

GENERAL TERMS AND CONDITIONS

1. INTRODUCTORY PROVISIONS

- 1.1. These General Business Terms and Conditions (hereinafter the “**GTC**”) govern, in accordance with Section 1751 of Act No. 89/2012 Coll., The Civil Code, as amended (hereinafter the “**Civil Code**”), the contractual obligations in respect of supplies of goods and services between the Institute of Physics of AS CR, vvi - HiLASE Centre, Na Slovance 2, Prague 8, postal code: 182 21, IČO: 68378271, as the buyer (hereinafter the “**Buyer**”) and third parties as sellers (hereinafter the “**Seller**”); the Seller and the Buyer also hereinafter jointly referred to as „**Contracting Parties**” or individually as “**Contracting Party**”.
- 1.2. In these GTC, the goods and the Subject of the Purchase, as defined below, also mean the service where the Buyer is the recipient of the service and the Seller is the service provider.
- 1.3. In these GTC, an order means a written proposal to conclude a contract for delivery (purchase) of goods or for services (hereinafter the “**Order**”).
- 1.4. In these GTC, a contract means a contractual relationship for supplying goods and services between the Contracting Parties (hereinafter the “**Contract**”).
- 1.5. Differing provisions of the Contracting Parties in the Contract shall prevail over these GTC.
- 1.6. All deliveries are made exclusively on the basis of these GTC or the Contract. The use of terms of sale or other terms and conditions, including general terms and conditions developed by professional or interest organizations, is excluded, unless these are expressly accepted by the Buyer in the Contract.

2. CONTRACT CONCLUSION PROCESS

- 2.1. The Buyer is entitled to submit a written proposal to the Seller to conclude a Contract to deliver (purchase) goods or services, especially as an Order.
- 2.2. The Order must contain at least:
 - a) The Order number;
 - b) Buyer and Seller identification data;
 - c) Specification and quantity of goods or extent of services (hereinafter the “**Subject of the Purchase**”);
 - d) The time and place of delivery;
 - e) The purchase price of the Subject of the Purchase;
 - f) The payment method.
- 2.3. The Seller undertakes to comment on the Order in writing within ten (10) working days, either by accepting it or refusing it. If the Seller does not comment within the period specified in the previous sentence, the Buyer will send a reminder to the Seller about the Order. If the Seller does not comment on the Order within one (1) month from the date of sending the reminder pursuant to the previous sentence, the Buyer shall consider the Order to be refused/rejected. Late acceptance of an Order will have the effect of timely acceptance only if the Buyer informs without delay the person to whom the Order was submitted by electronic communication.

