

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE AND RECEIPT OF GOODS AND SERVICES

These General Terms and Conditions (“T&C”) constitute an integral part of the order issued by Plzeňské městské dopravní podniky, a.s., registered office in Pilsen–Východní Předměstí, Denisovo nábřeží č.p. 920/12, postal code 301 00, Business ID: 25220683, registered on 01 May 1998 in the Commercial Register maintained by the Regional Court in Pilsen, file B710 (“PMDP, a.s.”), as the Purchaser or buyer (the “Purchaser”) and sent to the contractor or seller (the “Supplier”). Hereinafter they are jointly referred to as the “Contracting Parties”. Deviations from these T&C are valid only if explicitly agreed to by Supplier and Purchaser.

1. FORMATION OF THE AGREEMENT

An order confirmed by Supplier and these T&C comprise a complete contract by Contracting Parties regarding the terms of delivery of the goods or provided services, and the acceptance thereof constitutes a purchase agreement or work agreement entered into between Purchaser and Supplier, according to the nature of the subject of the agreement. Changes and additions to the agreement are permitted only in writing.

2. SUBJECT OF THE AGREEMENT

The subject of the agreement is the type and quantity of ordered goods or services stated in the order.

3. TIME AND PLACE OF PERFORMANCE

Supplier delivers goods or provides services by the deadline stated in the confirmed order. The date stated in the confirmed order is binding. Place of performance of the subject of the agreement: PMDP, a.s., Pilsen, Borská 2964, postal code: 301 00, unless stated otherwise in the order. Purchaser is obliged to ensure that persons authorised to take receipt of the goods order services are present.

4. SUPPLIER'S DELAY

If Supplier is unable to meet the obligation on time, Supplier is to immediately inform Purchaser of such fact in writing, concurrently stating the additional period by which the subject of the agreement shall be performed. Purchaser is not bound by such additional period and is entitled to terminate the agreement without affecting the other rights and claims of Purchaser, including claims for damages and lost profit.

5. PERFORMANCE OF THE AGREEMENT

Unless agreed otherwise, Supplier is obliged to perform the subject of the agreement at the address: PMDP, a.s., Pilsen, Borská 2964, postal code: 301 00. Performance of the subject of the agreement will be confirmed by representatives of both Contracting Parties signing a proof of transfer and receipt of the subject of the agreement (handover certificate, bill of delivery; hereinafter “Proof of Receipt”). The delivery includes additional declarations relating to the subject of the agreement, which are necessary for the receipt and enjoyment thereof, and proof of the origin of the goods for the purposes of customs, re-export, etc. If the subject of the agreement is products specified by the regulations implementing Act 22/1997, as amended, Supplier is obliged to also transfer to Purchaser a Declaration of Conformity or written Assurance of Conformity no later than by the agreed date of performance of the subject of the agreement. If the character of the goods or provided services so require, the subject of the agreement will be delivered together with a quality certificate.

6. PRICE

The price is established by agreement, is fixed, and cannot be changed without the written consent of both Contracting Parties. Unless agreed otherwise, the price is understood to include packaging, transport to the place of performance, and insurance. Value-added tax as stipulated by law as of the date of VAT liability will be added to the price. The price of the subject of the agreement is considered paid on the date funds are debited from the Purchaser's account.

7. PAYMENT CONDITIONS

The price of the subject of the agreement is payable based on an invoice. The invoice must contain the elements prescribed by Act 235/2004, on Value-Added Tax, Purchaser's order number, and an itemised list of supplied goods or services, including the identification numbers of the goods and the per unit prices or, for services, costs with wages and materials listed separately. The original of the confirmed Proof of Receipt of the subject of the agreement shall be appended to the invoice. The invoice is due in 30 days from the date of delivery to Purchaser. The date of taxable performance is the date on which Purchaser signed the Proof of Receipt of the subject of the agreement. Contracting Parties have explicitly agreed that Supplier cannot assign the claim against Purchaser in whole or part to a third party without the previous written consent of Purchaser. Supplier is not entitled to offset any claims, or any part thereof owed by Purchaser, arising based on these T&C or an agreement entered into with Purchaser, against any of Purchaser's claims owed by Supplier without the previous written consent of Purchaser.

