

TERMS AND CONDITIONS OF NARRAN S.R.O.



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1. INTRODUCTORY PROVISIONS

1.1 These Terms and Conditions ("**T&C**") govern the contractual relations between **Narran s.r.o.**, with its registered office at Bayerova 802/33, Veveří, 602 00 Brno, ID No.: 01835483, registered in the Commercial Register kept by the Regional Court in Brno, Section C, Insert 79323 ("**Narran**"), and other contracting parties in the sale of an item, the execution of a work or the provision of a performance consisting in an activity (service, training, development, etc.) in cases where the performance characteristic of the contract is provided by Narran ("**Contract**").

1.2 These POs are available on Narran's website [www.narran.cz/kontakt] and are attached to Narran's offer.

2. CONTRACT CONCLUSION

2.1 The Contract is concluded upon acceptance of Narran's offer.

2.2 The application of Section 1740(3) of Act No. 89/2012 Coll., Civil Code, as amended ("**CC**") is excluded.

2.3 By entering into the Contract, the Party accedes to and is bound by these GCs.

2.4 In the event of a conflict between the information and arrangements contained in Narran's offer and these OPs, the information and arrangements contained in Narran's offer shall prevail.

2.5 Narran's offer contains in particular the specification of the subject matter of performance and the essential elements of the Contract.

3. PURCHASE PRICE AND TERMS OF PAYMENT

3.1 Unless otherwise agreed, the price for the performance provided by Narran shall be exclusive of the applicable rate of value added tax.

3.2. In the case of an item of performance (item) to be constructed, repaired or modified by Narran or a performance to be installed or commissioned by Narran at a location designated by the other party, the consideration for the performance provided by Narran under the Contract shall be paid in instalments as follows: (i) in the amount of [30] % on the basis of an advance invoice within [five (5)] days after the conclusion of the Contract; (ii) in the amount of [40] % within [five (5)] days after the completion of the acceptance procedure (if agreed); and (iii) in the remaining part [no later than the date of handover of the performance object] in accordance with Article 5 of the OP.

3.3 In the case of items of performance other than those referred to in Article 3.2 of the OP, in particular items manufactured by third parties, items of which Narran is a distributor, spare parts, individual components, accessories and consumables (but not falling under the subject matter of the performance referred to in Article 3.2 of the OP), the Purchase Price shall be due within [seven (7)] days of the conclusion of the relevant Agreement, unless otherwise agreed or unless a different due date is specified on the tax invoice issued by Narran.

3.4 All payments for performance provided by Narran shall be made by wire transfer to an account advised by Narran.

3.5 Upon receipt of the invoice, the other party undertakes to check the invoice for its details and compliance with the Contract. If, even within seven (7) days from the date of receipt, the other party does not raise objections to the invoice issued by Narran, it shall not be entitled

to claim the tax document.

4. ACCEPTANCE PROCEDURE 4.1 If the parties have agreed on an acceptance procedure, it shall be carried out at Narran's premises under the terms of this Article.

4.2 The acceptance procedure shall always take place no later than [seven (7)] days after the receipt of Narran's notice to the other party.

4.3 The acceptance procedure shall be conducted within one (1) business day.

4.4 If the Acceptance Procedure is extended, postponed or frustrated by reason of the other party, the other party shall pay Narran's Costs.

4.5 As part of the acceptance procedure, in particular: (i) Narran shall demonstrate the object of performance; (ii) the agreed tests shall be carried out; (iii) training shall be given; (iv) the other party shall thoroughly acquaint itself with the object of performance.

4.6 The parties shall draw up an acceptance report on the outcome of the acceptance procedure, which shall in particular state: (i) the results of the tests carried out; (ii) a statement as to whether or not the other party accepts the object of performance; (iii) whether or not training has been carried out; and (iv) other material circumstances.

4.7 In the event that, in the course of the acceptance procedure, there are defects or deficiencies in the object of performance which prevent its proper use, the other party shall be entitled not to accept the object of performance. In such a case, the Parties shall agree on a time limit by which such defects or deficiencies shall be eliminated and a new acceptance procedure shall be carried out to the extent necessary.

4.8 The time within which Narran has undertaken to prepare the object of performance for the acceptance procedure shall be extended by: (i) the period of delay of the other party in providing the necessary cooperation; and (ii) the time required to incorporate changes to the object of performance agreed after the conclusion of the Contract.

5. HANDOVER OF THE OBJECT OF PERFORMANCE

5.1 Unless a different date for the delivery of the Subject Matter is agreed, Narran shall deliver the Subject Matter on the last day of the period by which it has undertaken to deliver the Subject Matter to the other party and, if such day falls on a business day, then on the first (1st) following business day. 5.1 Unless a different date for the delivery of the Subject Matter is agreed, Narran shall deliver the Subject Matter on the last day of the period by which it has undertaken to deliver the Subject Matter to the other party and, if such day falls on a business day, then on the first (1st) following business day. In the case of the subject of performance referred to in Article 3.2 of the OP, Narran shall not be obliged to deliver on the date referred to in the first sentence of this Article if it is apparent that the other party will not take delivery of the subject of performance on that date or will not provide the necessary cooperation (including in the event that, at the express request of Narran, the other party fails to confirm its readiness to deliver and take delivery of the subject of performance).