- 2.4. The Contract between the Seller and the Buyer is concluded when the Buyer receives the acceptance, or the Seller's Order confirmation, or when the Subject of the Purchase handover and takeover (whichever comes first). By concluding the Contract, the Seller confirms that he is familiar with these GTC and agrees to them.
 - 2.5. Any amendments, reservations, limitations or other changes in the Order confirmation, except those that do not substantially change the terms of the Order, will be considered a rejection of the Order and there will be a new proposal to conclude the Contract (hereinafter the "**New Proposal**"). In order to conclude the Contract, the Buyer must accept the New Proposal. If the Buyer does not comment on the New Proposal within ten (10) business days, it is considered rejected.
3. BASIC OBLIGATIONS OF THE SELLER AND THE BUYER
- 3.1. The Seller undertakes to hand over the Subject of the Purchase to the Buyer in its own name, at its expense, responsibility and risk on time, in the agreed quantity, quality, and to transfer the title to the Subject of the Purchase to the Buyer.
 - 3.2. On the basis of the Contract, the Buyer undertakes to accept the Subject of the Purchase and to pay the Seller the purchase price for it.
 - 3.3. The Seller undertakes to hand over to the Buyer together with the Subject of the Purchase all documents (in Czech or English) related to the Subject of the Purchase (especially all documents needed for handling the Subject of the Purchase and its proper takeover, installation, use, operation, maintenance and storage, in accordance with the applicable law and the Contract).
 - 3.4. The Seller undertakes to ensure at its own expense all necessary technical or other tests, attests and revisions necessary for the proper operation and use of the Subject of the Purchase, unless they are not required by the legal regulations and / or technical standards and / or the Contract. The Seller is responsible for the safety of the Subject of the Purchase (including responsibility for the protection of health and life and the protection of the environment) according to the relevant legal regulations.
 - 3.5. The Seller undertakes to deliver to the Buyer a Subject of the Purchase that complies with all the technical requirements and technical and safety standards for the given type of Subject of the Purchase, both binding and recommended standards. The Subject of the Purchase and all its parts will be new, unused, undamaged and made of quality material. The Subject of the Purchase must comply with the requirements specified in the Contract.
4. PLACE, TIME AND HANDOVER OF THE SUBJECT
- 4.1. The place of performance is the HiLASE Centre building at: Za Radnicí 828, 252 41 Dolní Břežany, Czech Republic.
 - 4.2. The Seller can deliver the Subject of the Purchase on working days from 8:00 am to 6:00 pm, unless the Contracting Parties agree otherwise. The specific working day will be determined by the agreement of the Contracting Parties. If the Contracting Parties do not agree on a specific working day, the Seller must meet the deadlines for timely carrying out the Contract on the last day and the Buyer must provide the Seller with the necessary cooperation.
 - 4.3. If the Seller cannot deliver the Subject of the Purchase to the Buyer within the term agreed in the Contract, the Seller undertakes to notify the Buyer of this without undue delay at the email address specified by the Buyer in the Order/Contract.

- 4.4. The Seller must attach a delivery note to each delivery which shall contain at least the identification data of the Seller and the Buyer, the specification and quantity of the Subject of the Purchase. If the delivery note is not enclosed with the delivery, the invoice is considered to be the delivery note.
- 4.5. If the Contract requires a protocol on delivery of the Subject of the Purchase (hereinafter referred to as the **“Handover Protocol”**), the Seller will prepare it and ask the Buyer to sign it. The Handover Protocol must contain at least the identification data of the Seller and the Buyer, the number of the Order, the specification and quantity of the Subject of the Purchase, the handover and takeover place and date, information on carrying out other related activities specified in the Contract, if agreed. The Buyer must explicitly state in the Handover Protocol whether or not he accepts the Subject of the Purchase (and if not, why).
- 4.6. If the Subject of the Purchase does not meet the requirements of the Contract, the Buyer is entitled to refuse to take over the Subject of the Purchase. In this case, the Seller must remedy the deficiencies within fourteen (14) calendar days, unless agreed otherwise. The Buyer is entitled, but not obliged, to take over the Subject of the Purchase with deficiencies, for example, if the deficiencies do not prevent the Buyer from properly using the Subject of the Purchase. In this case, the Buyer and the Seller must write down all the deficiencies in the Handover Protocol, including the method of its removal. Unless the Buyer and the Seller agree otherwise in the Handover Protocol, these deficiencies must be remedied within fourteen (14) calendar days of signing the Handover Protocol, which lists the deficiencies of the Subject of the Purchase.
- 4.7. The Seller's obligation to hand over the Subject of the Purchase will be considered fulfilled when the Subject of the Purchase is received and the Handover Protocol is signed (if required by the Buyer). At this time, the risk of damage, risk of loss and ownership of the Subject of the Purchase will pass from the Seller to the Buyer.

5. PURCHASE PRICE AND PAYMENT TERMS

- 5.1. The purchase price for the Subject of the Purchase is agreed in the Contract and is the final price and includes all the Seller's costs associated with carrying out the Contract, including all related costs except handling fees that cannot be quantified in advance (in particular, but not exclusively, packing, transport costs, customs duties, goods handling charges, bank charges, etc.).
- 5.2. The Seller is not entitled to increase the purchase price by additional costs related to the delivery of the Subject of the Purchase, unless these are the costs specified in Article 5.1 hereof.
- 5.3. The Buyer undertakes to pay the purchase price on the basis of a invoice, by a cashless payment to the Seller's account specified on the invoice. The Seller is entitled to issue an invoice only after signing the Handover Protocol (if required by the Buyer). A copy of the Handover Protocol must be attached to the invoice. The Seller must provide the Buyer with assistance in verifying the authenticity of the information on the invoice.
- 5.4. The Buyer shall realize payments on the basis of duly issued invoice within thirty (30) days from when it is delivered to the Buyer. The invoice is considered paid on the day the invoiced amount is debited from the Buyer's account to the Seller's account.
- 5.5. The invoice issued by the Seller must contain the particulars required by the legal regulations of the Czech Republic for an invoice. The invoice issued by the Seller pursuant to the Contract must contain in particular the following data:
 - a) company (name) and registered office of the Buyer,

