

BUSINESS CONDITIONS OF DELIVERIES OF CONCERN ŠKODA TRANSPORTATION SERVICES

Version 2/2020

1. Scope of Application

- 1.1 Subject, Content. These Business Conditions shall regulate the conditions for imparting Services to Concern companies being Client ("**Business Conditions**").

2. Definition of Certain Terms

- 2.1 Concern. ŠKODA TRANSPORTATION a.s., with its registered address at Emila Škody 2922/1, Jižní Předměstí, 301 00 Plzeň, ID: 626 23 753, entered in the Companies Register kept by the Regional Court in Plzeň, Section B, File number 1491 („ŠTRN“) is a dominant entity and together with the dependent entities as they are mentioned in the Notification of the existence of the concern placed on the website ŠTRN (<https://www.skoda.cz/oznamenikoncern/>), it forms a concern called „Concern ŠKODA TRANSPORTATION“ (hereinafter only „**Concern**“).
- 2.2 Concern companies. ŠTRN and all the companies forming the Concern including the company ŠKODA TRANSTECH Oy, ID: 1098257-0, with its registered office at Elektroniikkatie 2, 90570 OULU.
- 2.3 Supplier. Supplier pursuant to these Business Conditions shall mean the person and/or entity so identified in an order or in the Contract concluded in the manner as per paragraph 3.1 of these Business Conditions.
- 2.4 Delivery. The Delivery pursuant to these Business Conditions shall mean the delivery via a postal licence holder or email (including without guaranteed electronic signature), into the data box, or in person. Unless expressly stated otherwise, all notices pursuant to these Business Conditions must be made in writing and delivered by any of the methods stated in the first sentence of this clause. Supplier consents to Client and other private entities delivering notices into its data box.
- 2.5 Time-limits. Unless expressly stated otherwise, the time-limits shall be stated in calendar days.
- 2.6 Client. Client pursuant to these Business Conditions shall always mean the relevant Concern company always as per the specific provision stated in an order or in the Contract concluded in the manner pursuant to paragraph 3.1 of these Business Conditions.
- 2.7 Substantial Breach of Obligations. A substantial breach of the obligations pursuant to the Contract, part of which are these Business Conditions, shall mean, in particular:
- default with fulfilling the obligation to impart Services to Client in a due and timely manner;
 - default with fulfilling any obligation ensuing from liability for defective Services;
 - breach of the Code of Conduct as per paragraph 21.21.1 a) of these Business Conditions;
 - violation of industrial or other intellectual property rights as per Article 7 of these Business Conditions

- 2.8 Contract. Contract shall mean the Service Provision Contract concluded pursuant to Article 3 of these Business Conditions.

- 2.9 Contractual Penalties. All contractual penalties pursuant to these Business Conditions and the Contracts shall always be payable within 30 days of delivery of their billing to the other Contracting Party. The payment of a contractual penalty shall not affect Client's right to compensation for damages in any way. Client shall be entitled to assert both claims independent of each other, and no arrangement(s) pertaining to a contractual penalty shall affect the liability for damages and their claiming and the amount of, or the right to, their compensation.

3. Conclusion of Contract

- 3.1 Conclusion of Contract. A proposal for concluding the Contract shall be Client's written order which must be duly delivered to Supplier. The Contract shall be considered as concluded upon the Delivery of the order signed and confirmed in writing by Supplier to Client. The order must be confirmed by Supplier in full and without any supplements, reservations, limitations or any other changes compared to the order sent by Client; otherwise, no Contract shall be considered as concluded.
- 3.2 Supplier's New Proposal. The confirmation of an order containing supplements, reservations, limitations or any other changes shall be considered as refusal of the order and shall constitute Supplier's new proposal for concluding the Contract, even if such supplement, reservation, limitation or any other change does not substantially change the conditions of the order. In such case, the Contract shall be considered as concluded only if such new proposal is duly and unreservedly confirmed by Client in writing and delivered back to Supplier.
- 3.3 Time-limit for Order Acceptance/Cancellation. Supplier shall be obliged to confirm the delivered order in writing within 7 days of delivery or notify Client, within the same time-limit, that it refuses the order. The confirmation and the refusal of an order must be made in writing, signed and delivered to Client.

