

GENERAL BUSINESS TERMS AND CONDITIONS 2022/2

A. Preamble

These General Business Terms and Conditions (hereinafter “**GBTC**”) are business conditions according to § 1751 Act no. 89/2012 Coll., Civil Code, as amended (hereinafter „**CC**“). The GBTC lay down the relationship between the company TEDOM a.s. (hereinafter „the Supplier“) and its customer (hereinafter „the Ordering Party“) while fulfilling the Supply.

B. Definitions

According to these GBTC, the terms used herein have the following meaning:

1. **Supply** – goods, works, services or other performance characteristic for the given contractual relationship. The scope of the Supply is specified in the Contract by the contracting parties.
2. **Works** – works, which are according to the Contract within the scope of the Supply, especially installation, assembly, commissioning and testing. The testing shall be performed in accordance with the legal and technical regulations and internal regulations of the Supplier.
3. **Protocol** – a delivery note, a handover protocol or other document proving fulfilment of the Supplier’s obligation.
4. **Authorized person** – the Supplier or other person authorized by the Supplier, who holds a valid certificate specified by the Supplier.
5. **Contract** – a written agreement between the parties. It can also be concluded through a written sales order and its written acceptance. Either party to the Contract may deliver an electronic copy of the Contract (including order form) signed by an authorized representative of that party through remote communication means to the other party. Such delivery shall have the same force and effect as any other delivery of a hand-signed copy of the Contract (including order form). The stipulations of the Contract comprise the stipulation of GBTC.
6. **Goods** – movables within the scope of the Supply.

C. Information about Products, Technical Documentation and Compliance

1. The data on weight, dimensions, performance parameters, prices and other information about the Supply, stated by the Supplier in the catalogues, price lists or elsewhere, are only informative and the Supplier reserves the right to change them.
2. Drawings, technical documents, knowledge, experiences and skills of all kinds owned by the Supplier, as well as its assignments, outlines and concepts of creative, economic or other activities, including discoveries, suggestions, ideas, methods, formulas, systems, principles, resolution procedures (algorithms). styles and thoughts (hereinafter „know-how“), provided to the Ordering Party, remain the Supplier’s property.

3. The Ordering Party may use this know-how for the sole purpose of fulfilling its obligations under the Contract to the extent given by the time and place of this fulfilment or other purpose for which the know-how was provided.
4. The Ordering Party may deliver to its customer only the Supplier’s original marketing and technical materials, retaining a copy thereof. The Ordering Party may reproduce the content of these materials in its own materials upon a prior approval of the Supplier, in the extent and manner approved by the Supplier.
5. The specification and scope of the Supply is indicated in the Contract. The Supplier reserves minor changes to the technical solution, while maintaining the indicated basic technical parameters and the main components of the Goods.
6. The Supplier is obliged to fulfil the Supply in accordance with the public law and technical standards of the Czech Republic in force at the time of conclusion of the Contract.
7. Any alterations required by changes in the public law standards shall be carried out by the Supplier prior to the delivery. If the technical standards change before the delivery, the Supplier may ask the Ordering Party, whether it wishes to adapt the Supply to such changes. The Ordering Party shall reply immediately. Even if the Supplier does not ask the Ordering Party, as mentioned above, or if the Ordering Party does not reply immediately, the Supplier may proceed with the alterations to the Supply, as a result of changes in the technical standards. The Ordering Party shall compensate the Supplier for all costs and other consequences associated with the alterations made to the Supply enforced by the changes in the public law or technical regulations. If the parties do not agree on the costs of these alterations or on the amount thereof, the Ordering Party shall pay to the Supplier the expenditures effectively incurred for the alterations, even if it has not been decided by the court. If any alterations are made to the Supply, the deadlines for fulfilling the Supplier’s obligations are extended to an appropriate extent.
8. If the Supply is dispatched abroad, the Ordering Party is responsible for indicating all the delivery and import requirements under the public and technical foreign standards effective at the time of conclusion of the Contract. If the Ordering Party does not specify the aforesaid requirements, the Supplier shall follow the public and technical standards of the Czech Republic effective at the time of the conclusion of the Contract. The Ordering Party shall compensate the Supplier for all the costs related to adapting the Supply to the foreign standards. The Ordering Party shall inform the Supplier about any subsequent changes if it wishes to adjust the Supply to them. Provisions stated in the paragraph 7 of this Article from the fourth sentence to the last, shall apply mutatis mutandis.

D. Ordering Party's Cooperation

1. Prior to the conclusion of the Contract, the Ordering Party shall provide the Supplier with all the necessary information needed for the execution of the Supply, especially information about the required qualities of the Goods, information about the fuel on which the Goods shall be operated (in case of natural gas – methane number and methane content, in case of biogas – gas analysis not older than 14 days) and documents or materials required to meet the Supplier's obligations (hereinafter „Documents“). Otherwise, the Supplier shall determine the qualities of the Goods according to the Ordering Party's needs known to the Supplier, based on the standard technical specification of the Goods. If the Ordering Party submits the Documents to the Supplier after the conclusion of the Contract, the Supplier may adjust the Supply accordingly, but is entitled for a reimbursement of all costs and other consequences of the Supply adjustment. If the necessary data on fuel are not provided to the Supplier, the Goods shall be suitable for operation on fuel according to the Czech technical standards, the warranty and responsibility for defects arising from the use of different fuels are excluded.
2. The Ordering Party shall, on its own account, procure acts from the public authorities, legal acts or other third-party cooperation necessary especially for the import, integration, assembly, installation or commissioning of the Goods so that the Supplier can perform its duties properly and in a timely manner.
3. The Ordering Party shall provide the Supplier with a protocol that indicates the site of Works performed with a clear indication of all underground cables and networks. Such a provided site of must be suitable for the execution of the Works and meet the requirements of technical and public regulations, with the possibility of access of the Supplier's employees at the time of Works being performed, at Supplier's request even beyond normal working hours and working days. Before commencement of the Works, the Ordering Party shall in time inform the Supplier about the public, technical or other standards applicable at the site of the Works performed. During the execution of the Works, the Ordering Party shall provide the Supplier with storage spaces free of charge. To perform the Works, the Ordering Party shall further, in accordance with the Supplier's instructions, supply operating media (gas, fuel, operation fluids, etc.) required to fill and operate the Goods and energy for the Supplier's workers' technical equipment free of charge.
4. If an obstacle the Supplier is not obliged to remove or an insufficient cooperation from the Ordering Party's side prevent the Supplier from fulfilling its obligations, the Supplier shall call the Ordering Party to remove such an obstacle or provide sufficient cooperation within a reasonable time; if the Ordering Party fails to meet this call, the Supplier may remove the obstacle or resolve the

