

## General Commercial Conditions applicable to services provided by the company COMTES FHT a.s.

Status as of January 2020

COMTES FHT a.s. (hereinafter referred to as "COMTES FHT a.s." or "the Company") is a research organisation established and existing in accordance with the applicable law. Its activities include applied research with special regard to new technologies and technological innovations. These General Commercial Conditions are binding upon co-operation of COMTES FHT a.s. with other research organisations and customers. Basic company information: identification No 26316919, official address Průmyslová 995, 33441 Dobřany, Czech Republic, registration with the Companies Register maintained by the Regional Court in Plzeň, section B, insert 1469.

### 1. Scope of application

- 1.1. The following terms and conditions apply to any and all contractual relationships between COMTES FHT a.s. and their co-operating research or customer organisations (hereinafter referred to as "Partner" or "Partners"). Any Partner's conditions deviating from, amending or contradicting these General Commercial Conditions may only be included in the related Contract if the Company accepts such conditions in writing. Unless provided for otherwise in the text below, the contractual relationships shall be subject to the respective provisions of the Czech Civil Code.

### 2. Subject of Contract and Contract execution term

- 2.1. The subject of Contract consists of services and labour specified in the quotation worked out and submitted to the Partner(s) by the Company.
- 2.2. Should any such quotation or an order issued by the Partner include any terms such as deadlines for labour or co-operation project completion, any such term shall only be binding upon the Company if the Company has expressly confirmed its binding nature. Should at any time during the co-operation or service provision period the Company establish that they cannot, due to objective reasons, meet any binding Contract execution term, they shall inform the Partner accordingly and propose corrective steps to be taken within the continued co-operation relationships. If a proper notification of this kind takes place and the Company inform the Partner about the reasons for delayed performance, the Partner shall not be permitted to apply any penalties related to failure to meet the binding contractual terms.
- 2.3. The Partner shall use their own capabilities to contribute to attaining the desired Contract targets in that they will collaborate with the Company on verifying the results of research, development or other contractual activities, both upon the work completion and throughout the Contract execution, in the form of agreed control and inspection days or otherwise.

### 3. Remuneration

- 3.1. The remuneration due to the Company shall be specified in the quotation as a fixed amount. During the Contract execution and upon agreement in writing of the Contract parties, such amount may be subject to amendment. Added to the remuneration amount shall be the applicable value-added tax.
- 3.2. Should, at any time during the Contract execution, it become apparent that the desired Contract target cannot be objectively attained with the agreed remuneration, the Company shall promptly inform the Partner accordingly. At the same time, the Company shall suggest the necessary remuneration

amendment. Should such situation arise due to reasons that could not have been known or foreseen at the time of the Contract signing, and should agreement concerning the remuneration adjustment with the Partner prove impossible, the amendment proposed by the Company shall be binding.

#### 4. Payment terms

- 4.1. Remuneration shall be payable within the terms agreed on by the Contract parties. Unless agreed otherwise, the payment term for each individual amount or any part thereof shall be 30 days from the invoice date unless another payment term be specified in the invoice concerned. The payments shall be effected in full to the bank account of COMTES FHT a.s. specified in the invoice.
- 4.2. The Partner may deduct from the Company's receivables their own receivables on condition these have been expressly acknowledged by the Company in writing.

#### 5. Research and development results and the rights to utilise such work results

- 5.1. Upon order completion, the Company shall hand over to the Partner the work results specified in their quotation under the conditions stated therein.
- 5.2. The Partner may utilise free of charge the results of the contracted work including any patents and utility models duly registered and granted to COMTES FHT a.s. The Partner shall compensate to COMTES FHT a.s. the agreed part of the costs associated with registration and maintenance of such patents and utility models.
- 5.3. Upon request, the Partner may, instead of their rights as of section 5.2 above, acquire exclusive rights to utilise the work results related to or anticipated in a specific order or quotation. Such request shall be raised in writing within three months of the work result achievement, and the Partner shall pay for such exclusive rights the corresponding market price. In such cases, COMTES FHT a.s. shall still have the non-exclusive right to utilise, free of charge, the subject work results for the purposes of future research and development.
- 5.4. The work results attained within the order execution by both parties jointly may be utilised and/or licensed by each party without any mutual financial settlement. Otherwise it holds that each party shall bear the agreed part of costs associated with patent or utility model registration and maintenance.
- 5.5. Should the order execution imply utilisation of any Company copyright necessary for application of the work results by the Partner, the Partner may, provided the existing liabilities on the side of the Company do not prevent such conduct, acquire for the agreed compensation the non-exclusive right to utilise such copyright.

#### 6. Third-party copyrights

- 6.1. COMTES FHT a.s. shall promptly notify the Partner about any third-party copyrights that they became aware of during the order execution and that might prevent utilisation of the work results in reference to section 5 above. In such cases the contractual parties shall agree on how to proceed with the order execution so that the third-party rights would not be violated.
- 6.2. The liability of COMTES FHT a.s. for the consequences of copyright infringement as of section 7.2 and the first sentence in section 8.4 shall be limited to cases of breaching the above notification obligation.

