to the other Contractual Party.

16.4 A material breach of obligations arising from an Agreement and/or these GPTC means:

- a) The Supplier's default in the performance of its obligation to deliver Performance to PS in a timely fashion;
- b) The Supplier's default in the performance of its obligation to deliver Performance to PS in a due manner (e.g., the occurrence of any defects);
- c) A breach of the Supplier's obligations arising from Defective Performance (e.g., the breach of the obligation to remedy defects in the manner and time-periods set by PS).

- 16.5 Unless the Agreement or these GPTC stipulate otherwise, PS may withdraw from the Agreement:
- a) If the Supplier breaches its obligations arising from an Agreement or these GPTC in a material way;
  - b) If the Supplier breaches its obligations arising from an Agreement or these GPTC in a non-material way and it fails to comply with that obligation within a grace period given by PS, of a maximum of five (5) days of the delivery of a notice requesting a remedy;
  - c) The Supplier enters liquidation or the execution of a decision is initiated against it by means of the sale of its company, or an insolvency application has been filed against it, its assets are declared bankrupt, its reorganisation is permitted, or the settlement of a debt or another manner of the resolution of bankruptcy or an insolvency proposal is denied due to the insufficiency of the Supplier's assets;
  - d) If a Force Majeure event that prevents the meeting of obligations arising under an Agreement endures more than 3 months;
  - e) Without stating a reason before the due delivery of Performance.
- 16.6 If the breach of a Supplier's obligation only pertains to a portion of a due obligation, PS may withdraw either from the entire Agreement or only from that part of the obligation.
- 16.7 Withdrawal from the Agreement shall take effect upon the delivery of a written notice of withdrawal from the Agreement to the other Contractual Party. If PS does not explicitly state in its withdrawal notice that it is only withdrawing from a part of its obligation, it shall be deemed to withdraw from the entire Agreement.
- 16.8 Should PS ask the Supplier in writing after the termination of the Agreement to return any items entrusted to it (e.g., keys, cards), the Supplier shall comply with that request without delay, within no more than three (3) Business Days of its delivery.
- 16.9 The termination of the Agreement shall not in any way affect its provisions pertaining to (i) contractual penalties and default interest if matured, (ii) compensation of damages, (iii) warranties and liability for defects, (iv) protection of confidential information, (v) return of entrusted items, (vi) choice of law and dispute resolution, and (vii) provisions pertaining to such rights and obligations the nature of which indicates that they are to survive the termination of the Agreement. The termination of the Agreement shall not terminate any claims arising from Defective Performance or rights to the payment of contractual penalties arising from a breach of the Agreement.
- 16.10 PS may decide at its discretion whether it will, following a withdrawal from the Agreement, retain the Performance provided, executed, or made by the Supplier up to that point, regardless of the degree of its completion and the fact as to whether ownership has already transferred to PS or not. The provisions of this paragraph shall also apply to any material and other items intended for the provision of Performance and documents related to the Performance, including designs, technical specifications, drawings, etc. Should PS decide to retain the Performance, it shall pay to the Supplier a portion of the Price corresponding to the value of the Performance accepted by it; if PS paid, prior to its withdrawal from the Agreement, an amount that exceeds the value of the Performance accepted, PS shall be entitled to a settlement and refund by the Supplier of any amount in excess of the value of the Performance received.

The Supplier undertakes to ensure that its Subcontractors shall proceed in line with this paragraph and in the event of a withdrawal from the Agreement, the Supplier shall ensure, at PS' request, an assignment of rights and obligations from agreements with Subcontractors from the Supplier to PS.

16.11 If PS withdraws from the Agreement pursuant to paragraph 16.5e) of this article, and unless the Contractual Parties agree otherwise:

- a) The Client shall accept any Performance that has been duly provided or commenced by the Supplier up to the time when the withdrawal took effect, and shall pay a portion of the Price for the Performance provided corresponding to the value of the Performance; if PS paid to the supplier, prior to its withdrawal from this Agreement, an amount that exceeds the value of this value of the Performance accepted, PS shall be entitled to a settlement and refund by the Supplier of any amount in excess of the value of the Performance received;
- b) With respect to any Performance or a part thereof that has not been provided, produced, or commenced (with no material having been ordered yet), the Supplier shall not be entitled to the reimbursement of any costs related to the Performance or the non-provision thereof or to the payment of any portion of the Price. In that case, the Supplier shall only be entitled to a reimbursement of any documented and proven costs that were reasonably incurred in relation to the termination of the Agreement, which shall not, however, exceed 0.3% of the Price of the Performance that has not been supplied. To exclude any doubt, the Parties state that, in this case, PS is not obliged to pay to the Supplier any compensation of its margin or lost profit.

The provisions of this paragraph shall only apply in the event of a withdrawal from the Agreement pursuant to paragraph 16.5e) of this Article; in the event of withdrawal for other reasons, the settlement method set out in the previous paragraph 16.10 of these GPTC, shall be used. The Supplier's obligation to ensure at PS' request the assignment of rights and obligations from agreements with Subcontractors from the Supplier to PS shall apply even in cases of withdrawal pursuant to paragraph 16.5e) of these GPTC.

16.12 To exclude any doubt, the Contractual Parties confirm and agree with a settlement in the event of PS' withdrawal from the Agreement under these GPTC and consider it to be complete and final, and the Contractual Parties do not see, in the event of PS' withdrawal from the Agreement, the occurrence of any further claims or damage related to the conclusion of the Agreement and the subsequent withdrawal therefrom.