5.2 In the case of the subject matter referred to in Article 3.2 of the PO, Narran shall arrange for transportation to the other party's premises at its own expense.

5.3 Handover of the Subject Matter shall take place within one (1) working day.

5.4 The other party shall unload the subject of performance at its own expense and risk and move it to its destination, i.e. to the place where the object of performance will be installed

in normal operation for the fulfilment of its purpose. The other party shall provide all assistance necessary and/or requested by Narran to take over the object of performance.

5.5 Upon unloading of the item of performance and its transfer to its destination, Narran shall carry out installation, commissioning, testing, if any, and operator training, if so agreed and if not already done as part of the acceptance procedure.

5.6 The parties shall draw up a written handover report containing all material information regarding the handover of the subject matter of the performance.

5.7 The other party shall not be entitled to refuse to sign the handover report or to declare that it does not accept the object of performance solely because of minor defects in the object of performance which do not prevent its proper use. In such a case, Narran undertakes to remedy the minor defects of the object of performance within the time agreed by the parties and specified in the handover report.

5.8 In the event that the object of performance suffers from defects that prevent its proper use, the other party is entitled to declare in the handover report that it does not accept the object of performance. In such a case, the parties shall agree on a period of time by which these defects shall be rectified. Narran shall inform the other party of the removal of such defects and a new handover of the object of performance shall be carried out in accordance with Articles 5.1 to 5.8 of the General Terms and Conditions to the extent necessary, in particular a new handover report or an additional handover report. Narran shall be entitled to remedy such defects in the object of performance at the place of destination, provided that the operation of the other party's plant is not unduly burdened.

5.9 In the case of objects of performance other than those specified in Article 3.2 of the PO, Narran shall arrange for the transport of the object of performance to the place of destination, provided that the transport costs in such case shall be borne and paid by the other party. Articles 5.2 to 5.8 of the PO shall not apply to items other than those specified in Article 3.2 of the PO.

5.10 In the event that the other party breaches its obligations in delivering the Deliverables, resulting in a delay, postponement or prevention of delivery of the Deliverables, Narran shall be entitled to payment of the Costs.

5.11 The time by which Narran has agreed to deliver the Deliverable shall be extended by (i) the period of delay by the other party in providing the necessary cooperation; and (ii) the time required to incorporate changes to the Deliverable agreed after the Contract.

6. OWNERSHIP AND TRANSFER OF RISK OF DAMAGE TO THE PROPERTY

6.1 Title to the subject matter of performance under the Contract shall be acquired by the other party from Narran only upon payment in full for the subject matter of performance (purchase price or price for the work). Until the payment of the consideration for the subject matter of performance, Narran shall have title to the property. At Narran's request, the other party shall, within five (5) days of Narran's request, confirm this retention of title agreement in writing by a notarized signature.

6.2 In the case of the subject matter of performance under Article 3.2 of the PO, the risk of damage to the item shall pass to the other party upon delivery of the item to the destination (the other party's premises) in accordance with Article 5.2 of the PO.

6.3 In the case of Article 5.9 of the PO, the risk of damage to the goods shall pass to the other party when the object of performance is handed over to the first carrier by Narran.

7. WARRANTY

7.1 The warranty provided by Narran does not apply to consumable parts and accessories.

7.2 Unless otherwise agreed or unless the length of the warranty period is specified by a manufacturer of the subject matter of the Contract other than Narran, Narran warrants the subject matter of the Contract pursuant to Article 3.2 of the PO for a period of [twelve (12)] months.

7.3 Narran shall not be liable for any defects in the Performance Item caused by the other party, a third party or force majeure. In particular, a defect caused by the other party shall be deemed to be a defect which originates from: (i) improper handling of the object of performance; (ii) failure to maintain the object of performance properly; (iii) failure to carry out a warranty inspection or revision of the object of performance.

7.4 In the event of a defect in the object of performance during the warranty period, the entitled party shall claim the defects in writing from Narran without undue delay after their discovery. The claims of the entitled party arising from defects in the object of performance shall be extinguished if the entitled party fails to assert them without undue delay after their discovery.

7.5 In the event that Narran has not acknowledged the claimed defect in the object of performance on the grounds that it is a defect for which it is not responsible, it shall be entitled to reimbursement of the Costs incurred, unless it is established that it was not responsible for the defect.

7.6 The other party shall have no claim under the guarantee given by Narran while it is in default in payment of the consideration for the object of performance or other debts due to Narran.

8. WITHDRAWAL FROM THE CONTRACT

8.1 Narran shall be entitled to withdraw from the Contract in the event that the other party is in default for more than [thirty (30)] days in the payment of any sum of money under the Contract, in particular in the payment of consideration for the subject matter of performance.

