



## GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS BY SOR

Rev.1/ 2023

### I. DEFINITIONS

1.1. The following terms written in capital letters in these General Terms and Conditions of SOR Libchavy spol. s r.o. have the following meanings:

- "SOR" – means SOR Libchavy spol. s r.o., with its registered office at Dolní Libchavy 48, 561 16 Libchavy, Company ID No.: 15030865, registered in the Commercial Register at the Regional Court in Hradec Králové, Section C, File 1194.
  - "GTC" means these General Terms and Conditions of SOR;
  - "Contract" means any contract for the sale or delivery of Goods concluded by SOR as the buyer or recipient, regardless of the form or procedure of concluding the Contract. In the case of innominate contracts containing an element of sale or delivery, the GTC apply to that part of the rights and obligations of SOR and the supplier which corresponds to the rights and obligations of the parties to the contract of sale or delivery;
  - "Order" means an offer or other proposal to conclude a Contract made by SOR to the Supplier in any form;
  - "Price" means the sale or purchase price in the Contract;
  - "Supplier" means the seller or supplier under the Contract;
  - "Parties" means SOR and the Supplier jointly, while "Party" means SOR or the Supplier;
  - "Goods" means movable property that is the subject of sale or delivery under the Contract, and spare parts for it;
  - "Defect" means any non-conformity of the Goods with the Contract, these GTC and the Supplier's declaration;
  - "Notification of delivery date" means notification of the readiness of the Goods for release, provided by the Supplier to SOR prior to the agreed date of release of the Goods (in writing, by e-mail), containing at least the following information:
    - (i) the detailed address and time of collection of the Goods;
    - (ii) the first and last name and telephone number of the person authorised to release the Goods; and
    - (iii) the dimensions of the Goods packaging (length x width x height; weight; number of pallets, packages or other logistics units).
  - In these GTC, the term "Civil Code" refers to Act No. 89/2012 Coll., the Civil Code, as amended.
  - "Damage" means any property damage or non-property damage, including lost profits, on the part of SOR or its customers.
- 1.2. Other terms are defined below in capital letters, in brackets, in quotation marks or in bold. Terms defined in this way in any provision of the GTC shall be interpreted in accordance with the context of the sentence in which they are defined.

### II. INTRODUCTORY PROVISIONS

- 2.1. These GTC regulate, in accordance with Section 1751(1) of the Civil Code, the mutual rights and obligations of the Parties arising from or in connection with each Contract concluded between SOR and the Supplier and are published on the SOR website [www.sor.cz](http://www.sor.cz). These GTC are considered an integral part of all Contracts concluded between SOR within the scope of its business activities, starting from the moment when the Contract is concluded between the parties.
- 2.2. All provisions of the Contract agreed individually between the Parties shall take precedence over any differing provisions of the GTC. Any deviations from these GTC must be agreed in writing in the Contract or stated in a written order.



### III. ORDERS

- 3.1. SOR is entitled to place orders in any written form, including by e-mail. Orders cannot be placed verbally or by telephone. As a rule, an order contains at least the quantity and assortment of the ordered Goods, the price and the required delivery date. This provision does not affect the possibility of concluding a contract in accordance with Article 3.3. of these GTC.
- 3.2. The Supplier is obliged to confirm or reject the Order in writing within 2 working days of its delivery.
- 3.3. If the Supplier does not reject or accept the Order by express written statement within 2 working days of its delivery, the Contract shall be deemed to have been concluded on the last day of this period.
- 3.4. Upon receipt of the Order confirmation by SOR or upon expiry of the period specified in Article 3.3, the Contract shall be concluded between the Contracting Parties under the terms and conditions specified in the Order. The Supplier shall not be entitled to confirm the Order subject to changes. If the Supplier declares that it confirms the Order with changes, it shall be deemed that the Supplier:
- (a) has rejected the Order; and at the same time
  - (b) made an offer to SOR to conclude the Contract under the terms and conditions communicated in the Supplier's statement, valid and irrevocable for a period of 5 working days. However, based on such an offer by the Supplier, the Contract shall only be concluded upon express written acceptance by SOR.
- 3.5. Unless otherwise specified in the Contract, SOR shall be entitled to withdraw from the Contract in whole or in part, in accordance with the legal regulations of the Czech Republic and also at any time prior to delivery of the Goods, even without giving a reason, in which case SOR shall be obliged to reimburse the Supplier for the maximum amount of costs demonstrably and effectively incurred by the Supplier in connection with the performance of the Contract, up to the maximum amount of the Price specified in the cancelled Contract. The Supplier is obliged to send SOR a written calculation of the costs according to the first sentence of this provision, together with documents proving the incurrance of these costs, within 14 days from the date on which the notice of withdrawal was delivered to the Supplier, otherwise the Supplier waives its right under this provision of the GTC. Within this period, SOR is also entitled to withdraw from the withdrawal from the contract by express notification without any restrictions or penalties. SOR is also entitled to withdraw from the Contract in the event of any breach of this Contract by the Supplier (e.g. failure to meet the delivery date of the Goods, delivery of Goods with defects or in a condition that does not correspond to the specifications according to the Contract). SOR is entitled to exercise its right to withdraw from the Contract at any time during the limitation period for its exercise.
- 3.6. All items handed over to the Supplier for the purpose of fulfilling the Supplier's obligations under the GTC, the Contract or the Order (in particular documentation, returnable packaging, production elements) remain the property of SOR, unless the Parties expressly agree otherwise.

