

# TESLA Group a.s.

## General Terms and Conditions (TG\_GTC)

### 1. DEFINITIONS

For the purposes of these TESLA Group General Terms and Conditions (TG\_GTC), the following terms shall have the meanings ascribed below:

**Agreement** - means the legal and binding contract constituted by these TG\_GTC, together with any schedules, exhibits, annexes, and any other documents expressly incorporated herein or executed contemporaneously herewith, as the same may be amended, supplemented, or modified from time to time in accordance with the terms hereof.

**TESLA** - refers to **TESLA Group a.s.**, a company incorporated and existing under the laws of Czech Republic, with its registered office at Na strži 1702/65 140 00 Praha 4 - Nusle Czech Republic, including all of its subsidiaries, affiliates, assignees, and successors in title.

**Client** - represents any legal entity, firm, company, or organization that enters into the Agreement with TESLA for the procurement of Products and/or Services.

**Products** - encompasses all types of battery energy storage systems (BESS), related hardware, software (including AMOS), and any other goods supplied by TESLA under the Agreement.

**Services** - comprises all services rendered by TESLA, including but not limited to, installation, commissioning, maintenance, technical support, training, and any consultancy services provided under or in connection with the Agreement.

**Intellectual Property Rights or IPR** - means all patents, trademarks, service marks, trade names, domain names, copyrights, designs, trade secrets, know-how, database rights, and any other intellectual property rights, whether registered or unregistered, including applications for the registration of any such rights and all renewals and extensions thereof, existing in any part of the world.

**Confidential Information** includes any information disclosed by one party to the other, whether before or after the date of the Agreement, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure, including but not limited to, business and marketing plans, technology and technical information, product designs, and business processes.

**Force Majeure Event** - means any event or circumstance beyond the reasonable control of the affected party, including, without limitation, acts of God, natural disasters, wars, insurrections, terrorist acts, riots, government actions, labour disputes, significant failures of the Internet or telecommunications infrastructure, and pandemics or epidemics.

**Liability** - shall mean any liability, whether under contract, tort (including negligence), breach of statutory duty, restitution, or otherwise, for any costs, damages, expenses, legal fees, judgments, fines, penalties, losses (including, without limitation, loss of profits and loss of business opportunity), and other liabilities, with the particularities given to this during the current TG\_GTC.



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**Territory** - means the geographical area or jurisdiction in which the Products are to be supplied and the Services are to be rendered as specifically set forth in the Agreement.

**Software** - refers to AMOS and any other software programs, applications, or platforms provided by TESLA, including updates, patches, and related documentation.

**Compliance** - encompasses all legal, regulatory, and industry standards and requirements applicable to the Products, Services, and both parties under the Agreement.

**Operational Sites** - denotes locations, facilities, or sites owned, operated, or used by the Client where the Products are installed and the Services are rendered.

**Installation Services** - means the activities and tasks undertaken by TESLA or its authorized agents to install, set up, and commission the Products at the Operational Sites.

**Service Level Agreement (SLA)** - outlines the performance standards, response times, and quality metrics that TESLA commits to meet in delivering the Services.

**O&M Agreement** - signifies TESLA's provision of maintenance and support for the Products during the Warranty Period, emphasizing efficiency and reliability. This Agreement outlines TESLA's service commitment, while the Client's cooperation is essential for facilitating these services.

**Warranty Period** - refers to the specified duration post-delivery during which TESLA guarantees the Products' performance and quality against defects.

**Confidentiality Obligations** - entails the duties and responsibilities of both parties to protect and maintain the secrecy of Confidential Information.

**Data Protection Laws** - signifies all applicable laws and regulations related to the protection of personal data, including GDPR.

**Payment Terms** - to detail the schedule, methods, and conditions under which payments are made by the Client to TESLA.

**Dispute Resolution Process** - describes the steps and procedures for resolving conflicts or disagreements arising under the Agreement.

**Technology Specifications** - specifies the technical and performance characteristics of TESLA's Products and Software, ensuring clear expectations.

## 2. SCOPE AND EXCLUSIVITY

- 2.1. These General Terms and Conditions (**TG\_GTC**) establish the exclusive legal foundation for all dealings, contracts, and engagements between TESLA and its Clients or any third parties, governing the sale and provision of TESLA's battery energy storage systems (**BESS**), including both high-power and high-energy units requiring EPC works, and the licensing of AMOS software.
- 2.2. The terms herein supersede any conflicting provisions in the Client's terms, previous agreements, or understandings unless TESLA explicitly consents to such deviations in a signed written agreement, ensuring uniformity across all transactions.
- 2.3. Notwithstanding the above, TESLA reserves the right to negotiate and formalize adapted terms for strategic partnerships or collaborations, subject to formal documentation and approval by TESLA's authorized representatives.



- 2.4. For each contractual engagement, particular aspects such as delivery schedules, payment milestones, technical specifications, and other critical details will be described in Specific Terms and Conditions (**STC**) documents, tailored to the unique requirements of each transaction, and forming an integral part of the contractual agreement.

### **3. CONTRACT FORMATION AND AUTHORITY**

- 3.1. Contractual relationships and obligations between TESLA and its Clients are established solely through written agreements executed by TESLA's duly authorized representatives, ensuring all contracts are formalized with clarity and precision.
- 3.2. Oral agreements, preliminary communications, or understandings not encapsulated in such written agreements are deemed non-binding and do not constitute formal contracts, thereby preventing any potential misunderstandings.
- 3.3. For the purposes of these TG\_GTC, an "Authorized Representative" includes positions such as CEO, Company administrator, Company Director defined by statutory corporate documents or any other individual designated in writing by TESLA's legal department, ensuring authority and accountability in contract execution.
- 3.4. While these TG\_GTC provide the all-encompassing legal framework for engagements between TESLA and its Clients, individual agreements may further detail specific terms that address project-specific requirements, delivery schedules, technical specifications, and other critical aspects of the contractual relationship. This STC are to be drafted and agreed upon in writing by TESLA's Authorized Representatives, forming an integral part of the formal contractual agreement and ensuring a tailored approach to each engagement.