4. Quality of Services

- 4.1 Quality. The Services must be provided in compliance with all laws, technical requirements and technical and safety standards applicable to their provision, i.e. both binding and recommended standards. All tangible constituents of the Services must be new, unused, undamaged and made of quality material. The tangible constituents of the Services must enable permanently standard performance in compliance with the properties and the quality set in the Contract and must be fully fit for the purpose for which they are delivered as part of the Services. The tangible and intangible items forming part of the Services must not have any legal defects, for example, be encumbered with a lien. The tangible items of the Services must not, prior to their

delivery as part of the Services, be entered in the relevant assets accounts of accounting group 02 – Tangible fixed assets depreciated – but only under Inventory.

5. Service Constituents-related Documents

5.1 Service Constituents-related Documents, Certificates. If any documents or certificates are associated with the tangible and intangible constituents of the Services, Supplier shall be obliged to hand them over to Client at the latest on the date of takeover of the respective Service or its part. The certificates pursuant to this clause shall mean, in particular, the declarations of conformity of products, systems, etc.

5.2 Form and Certain Elements of Documents. The documents which Supplier shall be obliged to deliver to Client must be legible in all places, well-arranged and without mistakes. The documents must be delivered as hard copies, which cannot be replaced with a record on an information data carrier. If so requested by Client, Supplier shall be obliged to submit the documents to Client also in the form of a record on an information data carrier in a freely available format. Supplier shall be obliged to deliver the documents relating to the Service constituents in the language versions specified by Client. The cost of executing and delivering all documents in the necessary quantity, including their corrections, supplements, substitute performance and delivery in the form of a record on an information data carrier, shall be duly borne by Supplier. Upon their delivery, these documents shall become Client's ownership and Client shall be entitled to handle them freely at its sole discretion.

5.3 Compensation of Costs. All costs expended by Client as a consequence of late delivery of the appropriate documents by Supplier shall be charged to Supplier and the latter hereby expressly undertakes to reimburse such costs to the former. If such cost(s) is/are paid for by Client, Supplier undertakes to reimburse the said cost(s) to Client.

6. Place of Provision of Services. Due Provision of Services.

6.1 Place of Provision of Services. Unless otherwise stipulated in the Contract and unless another place of provision is specified by Client at any time prior to the provision of the respective Service, Supplier shall be obliged to provide Client with the Services at the relevant Client's registered address at its own cost and risk.

6.2 Delivery Clause. If tangible items are part of the Services, their delivery shall be governed by the DDP delivery term (Delivered Duty Paid) to the place of delivery of the respective Client as per INCOTERMS 2010.

6.3 Contractual Penalty. If Supplier fails to fulfil its obligation to provide the Services specified in the relevant Contract to Client in a due and timely manner, Client shall be entitled to a contractual penalty of 0.5 % of the price of the Service (regardless of any possible discounts in the price of the Service) with the due provision of which Supplier is in default for each day of default.

7. Performance Deadline

7.1 Handover on Working Days and during Business Hours. If the place of provision of the Services is the Client's registered address or plant, Supplier shall be obliged to provide the Services on working days and within Client's business hours, i.e. between 6:00 a.m. and 2 p.m. unless otherwise specified by Client.

7.2 Partial Performance. At Supplier's request, Client shall be

entitled to take over the Service or its part prior to the time-limit for its takeover set in the Contract. In the event of partial performance, Supplier shall be obliged to provide the remaining portion of the Service within the time-limit set in the Contract. To avoid any doubt, the Contracting Parties expressly rule out the application of Section 1930(2) first sentence of the Civil Code.

7.3 Third Party's Authorization. Supplier shall be entitled to delegate the fulfilment of the obligations ensuing from the Contract to a third party only with Client's prior written consent. If Supplier uses a third party to fulfil the obligations ensuing from the Contract with Client's consent, it guarantees that such third party will fulfil the obligations ensuing for Supplier from the Contract and the generally binding laws.

7.4 Time of Performance. The Contracting Parties agree that the time of provision of the Services shall be to the benefit of Client.

7.5 Notification. Supplier undertakes to regularly notify Client of the state of provision of the Services and of all facts that are or could be important for the due fulfilment of the Contract. Unless otherwise stipulated in the Contract, Supplier shall be obliged to provide Client with the information without undue delay, but at the latest within 02 working days of Delivery of Client's request for the provision of information to Supplier.