### IV. Delivery of goods, quantity and quality defects

- 4.1. The place of delivery of the Goods is the registered office of SOR, unless another place is specified in the Contract or Order.
- 4.2. Acceptance of the Goods is completed and confirmed by an acceptance document – an acceptance protocol confirmed by SOR. SOR reserves the right to have the Goods technically inspected by authorised representatives of SOR at the premises of SOR prior to the qualitative and quantitative acceptance of the Goods, unless another place is specified in the Contract or Order.
- 4.3. The Supplier is obliged **to notify SOR of the delivery date of the Goods** (in the case of deliveries to the SOR warehouse in Libchavy) at least **1 working day** before the planned delivery. The delivery date must respect the working hours during which the Goods can be received (see Article 4.10. of the GTC). If the place of delivery of the Goods is outside the SOR premises in Libchavy, the Supplier is obliged to notify SOR of the delivery date of the Goods at least **3 working days** before the planned delivery.
- 4.4. If the Supplier fails to notify the delivery date in a timely manner and in the manner agreed in this contract and/or there is a delay in the delivery of goods, SOR is entitled to take all steps at its discretion to minimise damage, in particular, but not limited to, shutting down the production line directly or indirectly supplied with the Goods (hereinafter referred to as the Line).



- 4.5 In the event of a delay in the delivery of the Goods by the Supplier, the Supplier is obliged to inform SOR of this fact no later than 24 hours from the moment when the Supplier discovered this fact or could have discovered it with the exercise of professional care. If the Supplier fails to notify SOR of this fact within the above-mentioned period, the Supplier shall be obliged to pay SOR, at its request, a contractual penalty of 0.05% of the value of the Goods not delivered properly for each day of delay.
- 4.6 The Supplier is obliged to attach a delivery note to each delivery. Each delivery note must contain the identification number of the SOR order on the basis of which the Goods were delivered. The delivery note must clearly describe the contents of the delivery and also contain the following information:
- in the case of a delivery due to a complaint, the note: "delivery due to a complaint".
  - in the case of a delivery for processing, the note: "delivery within the framework of cooperation";
  - SOR internal material indexes;
  - name of the delivered Goods;
  - quantity of Goods delivered together with the unit of measure;
  - production batch number (if relevant);
  - date of manufacture (if relevant);
  - drawing number according to which the Goods were manufactured (if relevant);
  - designation of the type and weight of the packaging in which the Goods are delivered;
  - returnable packaging index (if relevant).
- 4.7. The Supplier is obliged to deliver the Goods to SOR together with all related documents and to enable SOR to acquire full ownership of the Goods in accordance with the Contract.
- 4.8. The Supplier is obliged to deliver the Goods to SOR in the agreed quantity, measure, weight, quality and design, in excellent quality and suitable for the purpose for which the Goods are intended. The Goods must be manufactured and delivered in accordance with all relevant standards and regulations and must be freely admitted for sale and use in all EU countries. The Goods must have the characteristics described in the Order or which SOR reasonably expects given the nature of the Goods. Any defects and/or deviations from the Order shall be borne by the Supplier, and SOR shall be entitled to reject such Goods at any time or request their replacement. If the quality and design of the Goods are not agreed, the Supplier shall be obliged to deliver Goods of the highest quality and design and suitable for the purpose customary for the Goods in question.
- 4.9. The Supplier is obliged to always equip the Goods with currently valid documents (instructions for use, warnings, etc.), labels, markings, etc., so that SOR is entitled to dispose of the Goods as the owner without further ado. The Supplier is obliged to have available all approvals, certificates, inspection certificates, documentation specifying the conditions for repairs and maintenance, catalogues of valid time standards for repairs and operation, certificates of approval or other documents relating to the Goods covered by the Contract, such as, in particular: technical and development documentation, operating instructions, assembly manuals and spare parts catalogues in at least one of the following languages: Czech or English, in paper or electronic form (hereinafter referred to as **"Documentation"**). The Goods must be packaged at the Supplier's expense in accordance with the applicable regulations and conditions of SOR for packaging (e.g. marked with the relevant symbols, warning notes, a label with an EAN128 barcode containing information about the SOR material number) and in a manner that prevents damage during transport and storage, as well as in a manner that ensures smooth unloading, which is carried out by one SOR employee using a forklift, if possible. The packaging of the Goods must ensure smooth quantitative and qualitative inspection of the delivery, carried out on the premises of SOR. The Supplier is obliged to deliver the Goods in logistics units specified by SOR and during working hours valid in the relevant organisational unit of SOR where the Goods are to be delivered. The Supplier further guarantees to SOR that the Goods will comply with all norms and standards applicable to the manufacture, sale or use of the Goods that can be expected with regard to the type and quality of the Goods.
- 4.10. Goods are received at SOR's warehouses on working days, Monday to Friday, at Dolní Libchavy 48, 561 16 Libchavy, from 6:00 a.m. to 2:30 p.m. for shipments of more than 6 Euro pallets. Deliveries without a delivery date notification will be unloaded in the order in which Suppliers are waiting for unloading, and deliveries with a notification will be unloaded in accordance with the unloading time slot allocated by SOR when the delivery date was notified.
- 4.11. Unless otherwise specified in the delivery terms agreed upon by the contracting parties (INCOTERMS) and unless the contracting parties stipulate otherwise in the Contract:
- (a) The Supplier shall give Notice of Delivery Date (see Article 4.3).
  - (b) The Supplier shall transport the Goods to the place of delivery at its own expense.
  - (c) The Supplier shall load and unload the Goods at its own expense,
  - (d) Ownership of the Goods and the risk of accidental loss, destruction or damage to the Goods shall pass to SOR upon acceptance by SOR under the terms and conditions set out in these GTC.