- b) the Buyer's tax identification number,
- c) company (name) and registered office of the Seller,
- d) the Seller's identification number,
- e) the number of the invoice,
- f) scope of the performance and Subject of the Purchase (including reference to the Order/Contract),
- g) date of the issue the invoice,
- h) date of the fulfilment of the Order/Contract,
- i) purchase price,
- j) Order number,
- k) the name and registration number of the project for which the performance is provided, if stated in the Order,

and must also comply with the double taxation treaties applicable to the given case.

5.6. The seller will issue and send an electronic invoice for a preliminary check to the e-mail address kavanova@fzu.cz and svobodav@fzu.cz. The Seller will send the final electronic invoice to the e-mail address efaktury@fzu.cz.

5.7. If the invoice does not contain the above mentioned requisites, the Buyer is entitled to return it to the Seller during its maturity period and this shall not be considered as a default. The new maturity period shall begin from the receipt of the supplemented or corrected invoice to the Buyer.

5.8. The Seller must deliver the last invoice of each calendar year to the Buyer no later than December 15 of the given calendar year.

6. RIGHTS AND OBLIGATIONS OF DEFECTIVE PERFORMANCE

6.1. The Seller undertakes to truthfully inform the Buyer of all facts about the Subject of the Purchase.

6.2. The Seller undertakes that the Subject of the Purchase, including all its parts and individual components, will be fit for the purposes agreed in the Contract for twenty-four (24) months and / or will retain the properties agreed in the Contract for the same period (hereinafter the "**Warranty Period**"), unless the Seller's terms and conditions states different Warranty Period. Unless these purposes and / or properties are determined, the Seller undertakes that the Subject of the Purchase will be fit for normal use during the Warranty Period and that it will retain the usual properties. If the Subject of the Purchase has a limited shelf-life or lifespan (hereinafter the "**Expiry Period**"), it is necessary to deliver/handover the Subject of the Purchase more than six (6) months before the Expiry Period expires, otherwise it is not a proper delivery of the Subject of the Purchase and the Buyer is not obliged to take it over.

6.3. The Warranty Period shall commence on the day the Subject of the Purchase is delivered (or the delivery note is signed) or the Handover Protocol is signed by both Contracting Parties (if required by the Buyer). If the Subject of the Purchase is taken over with deficiencies, the Warranty Period starts on the date the deficiencies marked in the Handover Protocol are removed.

- 6.4. The Seller shall remove defects that occur in the Warranty Period free of charge and within periods specified in these GTC.
- 6.5. If the Buyer discovers a defect in the Subject of the Purchase during the Warranty Period, he must notify the Seller without undue delay. Defects may be notified on the last day of Warranty Period, at the latest; an email is considered an adequate way to initiate a warranty claim.
- 6.6. The Seller undertakes to remove the defect within fourteen (14) calendar days from the date on which the warranty claim was notified to the Seller, at the latest, unless the Contracting Parties agree otherwise.
- 6.7. The Buyer reports defects in writing or by e-mail. The Buyer must provide a description of the defect in the notification. Warranty claims may be resolved in the following ways:
- a) removing the defect by delivering a replacement of the Subject of the Purchase or its part
 - b) removing the defect by repairing the Subject of the Purchase or
 - c) providing an appropriate discount on the purchase price of the Subject of the Purchase

The choice between the above mentioned claims will be the result of an agreement between the Seller and the Buyer.. The place or warranty claiming is the address of the Buyer, otherwise the Buyer is entitled to reimbursement of transport costs.