insufficient cooperation at its own cost and continue to perform its duties. This provision has no prejudice to other Supplier's rights. The Ordering Party shall compensate to the Supplier all costs associated with the lack of cooperation and removal of the obstacle.

5. The delay caused by the Ordering Party's failure to meet its obligations postpones the deadline in which the Supplier must fulfil its obligations at least for a period of such delay.

E. Delivery

1. In case of a sales contract, the Goods is handed over on the basis of delivery. If putting into operation or other Works to be performed after the moment of the shipment, shall be performed, these Works shall be performed after the shipment without any effect on the delivery date within the meaning of the GTC or the Contract itself.
2. Delivery of the Goods is governed by EXW INCOTERMS 2020, if not agreed otherwise in the Contract. The delivery place is Hořovice production plant at the address Masarykova 1436/27a, 268 01 Hořovice (hereinafter “Hořovice production plant”), or Třebíč production plant at the address Hrotovická – Průmyslová zóna 160, 674 01 Stráž (hereinafter „Třebíč production plant“), depending on where the CHP unit is produced, if not agreed otherwise by the parties within the Contract.
3. The Contract specifies the date on which the Goods shall be delivered (hereinafter referred to as the "delivery date"). The delivery date may be changed by the parties in writing (e-mail communication is sufficient). If the delivery date is changed at the request of the Ordering Party, the Supplier is entitled to a storage fee in accordance with Article Q. paragraph 5. GBTC, as if the delivery should take place on the originally agreed delivery date, unless otherwise agreed between the parties in writing (including e-mail).
4. If the delivery conditions EXW INCOTERMS 2010 (or their later version) are agreed, the Supplier may send the Ordering Party the Announcement of production completion and readiness for dispatch (hereinafter "Announcement") before delivery. If the Goods are not delivered on the date of readiness for shipping specified in the Announcement due to a reason attributable to the Ordering Party, the Goods shall be automatically delivered on the date of readiness for shipping specified in the Announcement and the provisions of Article G. paragraph 5. GBTC shall apply. On this date, all rights and obligations regarding the Goods are also transferred to the Ordering Party (especially the risk of damage). If a reservation of ownership is agreed, then all rights and obligations to the Goods that are not affected by the agreed reservation of ownership are transferred. In these cases, the Protocol or other document related to the Supply need not be attached to the invoice, even if it is stipulated in the Contract. The Announcement shall be signed and sent (scan sent via e-mail is sufficient) by the Supplier's export technician or employee of the accountant department.

Subsequently, the procedure will be carried out according to Article Q. paragraph 5. of GBTC.

5. The person authorized to act on behalf of the Supplier in matters of delivery of the Goods under this Article E. (including also signing and sending the Announcement), is also the person specified in the Contract as the person in charge of contractual and/or technical matters (if specified), the Supplier's export technician or, as the case may be, the carrier.
6. The Supplier shall within 3 days after the delivery hand over the documents related to the Goods to the Ordering Party, except documents related to the take-over, transport and free handling of the Goods and invoicing (hereinafter "Accompanying documentation") by making them available in TEDOM Cloud, and within this period send a link to the TEDOM Cloud together with the access data via an e-mail to the Ordering Party. By sending this email, the Accompanying documentation is submitted. The Ordering Party shall download it within a reasonable time. The Accompanying documentation is, for example, CE declaration of conformity, technical specification, technical instruction, product card, inspection certificate, wiring inspection certificate, gas pipeline documentation, production protocols, electrical schemes, manual, data about used sensors, assembly instructions, data on purchased products and maintenance documentation. This provision is not affected by agreement to handover the Accompanying documentation in a paper form; in such a case the delivery time of the accompanying documentation is the time of submitting the e-mail according to the first sentence of this provision. The handover of the documents related to the Goods does not affect the delivery time of the Goods, in accordance with the paragraph 2 of this Article or the Contract itself.
7. The Ordering Party is not entitled to use the Supply before the handover and shall not allow it to any third party either. If the Ordering Party does allow it without the Supplier's written consent, the price of the Supply becomes due for payment after the date on which the Supplier discovered such a fact. In such a case, the warranty is excluded.
8. Faults or defect not preventing safe operation do not entitle the Ordering Party to refuse acceptance of the Goods upon delivery.
9. The risk of damage to the Goods passes to the Ordering Party at the moment of its delivery, if not agreed otherwise in the Contract, and it passes to the Ordering Party even if the Ordering Party fails to fulfil its obligations, thus leading to the passing of risk of damage, especially due to Ordering Party's delay upon delivery as set out in Article E. paragraph 4. GBTC.
10. The Supplier shall receive a copy of a delivery document, even if the Supplier is not entitled to it under agreed delivery conditions.