- 4.12. The Contracting Parties may, by mutual agreement, stipulate delivery terms that differ from the provisions of the Contract, or 4.11., in particular, they may decide that SOR will take delivery of the Goods from the Supplier and pay the costs of transporting the Goods. In such a case, in addition to other obligations, the Supplier is obliged to inform the relevant SOR contact person of the readiness to release the Goods at least 3 working days before the planned time when the Goods are to be ready for collection and to prepare the Goods for handover and transport.
- 4.13. By concluding the Contract, the Supplier undertakes to ensure the availability of the Goods to the extent specified below for a period of at least 10 years from the date of the last delivery. If the Supplier ceases to manufacture the Goods, the Supplier is obliged to provide SOR with all necessary documentation, forms or other materials enabling the manufacture of the Goods, or to ensure the availability of compatible replacement Goods whose quality is not inferior to the quality of the Goods ordered by SOR. If the Supplier plans to terminate the production of the delivered Goods, it shall be obliged to notify SOR immediately, if objectively possible at least 12 months in advance. In such a case, the Supplier is obliged to actively cooperate with SOR in order to eliminate possible problems, request instructions for further deliveries so that SOR has the opportunity to create a stock of Goods corresponding to at least the volume of SOR's orders for a period of 6 months of production.
- 4.14. At the request of SOR and within the deadlines set by SOR, notified at least 5 days in advance, the Supplier is obliged to provide relevant training related to the operation, assembly and servicing of the Goods. Unless otherwise specified by , the Supplier shall be obliged to conduct such training within 14 days of the date of delivery of the first shipment of Goods. The costs of training are included in the purchase price of the Goods.
- 4.15. Regardless of other circumstances, the Supplier guarantees the quality of the delivered Goods in accordance with the sample approved by both contracting parties, and/or in accordance with the agreed technical conditions, and if these do not exist, then in accordance with generally binding regulations and recommended technical standards. The Supplier guarantees that the materials used to manufacture the Goods are in accordance with the legal regulations applicable in the Czech Republic, the relevant technical standards, or the agreed technical conditions or reference samples.
- 4.16. The Supplier guarantees that environmentally friendly raw materials are used in production and that the applicable legal standards for environmental protection, occupational safety, fundamental human rights and the prohibition of child labour are observed.
- 4.17. When delivering the Goods, the Supplier undertakes to deliver the Goods in technically suitable vehicles. Otherwise, it shall bear full responsibility for eliminating any negative impacts on the environment (fuel leaks, environmental hazards, etc.).
- 4.18. Regardless of the place of delivery, the Supplier is always obliged to provide the Goods with packaging that ensures adequate protection of the Goods against damage, while allowing them to be handled using standard handling equipment. If the Supplier is a manufacturer of packaging or packaging materials, it is obliged to provide SOR with written information on whether it meets the conditions for placing the packaging on the market.
- 4.19. For the purpose of checking the quality of the delivered Goods and compliance with environmental protection rules, a representative of SOR is entitled, after prior notification, to enter the Supplier's production premises, including the possibility of conducting a quality management system audit.