### **4. STANDARDS AND SPECIFICATIONS**

- 4.1. TESLA holds the exclusive right to establish, define, and modify the standards, specifications, methodologies, and processes for its goods and services, ensuring alignment with the company's commitment to quality, innovation, and technological leadership. This authority encompasses the right to implement updates to product details as presented in the product datasheets or disclosed on the TESLA company website, ensuring that all TESLA products remain at the forefront of technological advancement.
- 4.2. TESLA may adjust the performance criteria and specifications of its products to maintain or enhance quality and functionality. Such modifications, unless materially diminishing the product's functionality, shall not warrant contractual termination or price adjustments by the Client.
- 4.3. It is expressly stipulated that any items or tasks not specifically outlined in TESLA's technical specifications or scope of delivery are excluded from TESLA's delivery obligations. The absence of explicit inclusion in the agreed-upon technical specifications relieves TESLA from the obligation to provide such unspecified items or perform such tasks. This provision ensures clarity and precision in defining TESLA's commitments, aligning expectations, and safeguarding the integrity of the delivery agreement.



## 5. DELIVERY AND INSTALLATION

- 5.1. The delivery of BESS shall adhere to Incoterms 2020, specifically under the EXW (Ex Works) term. The division of responsibilities and detailed obligations under EXW will be outlined in the STC, ensuring a clear delimitation of roles between TESLA and the Client.
- 5.2. Both parties commit to upholding internationally recognized delivery standards, enhancing contractual clarity and ensuring a mutual understanding of the delivery, installation, and operational processes for BESS.
- 5.3. TESLA will provide necessary support for the installation and commissioning of BESS, as specified in the STC. This includes ensuring operational functionality and conformity to agreed specifications at the Client's site.
- 5.4. The delivery schedule for BESS and the timeline for EPC service execution will be comprehensively detailed in the STC. This includes identifying critical milestones, such as installation and commissioning, to facilitate timely project advancement.
- 5.5. In line with EXW terms, the Client assumes full responsibility for the transportation of BESS from TESLA's premises to the installation site, covering all related costs and logistics. The Client is also tasked with site preparation and providing access and necessary facilities for TESLA's installation team.
- 5.6. Post-delivery modifications to the BESS require TESLA's prior written approval and must follow the agreed-upon specifications. The Client is obligated to comply with all applicable regulations and standards concerning the installation and operation of the BESS.

## 6. TITLE TRANSFER & RISK

- 6.1. In alignment with Incoterms 2020 and as detailed in Section 5 of the TG\_GTC, legal title and risk for BESS products shall transfer to the Client at the moment of dispatch from TESLA's premises. This transfer marks the Client's assumption of full ownership, subject to the terms of payment and other contractual obligations.
- 6.2. Consistent with the stipulations of Incoterms 2020, the risk associated with the BESS products transfers to the Client upon dispatch from TESLA's premises. From this point, the Client is responsible for the secure transport and delivery of the BESS to the designated site.
- 6.3. For EPC projects, legal title for all deliverables, including systems and construction works, transfer to the Client upon the commencement of EPC activities. This transfer is subject to local legislation and regulatory requirements that govern such transactions. Concurrently, the risk associated with EPC activities transfers to the Client, marking their responsibility for the oversight and management of EPC-related tasks.
- 6.4. Notwithstanding the transfer of legal title, TESLA retains a senior security interest or hypotheca over the BESS products and EPC works until the Client has fully settled all due payments, including any applicable price adjustments. This security interest serves as TESLA's assurance for the fulfilment of the Client's financial obligations under the terms of the agreement.
- 6.5. The security interest held by TESLA will be released upon the complete and unconditional payment of all sums due by the Client. TESLA shall provide a formal release of the security interest, confirming the Client's unencumbered ownership of the BESS products and EPC deliverables.



## **7. CLIENT RESPONSIBILITIES AND COMPLIANCE**

- 7.1. Clients must provide comprehensive support to TESLA, including timely information sharing, unrestricted access to relevant sites and facilities, and adherence to TESLA's operational protocols, ensuring smooth fulfilment of contractual duties.
- 7.2. Clients are required to ensure TESLA has unhindered access to necessary operational sites and provide all essential information for TESLA's performance under the agreement, including site access for installations and specific data pertinent to the execution of services. The Client is solely responsible for obtaining all necessary permits, authorizations, and licenses required for TESLA's execution of the contract, including site access, installations, and operations.
- 7.3. The Client is responsible for ensuring the provision and compatibility of power and data connections essential for TESLA's installation and operational needs, as well as the establishment of infrastructure for renewable energy generation where applicable. These requirements include, but are not limited to, power connection, data connection, and renewable generation infrastructure.
- 7.4. The Client acknowledges that additional requirements may arise in the course of fulfilling TESLA's execution of the contract and agrees to address such needs as necessary to ensure the uninterrupted performance of TESLA's services under this agreement.
- 7.5. Failure to meet these obligations may lead TESLA to make necessary adjustments to delivery schedules, pricing, or, in severe cases, result in unilateral termination of the agreement to protect TESLA's interests and operational effectiveness.

## **8. PRICING ADJUSTMENTS, PAYMENT SECURITY, AND COST ESCALATION**

- 8.1. Tesla reserves the right to adjust the prices of BESS and associated services to reflect significant changes in market conditions, including but not limited to fluctuations in material and labour costs, inflation rates, changes in the scope of work, or any other economic factors that may impact the cost basis of the products and services provided. Such adjustments will be made in accordance with predefined indices or market rates relevant to the components of the products and services offered, ensuring transparency and fairness in the pricing mechanism.
- 8.2. Tesla may require clients to provide financial security prior to the commencement of work or at any stage of contract execution. This may include, but is not limited to, advance payments, bank guarantees, letters of credit or other equivalent forms of security deemed suitable by Tesla.
- 8.3. The methodology for any price adjustment will be clearly communicated to the Client at least 30 days in advance, providing a detailed explanation of the factors leading to the adjustment and the specific impact on pricing. This approach ensures that both parties maintain a clear understanding of the financial obligations under the contract, promoting a stable and adaptable business relationship in a dynamic economic landscape.

## **9. FINANCIAL TERMS AND CONDITIONS**

- 9.1. Tesla shall issue invoices in accordance with the accounting standards, specifying the nature of services or products, associated costs, and applicable taxes. Invoices shall be



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sent electronically to the Client's designated representative. Tesla will communicate the invoice to the email address provided by the Client in the Specific terms.