8.2 Narran shall be entitled to withdraw from the Contract if the other party becomes in default for more than [thirty (30)] days in either accepting the subject matter of performance under Clause 4 or accepting the subject matter of performance under Clause 5 (or Narran's provision of assistance in delivering the subject matter of performance).

8.3 Narran shall be entitled to withdraw from the Contract if the other party fails to provide the cooperation without which Narran cannot perform its obligations under the Contract, even within [thirty (30)] days of Narran's request.

8.4 Narran shall be entitled to withdraw from the Contract in the event that a petition for commencement of insolvency proceedings under Act No. 182/2006 S., on Bankruptcy and its Resolution Procedures (Insolvency Act), as amended, has been filed against the other party as debtor or in the event of the occurrence of a fact with similar legal effects under any law.

9. PENALTIES, COSTS AND LIABILITY FOR DAMAGES

9.1 In the event of default by the other party in payment of the consideration for the subject matter of performance under the Contract, Narran shall be entitled to a contractual penalty of 0.1% of the amount due for each day of default.

9.2 Narran shall be entitled to payment of a contractual penalty of 0.1% of the total amount of the consideration for the subject matter of performance under the Contract for each day of delay by the other party in accepting pursuant to Article 4 of the PO or taking over pursuant to Article 5 of the PO the subject matter of performance, including cases where the acceptance or handover of the subject matter of performance has not taken place due to the failure of the other party to provide the necessary cooperation.

9.3 In the event that Narran withdraws from the Contract for a reason under Article 8.2 of the PO, Narran shall be entitled to payment of an additional contractual penalty of 25% of the total amount of the consideration for the subject matter of performance under the Contract, in addition to the daily contractual penalty under Article 9.2 of the PO. Narran shall not be entitled to payment of the liquidated damages pursuant to Article 9.2 from the day following the effective date of withdrawal from the Contract for cause pursuant to Article 8.2 of the PO.

9.4 If the Contract is terminated for any reason and the other party fails to return the subject matter of performance to Narran in breach of its contractual or statutory obligation, even if Narran is requested to do so, Narran shall be entitled to payment of liquidated damages at the rate of 20% of the total consideration for the subject matter of performance under the Contract for each commenced month of delay by the other party in complying with this obligation.

9.5 For the purposes of these POs, "**Costs**" means the costs incurred by Narran for Narran's activities resulting from the other party's breach of its obligations, namely (i) at the rate of [CZK 1,200] per person and each hour commenced by it spent in vain; and (ii) any reasonable out-of-pocket costs, with transportation costs being CZK 11 per km.

9.6 The contractual penalty shall be payable on demand by the entitled party. Payment of the contractual penalty shall not affect the claim for compensation in full. The application of the provisions of § 2050 CC is excluded.

9.7 The contractual penalty shall in no case exceed the amount of the payment for the subject matter of performance under the Contract.

9.8 In no event shall Narran be liable for indirect damage or damage which it could not have foreseen.

9.9 Narran shall be liable for damages incurred by the other party as a result of defects in the subject matter of performance or as a result of a breach of Narran's obligations under the Contract up to a maximum of 30% of the total amount of the consideration for the subject matter of performance under the Contract. This does not apply if the damage is caused by grossly negligent conduct of Narran or by conduct that fulfils the elements of a criminal offence.

10. SURPLUS

10.1 If Narran is prevented from fulfilling an obligation under the Contract by an obstacle which it could not, with the exercise of professional care, have foreseen or prevented, then it shall promptly notify the other party of such fact. The period of time during which Narran is unable to perform its obligations under the Contract due to Force Majeure shall extend the performance periods agreed under the Contract. Force majeure shall also mean suspension (delay) of third party supplies required for the subject matter of performance (its production) or any restrictions due to the spread of epidemic diseases affecting Narran's business.

11. APPLICABLE LAW AND DISPUTES

11.1 The Contract shall be governed by the laws of the Czech Republic, in particular the CC.

11.2 The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

11.3 In accordance with the provisions of Section 89a of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended ("CCP"), disputes arising out of the Contract shall be adjudicated by the District Court for Prague 6 in cases where, according to the CCP, a district court would have subject matter jurisdiction.

12. FINAL PROVISIONS

12.1 Consumable parts are in particular the parts and components listed in this category on the website www.narran.cz as well as all similar parts and components, in particular those which are expected (or declared by Narran) to have a shorter lifetime (than the subject of performance) and need to be replaced.

12.2 Narran's claims under the Contracts against the other party shall be time-barred in accordance with the provisions of Section 630(1) of the Civil Code within a period of six (6) years.

12.3 These GCs shall also apply to Contracts with an object of performance other than the delivery of an item by Narran to the other party, in particular if the object of performance consists in Narran's activities (service, training, development, etc.), to the extent that these GCs can be applied to such Contract.