## V. Defects in Goods

- 5.1 Upon receipt of the Goods, SOR is entitled (but not obliged) to inspect the Goods. The Supplier acknowledges that SOR is not able to fully check the quality or specific quantity of the delivered Goods upon receipt. If the delivered Goods do not correspond to the confirmed order, i.e. in particular if different Goods or a different quantity are delivered, or if the Goods or their packaging have any defects, SOR is entitled to refuse to accept the Goods.
- 5.2 If, at any time after delivery of the Goods, a defect in the Goods becomes apparent, whether obvious or hidden, SOR is entitled to report the defect in the manner specified below. SOR is entitled to report defects in the Goods at any time during the warranty period ("**Complaint Notice**"):   
  
    (a) deficiencies in the quantity of goods,  
    (b) defects other than those specified in point (a)
- 5.3. The Supplier is obliged to confirm receipt of the Complaint Notification within 24 hours of receipt and to take steps to resolve it. The Supplier is obliged to notify whether it accepts the complaint or not within 3 days of delivery of the Complaint Notification. Otherwise, the Supplier shall be deemed to have accepted the complaint.
- 5.4 If the Supplier who received the Complaint Notice from SOR did not respond to it within 3 days, it shall be deemed that the Supplier found the complaint justified.



- 5.5 In the event of a shortage in the quantity of Goods, SOR shall be entitled, at its own discretion, to:
- (a) refuse to accept all Goods, in which case the Supplier shall be obliged to arrange for their return and refund the purchase price or advance payment, without the possibility of offsetting mutual claims,
  - (b) withdraw from the Contract in the part concerning the missing Goods, or
  - (c) demand delivery of the missing Goods within 1 day of the date of delivery of the Notice of Complaint, without prejudice to SOR's rights arising from the Supplier's delay.
- 5.6 In the event of a defect in the Goods other than a quantity defect, SOR shall be entitled, at its own discretion, to exercise any of the following rights against the Supplier:
- (a) refuse to accept all Goods and withdraw from the Contract,
  - (b) withdraw from the Contract in the part covering the defective Goods,
  - (c) demand replacement of the Goods with new, defect-free Goods within 1 day of delivery of the Complaint Notice, without prejudice to SOR's rights arising from the Supplier's delay, or
  - (d) demand repair of the Goods within 7 days of delivery of the Complaint Notice, without prejudice to SOR's rights arising from the Supplier's delay.
  - (e) demand a reasonable discount on the purchase price of the defective Goods up to 100% of the purchase price of the defective Goods.
- 5.7 In order to remove defects in the Goods or replace them with Goods without defects, the Supplier is obliged, at SOR's request, to arrange for the removal of the defective Goods and the delivery of new Goods without defects at its own expense. The costs of returning the defective Goods, as well as the costs of delivery of the repaired and/or new defect-free, and all other related costs (in particular for assembly and disassembly) shall be borne by the Supplier.
- 5.8 For all Goods to be released to SOR after repair, replacement with new Goods or replenishment of quantity shortages, SOR shall perform a repeat acceptance inspection and may again exercise its rights arising from liability for defects.

## **VI. Purchase price and payment terms**

- 6.1 The prices of the Goods are specified in the Orders. Prices do not include VAT, which will be added in accordance with applicable regulations.
- 6.2 If the Contracting Parties agree to convert the Prices of Goods stated in a foreign currency into Czech korunas, the Contracting Parties undertake to use the average exchange rate of the Czech National Bank from the day preceding the date of issue of the invoice.
- 6.3 SOR is obliged to pay the Price for properly delivered Goods after their acceptance within the agreed period.
- 6.4 The Supplier is obliged to issue an invoice with VAT to SOR within 7 days of taking delivery of the Goods, provided that the due date for payment of the price stated on the invoice is not less than 15 days after delivery of the invoice. Unless the Parties agree otherwise, payment of the Price shall be made by bank transfer to the Supplier's bank account specified in the invoice within the period specified in the Contract or Order, calculated from the date of delivery of a duly issued invoice with the requisites of an accounting and tax document.
- 6.5 Complaints about defects shall suspend the maturity of the invoice for the defective Goods until the complaint has been finally resolved.
- 6.6 If the Supplier is a VAT payer, it is obliged to fulfil its obligation to notify its tax administrator of the numbers of its bank accounts used for economic activity and undertakes to state on invoices – tax documents issued for the performance provided by it under the Contract to always state for payments only those account numbers that have been notified to the relevant tax administrator and published by it in a database allowing remote access.
- 6.7 If the Supplier specifies an account for payment or part thereof that does not match its account currently published by its tax administrator in a manner that allows remote access, or if it is published as an unreliable payer in the manner prescribed by the VAT Act, SOR shall have the right to choose between (a) returning the relevant invoice for correction, or (b) withholding value added tax from each invoiced payment for the taxable supply provided and paying it (without being requested to do so) to the relevant tax administrator on behalf of the Supplier. In this case, the payment of value added tax to the relevant tax administrator shall be considered as payment for the taxable supply to the seller without the relevant value added tax as proper payment under the Contract.
- 6.8 If at any time during the term of this Agreement it becomes apparent that the Supplier has not notified its tax administrator of the bank account numbers used for economic activity or that it states account numbers in its invoices





other than those notified and published by the tax administrator, SOR shall be entitled to proceed as described above and to terminate the Agreement with immediate effect.