- 9.2. Payments are due in fifteen (15) calendar days from the invoice date. Specific terms, including but not limited to payment schedules and milestones, shall be governed by the STC of each individual contract, if not present provisions are applicable.
- 9.3. Failure to timely perform payment will incur interest at the rate of 0,1% per calendar day or if forbidden by the law, the highest rate permissible under applicable law, accruing daily.
- 9.4. The Client is liable for all taxes, fees, commissions arising from the transaction, excluding Tesla's income taxes. Both parties commit to full compliance with tax regulations, facilitating documentation for tax processing as necessary.
- 9.5. Discrepancies in invoicing must be communicated to Tesla within two (2) working days, failing which, the invoice is deemed accepted. Resolution procedures will adhere to principles of equity and good faith.
- 9.6. Tesla reserves the right to adjust payment terms in response to significant economic, regulatory, or market changes, ensuring Tesla's financial stability and operational flexibility.
- 9.7. Tesla retains the unilateral right to factor any invoices issued under this agreement. Such factoring shall not require the Client's consent but will be subject to notification should it directly impact the Client's payment responsibilities.
- 9.8. All transactions shall be conducted in EUR, unless local legislation requires otherwise, through approved electronic payment methods, ensuring secure and traceable financial transactions.

## 10. GENERAL APPLICABLE PAYMENT TERMS

- 10.1. The payment terms set forth herein establish the default framework for the remuneration of TESLA for the provision of works, including the delivery and installation BESS and the execution of EPC services. These terms shall apply unless explicitly modified or superseded by specific provisions separately agreed in the STC as a result of Clients positive credit risk rating given by TESLA's financing banks.
- 10.2. Upon the effective signing of the Contract, an advance payment request for 50% of the total contract value, representing the down payment, will be issued, securing the commencement of the contractual obligations.
- 10.3. The amount to be paid in relation to each of the invoices described in paragraphs 10.4-10.7, below, will be reduced in proportion to the advance payment received.
- 10.4. Before delivery of the main equipment an invoice for 80% of the contract value will be issued.
- 10.5. Upon the completion of the installation process, an invoice for 10% of the contract value will be issued.
- 10.6. After commissioning of the project, an invoice for 5% of the contract value will be issued.
- 10.7. After the final acceptance certificate, a final settlement invoice for remaining 5% of the contract value and clearance of received down payments will be issued.
- 10.8. Notwithstanding the terms and conditions of this Agreement, in the event the Client fails to make the second payment, which represents 30% of the aggregate contract value, within a period of 30 days subsequent to receiving a second formal notice from Tesla, Tesla shall have the unequivocal right to terminate this Agreement forthwith.



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- 10.9. Upon such termination, as a measure of liquidated damages for the breach of contractual obligations by the Client and to compensate for the expenses borne by Tesla, Tesla shall retain a sum equivalent to 25% of the total contract value. This sum is deemed by both parties as a fair estimate of the damages incurred by Tesla and is not considered a penalty.
- 10.10. The residual amount from the second payment, corresponding to a 5% differential of the total contract value, shall be reimbursed to the Client within a 30-day timeframe post-termination. This provision does not limit Tesla's entitlement to pursue additional legal remedies or enforce other rights under this Agreement or applicable law.

## **11. INTELLECTUAL PROPERTY RIGHTS, CONFIDENTIALITY, AND DATA SECURITY**

- 11.1. TESLA retains exclusive ownership and control over all intellectual property (IP) rights in materials, designs, technologies, inventions, and innovations developed or employed in the course of its business activities. Clients are granted a limited, non-exclusive, revocable license to use Tesla's IP solely for the contract-stipulated purposes, without rights to sublicense, replicate, or transfer to third parties without Tesla's explicit written consent. Upon contract termination, all IP rights revert to Tesla, requiring clients to cease use and either return or destroy all materials embodying Tesla's IP.
- 11.2. Derivative works created by the client using Tesla's IP shall remain Tesla's sole property. Clients must secure written consent from Tesla for the creation or use of such derivatives. Intellectual property rights for any developments, inventions, or innovations created during the contract term are retained by Tesla, with the client expressly prohibited from claiming any ownership or co-ownership rights over such intellectual property.
- 11.3. Clients are bound by strict confidentiality obligations concerning all disclosed or exchanged information during business dealings with Tesla, including data information, business strategies, and proprietary knowledge. Disclosure of confidential information mandates Tesla's prior written consent, with unauthorized disclosure subject to legal actions and penalties. Tesla retains the right to monitor, audit, and enforce compliance with these confidentiality obligations rigorously.
- 11.4. Furthermore, clients are obligated to implement and maintain robust data security and cybersecurity measures in line with Tesla's stringent standards and policies. Clients must promptly report any data breaches or cybersecurity incidents to Tesla, including the incident's scope and corrective actions taken. Tesla reserves the right to audit the client's data security and cybersecurity practices to ensure compliance, safeguarding Tesla's confidential information and maintaining data integrity.

## **12. LIMITATION OF LIABILITY, RISK ALLOCATION, AND ENVIRONMENTAL COMPLIANCE**

- 12.1. Tesla's liability in connection with any contracts, negligence, or under any other legal theory, is strictly limited to the total monetary value of the specific contract. Tesla expressly disclaims any liability for indirect, incidental, consequential, or punitive damages, except in instances of Tesla's gross negligence or intentional misconduct.
- 12.2. Clients are solely responsible for obtaining adequate insurance coverage to mitigate potential risks or damages associated with the use, installation, or operation of Tesla's BESS and related services.



- 12.3. Clients are obligated to adhere strictly to Tesla's provided instructions and recommendations for the use, installation, and maintenance of the products and services. Tesla shall not be liable for any losses, damages, or liabilities arising from the Client's deviation from such instructions or recommendations, except in cases of Tesla's gross negligence or wilful misconduct.
- 12.4. Client agrees to comply with all updates or modifications to Tesla's usage instructions, maintenance guidelines, and environmental compliance directives. Such updates will be communicated to the Client in a timely manner and are intended to reflect technological advancements, regulatory changes, or improvements in best practices.
- 12.5. Regarding environmental harm and regulatory compliance, the client shall bear full liability for any adverse environmental impacts or regulatory non-compliance resulting from the improper use, installation, disposal, or handling of Tesla's products. The client is required to ensure environmentally responsible practices are followed in accordance with applicable laws and regulations, safeguarding against environmental damage and ensuring compliance with all relevant environmental standards.
- 12.6. Any claims arising from or related to the products or services provided under this Agreement must be submitted in writing to Tesla within three (3) calendar days from the date of the incident giving rise to the claim. The parties agree to engage in good faith negotiations to resolve any disputes prior to initiating formal legal proceedings.