11. If the transport is provided by the Supplier and the Ordering Party finds a defect upon receipt from the carrier, which is caused or most likely caused by transport, or can detect such a defect, the Ordering Party must immediately make complaint towards the carrier, otherwise the defect may not be taken into account by the Supplier and the Supplier is not liable for such defect.

F. Commissioning

1. Putting the Goods into operation (hereinafter „Commissioning“), which by their nature can be commissioned, may only be carried out by an Authorized person.
2. The following provisions of this Article on commissioning shall apply if the Supplier is to perform commissioning under the Contract, if not agreed otherwise within following provisions.
3. Prior to the Commissioning, the Ordering Party prepares the Goods and the site of commissioning in accordance with the Supplier's instructions on construction and technical aspects. The Ordering Party shall prepare for the Commissioning within 30 days after the delivery. Within this time, the Ordering Party shall invite the Supplier to initiate the Commissioning and confirm that the Goods are ready for the Commissioning.
4. The Supplier commences the Commissioning within 15 working days after receiving the Ordering Party's invitation and confirmation, as stated in the previous paragraph. The Supplier shall only commission the Goods, if the Goods are properly prepared for Commissioning as per the previous paragraph.
5. At the Supplier's request, the Ordering Party shall immediately demonstrate readiness for the Commissioning, in particular through photodocumentation of the Goods and site of Commissioning. If the Supplier invites the Ordering Party to prove the readiness Commissioning, the deadline for initiation of the Commissioning starts to run from the day when the readiness was proven.
6. Within the scope of the Commissioning, the Supplier shall provide training for the equipment operator. If the operator fails to immediately attend the training after the Supplier's invitation, the Supplier is not obliged to proceed with the Commissioning and the training shall take place at an alternate agreed date, even after the Commissioning, after reimbursement of the costs associated with the cancellation of the training to the Supplier (the price of the training is based on the current TEDOM price list; if such an item is not included in the price list, at the usual price based of the open market value). This provision has no prejudice to the Supplier's right to be paid for the Supply in full extent.
7. If the Supplier according to the Contract performs complex testing, it shall perform it in accordance with its respective maintenance regulations. The complex testing time required for the CHP unit Micro is 2 hours and for the CHP units

Cento and Quanto 8 hours. The first operational fluids are not part of the Goods delivery. The provisions of this point shall apply even if the Commissioning is not stipulated in the Contract.

8. Immediately after the Commissioning, the Goods are handed over to the Ordering Party, so they can start being used for the purpose for which they serve (hereinafter "Handover after Commissioning"). After the Handover after Commissioning and in order to prove such a handover, the parties sign a Handover protocol, which is a part of the Handover documentation of the TEDOM CHP unit, issued by the Supplier. The Ordering Party's customer or end-customer is entitled to sign the Handover documentation on and/or for behalf of the Ordering Party. Faults and defects, which do not prevent safe operation, do not entitle the Ordering Party to refuse the Handover after commissioning or to refuse to sign the Commissioning Protocol.
9. Handover after commission may take place even without the presence of the Ordering Party, or if the Ordering Party wrongfully thwarts the Commissioning or wrongfully refuses the Handover after commissioning or wrongfully refuses to sign the Handover Protocol. In such a case, the Handover protocol or another document related to Handover after commissioning need not be attached to the invoice, even if it is stipulated in the Contract.
10. The Ordering Party is not entitled to use or commission the Goods before they are handed over; this does not apply to the activities to be carried out under the Contract; and shall not allow this even to a third party. If the Ordering Party does so without the Supplier's written consent, the Goods is delivered by such unauthorized use or commissioning and the Supply price up to full extent is due after the date when the breach of this obligation from the Ordering Party's side occurs; if such a date is disputable, then it is the date on which the Supplier found out such a fact. In such a case, the warranty to Goods is excluded.

G. Payment terms

1. The Ordering Party shall pay the price of the Supply to the Supplier. The Supply price is determined based on an agreement of the parties. The VAT shall be added to the price or any other payment under the Contract according to the relevant legal regulations, if applicable. The price shall not include any possible transport, postage or packing fees, etc. The price is also understood to include VAT.
2. If the Supplier committed himself to carry out the Works, the Ordering Party is obliged to cover to the Supplier any efficiently incurred costs related to the Works, in addition to the Supply price.
3. The Supply price shall be paid in accordance with the following terms:
 - a) the first payment in the amount of 40% of the Supply price is payable immediately after the date of conclusion of the Contract.