## VII. Quality of Goods

- 7.1. By concluding the Contract, the Supplier undertakes to always proceed with professional care in the performance of the Contract, to act in such a way as to prevent damage to SOR, to ensure that the Goods are new, of high quality and free from any legal and physical defects, and that no circumstances arise that reduce the value or utility of the Goods in relation to their intended use or purpose of purchase. Unless otherwise indicated by the purpose of use of the Goods, or unless the Contracting Parties have agreed otherwise, it is assumed that the purpose of the purchase of the Goods by SOR is their use in the manufacture, operation, servicing or repair of vehicles used, as a rule, for public transport, including its incorporation into the construction of vehicles as a vehicle construction element or spare part.
- 7.2. If, prior to placing the Order or in connection with it, SOR has submitted to the Supplier or referred to any standards, specifications, designs, samples or similarly specified properties or quality of the Goods required by SOR (hereinafter referred to as the "**Specifications**") or the Supplier has submitted to SOR or referred to the Specifications of the Goods prior to or in connection with the Order, by concluding the Contract, the Supplier has assumed the obligation that the Goods will comply with the Specifications. In the event of a dispute as to which Specifications are binding and valid for determining the quality of the Goods, it shall be deemed that the Goods must comply with those Specifications which result in higher quality, utility value or value of the Goods.
- 7.3. The Supplier is responsible for having all necessary documents, confirmations and declarations required for handling the Goods, including a declaration of conformity pursuant to Act No. 22/1997 Coll., on technical requirements for products, as amended, if its issuance is required under this Act, or other documents required by generally binding legal regulations. Upon request, the Supplier is obliged to send the above-mentioned documentation to SOR within 2 working days of receiving the request from SOR. The Supplier is responsible for any damage incurred by SOR in connection with the absence of the necessary documents and/or declarations of conformity.

## VIII. Warranty

- 8.1 The Supplier provides a quality guarantee for the delivered Goods for a period of at least 24 months from the date of first registration of the vehicle in which the Goods were installed (hereinafter referred to as the "**Warranty Period**"), but at least 36 months from the date of proper delivery of the Goods, whichever period expires later.
- 8.2 Under the warranty, the Supplier undertakes, at SOR's discretion, in particular to remove defects in the Goods by repair or replace the Goods with faultless Goods, or provide SOR with a reasonable discount, as set out in Article V of these GTC, if such defects occur during the Warranty Period. The provisions of Article V shall apply mutatis mutandis to liability for defects under the warranty. If the Supplier fails to remedy the reported defect in the Goods in a timely manner, or within the period specified by SOR, SOR shall also be entitled, at its discretion, to repair the Goods itself, in which case the Supplier shall be obliged to reimburse SOR for all costs incurred by SOR in connection with the removal of the defect.
- 8.3 The warranty period for the Goods shall be extended without further notice by the period from the delivery of the Complaint Notice to the moment of settlement of the complaint. If, in the course of fulfilling its obligations arising from liability for defects, the Supplier has delivered Goods without defects instead of Goods with defects or has repaired Goods covered by the Warranty, the Warranty Period shall run again from the moment of delivery of the Goods without defects or return of the repaired Goods.
- 8.4 The Supplier is obliged to confirm receipt of the Complaint Notification within 24 hours of its receipt and to take steps to resolve it. The Supplier is obliged to notify the Customer within 3 days of the date of delivery of the Complaint Notification whether it accepts the complaint or not. Otherwise, the Supplier shall be deemed to have accepted the complaint. The Supplier shall be obliged to pay all costs incurred by SOR in connection with the removal of the defect and the handling of the complaint.
- 8.5 The Supplier is obliged to fulfil its warranty obligations and obligations arising from liability for the quality of the Goods regardless of its opinion on the validity of the complaint. If the Supplier rejects the complaint as unfounded, it is obliged to submit a written justification of its opinion within 7 days of receiving the complaint. If the Supplier considers the complaint to be unjustified, SOR has the right, after receiving the Supplier's written justification, to submit a written objection stating the extent to which it considers the complaint to be justified or the Supplier's opinion to be unjustified or unauthorised. The Supplier is obliged to either accept or reject SOR's objection within 3 days of receiving it. If the