16.13 In the event of a withdrawal from the Agreement, the Contractual Parties shall settle in a manner and by the deadlines set by PS. PS shall inform the Supplier in writing of the manner of the settlement of their mutual relations within thirty (30) calendar days of the effective date of the withdrawal from the Agreement. In a written settlement report, PS shall:

- a) Specify any mutual rights that have arisen between the Contractual Parties due to the withdrawal from the Agreement and/or lasting mutual rights arising from the Agreement, in particular a right to the return of Performance, rights to the return of any other performance provided on the basis of the Agreement, a right to substitute financial performance, a right to the payment of a contractual penalty, right to damages, right arising from Defective Performance, etc.;
- b) Set appropriate time-periods for the performance of the mutual obligations of the Contractual Parties arising from their mutual settlement.

The manner of settlement and time-periods set by PS shall be binding for the Contractual Parties. Any costs arising in connection with a withdrawal from the Agreement and the return of the performance provided shall be borne by the Supplier.

## **17. CHANGES TO AN AGREEMENT AND THE GPTC**

- 17.1 An Agreement may only be changed by means of a written amendment signed by both Contractual Parties.
- 17.2 Changes to these GPTC shall be governed by the process set out in this Article of the GPTC.
- 17.3 PS may propose amendments to these GPTC from time to time. PS shall inform the Supplier about a proposed amendment to the GPTC at least thirty (30) calendar days before the effective date of such changes to the GPTC. The Supplier may be informed thereof by means of a letter, or e-mail. Information about proposed changes to the GPTC may be contained in a consolidated version of the GPTC that includes the proposed changes, or a link to a consolidated version of the GPTC that includes the proposed changes, which will be published on the PS Website.
- 17.4 Should the Supplier fail to deliver its refusal of consent to the proposed changes to the GPTC to PS in writing no later than three (3) Business Days before the effective date of the proposed changes to the GPTC, and should it, at the same time, carry on in the provision of Performance or take any action vis-à-vis PS which indicates the Supplier's intention to carry on in the contractual relationship with PS, the Supplier shall be deemed to agree to the changes to the GPTC. In that case, the changes to the GPTC shall become an integral part of the Agreement as at their effective date.
- 17.5 Should the Supplier communicate to PS its refusal of consent to the proposed changes of the GPTC within the period set out in Article 17.4 of the GPTC, the contractual relationship between PS and the Supplier shall continue to be governed by the unchanged GPTC, but PS may terminate the Agreement. The termination period shall be fifteen (15) days from the delivery of the termination notice to the Supplier. Until the termination of the Agreement, the contractual relations between PS and the Supplier shall be governed by the unchanged GPTC.

## **18. CONCLUDING PROVISIONS**

- 18.1 The valid and effective version of the GPTC is available on the PS Website.
- 18.2 The contractual relationship between PS and a Supplier shall be governed by the Civil Code and other legal regulations of the Czech Republic.
- 18.3 Should these GPTC or an Agreement contain a reference to a specific INCOTERMS clause, the INCOTERMS provisions pertaining to that clause shall become a part of the GPTC or this Agreement.
- 18.4 The Contractual Parties undertake to resolve any disputes that may arise amicably. Should this means not remedy a dispute, the general courts of the Czech Republic shall have jurisdiction to resolve the dispute between the Contractual Parties. The Contractual Parties hereby agree that the court of first instance having local jurisdiction shall be the general court in whose territory PS resides, or the regional court in whose territory that general court resides.

18.5 Unless a provision of a legal regulation from which parties cannot divert by agreement stipulates otherwise in a specific case, individual contractual and normative documents governing the mutual rights and obligations of the Contractual Parties shall always be interpreted in their mutual correlations. In the event of a difference between the regulation embodied in individual documents, the regulation contained in a document of a higher order of priority shall prevail in their interpretation and the regulation contained in a document of a lower order of priority shall be used as subsidiary to the maximum extent to which this is not excluded by the document of a higher order of priority, either explicitly or factually, due to the incompatibility of the two regulations. The order of priority shall be as follows, from highest to lowest:

a) Agreement;

b) Order;

c) GPTC.

Any commercial terms and conditions of a Supplier that are in conflict with these GPTC, an Agreement, or an Order, or diverge from them, shall be ineffective to that extent, unless PS expressly consents to them in writing.

18.6 The GPTC may be translated into another language; in the event of a discrepancy between the Czech and other language version, the Czech language version shall prevail.

18.7 Should any provision of the GPTC or an Agreement be or become invalid, ineffective, or unenforceable, or should it be found thus by an appropriate authority, all other provisions of these GPTC or the Agreement shall remain valid and effective unless the nature of the provision or its contents or the circumstances under which it was entered into indicate that it cannot be severed from the rest of the contents of the GPTC or the Agreement. The Contractual Parties undertake to replace any invalid, ineffective, or unenforceable provision of the GPTC or an Agreement with another provision whose contents and purpose best correspond to the original provision and the GPTC or the Agreement as a whole.

18.8 These GPTC, if the contract does not stipulate otherwise, shall not apply to contractual relations between PS and a Supplier selected in a public tender awarded by PS pursuant to Act No. 134/2016 Coll. on Public Procurement, as amended.

18.9 These GPTC shall enter into force and effect on 8 March 2019.