- b) the second payment in the amount of 50% of the Price is due within 5 working days prior to the date of dispatch from the Supplier's production plant,
 - c) the final payment in the amount of 10 % the price is due within 14 days after the date of dispatch from the Supplier's production plant.
4. The following applies if the Goods are to be exported outside the Czech Republic. The Ordering Party shall without undue delay provide the Supplier with a document proving that the Goods have left the Czech Republic (as appropriate, a transport document documenting that the Goods have left the Czech Republic or a confirmed export accompanying document), providing that the Supplier does not yet have it, otherwise the Supplier is entitled to add VAT under the Czech legal regulations to the supply Price. The Supplier is also entitled to add VAT under the Czech legal regulations to the supply Price if the Goods do not leave the Czech Republic within 90 days after delivery for a reason attributable to the Ordering Party.
5. If the delivery conditions EXW INCOTERMS 2010 (or their later version) are agreed and the Goods is automatically delivered within the meaning of Article E. paragraph 4. GBTC, the Supplier shall send to the Ordering Party a tax invoice issued on the basis of the Announcement, stating as a date of a chargeable event the date of readiness for shipping specified in the Announcement. In such a case, the Supplier is entitled to add VAT in accordance with the Czech legal regulations to the supply Price pursuant to Article G. Paragraph 4. GBTC.
6. If the VAT shall be paid for the Supply, a VAT invoice with specified VAT for the purposes of VAT deduction for the VAT payer shall be issued for advance payments paid under proforma invoices. The VAT invoice shall be issued for 100% of the Supply price with deduction of the advance payments paid under proforma invoices.
7. Notwithstanding the transport conditions agreed in the Contract, in a case of the Goods exported outside the Czech Republic, the Ordering Party shall, in relation to VAT/GST/Consumption tax or any other tax to be paid in the country of destination, to declare and pay such tax.
8. If the price includes a fee for Works, such a fee is included in the price to the extent of the costs of the Supplier's maintenance technicians for the transportation, accommodation and meal allowance related to the performance of the Works. If the Ordering Party requires, for example, a longer period of complex testing, further technicians' trips, or execution of other Works not included in the price, it can order them and the Supplier shall confirm this order; the Ordering party shall pay the price for them according to the relevant price list valid at the time of the order confirmation.

These include especially:

 - a) lack of construction and assembly readiness

- b) inability to operate the subject of the Contract according to the technical specification
 - c) execution of the Works outside the working days, or between 8:00 p.m. to 6:00 a.m.
 - d) non-attendance of an operator's representative at the operator training
9. Any payment of the price or any other amount must be made to the Supplier's bank account specified in the Contract (if specified) and without any deductions, unilateral reduction or detentions. Any change of the Supplier's bank account specified in the Contract will be announced by the Supplier in writing. Such announcement will be sent by the Person in charge of contractual and/or technical matters from its e-mail address specified in the Contract.
 10. If the price is in a currency other than the Czech crown (CZK), and due to the Ordering Party's delay in payment an exchange loss incurs because the amount paid converted to Czech crowns according to the exchange rate announced by the Czech National Bank between the Czech crown and the relevant foreign currency on the date of payment is at least 20% lower than the paid amount converted to the Czech crown according to this exchange rate between the Czech crown and the relevant foreign currency on the due date of the payment, the Ordering Party shall pay such an exchange rate loss to the Supplier.
 11. If the Ordering Party fails to fulfil any obligation related to signing of the Protocol or the obligation to sign the Protocol, it does not have any effect on the due date of any payment even if enclosing such a Protocol to the invoice or any other similar condition was agreed.
 12. Spare parts, components and accessories ordered separately shall be paid prior to their shipment.
 13. A delay in payment of the Ordering Party' caused by any liability relation between the parties entitles the Supplier to suspend the fulfilment of its obligation. The time within which the Supplier shall fulfil its obligation is extended by the same time of the Ordering Party's delay, the time necessary for preparation and execution of the additional fulfilment.
 14. The Ordering Party is not entitled to offset its receivable against any Supplier's receivable unilaterally. The Ordering Party may assign a claim towards the Supplier only with the Supplier's written consent. Upon the assignment of the Contract, the Ordering Party is not freed from its obligations towards the Supplier in the extent of the assignment.
 15. The Ordering Party's payments are set off for the closest due payments, regardless of their reminder.
 16. If a payment suspension of any invoice or its part ("suspension") is agreed and if the Supplier submits a bank guarantee for the suspension, the Ordering Party shall release the suspension within the due date of the relevant invoice or within 5 working days from the submission of the bank guarantee, which happens later. The submitted bank guarantee will be issued for the amount of the suspension

with the effect from the receipt of the retention fee to the Supplier's bank account. The Supplier ensures the validity of the bank guarantee until the conditions agreed for the payment of the retention fee are met. The bank guarantee must be irrevocable, unconditional, payable at the first request of the Ordering Party and without the bank investigating the reasons for the requested withdrawal. The bank guarantee will cover the Customer's financial claims against the Supplier arising in connection with the non-fulfilment of the conditions for the payment of the suspension, which is not removed despite the Customer's written request within an additional reasonable period.

H. Transfer of Ownership

1. The goods that shall be produced upon the conclusion of the Contract shall be acquired through the manufacturing exclusively to the Supplier's ownership. The Ordering Party shall not acquire the proprietary right to the Goods and to the license to its Software until the full settlement of all the payments under the Contract (hereinafter referred to as "Goods under Proprietary Title").
2. The Ordering Party is entitled to a further transfer of the Goods under Proprietary Title to its customer only within the framework of the ordinary course of business and related usual conditions, provided that it has not substantially breached the Contract, especially if it is not in default with any payment under the Contract or there is no serious deterioration in its economic conditions or no serious threat of such a deterioration, especially if it is not in bankruptcy or he is not threatened by it. The Ordering Party is not entitled to any other transfer or burdening of the Goods under Proprietary Title, in particular making him subject to a pledge or to a title transfer as a security.
3. The Ordering Party hereby assigns to the Supplier any existing and future receivables against its customers from the further transfer of Goods under Proprietary Title, as well as the receivables of the Ordering Party related to the Goods under Proprietary Title arising out of any other legal reason, in particular receivables from unauthorized business, from renting and claims for benefits, including all balances of the overdrafts, with their accessories and contractual penalties related to them. This assignment is to ensure the full settlement of all the payments under the Contract. The assignment of the receivables also applies to the cases where the receivable arises out of a breach of the Ordering Party's obligation.
4. The Supplier is authorized, for the duration of the proprietary title, to invite the assignee to pay the assigned receivable to its bank account and to collect the receivable. If the Supplier collects such a receivable, he shall keep it and, on the due date of a corresponding payment, he may use it for a settlement. In case that all the payments under the Contract shall be settled and the Supplier shall still have some receivables collected as per this paragraph, it shall

transfer them to the Ordering Party's bank account. If the Ordering Party receives a payment of any assigned receivable, it is obliged to deposit the collected cash funds separately and to transfer the corresponding cash funds to the Supplier's bank account.