- objection is rejected, the Supplier shall justify its position in writing. If the Supplier does not respond to SOR's objection within the above-mentioned period, the objection shall be deemed justified. If no agreement is reached between the Parties, either Party shall be entitled to refer the matter to the competent court.
- 8.6 If more than 20% of deliveries of the same type of Goods (or at least two items of Goods) ordered within one calendar year are justifiably complained about, all deliveries of such type of goods shall be deemed to suffer from a Mass Defect (hereinafter referred to as "**Mass Defect**") and in such a case, SOR shall have, in addition to all its other rights, the right to demand from the Supplier, free of charge, the delivery of new Goods for all deliveries affected by the Mass Defect and compensation for all damage incurred during the lifetime of the Goods.
- 8.7. In the event of a Mass Defect, the Supplier is obliged to take all necessary steps to determine the cause of the Mass Defect within 24 hours of receiving notification from SOR of the occurrence of the Mass Defect and to provide SOR with a detailed written opinion on whether it is a Mass Defect within 7 days of such notification at the latest. The method of remedying a Mass Defect shall always be to replace all Goods delivered under a specific Contract with Goods without defects in accordance with a schedule approved by SOR with the aim of remedying the Mass Defect as quickly, effectively and permanently as possible so that it cannot occur in the future. The costs of remedying the Mass Defect shall be borne by the Supplier.
- 8.8. If the Parties expressly agree in writing that a specific Mass Defect can only be attributed to individual, identifiable items of Goods, or that the Mass Defect can be remedied by repair, the work schedule may include the repair or replacement of individual items of Goods. In all other cases, the work schedule must include the repair or replacement of all Goods of the given type.
- 8.9. The Supplier is obliged to remove the Mass Defect in the manner described above in accordance with the schedule approved in advance in writing by SOR, no later than 14 days from the date on which the Mass Defect was reported.
- 8.10. The removal of a Mass Defect shall be considered effective if the Mass Defect does not reappear during the Warranty Period or within the following 12 months if the Warranty Period was shorter.

#### IX. Supplier's Liability and Contractual Penalties

- 9.1. The Supplier is liable for all demonstrable damage caused by defects in the Goods, i.e. their poor quality and/or delay in delivery or handling of complaints.
- 9.2. If any claims are made against SOR or an entity using the final product of SOR in which the Goods are installed ("**Customer**")
- (a) any third-party claims for compensation, reimbursement, performance, tolerance, abstention or enforcement of any performance;
  - (b) allegations of violation of applicable laws; or
  - (c) administrative, civil, criminal or other proceedings have been initiated;
- provided that they are based (directly or indirectly, including recourse) on the following objections:
- (a) The Goods suffer from a factual or legal defect;
  - (b) The Goods do not comply in any respect with the requirements of legal regulations or technical standards, in particular that the Goods are harmful or dangerous products;
  - (c) The Goods or their disposal infringe the rights of any third parties or rules on the protection of competition, in particular intellectual or industrial property rights;
- then the Supplier is obliged to immediately and free of charge completely release SOR from any such obligations or claims and compensate for all damages incurred, including compensation, fines, fees, legal assistance costs, etc., which SOR was obliged to pay in this regard. In this case, the Supplier is obliged to provide SOR with all requested cooperation, including entering into such an obligation or joining the proceedings on such a claim as an intervening party.
- 9.3. In the event of non-fulfilment or improper fulfilment of any obligation of the Supplier under the Contract, the Supplier shall be obliged to make every effort to prevent and mitigate any damage incurred by SOR. In particular, if the Supplier discovers that it has delivered Goods to SOR that are defective or do not comply with applicable legal regulations, the Supplier shall be obliged to notify SOR of this fact without delay, without prejudice to its liability under the Contract, these GTC and the provisions of legal regulations.
- 9.4. If the Supplier fails to fulfil its obligation to SOR to deliver the Goods specified in the relevant Contract in a timely and/or proper manner, SOR shall be entitled to claim a contractual penalty from the Supplier in the amount of 0.5% of the Price of the Goods including VAT (regardless of any discounts on the purchase price) for which the Supplier is in default of proper delivery, for each day of default. If, in the reasonable opinion of SOR, it was necessary to stop the production line as a result of the Supplier's delay, the Supplier shall be obliged to pay SOR a contractual penalty of CZK 100,000 for each day of delay in the delivery of the Goods.