### **13. LIABILITY FOR CLIENT FINANCIAL LOSSES**

- 13.1. Tesla acknowledges the critical role that BESS play in the Client's operations and the potential financial impact of any operational disruptions. However, Tesla's liability for any financial losses incurred by the Client, including but not limited to lost profits, business interruptions, or any other form of economic damages, is expressly limited as follows:
- 13.2. Tesla's is not liable for direct financial losses suffered by the client due to proven defects or operational failures of the BESS, if not agreed differently in the specific terms of the contract.
- 13.3. Tesla shall not be liable for any indirect, incidental, consequential, or speculative financial losses, including but not limited to lost profits, business opportunities, or goodwill, regardless of whether such losses were foreseeable, or Tesla had been advised of the possibility of such losses.
- 13.4. The client is responsible for implementing reasonable measures to mitigate potential financial losses, including maintaining appropriate insurance coverage, backup systems, and contingency plans to minimize the impact of operational disruptions of the BESS.
- 13.5. Tesla's limited liability as set forth herein is contingent upon the Client's compliance with all operational guidelines, maintenance schedules, and safety instructions provided by Tesla for the BESS. Non-compliance with such guideline's voids Tesla's liability under this clause.
- 13.6. Tesla shall not be liable for any financial losses arising from circumstances beyond Tesla's reasonable control, including but not limited to natural disasters, acts of government, labour disputes and supply chain interruptions.
- 13.7. For the avoidance of doubt and notwithstanding any other provision of this Agreement or any ancillary document thereto, it is hereby expressly stipulated and agreed that Tesla entity entering into direct contract relationship with the Client shall be deemed the sole contracting entity pursuant to the terms of this Agreement.





- 13.8. As such, the particular Tesla entity shall bear exclusive responsibility and liability for the performance of all contractual obligations herein delineated, including, but not limited to, liabilities, financial commitments, warranties, and representations made under or in connection with this Agreement.
- 13.9. This provision is intended to clearly position the obligation within the Tesla corporate structure, thereby avoiding the imputation of responsibility or liability to any other Tesla entity, subsidiary, or affiliate, except as may be explicitly provided for by a duly executed written instrument bearing the authorized signature of Tesla.
- 13.10. This clause shall be binding upon and shall operate to the benefit of the parties hereto and their respective successors and permitted assigns, establishing a clear and unambiguous framework for the adjudication of responsibilities and liabilities under this Agreement.

#### **14. DISPUTE RESOLUTION, LEGAL VENUE, AND TERMINATION RIGHTS**

- 14.1. In the event of any dispute arising from or related to this contract, the parties shall first seek to resolve the dispute through good faith negotiations. If the dispute cannot be resolved through negotiation within a specified period, the parties agree to submit the dispute to mandatory mediation conducted in accordance with Czech arbitration rules governed by the Czech Arbitration Act (Act No. 216/1994 Coll.) and the procedural rules set forth by the Czech Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic, in Czech Republic. The parties commit to participate in the mediation process in good faith with the aim of resolving the dispute amicably.
- 14.2. Should mediation fail to resolve the dispute, the parties agree to submit to binding arbitration in Czech Republic, conducted under the rules of an agreed-upon arbitration institution. The decision rendered by the arbitration panel shall be final, binding upon both parties, and enforceable in any court of competent jurisdiction. The parties agree that litigation in courts shall be considered a last resort and will occur only if both mediation and arbitration fail to resolve the dispute.
- 14.3. Tesla retains the unilateral right to terminate any agreement at its convenience, subject to providing the Client with a notice period of thirty (30) calendar days. Tesla may also terminate the agreement immediately in response to any breach by the Client. Upon termination for convenience, Tesla will compensate the Client for direct costs incurred up to the termination date, excluding lost profits or indirect costs.
- 14.4. Tesla may terminate the agreement immediately, without liability, if the Client fails to comply with applicable regulatory requirements affecting Tesla's products or services, endangering Tesla's compliance status or market reputation.
- 14.5. In cases where the Client fails to meet its payment obligations within ninety (90) calendar days of the due date, Tesla reserves the right to terminate the agreement immediately, necessitating the settlement of all outstanding amounts and applicable late fees.
- 14.6. In the event of termination due to the Client's breach, the Client shall be liable for all costs incurred by Tesla up to the point of termination, including Tesla's anticipated lost profits resulting from the termination. Termination does not absolve the Client of any outstanding obligations accrued prior to termination, including but not limited to the observance of confidentiality and intellectual property rights. A detailed process for the return or destruction of confidential information and IP will be stipulated to ensure compliance post-termination.



## 15. POST-TERMINATION OBLIGATIONS AND RIGHTS

- 15.1. Certain responsibilities of the Client, including but not limited to confidentiality, non-disclosure, and any requisite post-termination services or payments, shall persist beyond the contract's termination. The Client is mandated to respect these continuing obligations in alignment with the stipulations of the contract, facilitating an orderly and compliant transition and closure.
- 15.2. Upon termination, all proprietary rights to technology, data, and intellectual property conceived or utilized during the term of the contract will revert to Tesla, except where otherwise explicitly agreed in writing. The Client's rights to use specific Tesla technologies or data post-termination may be subject to limited, non-exclusive terms, delineated in a subsequent agreement.
- 15.3. The Client is required to securely return or, where instructed by Tesla, irreversibly destroy all confidential information and materials embodying Tesla's proprietary technology, ensuring no unauthorized retention or use.
- 15.4. Failure to comply with these post-termination obligations may invoke legal remedies to protect Tesla's interests and ensure the integrity of its proprietary assets and confidential information.