- 6.8. The Seller shall remove defects within the periods stipulated in these GTC also in the instances when the Seller is of the opinion that he is not liable for such defects. . In this case, the Seller is entitled to require the Buyer to pay the costs of removing the defect. If a dispute arises between the Contracting Parties as to whether the defect is justified or not, the Buyer shall provide an expert report, which will assess whether the warranty claim was justified or not. In the event the expert declares the warranty claim as justified, the Seller shall bear the costs of the expert's assessment. If the warranty claim is raised unjustly according to expert's assessment, the Buyer shall reimburse the Seller all reasonably incurred costs associated with removing the defect.
- 6.9. If the Seller refuses to remove the defects, or if the Seller removes the defects after the deadline, the Buyer is entitled to remove the defects at his own expense. In this case, the Seller must reimburse the Buyer for the costs of removing the defect within thirty (30) calendar days from the date on which the Buyer requested the Seller to pay these costs.

7. PENALTIES

- 7.1. The Seller undertakes to pay the Buyer a contractual penalty:
- a) of 0.1 % of the purchase price of the Subject of the Purchase for each commenced overdue day in delivering the Subject of the Purchase, including meeting all related obligations, if the delay in delivering the Subject of the Purchase is more than seven (7) calendar days;
 - b) of 0.1 % of the purchase price of the Subject of the Purchase for each commenced overdue day in removing a defect of the Subject of the Purchase reported within the Warranty Period for each individual defect, if the delay in removing the defect of the Purchase is more than seven (7) calendar days;
 - c) of CZK 50,000 for each individual breach of any obligation under Article 9 of the GTC.
- 7.2. The Seller is obliged to pay the contractual penalties within fifteen (15) calendar days from the date when the Buyer informs him that he is claiming the contractual penalties. The payment of the contractual penalty

will not affect the Buyer's right to compensation for any damage, even to the extent that this damage exceeds the contractual penalty.

7.3. The Buyer is entitled to unilaterally set off receivables from contractual penalties against the Seller's claim for payment of the purchase price.

7.4. If the Buyer is in delay with the payment of the purchase price, the Seller will be entitled to demand payment of the statutory default interest.

8. WITHDRAWAL

8.1. The Buyer is entitled to withdraw from the Contract without any sanctions under circumstances as follows:

- a) the Seller is overdue in delivering the Subject of the Purchase and this delay lasts more than two (2) weeks;
- b) the Buyer loses the financial subsidy for the project;
- c) insolvency proceedings are initiated against the Seller; or
- d) the Seller breaches its obligation pursuant to Article 6.1. in particular if any of its declarations under Article 6.1. are false.

8.2. If the subject of delivery or repeated deliveries is the Subject of the Purchase of the same type and at least 10% of the total number of delivered Subjects of the Purchase based on all deliveries has the same defect, this defect will be considered a type defect (and the entire delivery will be considered defective). In this case, the expiry of the Warranty or Expiry Period does not prevent the assertion of rights from liability for defects. If there is a type defect in the Subject of the Purchase of the same type, the Buyer will be entitled to require the Seller to provide the Buyer with an entire replacement delivery of the Subject of the Purchase corresponding to the Contract and these GTC at its own expense within fourteen (14) days from the notification of the type defect. If the Seller fails to meet the obligation specified in this paragraph, the Buyer will be entitled to withdraw from all Contracts whose subject matter was the delivery of the defective Subject of the Purchase. If it is possible to distinguish individual lots for the Subject of the Purchase, the ratio of defective Subjects of the Purchase within the lot is decisive for assessment of the type defect and the Buyer has the rights specified in this paragraph only for the Subject of the Purchase regarding defective lot.

9. PROTECTION OF CONFIDENTIAL INFORMATION

9.1. The Contracting Parties undertake to keep confidential all facts they learn in connection with the Order, the Contract fulfilment thereof, and the disclosure of which could cause harm to the other Contracting Party. This does not affect the Buyer's obligations under the legal regulations.