## 7. Liability for damage

- 7.1. Within the order execution, COMTES FHT a.s. shall be liable for scientific thoroughness and observation of the relevant technological principles. However, the Company's liability shall not extend to attainment of the anticipated research and development results.
- 7.2. The liability of COMTES FHT a.s., its legal representatives and order executors for any damage caused by breach of obligations is limited to cases of intentional damage and material negligence. Damages attributable to and payable by COMTES FHT a.s. shall then be corresponding to the damage objectively foreseeable. In cases of delayed performance, the Partner may only claim damage compensation if COMTES FHT a.s. fail to meet their obligations within a reasonable extra term of at least thirty days specified in a notice by the Partner where the same demand proper order performance.
- 7.3. COMTES FHT a.s. alone shall not be liable for the successful outcome of any co-operation project where both parties share the risks associated with the project result application in both the manufacturing and sale stages.

## 8. Special provisions to be included in work and service contracts with the Company

- 8.1. If COMTES FHT a.s. agree to deliver a service or supply a product, binding for the related contractual relationships shall be the following rules or the applicable provisions of the (Czech) Civil Code.
- 8.2. Should the deliverables supplied by COMTES FHT a.s. include any defects, the Partner may notify COMTES FHT a.s. of such defects in writing. If COMTES FHT a.s. acknowledge justifiability of such notice, they may, acting at their own discretion, either remove the subject defects, supply new services or products or offer a discount on the defective deliverables.
- 8.3. The Partner may withdraw from a Contract only in cases where the notified defects are of a material nature or where COMTES FHT a.s. fail to remove or make good the defects within an extra term that shall not be shorter than thirty days.
- 8.4. Having taken over the deliverables, the Partner shall readily carry out inspection of the supplies and notify COMTES FHT a.s. of any defects found. The damage liability due to defective supplies on the side of COMTES FHT a.s. shall be null and void unless the Partner present their claim within fourteen days of the goods receipt or, in cases of hidden defects, within five days of the possible defect identification.
- 8.5. In cases of legal defects due to a breach of third-party copyright, COMTES FHT a.s. shall not be liable for the damage so caused unless the Partner have been using the supplied goods in observance of the Contract conditions and directions by COMTES FHT a.s., the owner of the subject copyright has raised a justified claim and the Partner have promptly informed COMTES FHT a.s. of such claim. COMTES FHT a.s. shall make good any legal defects in observance of the provisions of sections 8.2 and 8.3 above in that they shall arrange for a legally faultless application of the contracted services and/or products on the Partner's side, or they modify the supplied goods in a way ensuring observance of the third-party copyright concerned.
- 8.6. Unless agreed otherwise, COMTES FHT a.s. shall store test samples and materials for a period of one year.

## 9. Reservation of ownership rights

- 9.1. The Partner shall become the owner of the supplied goods and associated rights as of sections 5.2, 5.3, 5.4 and 5.6 above only after they have paid the agreed remuneration (Contract price) in full.
- 9.2. Unless COMTES FHT a.s. approve such step, none of the Company property or rights may be subject to any third-party rights.

- 9.3. Should the Company's ownership right to the order outcome expire due to a combination or further processing of such outcome, the Company shall be and remain the owner of a new product so originated until the Partner has paid the agreed remuneration (Contract price) to COMTES FHT a.s. in full.

## 10. Confidentiality

- 10.1. Throughout the Contract execution and over the period of 20 years following the Contract completion, the contractual parties shall not disclose to any third party any mutually shared confidential information of technological or commercial nature. This confidentiality requirement shall not apply to any information that had been known to the receiving party or had been in public domain prior to sharing, or information that had been generally obtainable without any action on the side of the sharing party.
- 10.2. If COMTES FHT a.s. is asked by public authority or qualified by contractual agreement to publish any confidential information or to hand-over such information to third party, the Partner must be informed about this, except situations, where it is not allowed by the law to give such information.

## 11. Publication and promotion

- 11.1. Upon prior approval in writing from COMTES FHT a.s., the Partner may publish information on the Contract results where the author/originator of the results, i.e. COMTES FHT a.s., shall be duly mentioned. The Company's approval is required so as to prevent any collision with other publications in progress or registration of copyrights. The Company's explicit approval is also required in cases where the Partner wish to use the business name of COMTES FHT a.s. for their own promotion.
- 11.2. Regarding publication of the Company's research and development results and their applications, it shall be approved by the Partner in cases where the Partner has acquired the exclusive ownership rights to such results/applications in reference to the provisions of section 5.3.

## 12. Termination

- 12.1. Each of the Contract parties may terminate their contractual relationships with a month's notice period if, following a significantly long period of Contract execution (in excess of six months), the mutual co-operation does not seem to bring the expected benefits. Prior to expiry of said six-month period of continued contractual relationships, regular Contract termination as of this section is not permitted.
- 12.2. Within four weeks of the Contract termination, COMTES FHT a.s. shall hand over to the Partner the Contract work results achieved by the last day of the notice period. The Partner shall then compensate the Company's real costs incurred by the same term.

## 13. Other provisions

- 13.1. Any changes in, amendments to or termination of the Contract conditions and relationships shall be in writing.
- 13.2. On the COMTES FHT a.s. side, the contract execution place is Dobřany, Czech Republic.
- 13.3. Contract interpretation, execution and other aspects of the contractual relationships shall be governed by the Czech law, with exclusion of the UNO convention on international goods purchasing practices (CISG).
- 13.4. Any disputes originating from the contractual relationships shall be submitted for resolution to the courts of Czech Republic where the venue of the first-instance court shall be the District Court of Plzeň the City.

- 13.5. Should any provision hereof or that of the related Contract be found, whether as a whole or in part, illegal, invalid, cancellable or ineffective, then its illegal, invalid, cancellable or ineffective part shall be considered separable, while the balance of these Conditions or Contract and the remaining parts of the dubious provisions shall remain fully valid and effective.