5. The Ordering Party shall inform the Supplier about all facts and shall transmit him all the documents related to the assigned receivables as well as all the facts and documents necessary for the use of assigned receivables. The Ordering Party is obliged to inform the assignee about the assignment and authorization of the Supplier for direct debit, while it shall inform the assignee that assigned receivables are to be paid to the Supplier's bank account. If the Ordering Party breaches this obligation, the Supplier shall inform the assignee thereof and provide the assignee with the evidence of its entitlement.
6. The Ordering Party is entitled to use the Goods under the Proprietary Title for its usual purpose since its takeover when delivered, if it the commissioning was agreed, then after the takeover upon the commissioning. Processing, linking with another item or use for a construction, if such activities are related to the project for which such Goods are procured is permissible. The Ordering Party must properly take care of the Goods under Proprietary Title and insure it sufficiently against the damage at its own cost. In case of necessity of maintenance or inspection work, the Ordering Party must ensure their timely execution at its own cost. These Works must be performed by the Supplier or an Authorized Person. In case of occurrence or threat of any fact which may adversely affect the Goods under the Proprietary Title or the position of the Supplier, the Ordering Party is obliged to notify the Supplier of such a fact. If necessary for the thorough protection and exercise of the Supplier's rights, the Ordering Party shall inform all third parties about the proprietary title or, as the case may be, about the rights and obligations associated with the title. The Ordering Party shall ensure the access to the Goods under Proprietary Title and their inspection to the Supplier.
7. If the Goods under Property Title are processed together with other movables, the Supplier shall acquire a coproprietary share in the newly created movable to the extent of the proportion of price of the Goods under Proprietary Title to the market price of other movables. If the Goods under Property Title are connected with another item without any new item being created, the Supplier shall acquire a co-proprietary share in the principal item to the extent of the proportion of the price of the Goods under Proprietary Title to the market price of the principal item. If the Goods under Proprietary Title are used for the construction, the Supplier shall acquire a co-proprietary share in the immovable to the extent of the ratio of the price of the Goods under Proprietary Title to the market price of the immovable asset. By settling all the payments under the

Contract, the co-proprietary share of the Supplier ceases to exist.

8. In case of a substantial breach of the Contract by the Ordering Party, especially if the Ordering Party fails to settle any of the payments under the Contract even after an additional call within a reasonable additional period, if an insolvency, enforcement or liquidation procedure is initiated against the Ordering Party, the Ordering Party's right to process the Goods under Proprietary Title, connect them with other things or to use them for the purpose of a construction or transfer them against payment ceases to exist, or if there has been a significant deterioration of the Ordering Party's economic conditions or it is threatened by it, especially if the Ordering Party has gone bankrupt or is threatened by it. In such a case, the Supplier is entitled to take the Goods into their disposition. If the Supplier does so, it does not have the effects of withdrawal from the Contract. The costs of storage, transportation and other costs incurred as a result of the readmission are borne by the Ordering Party.
9. Goods, more precisely CHP units, are supplied with switch off interval set in the control system (min. 1 500 hours). After this period the CHP units will be switched off automatically. The operation will be released or switch off interval will be changed only all payments under the Contract are paid in full. The Ordering Party is obliged to inform his customer and to agree with him that the customer will not prevent the CHP unit from switching off automatically.

I. Warranty and warranty period

1. During the warranty period, the Goods shall be fitting the use for the agreed purpose according to the contract conditions. The warranty fully replaces the statutory liability for defects.
2. The warranty period is 24 months from the commissioning, however, but no later than 27 months from the date of dispatch from the Supplier's production plant or from the date of readiness for shipping specified in the Announcement or another written notification of the Supplier specifying the date of dispatch from the production plant of the Supplier (whichever occurs first).
3. If the service life of parts of the Goods that are subject to common wear and tear (engine fillings, spark plugs, filters, circulating pump seals, starter, etc.) expires before the expiry of the warranty period of the Goods pursuant to the paragraph 2 of this Article, the warranty responsibility of the Supplier for such a work ceases.
4. For a CHP unit, the warranty period is:
 - MWM engine – a maximum of 12,000 operating hours after commissioning
 - Liebherr and MAN engine – 12 months after commissioning,
 however, not later than the warranty period of the Goods as per article 2 of this article expires.

5. The warranty of a spare part is 6 months from shipment. If a spare part is delivered during the warranty period of the Goods, the warranty of a spare part expires not later than the warranty period of the Goods expires. The warranty of a spare part is subject to the observation of the warranty conditions of the Goods.