Purchaser is entitled to offset any claims owed by Supplier, arising based on an agreement entered into with Purchaser or based on these T&C, against any of Supplier's claims owed by Purchaser.

8. RIGHTS FROM DEFECTIVE PERFORMANCE, WARRANTY

Unless agreed herein otherwise, Supplier provides a 36-month warranty on the subject of the agreement, provided the contracting parties do not agree otherwise. This term starts to elapse from the date of performance of the subject of the agreement. If a defect appears, within 3 business days of receipt of Purchaser's written notification of the defect Supplier is obliged to communicate a written opinion on the reported defect to Purchaser and to start removing the defect by the deadline set by Purchaser. Purchaser selects the rights from defective performance. If Supplier does not remove the reported defect by the deadline set by Purchaser or, in urgent cases where there is a risk of delay and damages, Purchaser has the right to remove the defect alone or through a third party at the cost of the Supplier, without prejudice to other rights arising from the agreement, particularly rights from the warranty provided by Supplier. Purchaser charges Supplier for the costs incurred with removal of the defect and Supplier is obliged to pay these costs in full within 15 days of presentation of the bill (invoice). Purchaser's report to Supplier about defective services/goods, i.e. the warranty claim, is considered timely if sent by Purchaser in a period of 1 month after discovering such defects. Until the defects are removed, Purchaser is not obliged to pay part of the performance estimated to adequately correspond to Purchaser's right to a discount.

9. DAMAGE TO THIRD PARTIES

Supplier is responsible for ensuring that no third-party rights are breached in the performance of the subject of the agreement or in the use of materials and processes in the performance hereof. If Supplier causes damage to third parties in association with supplies or services (performance of the agreement), Supplier bears full responsibility for such third-party damage and is obliged to pay damages.

10. SHIPPING INSTRUCTIONS, PACKING

Supplier is entitled to transfer the goods to Purchaser at the site of performance during Purchaser's business hours between 6:00 a.m. and 2:00 p.m. on working days, unless the Contracting Parties agree otherwise. If the goods are dispatched by Supplier, Supplier is ob-

liged to dispatch the subject of the agreement in such packing that ensures sufficient protection from damage during shipment and during storage in Purchaser's adequate premises. Supplier shall communicate shipping instructions to Purchaser 10 days before the date of performance of the subject of the agreement. Material that Supplier will transport to the site designated by Purchaser as the place of performance of the subject of the agreement must be confirmed by staff of Purchaser; likewise, material, tools, and construction machinery used by Supplier to perform the subject of the agreement at the site of Purchaser and removed by Supplier, must be included on a list confirmed by Purchaser's authorised staff member. These confirmed documents are an integral part of the invoice. Supplier is obliged to ask Purchaser for permission for Supplier's vehicles to enter Purchaser's site.

11. TITLE AND TRANSFER OF RISK

Title to the subject of the agreement is transferred to Purchaser on the date of signature of the Proof of Receipt of the subject of the agreement. Concurrently, risk is also transferred to Purchaser.

12. CONTRACTUAL PENALTIES

If Supplier is in arrears on fulfilling its monetary obligations, Supplier is obliged to pay Purchaser a contractual penalty of 0.1% of the total price of the subject of the agreement for each full and commenced day of delay. This does not affect Purchaser's right to receive damages and lost profit. If Supplier is delayed fulfilling its non-monetary obligations, including delays removing defects and failures in the subject performance, Supplier is obliged to pay Purchaser a contractual penalty of CZK 5,000 for each full and commenced day of delay, unless the order or agreement stipulates a different contractual penalty with respect to the subject of fulfilment. This does not affect Purchaser's right to receive damages and lost profit. If Purchaser is in arrears on fulfilling its monetary obligations, Purchaser is obliged to pay Supplier a contractual penalty of 0.01 % of the amount due for each full and commenced day of delay. Exercise of the contractual penalty does not extinguish the contracting parties' right to damages and lost profit. Contractual penalties are due within 30 days of receipt of the bill.

13. TRADE SECRETS

Neither of the Contracting Parties may disclose or otherwise make available confidential information obtained from the other contracting party during the performance of the subject of the agreement. This does not apply if the necessary information must be disclosed or made available to employees, government authorities, members thereof or subcontractors for the purpose of performance of the subject of the agreement.