9.2. The Contracting Parties undertake not to disclose any information about the Contract or information about the other Contracting Party or any other information they have learned when negotiating and fulfilment of the Contract without the prior written consent of the other Contracting Party. This will not apply if the obligation to disclose this information is stipulated by law or by a decision of a public authority.

9.3. In particular, the Seller must strictly conceal all illustrations, drawings, calculations and other documents and information concerning the goods produced for the Buyer. These documents made available by the Buyer to the Seller remain the property of the Buyer and must be returned to the Buyer as soon as they are no longer required. The Seller can make copies of these documents only with the Buyer's consent, for the purpose of fulfilling the Contract.

- 9.4. If the goods are manufactured according to the Buyer's technical documentation provided by the Buyer to the Seller for this purpose or otherwise allowed him to become acquainted with it, the Seller will not be entitled to produce and deliver products (goods) to any third party.
- 9.5. The Seller is not entitled to register any technical solution, contained in the technical documentation provided by the Buyer as referred to in the previous paragraph, for industrial or copyright protection or allow any third party to do so.

10. SPECIAL PROVISIONS

- 10.1. The Seller acknowledges that it is a person obliged to cooperate in the financial control within the meaning of Section 2(e) of Act No. 320/2001 Coll., on Financial Control in Public Administration, as amended, and undertakes to grant the competent authorities or control authorities access to all parts of the offer, contract and other documents relating to the legal relationship established by the Contract. This obligation also applies to documents that are subject to protection under special legal regulations (trade secrets, classified information, etc.), provided that the control authority complies with the legal requirements. The Seller shall secure that all its subcontractors are also obliged to cooperate with control bodies in the above stipulated extent. The control will be retained for at least ten (10) years from the date of the Contract coming into force.

11. FINAL PROVISIONS

- 11.1. The mutual rights and obligations of the Contracting Parties not regulated by these GTC and / or the Contract are governed by the laws of the Czech Republic, in particular the Commercial Code.
- 11.2. The Seller acknowledges that the Buyer, whose principal activity is to carry out research and development in the field of physical sciences, is the recipient of the grant for the project, while the Buyer is obliged, as recipient of the grant, to comply with obligations within the relevant operational program imposed on him by the grant provider, including compliance with publicity requirements.
- 11.3. If the Contract is subject to publication in the Register of Contracts pursuant to Act No. 340/2015 Coll., on Special Conditions for the Effectiveness of Certain Contracts, the Disclosure of These Contracts and the Register of Contracts (the "**Act on the Register of Contracts**"), both Contracting Parties agree to its publication. In this case, it is the Seller's obligation to immediately send a written acceptance of the Order pursuant to Article 2.3 hereof.
- 11.4. The Contracting Parties undertake to respect each other's legitimate interests related to fulfilling of the Contract and to provide each other with any necessary cooperation which can be reasonably required of them in order to achieve the purpose of the Contract. The Contracting Parties further undertake to inform each other of any relevant matters which might, even potentially, affect their obligations under the Contract; in particular, the Contracting Parties must notify each other of any changes in their legal personality (e.g. transformation) and the transfer of obligations to the legal successor or a third party.
- 11.5. The Seller acknowledges that he assumes the risk of a change in circumstances under Section 1765 (2) of the Civil Code.
- 11.6. The Seller shall not be entitled to set off any of its receivables or any of its debtor's receivables from the Buyer against the Buyer's receivable from the Seller. The Seller is not entitled to assign a receivable arising from the Contract or in connection with it to a third party. The Seller is not entitled to assign rights and obligations under the Contract or part of them to a third party.

- 11.7. Any changes or amendments to the Contract may only be made in writing (via e-mail).
- 11.8. If any provision of these GTC and / or Contract proves to be or becomes invalid or ineffective, the Contracting Parties undertake to amend these GTC and / or Contract so that the invalid or ineffective provision is replaced by a new provision which is valid and effective and as far as possible, in terms of content, corresponds to the original invalid or ineffective provision. This does not affect the validity or effectiveness of the other provisions of the GTC and / or the Contract.
- 11.9. These GTC come into force and effect on 23rd March 2020.