- An incomplete or defective delivery of Goods shall be considered a delay in delivery of the entire shipment, and the basis for calculating the penalty shall be the purchase price of the entire shipment.
- 9.5 In the event of a delay by the Supplier in issuing the Documentation at the request of SOR, SOR shall be entitled to demand payment of a contractual penalty of 0.5% of the Price of the Goods including VAT to which the Documentation relates and with the issuance of which the Supplier is in delay, for each day of delay. The last sentence of Article 9.4 shall apply mutatis mutandis.
- 9.6 In the event of the Supplier's delay in fulfilling its obligations to remedy a defect in the Goods, as specified in particular in Article VIII, i.e. (a) delay in delivering new, defect-free Goods; or (b) delay in delivering repaired Goods to SOR, or (c) delay in providing other cooperation with the settlement of the complaint as requested by SOR, SOR shall be entitled to demand payment of a contractual penalty of 0.5% of the Price of the Goods (including VAT, with the price of new, faultless Goods being taken as the basis for calculation) for which the Supplier is in default with the fulfilment of its obligations under the Warranty, for each day of default.
- 9.7 In the event of disclosure of Confidential Information by the Supplier in breach of the obligation set out in Article XI, the Supplier shall be obliged to pay SOR a contractual penalty of CZK 500,000.00 (in words: five hundred thousand Czech korunas) for each case of disclosure.
- 9.8 In the event of a breach of the obligation under Article 11.6 of these GTC, the Supplier shall be obliged to pay SOR a contractual penalty of CZK 100,000 (in words: one hundred thousand Czech korunas) for each individual case of breach of this obligation. This shall not affect SOR's right to compensation for damages in full.
- 9.9 SOR's right to claim damages under the GTC or the Contract is not dependent on the Supplier's fault. The Supplier shall only be released from liability on the basis of proof of force majeure, as specified in Article X.
- 9.10 In the event of a delay in the proper and complete removal of a Massive Defect, SOR shall be entitled to claim a contractual penalty of CZK 5,000.00 (in words: five thousand) from the Supplier for each commenced week of delay.
- 9.11 The payment of any contractual penalty under these GTC shall not affect SOR's right to compensation for damages. SOR is entitled to assert both claims separately and concurrently, and the agreement of a contractual penalty does not affect liability for damages, their assertion, amount and the right to compensation. Contractual penalties under these GTC are payable within 30 days of the date of delivery of the contractual penalty statement to the Supplier.
- 9.12 The Supplier acknowledges that the Goods are generally essential for SOR's end customers, as a provider of public services in the field of mass passenger transport. For this reason, particular emphasis is placed on the quality of deliveries and compliance with delivery times. In the event of a breach of obligation, SOR may suffer considerable damage, including liability for damage to the health and property of third parties, and the obligation to pay contractual penalties. SOR is therefore entitled to demand full compensation from the Supplier for all damage and non-pecuniary damage caused in connection with the Supplier's breach of obligation, including damage resulting from contractual penalties and other sanctions, fines and financial penalties imposed on SOR by the end customer or state authorities for breach of obligation. including damage resulting from contractual penalties and other penalties, fines and financial penalties imposed on SOR by the end customer or state authorities for breach of SOR's obligation to deliver the Goods properly, on time and in accordance with the requirements of generally binding legal regulations and technical standards. The Seller acknowledges that these penalties may amount to tens of millions of Czech crowns.

## **X. Force majeure**

- 10.1 Force majeure shall be deemed to be any events that cannot be foreseen at the time of conclusion of the Contract and which are beyond the control of the Contracting Parties, in particular: epidemics, pandemics, war, riots, floods, fire, hurricanes, storms, earthquakes and other natural disasters, documented periods of power outages - provided that they prevent the Contracting Party from fulfilling its obligations under the Contract. Obstacles arising as a result of the conflict in Ukraine and related international sanctions, as well as obstacles arising as a result of the COVID-19 pandemic and its variants and measures taken against its spread, shall not be considered force majeure.
- 10.2 A Party that is unable to fulfil its obligations due to force majeure shall notify the other Party of this fact without delay, but no later than 7 days after the occurrence of such events. Failure to comply with the obligation set out in the previous sentence shall result in the loss of the right to invoke force majeure.
- 10.3 In the event of force majeure, SOR shall have the right to withdraw from the Agreement.