14. WITHDRAWAL FROM THE AGREEMENT

Purchaser may at any time terminate the agreement in part or full if court, arbitration, enforcement or insolvency proceedings have been initiated against Supplier due to Supplier's breach of an obligation arising from the agreement or from these T&C. Purchaser is entitled to terminate the agreement with immediate effect on the date of delivery of written notification of termination. This does not affect Purchaser's right to receive damages and/or lost profit, if any.

15. FORCE MAJEURE

In the event of a force majeure, which includes but is not limited to events such as earthquake, flood, extensive fire and/or war, the deadline by which Contracting Parties should perform their obligations under the established contractual relationship shall be prolonged by the duration of the force majeure. The party shall whose performance of obligations is thus impeded shall immediately inform the other party when such circumstances occur and shall submit proof thereof or, if applicable, information that such circumstances have a significant impact on the performance of contractual obligations. If the effect of the force majeure lasts longer than 90 days, both parties are obliged to discuss a change of contract.

Force majeure is not considered to encompass events such as lockouts, delayed supplies from subcontractors *(unless caused by force), insolvency, shortage of labour or material.

16. CONDITIONS OF PERFORMANCE

Supplier is deemed to have examined the conditions, legal requirements, essential schedules, technical drawings and plans, and has, at its own responsibility, obtained all additional information and details needed for the subject of the agreement, such as conditions at and accessibility to the building site, storage and lifting equipment, accommodations and regulations essential for the due performance of the subject of the agreement. Purchaser does not bear responsibility for costs associated with errors or for losses caused by Supplier not ascertaining such information.

17. SAFETY AND SECURITY

If Supplier performs the agreement at Purchaser's site or designated site, Supplier is obliged to perform the subject of the agreement in compliance with legal regulations on safety and work hygiene, fire prevention, and relevant standards. Purchaser shall inform supplier about internal safety regulations at the site of performance of the subject of the agreement, whereby Supplier ensures that its staff shall comply with such regulations. Supplier's employees are obliged to move only within the defined area. Supplier shall install warning signs in this area (on behalf of Supplier's company and on behalf of the staff member responsible for the marked area). Purchaser shall ensure that its employees are visibly marked with its corporate name. After the subject of the agreement is performed, Supplier's employees must immediately return their assigned identification cards enabling entrance to Purchaser's site. If the above obligations are breached by any employee of Supplier, Purchaser is entitled to terminate the agreement. Purchaser's right to receive damages and lost profit is not affected by this.

18. ENVIRONMENT

If Supplier performs the agreement at Purchaser's site or at a site designated by Purchaser, Supplier is obliged to perform the subject of the agreement in compliance with legal regulations on environmental protection. Supplier shall draft a waste disposal program to be created for its operations, dispose of waste at its own cost, keep corresponding records on waste disposal and, upon transfer of the subject of the agreement, submit proof of waste disposal. Supplier is obliged to follow legal norms regarding handling of hazardous substances that are harmful to water. During the performance of the subject of the agreement, the area designated for this purpose shall be kept clean. Supplier is responsible for any damage caused by the performance of the subject of the agreement to environmental protection. If Supplier damages grassy or woodland areas while executing the subject of the agreement, Supplier is obliged to take measures aimed at the renewal of such areas. Waste issues associated with the performance of the subject of the agreement should be consulted with Purchaser's staff (Environmental Department) and their instructions should be followed.

19. STORAGE AND HANDLING AREAS

If Supplier executes the subject of the agreement at Purchaser's site or at a site designated by Purchaser, Supplier is obliged to move only within the areas or handling areas designated by Purchaser for this purpose. Objects, resources, and/or things that either serve in the performance of the subject of the agreement or become a part thereof, are to be properly stored by Supplier in the area designated by Purchaser for this purpose, properly secured against theft, and kept in proper, tidy condition. After the subject of the agreement is performed, Supplier must return the area to its original or agreed condition and hand over the area to Purchaser by way of a written protocol on an agreed date.

20. SUBCONTRACTORS

Unless the parties agree otherwise, Supplier shall submit a list of its subcontractors to Purchaser for approval before the agreement is signed. If the need to make a change or add to

this list arises after the agreement is signed, this change or addition shall be effective only after obtaining previous written approval from Purchaser.