## 16. GENERAL CONTRACTUAL COMMITMENTS

- 16.1. Tesla maintains the right to discontinue any products or services, committing to notify the Client with reasonable notice and assist in transitioning to alternatives, minimizing operational disruption.
- 16.2. The Client must establish and uphold a business continuity and disaster recovery plan, aiming for minimal disruption in unforeseen circumstances. Tesla has the authority to review and approve these plans to align with contractual and operational standards.
- 16.3. The Client is obligated to indemnify Tesla against all claims, damages, and liabilities arising from breaches, negligence, or legal infringements, including third-party claims related to product defects or intellectual property issues.
- 16.4. In case of a product recall, Tesla dictates the recall strategy and execution. The Client is mandated to support Tesla in the recall process and share the recall expenses proportionate to their involvement and contractual terms.
- 16.5. The Client commits to refrain from soliciting Tesla's employees or engaging in competing business activities for a defined period post-contract termination. This clause safeguards Tesla's business interests and intellectual capital against conflicts or unfair competition. Breaches may lead to legal consequences and damage claims by Tesla.

## 17. CORPORATE CHANGES

- 17.1. Should the Client undergo a merger, acquisition, or significant restructuring, Tesla may re-evaluate or terminate the agreement. The Client must notify Tesla in advance, outlining the restructuring's impact on the agreement.
- 17.2. All contract changes require a written proposal, mutual agreement, and formal amendment. Changes affect pricing, timelines, or other key terms only upon written consent from both parties.



17.3. The Client must inform Tesla promptly of significant operational changes, including shifts in ownership, management, or financial status, that might affect contractual obligations.

## 18. SUBCONTRACTING

- 18.1. Tesla shall have the sole and unrestricted right to subcontract, assign, or delegate any or all of its obligations, duties, or rights under this Agreement to third parties without the requirement for consent or prior notification to the Client.
- 18.2. All subcontracting arrangements will be conducted with entities that uphold Tesla's high standards of quality and efficiency, ensuring that the subcontracted work aligns with the expectations set forth in this Agreement.
- 18.3. Tesla retains complete autonomy in selecting subcontractors, determining the scope of work to be subcontracted, and managing subcontractor relationships. The Client acknowledges and agrees that Tesla's subcontracting decisions are final and not subject to Client approval or review.
- 18.4. While Tesla will endeavour to ensure subcontractors perform in accordance with the terms of this Agreement, Tesla shall not be held liable for any subcontractor's failure to fully comply with such terms, except in cases of Tesla's gross negligence or wilful misconduct in the selection or oversight of such subcontractors.
- 18.5. The Client agrees to indemnify and hold Tesla harmless against any claims, damages, or liabilities arising directly or indirectly from the acts or omissions of Tesla's subcontractors.

## 19. COMPLIANCE, REGULATORY RESPONSIBILITY, AND TRAINING

- 19.1. All offerings under this Agreement shall conform to prevailing international standards for quality, safety, and sustainability. Tesla reserves the right to verify compliance through audits and may demand remedial actions for non-conformities.
- 19.2. The Client shall ensure that the utilization of Tesla's products and services adheres to all applicable regulations. Tesla disclaims any liability for the Client's regulatory non-compliance.
- 19.3. While Tesla may inform the Client of pertinent regulatory changes, the Client bears ultimate responsibility for maintaining compliance with such changes.
- 19.4. In response to regulatory amendments necessitating product or service adjustments, Tesla will notify the Client, and both parties shall cooperate to effectuate the required modifications in a timely manner.
- 19.5. Tesla shall provide initial training to the Client's personnel on the basic operation and maintenance of the products. Tesla disclaims liability for operational errors subsequent to training. Advanced training is subject to additional agreements and fees.
- 19.6. Tesla reserves the right to evaluate and, if deemed necessary, propose additional training or support to ensure the Client's continued proficiency in using and maintaining Tesla's products.



## 20. CONTINUOUS IMPROVEMENT AND TECHNOLOGICAL ADVANCEMENTS

- 20.1. Tesla is dedicated to the ongoing enhancement of its products and services, ensuring Clients receive the benefits of the latest technological improvements and functional upgrades during the term of this Agreement.
- 20.2. Tesla shall endeavour to continuously refine and improve its offerings, aligning with industry advancements and innovative practices.
- 20.3. Any enhancements or upgrades to products or services will be carried out with minimal disruption to the Client's operations. Tesla will provide reasonable advance notice of such improvements, detailing their scope and implementation schedule.
- 20.4. Tesla reserves the right to integrate the latest technological advancements into its products or services post-agreement confirmation, provided that these updates do not materially deviate from the originally agreed-upon specifications or incur additional costs to the Client, unless mutually agreed upon in writing.
- 20.5. Tesla will periodically provide software updates remotely over the air to enhance functionality, improve performance, and ensure the highest level of security for its products. These updates are designed to optimize the Client's experience without requiring physical servicing, ensuring that Clients benefit from continuous product improvements seamlessly and with minimal interruption.

## 21. INSURANCE OBLIGATIONS

- 21.1. The Client shall secure and maintain, for the duration of this Agreement, comprehensive insurance policies that sufficiently cover liabilities, property damages, and other risks pertinent to the scope of this contract.
- 21.2. Insurance policies must encompass general liability, property damage, and any specific risks inherent to the contract's operations and deliverables.
- 21.3. The coverage limits shall adhere to the minimum thresholds prescribed by Tesla. Additionally, Tesla shall be named as an additional insured on all relevant policies, affording Tesla direct rights under the insurance.
- 21.4. Upon Tesla's request, the Client shall supply certificates of insurance or other proof of compliance with these insurance requirements. The Client is also obligated to promptly inform Tesla of any material alterations to the insurance coverage that might affect the contractual risk landscape.

## 22. CLIENT'S FINANCIAL SOLVENCY

- 22.1. In the interest of maintaining a robust contractual relationship, Tesla shall possess the discretionary authority to request, at intervals deemed appropriate, comprehensive financial disclosures from the Client. Such disclosures may encompass, but are not limited to, audited financial statements, balance sheets, and other pertinent documentation reflective of the Client's fiscal health.
- 22.2. In the event of an obvious adverse change in the Client's financial standing that could materially impact its ability to fulfil its contractual duties, Tesla reserves the unequivocal right to initiate discussions for the renegotiation of the Agreement's terms or, as a measure of last resort, to proceed towards a unilateral termination of the Agreement.