J. Warranty conditions

1. The validity of the warranty related to the Goods to which it may concern by virtue of their nature, shall be conditioned by the commissioning of the Goods and the performance of the prescribed maintenance and service work. During the warranty period, the Goods may not be modified and may not be otherwise interfered with in any other way, with the exception of the repair and maintenance of the Goods performed by the Authorized Person. However, the Ordering Party is obliged to operate and maintain the Goods in accordance with the Contract, its annexes, accompanying documentation or any other written instructions from the Supplier. If the Customer dully operates and maintains the Goods in the senses of previous sentence, the second sentence of this paragraph is not violated by such activities.
2. Only an Authorized Person can perform commissioning, maintenance, and removal of faults or other malfunctions and damages.
3. The Goods are not preserved or otherwise treated for a long-term storage. If the Goods, to which it may concern by virtue of their nature, are not commissioned within 90 days from the shipment date, the Ordering Party shall, at its own costs, treat the Goods for a long-term storage according to the Technical Instructions - Preservation.
4. If the Ordering Party transfers the Goods to a third party, it may not agree different warranty conditions (especially different warranty period or scope of warranty), different commissioning, operating, maintenance and service conditions of the Goods or different technical parameters of the Goods with the third party. The fact, that the Ordering Party did not agree different conditions with the third party, shall be proved by the Ordering Party within 14 days upon request. In case of breach of the first sentence of this paragraph, the Ordering Party shall pay to the Supplier a contractual penalty of 10% of the Supply price
5. The Ordering Party may not use fuel other than indicated by the supplier or fuel with other parameters than those for which the Goods are intended. Such a fuel may cause a malfunction of the Goods.
6. In case of an emergency or island operation, the Supplier does not guarantee the achievement of the maximum values specified in the Technical Specification.
7. In case of a prior written consent of the Supplier, a person other than Authorized Person may carry out minor maintenance operations (e.g. oil filling change) if trained by the Authorized Person or if such person accomplishes a relevant training prescribed by the Supplier or by supplier or contractor of the Supplier.
8. The Ordering Party shall connect the Goods at its cost to the Internet for their monitoring from the TEDOM electronic dispatching centre.
9. If a maintenance contract is concluded, the maintenance of the Goods is governed by the maintenance contract. The warranty of operation is subject to the conclusion of a maintenance contract. In case the Ordering Party is late with any payment under the Contract or any other contractual relationship between the parties, the maintenance may be postponed until it is settled.
10. The Supplier is not responsible for any defects caused by inappropriate building in of the Goods or failure to comply with the principles set forth in the Project Documentation involved in the accompanying documentation.
11. The Goods may not be operated outside of the specified parameters (see Technical Specifications, Technical Instructions, Operating and Maintenance Instructions, etc.), especially in areas with increased dustiness, insufficient heat removal, higher temperatures than permitted, frequent starts, different fuel composition throughout the time.
12. If the Ordering Party performs maintenance and service of the Goods as Authorized Person, the Ordering Party shall provide the Supplier with information about such maintenance and service works without undue delay after the moment when such works are carried out.
13. If any warranty condition under this Article is not observed, the Supplier may not be held responsible for defects of the Goods, regardless of whether the defect occurred before or after the warranty condition was breached.

K. Reproach and Removal of Warranty Defect

1. The defects shall be reproached in writing at the following postal address: TEDOM a.s., service department, Výčapy 195, 674 01 Třebíč, Czech Republic, or via e-mail sent to: dispecink@tedom.com.
2. If a defect is reproached without justification, the Ordering Party shall reimburse the costs of the Supplier resulting from such a reproach.
3. The Ordering Party has only right for a removal of the defect.
4. The Supplier shall remove the defect by delivering a replacement of the Goods or its part, by repairing the defective Goods or its part, newly performing or providing Works or services, delivering the Goods missing or removing the legal failures. The way of removing the defect is selected by the Supplier with regard to the nature of the defect and the highest possible rate of economy and efficiency of the removal.
5. If a longer period for the defect removal is agreed between the Supplier and its subcontractor, such a longer period is applicable for the defect removal.



6. The warranty period shall be extended by the period during which the Ordering Party was not able to use the Goods due to the defect, however, at the longest by 3 months beyond the warranty period provided, even in case of one defect or more different defects.
7. The ownership of the parts replaced while removing the defects shall be transferred to the Supplier.
8. A Protocol concerning the removal of the defect, containing especially the Goods identification, the date of reproach of the defect, description and extent of the defect, the way of removing the defect, the date of start of the removal, the date of removal, the evaluation of the legitimacy of the reproach shall be made. Making of such protocol has no influence on determination if the defect is removed on time.

L. Availability of Spare Parts

1. Spare parts for the Goods shall be available:
 - spare parts manufactured by TEDOM company for 10 years after Contract conclusion
 - spare parts for TEDOM engine at least 5 years after the end of series production of the given series
 - spare parts of subcontractors, as long as they are available on the market. If these become unavailable, the Supplier shall make every effort to ensure that the Goods are operated throughout its life.
2. Spare parts ordered separately are covered by a warranty of 6 months from dispatch. Spare parts warranty is provided under similar conditions as for the Goods, the provisions of Article I., paragraph 3., Article J., paragraphs 1., 3., 9., 10., 11. and Article K. paragraph 6. GBTC shall apply mutatis mutandis. The same applies to a reproach of defects and to a removal of warranty defects.

M. Force Majeure

1. The party shall not be held responsible for the breach of its obligations due to an obstacle beyond its will upon the conclusion of the Contract had it been unpredictable and inevitable or insurmountable, especially wars, revolutions, coups d'état, general strikes, natural disasters, power interventions such as boycotts, embargoes, etc., terrorist attacks, an epidemic of diseases endangering human life. Such an exclusion of liability lasts during the period of such an occurrence and as long as necessary to remove its consequences preventing the fulfilment of the obligation, and for the time necessary for the additional preparation and execution of the fulfilment of the obligation. The Supplier shall not be held responsible for any breach of its obligation as a result of force majeure affecting a third party whose actions are necessary to fulfil its obligation.

N. Communication

1. Any act, negotiation, invitation or announcement, written notification or a delivery of a document towards the other party shall be delivered to the address as per the Contract or the order (hereinafter referred to as "Communication").