8. Supplier's Declarations

8.1 Supplier declares and confirms that:

- a) it meets all requirements for its qualifications as per the laws applicable to the provision of the Services pursuant to the Contract;
- b) it maintains valid, in all essential respects, the licences, approvals, permits and other authorizations required pursuant to the laws applicable to the provision of the Services pursuant to the Contract and such licence, approval, permit or authorization is not at risk of termination and further that the Service and its provision for Client is not contrary to any third party right to a patent, mark or other protection of intellectual property, corporate name, or competition.

9. Liability for Defective Services

9.1 To avoid any doubt, the Contracting Parties expressly rule out the application of Sections 1965, 2103, 2104, 2105, 2106, 2107 and 2112 of the Civil Code.

9.2 Protocol on Defects in Provided Services. If Client discovers a defect in the provided Services, it shall, unless the Contract or these Business Conditions stipulate otherwise, draw up a protocol of defects containing the details of the provided Service, the person who discovered the defect, the date of discovery of the defect, and its consideration of the nature of the defect. Client shall duly deliver such protocol to Supplier without undue delay along with a demand for Supplier to propose how the defect should be eliminated and the defective state remedied.

9.3 Form and Delivery of Protocol of Defects. The protocol of defects may be delivered to Supplier in writing. If it is sent electronically or by telefax, it must be confirmed by Supplier without delay after the Delivery.

9.4 Supplier's Obligations, Notice of Proposed Method of Eliminating Defects. Supplier shall be obliged to fulfil the following obligations within the time-limits stated in the Contract, otherwise within 24 hours of Delivery of the protocol of defects pursuant to paragraphs 9.2 and 9.3 of

these General Business Conditions, and in compliance with Client's instructions:

- a) to arrive at the place specified by Client for the purpose of inspecting the defects reported by Client in the protocol of defects and to notify Client, within the said time-limit, of the proposed method of eliminating the defects in the Services; or
- a) to notify Client of the concrete proposed method of eliminating the defects in the Services with maximum effort, due care and with regard to the technological time-limits, including the planned dates of implementation of the set corrective measures;

-at Supplier's cost.

- 9.5 Choice of Right in Liability for Defects; Determination of Method and Time-limit for Eliminating Defects. The choice of the right in the liability for defects in the Services and the choice of the method of eliminating the ascertained defects shall be at Client's sole discretion and Client shall not be bound by Supplier's proposals. Within 48 hours of Supplier's communication pursuant to paragraph 9.4 of these Business Conditions, Client shall be obliged to communicate to Supplier in writing that:

- a) it agrees with the method of eliminating the defects in the Services as proposed by Supplier, and shall set the time-limit for eliminating them, or
- b) it does not agree with the method of eliminating the defects in the Services as proposed by Supplier, and shall determine the method and the time-limit for eliminating them, or
- c) it is asserting a right in the liability for defects in the Services pursuant to paragraph 9.6 of these Business Conditions other than that to the elimination of defects in the Services.

If Supplier is in default with fulfilling the obligation pursuant to paragraph 9.4 of these Business Conditions, Client shall be entitled to choose the right in the liability for defects or the method of, and the time-limit for, their elimination within 24 hours of the day on which the time-limit for fulfilling the obligation stipulated in paragraph 9.4 of these Business Conditions expired in vain. The method of, and the time-limit for, eliminating a defect as determined by Client pursuant to subparagraphs a) and b) of this clause and the choice of the right in the liability for defects pursuant to subparagraph c) of this clause shall be binding upon Supplier.

- 9.6 Rights in Liability for Defects. Regardless of the nature of a defect and the gravity of the breach of the Contract as a consequence of the defect, Client shall always be entitled to:

- a) suspend the acceptance of the Service provided and set a new date for its provision;
- b) demand the elimination of the defect through re-provision of the Service;
- c) demand an adequate reduction in the price of the Service;
- d) withdraw from the Contract;
- e) undertake measures necessary to ascertain the defect either on won accord or through the auspices of another person and at Supplier's cost or, possibly, according to Supplier's instructions, if needed, ensure the re-provision of the Service; Supplier undertakes to provide Client with full compensation for this cost. In such case, Client shall be obliged to duly substantiate the cost according to the previous sentence and submit documentation showing the defects in the Services (photo documentation, video documentation,

...)