## 23. PUBLICITY, BRANDING & MARKETING

- 23.1. The Client must obtain Tesla's explicit written consent before using Tesla's name, trademarks, logos, or any other branding elements in publicity, marketing materials, or public communications. Tesla reserves the right to review and approve any of the Client's public communications involving Tesla's name, products, services, or the partnership to ensure consistency with Tesla's brand guidelines and public image.
- 23.2. Tesla is entitled to use any information, results, and data from the project for marketing, promotional, or informational purposes across all media and platforms without requiring additional approval from the Client. Tesla's use of project information will respect the confidentiality obligations outlined in this Agreement, ensuring no sensitive or proprietary information of the Client is disclosed without explicit consent.
- 23.3. Any unauthorized use of Tesla's branding by the Client or inappropriate disclosure of sensitive information by Tesla will be subject to corrective action and potential legal remedies to protect the respective party's interests and compliance with this Agreement.

## 24. EXPORT COMPLIANCE

- 24.1. The Client is required to obey strictly all relevant export control laws, regulations, and sanctions applicable in the jurisdictions in which they operate, particularly concerning the use, distribution, and sale of Tesla's technologies and products.
- 24.2. The Client must ensure that Tesla's products and technologies are not used, transferred, or sold, directly or indirectly, to countries, entities, or individuals subject to international sanctions or embargoes.
- 24.3. In the event of a breach by the Client of any export control laws or sanctions, Tesla reserves the right to immediately suspend or terminate the Agreement. Such a breach may also subject the Client to potential legal repercussions, including but not limited to penalties and fines as stipulated by the governing laws.
- 24.4. Any violation of export control laws and sanctions by the Client constitutes grounds for the immediate termination of this Agreement by Tesla, underscoring the importance of compliance in maintaining the contractual relationship.

## 25. QUALITY COMPLIANCE RIGHTS

- 25.1. The Client is obligated to uphold the quality standards specified by Tesla for all products and services procured. Tesla reserves the right to verify observance to these standards through periodic inspections or audits.
- 25.2. Tesla, or its designated representatives, are entitled to conduct audits or inspections at the Client's facilities to assess compliance with the agreed-upon quality standards, contractual obligations, and applicable regulations. These evaluations may include, but are not limited to, quality control processes and observance of legal, social, and ethical standards.
- 25.3. In addition to quality and contractual compliance, Tesla emphasizes the importance of social responsibility and ethical conduct. The Client must meet Tesla's standards in these areas, subject to Tesla's right to audit and enforce compliance.

## 26. THIRD-PARTY BENEFICIARY RIGHTS



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26.1. This contract acknowledges that certain provisions may bestow benefits upon, or extend rights to, third parties, including Tesla's affiliates or partners. These third-party beneficiaries are entitled to enforce the contract provisions that specifically confer such benefits or rights upon them.

## **27. INNOVATION & COLLABORATION**

27.1. The Client is encouraged to engage in joint research and development activities with Tesla, directed towards fostering innovation and enhancing the quality and performance of products and services. Such collaborative endeavours are aimed at mutual benefit and the advancement of technological frontiers.

27.2. Intellectual property generated from joint innovation efforts shall be governed by distinct agreements, explicitly delineating the ownership, usage rights, and any other pertinent intellectual property considerations, ensuring clarity and fairness in the allocation of rights and benefits.

27.3. Tesla is entitled to gather and analyse data from the operation of BESS to inform ongoing product enhancement and innovation. This data collection is integral to Tesla's commitment to continuous improvement and will be conducted in accordance with applicable privacy and data protection laws, ensuring the confidentiality and security of the Client's operational information.

## **28. RESPONSIBILITY FOR ACTIONS OF AFFILIATES AND SUBSIDIARIES**

28.1. The Client is obligated to exercise due oversight over its affiliates, subsidiaries, or any related entities to ensure their full compliance with the terms and conditions of this Agreement. This includes adherence to all contractual obligations, policies, and standards as set forth herein.

28.2. Should any affiliate or subsidiary of the Client contravene any provision of this Agreement, such violation shall be construed as a direct breach by the Client. The Client shall be held accountable and liable for any repercussions, liabilities, or damages arising from the non-compliance of its affiliates or subsidiaries.

## **29. ENVIRONMENTAL COMPLIANCE**

29.1. Throughout the duration of this agreement, the Client is obligated to observe the highest environmental standards and practices, as mandated by applicable laws and regulations, and in alignment with Tesla's environmental and sustainability policies. This commitment is fundamental to the contractual relationship and reflects a shared dedication to environmental stewardship and sustainable operations.

29.2. The Client must comply with all of Tesla's environmental and sustainability guidelines and practices, which may encompass, but are not limited to, the use of eco-friendly materials, waste reduction, energy efficiency, material recycling and the minimization of environmental impact in all operations related to this agreement.

29.3. The Client is encouraged to proactively integrate sustainability measures into their operations, going beyond mere compliance to embrace practices that contribute positively to environmental conservation and sustainability.





29.4. The Client must ensure full compliance with all relevant environmental laws, regulations, and standards, maintaining all necessary permits, licenses, and approvals required for their operations under this agreement.

### **30. OBSERVANCE OF ANTI-CORRUPTION LEGISLATION**

- 30.1. The Client is unequivocally required to adhere to all prevailing anti-corruption statutes and regulations relevant to their operations. This includes, but is not limited to, the Foreign Corrupt Practices Act (FCPA) of the United States, the UK Bribery Act, and applicable EU anti-corruption directives and regulations. The Client must ensure that all business dealings and operational practices under this Agreement comply with these legal standards.
- 30.2. Any violation of the aforementioned anti-corruption laws and regulations by the Client constitutes a material breach of this Agreement, warranting potential immediate termination by Tesla and possibly exposing the Client to legal actions and penalties under the violated laws.
- 30.3. This clause mandates strict compliance with anti-corruption laws to uphold the integrity of all business activities related to this Agreement, with Tesla reserving the right to enforce this compliance and address any breaches in accordance with the contract and relevant legal frameworks.