## **XI. Confidentiality obligation**





- 11.1 The contracting parties undertake not to disclose the content of the Agreement or any commercial, technical, organisational and operational information obtained in connection with it ("**confidential information**") to third parties without the written consent of the other contracting party. The contracting parties undertake to take all necessary measures to maintain the confidentiality of the above-mentioned information.
- 11.2 The Parties undertake to use Confidential Information exclusively in relation to the GTC and the Contract and to the fulfilment of their rights and obligations arising from the GTC and the Contract.
- 11.3 The obligation not to disclose Confidential Information referred to in Section 11(1) shall not apply if:
- (a) binding legal regulations require the disclosure of Confidential Information, but only to the extent specified by such regulations, or (b) the Confidential Information is disclosed in accordance with a law that requires Confidential Information to be disclosed in accordance with the law.
  - (b) Confidential Information is or will become publicly known or publicly available other than through the actions or omissions of a Party, its representatives, employees or persons for whom the Party is responsible.
- 11.4 The obligation not to disclose Confidential Information is not limited in time and in any case remains in force for at least 10 years after the expiry or termination of the Agreement, regardless of the reason.
- 11.5 The confidentiality obligation contained in this Article XI does not exclude or replace separate confidentiality agreements that are binding between the Contracting Parties, if they have been concluded by the Contracting Parties and relate to the cooperation of the Contracting Parties within the framework of the GTC.
- 11.6. The Supplier undertakes not to disclose the Goods, as well as any other tangible or intangible assets or parts thereof, which were created within the framework of mutual cooperation between the contracting parties on the basis of documentation belonging to the Buyer (hereinafter referred to as "protected assets") to any third party in any manner, whether for consideration or free of charge, independently or through a third party, temporarily or permanently, nor shall it otherwise use them in a manner contrary to the legitimate interests of the Buyer. The Seller further undertakes to supply the protected assets exclusively to the Buyer.

## **XII. Notifications**

- 12.1 All expressions of will and findings made between the Contracting Parties in connection with the performance of the Contract must be in writing to be valid, with the exception of operational contact between contact persons.
- 12.2 All notifications shall be delivered in person, sent by registered mail, via the data box system or delivered by courier service and shall be deemed delivered upon delivery to the addressee or upon refusal by the addressee. Notifications to SOR shall be addressed to the following address:

**SOR Libchavy spol. s r.o.  
Dolní Libchavy 48  
561 16 Libchavy**

- 12.3 SOR is entitled to change its delivery address, provided that it notifies the Supplier of this fact 3 days in advance.

## **XIII. Relationship to other model contracts and terms and conditions**

- 13.1 Without prejudice to the legal consequences of individually negotiated provisions of the Contract, these GTC are the only model contract applicable to the Contract.
- 13.2 The Supplier undertakes not to use any model contracts other than these GTC when concluding the Contract with SOR, and the Supplier agrees that the provisions of such models are not binding in the Contracts.

## **XIV. Final provisions**

- 14.1 All Contracts are governed by Czech law. The rights and obligations of the contracting Parties, including the creation of the Contract, its validity and effectiveness, are governed by the legal order of the Czech Republic, excluding conflict of law rules and the UN Convention on Contracts for the International Sale of Goods or other international conventions on the sale of goods. The decisive version of these GTC is always the Czech version.



- 14.2 All changes and additions to the content of the Contract must be made in the form of a written amendment signed by both Parties, otherwise they are invalid.
- 14.3 Termination or withdrawal from the Contract must be made in writing, otherwise it shall be invalid.
- 14.4 The Contracting Parties hereby undertake to make every effort to settle disputes arising from or in connection with the Agreements amicably. If the Parties fail to resolve any dispute or claim arising from the Agreements amicably, they shall submit such dispute or claim for final decision to the court of the Czech Republic with local jurisdiction over the registered office of SOR.
- 14.5 All documents (in particular price lists and Specifications) submitted by one of the Contracting Parties to the other Contracting Party in connection with the Order and related to its subject matter form an integral part of the Agreement.
- 14.6 If any provision of the Agreement or these GTC (regardless of whether it is due to the invalidity of the provisions of these GTC or provisions agreed individually) is or becomes invalid or ineffective, this shall not affect the validity and effectiveness of the other provisions of the Agreements or these GTC. In this case, the Contracting Parties undertake to replace the invalid and/or ineffective provision with a new provision that best corresponds to the originally intended purpose of the original provision.
- 14.7 The transfer of any rights of the Supplier arising from the GTC or the Contract must be made with the prior written consent of SOR, otherwise it shall be invalid. In particular, the assignment of the Supplier's receivables (including receivables from a factoring agreement) shall be made with the prior written consent of SOR, otherwise it shall be invalid.
- 14.8 In the event of a change in applicable legal regulations or important factual circumstances, SOR is entitled to amend the GTC. The amendment clause contained in this article does not entitle SOR to make any changes that would violate the essence of the Contract or change the essential terms of the Contract. SOR may amend these GTC to a reasonable extent. SOR undertakes to inform the Supplier of such changes, with the Supplier having the right to reject the changes by delivering a notice within 15 days of receipt of the notice of change, otherwise the change shall be deemed to have been accepted.
- 14.9 Unless otherwise specified in the Contract, the limitation period for both Parties is 4 years.
- 14.10 The Contracting Parties exclude the application of Sections 1799, 1800 and 2093 of the Civil Code.

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