21. COMMON AND FINAL PROVISIONS

Any changes to the names or designations of the contracting parties must be reported in writing by the contracting party experiencing the change to the other contracting party without undue delay. Likewise, each contracting party must notify the other contracting party without undue delay any change of contact details, change of bank information, or change of other crucial data for performance if such data change or are expected to change. If the contracting party does not fulfil its duty to report as stipulated in this clause, it is responsible to the other contracting party for damage thus caused. Relations between the parties not regulated in these T&C are governed by the provisions of the Czech legal code. Under the provisions of Section 89a of the Czech Code of Civil Procedure, as amended, the parties have agreed that the court of first instance with jurisdiction *ratione materiae* in Pilsen shall be the court having jurisdiction *ratione loci*.

22. LIABILITY FOR VAT, UNRELIABLE TAXPAYER

1. In the event that the consideration for taxable performance exceeds CZK 540,000, the bank account to which this sum must be paid must be published by Supplier's tax authority no later than the date of taxable supply. Publication of the account is understood as publication allowing for remote access under the provisions of Section 109(2)(c) of Act 235/2004, on Value-Added Tax, as amended ("Reliable Account"). If the account to which the sum is to be paid is not a Reliable Account, immediately after this discovery but not later than by the invoice due date PMDP, a.s. is entitled to return such invoice to Supplier for the purpose of changing the account to a Reliable Account, and in so doing it shall not be in arrears on the respective taxable supply payment. The new payment period starts to elapse upon delivery of the corrected invoice. If, in spite of the request of PMDP, a.s., Supplier refuses to replace the bank account, which is not a Reliable Account and to which payment should be made, with a Reliable Account or if Supplier does not have a Reliable Account, PMDP, a.s. is entitled to pay Supplier the price of taxable supply in the amount not inclusive of VAT to the account listed by Supplier, and pay Supplier's respective tax authority the respective VAT. In such case, payment of the price of taxable supply in the amount not inclusive of VAT and the corresponding VAT to Supplier's tax authority represents due fulfilment of the obligations of PMDP, a.s. Supplier does not gain the right to seek payment from PMDP, a.s. in the amount of the respective VAT, default interest, contractual penalties, or any other material sanctions or damages for delayed payment.

2. If Supplier is a registered VAT payer in the Czech Republic and designates an account managed by a payment services provider outside of the Czech Republic for the receipt of payment for taxable performance, immediately after this discovery but not later than by the invoice due date PMDP, a.s. is entitled to return such invoice to Supplier for the purpose of changing the account to a Reliable Account in the Czech Republic, after which parties shall proceed pursuant to paragraph 1.

3. On confirmation of the order or entering into the purchase agreement, Supplier confirms that as of the date of acceptance of the order or entrance into the purchase agreement it is not an Unreliable Taxpayer under the provisions of Section 106a of Act 235/2004, on Value-Added Tax, as amended ("Unreliable Taxpayer"). Should Supplier subsequently become an Unreliable Taxpayer, it must notify PMDP, a.s. within 3 business days of publication of such information in the register of VAT payers by emailing: faktury@pmdp.cz. If Supplier does not comply with the duty to report hereinabove even after an additional period of 10 days, it shall be obliged to pay PMDP, a.s. a contractual penalty in the amount of triple the VAT that is already due or will be soon due. If, at the time of taxable performance, an announcement allowing for remote access is made about Supplier stating that Supplier is an Unreliable Taxpayer, PMDP, a.s. is entitled to pay Supplier the price of taxable supply in the amount not inclusive of VAT, and pay Supplier's respective tax authority the respective VAT. In such case, payment of the price of taxable supply in the amount not inclusive of VAT and the corresponding VAT

to Supplier's tax authority represents due fulfilment of the obligation of PMDP, a.s. to pay the price of taxable supply inclusive of VAT, and Supplier does not gain the right to seek payment from PMDP, a.s. in the amount of the respective VAT, default interest, contractual penalties, or any other material sanctions or damages for delayed payment. Publication of Supplier as an Unreliable Taxpayer is grounds for PMDP, a.s. to terminate the agreement.