### **31. ETHICAL PRACTICES, SAFETY STANDARDS, AND SUSTAINABLE DEVELOPMENT**

- 31.1. The Client is expected to maintain high standards of ethical behaviour and social responsibility in all business interactions, ensuring compliance with fair labour practices, human rights, and actions that uphold Tesla's reputation and core values.
- 31.2. The Client must follow health and safety standards, particularly those applicable to Tesla's products or services, and commit to continual improvement of safety practices. Tesla retains the authority to review and endorse the Client's health and safety protocols.
- 31.3. The Client shall establish a crisis management framework to address emergencies related to Tesla's products or services efficiently, including a clear communication strategy to ensure coordinated response efforts.
- 31.4. Operations and utilization of Tesla's offerings by the Client should contribute to global sustainability objectives, encompassing environmental, social, and economic dimensions. Tesla is committed to providing support and guidance to facilitate the Client's alignment with these sustainable development goals.

### **32. WARRANTY. EXTENDED WARRANTY AND SERVICE PROVISIONS**

- 32.1. The standard warranty applicable to Tesla's products, including specific terms, conditions, and exclusions, will be detailed in the STC annexes, integral part to this Agreement. Clients are encouraged to review this document to understand the warranty coverage fully, limitations, and the process for claiming warranty services.
- 32.2. Tesla informs the Client of the opportunity to procure extended warranties and service agreements, designed to provide enhanced support, maintenance, and service continuity beyond the scope of standard contractual warranties.



- 32.3. The engagement in extended warranty and service provisions shall be formalized through distinct agreements, created to address the specific needs and expectations of the Client. These agreements will outline the scope, terms, and conditions of the extended services, ensuring clarity and mutual understanding.
- 32.4. The provision of extended warranties and service agreements shall be subject to additional fees, proportionate with the level of extended support and services rendered. The fee structure, along with payment terms, will be explicitly outlined in the respective agreements.
- 32.5. These extended service provisions are supplementary to, and shall be interpreted in conjunction with, the General Terms and Conditions governing the primary contractual relationship between Tesla and the Client. Where applicable, references to relevant TG\_GTC provisions will be made to ensure coherence and consistency across contractual documents.

### **33. OPERATIONAL OBLIGATIONS AND LIABILITY FRAMEWORK**

- 33.1. The Client acknowledges that Tesla has furnished indicative performance metrics for the BESS predicated upon ideal operational conditions. Tesla shall not bear liability for any deviations under variant conditions. It shall be incumbent upon the Client to notify Tesla forthwith of any discrepancies in performance metrics, with Tesla retaining sole discretion over the determination and implementation of any corrective measures.
- 33.2. The Client shall undertake to prepare the installation site in strict conformity with the guidelines prescribed by Tesla. The Client shall bear all costs and liabilities arising from any failure to adequately prepare the site as stipulated. Tesla delineates the procedural framework for the BESS's installation and commissioning, which the Client is obliged to follow diligently.
- 33.3. The provision of maintenance and service support for the BESS shall be subject to a separate service & maintenance agreement, defining the scope and terms of such support. Tesla shall be absolved of maintenance obligations in instances where damage or malfunction is attributable to improper handling by the Client or unauthorized intervention by third parties.
- 33.4. The Client is tasked with adhering to Tesla's guidance on the end-of-life management of the BESS, including disposal, recycling, or refurbishment, with all associated costs to be borne by the Client. Tesla disclaims any liability for the BESS's end-of-life management absent an explicit contractual obligation to the contrary.
- 33.5. The Client recognizes that the specified energy output and storage capacity of the BESS are estimations under standardized conditions and agrees that Tesla shall not be liable for any discrepancies arising due to external factors.
- 33.6. The Client is responsible for ensuring the compatibility of their existing infrastructure with the BESS. Tesla provides advisory support on integration but is not liable for issues stemming from the Client's infrastructural deficiencies.
- 33.7. Software and control systems integral to the BESS are licensed to the Client subject to strict usage terms outlined in the agreement, prohibiting unauthorized use, replication, or modification. Tesla reserves the right to provide software updates and support at its discretion, potentially subject to additional fees.
- 33.8. The Client shall ensure that the operation of the BESS is in compliance with all relevant energy regulations and standards, with Tesla bearing no responsibility for obtaining regulatory consents or approvals on the Client's behalf.



33.9. Risk associated with the transportation and installation of the BESS shall transfer to the Client upon dispatch from Tesla's facilities, necessitating appropriate insurance coverage by the Client.

### **34. FORCE MAJEURE**

- 34.1. Force Majeure events are those beyond the reasonable control of Tesla, potentially impeding its ability to fulfil contractual duties. Such events include, but are not limited to, natural disasters, war, terrorist acts, significant regulatory changes, pandemics, labour disputes, supply chain disruptions, and political unrest. Tesla reserves the prerogative to declare the occurrence of a force majeure event, subject to the provision of prompt notification to the Client.
- 34.2. Upon the declaration of a force majeure event, Tesla may, at its discretion, suspend or modify its performance obligations under the Agreement, absolving itself of liability for any resultant non-performance or delays. Both parties commit to employing best efforts to mitigate the adverse effects of force majeure events, endeavouring to minimize disruptions and facilitate the earliest possible resumption of normal contractual operations.
- 34.3. Events not constituting force majeure include economic downturns, internal labour disputes within Tesla, and the Client's financial challenges. Such occurrences shall not serve as valid grounds for the invocation of force majeure provisions by either party. The parties acknowledge that these excluded events shall be managed through their respective risk management and contingency planning mechanisms, maintaining the continuity of contractual obligations.
- 34.4. The scope of force majeure is expressly broadened to encapsulate events such as significant regulatory shifts, pandemics, strikes, and political disturbances, acknowledging their potential impact on contractual fulfilment. In the face of such expanded force majeure circumstances, Tesla retains the right to adapt its contractual commitments accordingly, ensuring responsiveness to evolving external challenges.

### **35. RESTRICTION ON ASSIGNMENT AND DELEGATION**

- 35.1. The Client shall not assign, transfer, delegate, or otherwise dispose of any of its rights, interests, or obligations under this Agreement without the express prior written consent of Tesla, which consent shall not be unreasonably withheld or delayed.
- 35.2. Requests for consent to assignment must be made in writing and include detailed information about the proposed assignee, the nature of the assignment, and assurances of the assignee's capability and intention to fulfil the obligations under the Agreement.
- 35.3. Any attempt to assign, delegate, or transfer any of the Client's rights or obligations under this Agreement without Tesla's requisite prior written consent shall be null and void ab initio and shall confer no rights upon any purported assignee or delegate.
- 35.4. The occurrence of an unauthorized assignment may constitute a material breach of this Agreement, affording Tesla the right to consider the Agreement terminated in its entirety and to pursue any remedies available under the law or equity.
- 35.5. In the event Tesla subsequently grants approval to any previously unauthorized assignment, such approval shall regularize the assignment from the date of such approval, without retroactive legitimization of any breach occasioned by the initial unauthorized assignment.