Communication of the parties takes place exclusively personally, via a postal license holder, e-mail or courier service.

2. In a case of postal consignment, the date of delivery of Communication shall be no later than the seventh day after the depositing of a consignment at the relevant post office, even in case that the addressee fails to learn that the consignment has been deposited or, as the case may be, on the day of an unsuccessful attempt for the delivery if the consignment has not been deposited. In the case of delivery by courier, the consignment is delivered at the moment of signing of the delivery confirmation, at the moment of delivery refusal or at the moment of return of the consignment. An e-mail is delivered no later than three working days after sending. The e-mail is delivered especially when its delivery is confirmed by the other party, including an automatic confirmation of the delivery. The communication to which the other party responds is delivered regardless of the fulfilment of the relevant delivery conditions. Possible deficiencies in the delivery are mended herewith.

O. Withdrawal from Contract

1. If the Ordering Party is late with fulfilling its obligations, the Supplier may withdraw from the Contract immediately. If the Supplier does not withdraw from the Contract immediately, he may provide to the Ordering Party a 14day time limit for additional fulfilment. If the Ordering Party fails to fulfil its obligation even within such a period, the Supplier may withdraw from the Contract.
2. A party may withdraw from the Contract with effect from the date of delivery of the withdrawal to the other Party if:
 - a) a decision on the bankruptcy of the other party was taken,
 - b) the application for a bankruptcy decision was rejected due to the lack of property of the other party,
 - c) the other party ceased its payments,
 - d) the other party has applied for a bankruptcy decision in respect of that other party,
 - e) the recovery procedures on the assets of the other party has been carried out without success, not only in order to assure fulfilment of the obligation under the Contract, but also to ensure fulfilment of another obligation of the party towards the other party or a third party,
 - f) liquidation procedure of the other Party is launched.
3. The provisions of paragraph 2 of this Article shall apply to similar facts under foreign law.
4. The Supplier may withdraw from the Contract even if the Ordering Party is late for more than 3 months with a payment under a relationship between parties other than the Contract.
5. If the Supplier withdraws from the Contract due to a delay of the Ordering Party, the Supplier shall be entitled to an amount to which he is entitled under the Contract in

proportion of the costs incurred by the Supplier for the withdrawal from the Contract for the performance of the Supply (from the start of the production) to the total costs incurred by the Supplier on the performance of the Supply (regardless of whether the Goods included within the scope of the Supply may be a subject of further sale by the Supplier). If the Ordering Party withdraws from the Contract due to a delay of the Supplier, the Supplier shall be entitled to an amount which the Ordering Party saved due to a so far accomplished performance of the Supply. The provisions of this paragraph are not affected by the withdrawal from the Contract.

P. Export Control Regulations

1. The Supplier is not obliged to ship the Supply if the Supply is in contradiction with the national and international rules of the international trade law, embargoes or similar sanctions.
2. If the Ordering Party transfers the Goods to a third party (including technical support – e.g. maintenance), he must comply with the export and further export control regulations.
3. If it is necessary to enable the public authorities or the Supplier to carry out an export control, the Ordering Party shall, upon the Supplier's request, promptly hand over all the information and documents related to the end-user, destination of the Goods and their purpose of use and the existing export restrictions.
4. The Ordering Party agrees to indemnify the Supplier and exempt him from the liability for any claims, proceedings, lawsuits, fines, penalties, losses, costs, expenses and damages arising out of or in connection with a violation of regulations on export control, and the Ordering Party agrees to indemnify the Supplier for all losses and the resulting expenditures.

Q. Contractual Penalties and Storage Fees

1. If the Ordering Party is late with settling any payment, the Ordering Party is liable to pay the Supplier a contractual penalty of 0.05% of the amount due for each day of delay.
2. If the Ordering Party is late with fulfilling its contractual obligation, which, despite a call for its additional performance made by the Supplier to no avail, lasts more than 3 months, the Supplier shall be entitled to a penalty payment equal to the amount of the payments reimbursed to him by the expiration of this period.
3. The Supplier is also entitled to a full damage compensation in addition to the contractual penalty.
4. The contractual penalty, whose amount depends on the duration of the delay in the fulfilment of the obligation, shall be invoiced especially in a partial manner over a certain period of the delay and shall be payable within 14 days of the delivery of the invoice.
5. If the Goods for the reasons attributable to the Ordering Party shall not be shipped by at the latest 1 week after the

shipment period expires, the Ordering Party shall pay to the Supplier a storage fee for every initiated working week of storage in the amount of: 200 EUR per Micro, 600 EUR per Cento T, 800 EUR per Cento M and Flexi, 2500 EUR per Quanto. For any doubts avoidance the storage fee also applies if the Goods is automatically delivered by the Supplier according to the art. E. paragraph 4. of these GBTC. Termination of the Contract does not affect the right to receive a storage fee, to which the Supplier became entitled during the duration of the Contract. The storage fee must be paid before the dispatch from the Supplier's production plant, otherwise the Goods shall not be dispatched.