## 36. CONTRACTUAL MODIFICATIONS AND TECHNOLOGICAL EVOLUTION

- 36.1. Tesla maintains the unequivocal right to unilaterally modify the TG\_GTC or any specific contractual agreements to ensure alignment with prevailing legal requirements, regulatory standards, or to reflect changes in Tesla's internal policy directives.
- 36.2. Any modifications to the TG\_GTC or contractual agreements will be communicated to the Client in writing. Tesla will provide comprehensive details of the changes, including the rationale for the amendments and their anticipated impact on the contractual relationship.
- 36.3. Modifications will take effect immediately upon dispatch of the notification to the Client, ensuring timely compliance with the relevant legal and regulatory requirements.
- 36.4. The Client will be granted a specified review period from the date of notification, during which the Client may review and assess the implications of the proposed modifications. The standard review period will be ten (10) calendar days, unless a different duration is mandated by law or agreed upon in the contract.
- 36.5. Within the review period, the Client may:
  - a) Accept the modifications by providing written confirmation to Tesla, or
  - b) Opt-out of the Agreement, by unilateral termination, effective after settling full outstanding of the amounts due to Tesla.
- 36.6. Following the review period, if the Client has not contested the modifications, the modifications will be deemed accepted and will form part of the contractual terms, binding upon both parties.
- 36.7. Oral agreements or informal exchanges shall not be deemed to effectuate any amendments or waivers to these terms.
- 36.8. Tesla is conferred with the exclusive authority to issue change orders or propose modifications pertaining to the scope of work, delivery specifications, or other fundamental aspects of the contractual engagement related to technology changes.
- 36.9. The Client is required to comply with and facilitate the implementation of such changes, with an understanding that adjustments to costs, timelines, or other relevant parameters will be judiciously determined by Tesla and communicated accordingly.
- 36.10. In the event that any change order or modification materially affects the cost basis or delivery schedule, both parties shall engage in discussions to arrive at equitable adjustments to reflect the impact of such changes.

## 37. COMMUNICATION OF FORMAL NOTICES

- 37.1. Formal notices required or permitted under the terms of these TG\_GTC shall be conveyed to Tesla exclusively through certified mail or via a reputable courier service, directed to Tesla's predetermined legal correspondence address.
- 37.2. A notice shall be deemed duly received upon the date of actual receipt, as substantiated by a delivery receipt, courier confirmation, or any comparable form of reliable acknowledgment indicating the successful delivery of the notice to Tesla.
- 37.3. The acknowledgment of receipt serves as incontrovertible evidence of the notice's effective communication, establishing the commencement of any time periods or obligations triggered by such notice.

## 38. ENTIRETY OF AGREEMENT AND SUPERSESSION



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- 38.1. The entirety of the agreement between Tesla and the Client is encapsulated within these TG\_GTC and any appended specific contractual agreements, collectively constituting the sole and complete agreement that governs the parties' relationship.
- 38.2. This consolidation serves to provide a singular reference point for the rights, obligations, and understandings between the parties.
- 38.3. This Agreement unequivocally supersedes, nullifies, and renders void ab initio all previous understandings, communications, agreements, and representations between the parties, whether they were conducted orally or documented in writing.
- 38.4. The intent of this clause is to eliminate ambiguity and prevent reliance on any prior informal or formal exchanges that fall outside the scope of this documented Agreement.
- 38.5. The Client expressly acknowledges that their consent to enter into this Agreement is not predicated on any representation, promise, assurance, or warranty that is not explicitly articulated within the confines of this Agreement.

### **39. SEVERABILITY AND PRESERVATION OF AGREEMENT**

- 39.1. Should any provision within these TG\_GTC be rendered invalid, illegal, or unenforceable in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining provisions herein, which shall remain in full force and effect.
- 39.2. The invalidity or unenforceability of a specific provision shall be confined to the jurisdiction in which it is deemed so, without prejudicing the validity or enforceability of such provision in any other jurisdiction.
- 39.3. In the instance of a provision being found unenforceable, such provision shall be reformed and modified to the minimum extent necessary to render it valid, legal, and enforceable, adhering as closely as possible to the original intentions and economic objectives of the parties as expressed within these TG\_GTC.
- 39.4. The parties hereby commit to engaging in good faith negotiations to agree upon such modifications, ensuring that the reformed provision aligns with the overarching framework and purpose of the Agreement.

### **40. DIGITAL COMMUNICATION, EXECUTION, AND COUNTERPARTS**

- 40.1. The Parties affirm that electronic or digital communications, documents, and signatures shall be deemed as legitimate and binding for all intents and purposes related to contract negotiations, execution, and subsequent management, equating their legal efficacy to that of traditional paper-based methods.
- 40.2. This endorsement of electronic modalities underscores the Parties' commitment to leveraging technology for efficient contract management and operational agility.
- 40.3. This Agreement may be executed in several counterparts, with each counterpart being considered an original document, yet collectively, they constitute a single unified agreement.
- 40.4. The acceptance of electronic or digital signatures on these counterparts is hereby recognized as legally binding and equivalent to hand-written signatures, underscoring the Parties' embrace of digital facilitation for contract execution.



## 41. GOVERNING LAW AND JURISDICTION

- 41.1. The Agreement, including all its terms, conditions, and provisions, shall be exclusively governed by and construed in accordance with the laws of the Czech Republic, without regard to its conflict of law principles.
- 41.2. This stipulation affirms the Parties' mutual preference for the Czech legal system as the basis for legal interpretation and contract governance, providing clarity and predictability in the application of legal principles.
- 41.3. The Parties irrevocably agree to submit to the exclusive jurisdiction of the courts located within the Czech Republic for the resolution of any disputes, claims, or controversies arising out of or in connection with this Agreement or the breach thereof.
- 41.4. This clause specifies the agreed legal venue for all judicial proceedings related to the Agreement, ensuring that any legal actions or dispute resolution processes are conducted within a predefined and mutually accepted jurisdiction.