R. Damage Compensation

1. The damage shall mean any consequences of civil offence, unjust enrichment, agency of necessity or pre-contractual actions of the parties arising out of or in connection with the Contract, especially any direct, indirect, consequential, incidental, special, or punitive damages or losses of any kind arising under any theory of liability (including tort), including without limitation damages or losses for loss of profits, loss of production or expected savings, business interruption, loss or corruption of business data or information, or other pecuniary loss.
2. The applicable law governing the non-contractual obligations is the Czech law, excluding the conflict-of-law rules and international treaties (the provisions allowing the choice of law stay however untouched) if their exclusion is permissible.
3. In no event shall Supplier be liable for damages as set in art. R.1. arising from contractual relationships between Supplier and the Ordering Party or from tort, negligence, breach of warranty, strict liability, or under any other legal theory, even if the Supplier has been advised of the possibility of such damages.
4. The foregoing limitations, exclusions and disclaimers set forth in these terms shall apply to the maximum extent permitted by applicable law, even if any remedy fails of its essential purpose.
5. The Supplier and the Ordering Party hereby acknowledge that no party shall be considered as a weaker party of mutual relationship pursuant to § 2898 CC.
6. The damage is compensated preferentially in cash.
7. The limitation period for claiming the damage compensation is one year including the right for compensation of damage caused by a defect of the product.
8. If the Supply is supposed to serve to a third party or the Ordering Party should not be its only user, the Ordering Party is obliged to limit the liability of the Supplier towards the third party by a contract to the same extent as the responsibility between the Supplier and the Ordering Party. If the Ordering Party does not arrange such a limitation of the liability, the Supplier is entitled to a compensation of the

damage to the extent of the difference between the damage compensation provided by the Supplier to the third party and the damage compensation, which would be provided by a Supplier to a third party if the above described limitations were agreed.

S. Applicable Law and Jurisdiction

1. Legal relations arising from the Contract, as well as legal relations related to the Contract, including issues of validity and consequences of invalidity or appearance, shall be governed by the Czech law, excluding the Vienna United Nations Convention on Contracts for the International Sale of Goods and conflict-of-law rules (the provisions allowing the choice of law stay however untouched).
2. Hearing and determining the disputes arising between the parties out of or in connection with the Contract is within jurisdiction of the courts of the Czech Republic. The local court in whose jurisdiction the Supplier's seat is located is the relevant court.
3. If the Supplier applies the right arising out of breach of the Contract at the relevant institution, the Ordering Party may not be allowed to postpone the fulfilment of its obligations in the proceedings.

T. Ecological Disposal and Packages Handling

1. The Ordering Party shall return the packaging material to the Supplier upon the receipt of the Goods without undue delay. Otherwise, the ownership of the package shall be transferred to the Ordering Party by the delivery meaning the Ordering Party has assumed all the obligations arising out of the applicable legal regulations. If the Goods are dispatched abroad, the Ordering Party shall handle the packaging in accordance with the relevant foreign regulations.
2. If the Goods are delivered to the territory of a state other than the Czech Republic, the Ordering Party shall, at its own expense and responsibility, ensure that the waste is disposed of according to the relevant foreign legal regulations.

U. Final Provisions

1. The Ordering Party assumes the risk of a change of the circumstances pursuant to Section 1765 (2) of the CC. The Ordering Party may not claim the termination of the Contract due to a disproportionate reduction under Section 1793 et seq. of the CC and nullity of any contractual agreement under Section 1800 (2) of the CC. The application of Sections 1726, 1728, 1729, 1740 (3), 1757 (2) and (3), 1793, 1796, 1950, 2185 and 2630 of the CC is excluded.
2. The Contract may be supplemented, amended or terminated only in written form. For a contract concluded through an order, the form in accordance with Article B. (5) applies. The contact information and information of the responsible representatives might be amended even unilaterally by a written notification of one party to the other (an e-mail is sufficient). The parties may declare the nullity of a

supplement or an amendment of the Contract due to a non-compliance with the form, even if the performance has already started.

3. A right might be waived or a debt might be forgiven solely in a written form through a document signed by a statutory representative.
4. If any obligation not constituting an essential feature of the Contract is or becomes invalid or unenforceable as a whole or part thereof, it is fully separable from the other provisions of the Contract and such an invalidity or unenforceability does not affect the validity and enforceability of the other obligations under the Contract. In such a case, the parties shall replace such an obligation through an addendum to the Contract by such an obligation whose subject shall, as far as possible, correspond to the subject matter of the original obligation. If any obligation arising out of the Contract and constituting its essential feature is or becomes invalid or unenforceable as a whole or part thereof, the Parties shall replace such an obligation under the new Contract with such an obligation whose subject shall, as far as possible, correspond to the subject matter of the original obligation contained in the Contract. The above also applies if an obligation under the Contract turns up to be seeming. This provision is an independent provision.
5. The Contract supersedes all the prior agreements between the parties regarding the subject matter of the Contract. This provision shall not apply to the requirements under the Article C. paragraph 8. GBTC and the documents referred to in the Article D. paragraph 1. GBTC and the cases when the Contract is concluded on the basis of a framework or distributorship contract or on the basis of similar contract.
6. Any rights and obligations of the parties shall not be inferred from the existing or future practices established between the parties or practices maintained in general or in the industry related to the subject matter of the Contract.
7. If any document under the Contract, its attachments or these GBTC shall be in written form or signed, either party may deliver an electronic copy of such document signed by an authorized representative of that party through remote communication means to the other party. Such delivery shall have the same force and effect as any other delivery of a hand-signed copy of such document.
8. For the purposes of communication with the Ordering Party and for the purposes of fulfilling the Contract or any legal obligation of the Supplier, the Supplier, to the necessary extent, collects and processes personal data of data subjects specified in the Contract or otherwise participating in the performance of the Contract. The Ordering Party undertakes that it will inform the data subjects active on its side about the processing of their personal data by the Supplier and will pass on to them the information contained in the Information on processing of personal data for partners and associates of TEDOM a.s. available at www.tedom.com (Downloads section).

9. If the Ordering Party is an obligated subject in the sense of Act No. 340/2015 Coll., On the Register of Contracts, as amended or according to a similar foreign legal regulation, the Ordering Party shall inform the Supplier of this fact.