-whereby the choice among these rights shall be made at Client's sole discretion.

Regardless of the right that is chosen, Client shall be entitled to charge Supplier a lump-sum compensation of CZK 1,000 in relation to the assertion of any right in the liability for defects. The lump-sum compensation shall be paid within 30 days of Delivery of its billing to Supplier.

- 9.7 Additional Choice of Right in Liability for Defects. If it is proven additionally that the respective defect in the Service is not repairable or its repair entails unreasonable cost, Client may demand that the Service be re-provided or assert another right in the liability for defects pursuant to paragraph 9.6 if it notifies Supplier of this decision without undue delay after learning about the stated fact from Supplier.

- 9.8 Failure to Eliminate Defects in Services. If Client asserts the right in the liability for defects as per paragraph 9.6 a), b) and c) of these Business Conditions and Supplier fails to eliminate the defects in the Services in the manner and within the time-limit set by Client or, prior to the expiry of such time-limit, Supplier notifies Client that it will not eliminate the defects, Client may:

- a) withdraw from the Contract; or
- b) assert any other right as per paragraph 9.6 of these Business Conditions

- 9.9 No Payment of Price until Elimination of Defects. Until all defects in the Services have been duly and verifiably eliminated, Client shall not be obliged to pay Supplier the price of the defective Services which has not yet been paid to Supplier.

- 9.10 Recurring Defect. If an identical defect in the Services occurs within 5 days of elimination by Supplier, such defect shall be considered as unrepairable, with all the consequences ensuing therefrom (in particular, the assertion of rights in the liability for defects or damages).

- 9.11 Client's Other Rights. Alongside the rights in the liability for defects, Client shall be entitled to demand that Supplier pay a contractual penalty of 0.5 % of the price of the defective Service (despite any possible reductions in the price) for each day of default with fulfilling its obligations ensuing from the liability for defects.

10. Price

- 10.1 Price. Client shall be obliged to pay Supplier the price specified in the Contract. The price shall include all costs associated with the provision of the Service, including the costs associated with obtaining the documents relating to the Service, etc. Supplier undertakes to deduct from the price the reduction to which Client is entitled pursuant to the Contract or other agreement, even if it has not been called on by Client to deduct it or Client has not calculated its specific amount. Supplier shall be responsible for the reduction being correct.

- 10.2 Original Invoice. Client shall pay the price, through a non-cash transfer, only on the basis of an original invoice. The Contracting Parties agree to issue and send each other invoices in electronic form. Until an original invoice is delivered by Supplier to Client, Client shall not be obliged to pay the price charged on the basis of a late invoice.

Unless otherwise agreed between the Contracting Parties, the terms 'invoice' and 'accounting document' are used as synonyms.

10.3 Certain Elements of Invoices. Supplier shall be entitled and, concurrently, obliged to bill the price only after Client's obligation to pay the price has arisen. The invoice must contain the elements of a tax/accounting document, i.e. in particular:

- a) order number;
- b) identification and specification of the Service;
- c) scope of Service;
- d) unit price of the Service
- e) reduction to which Client is entitled;
- f) total price of the Service upon deduction of reduction.

The document proving the due provision of the Service for Client and the takeover of the Service confirmed by Client must be attached to the invoice.

10.4 Invoice Correction and Completion. If the invoice made out by Supplier does not contain the prescribed elements, contains details contrary to the Contract or these Business Conditions, or does not meet the conditions stipulated in paragraph 10.3 of these Business Conditions, it shall be refused by Client and shall not be paid. Client shall return such invoice to Supplier for correction or completion without being in default with paying the price.

10.5 Maturity of Price. The due date of the price is stipulated in the Contract. If no due date of the price is stipulated in the Contract, Client shall be obliged to pay the price within 90 days of Delivery of the new due invoice. In the event of correction or supplement of the invoice, the moment of Delivery of the new due invoice shall be considered as the due Delivery.

10.6 Notice of Insolvency and Liability for VAT. Supplier undertakes to notify Client, without undue delay, of its insolvency or an apparent threat of its occurrence or of any other fact affecting or capable of affecting, in particular, the timely and due fulfilment of the Contract or the levy of value added tax (VAT). In the event of suspicion of Supplier's insolvency or the apparent threat of its occurrence or in the event of suspicion of the failed payment of VAT or its evasion or of enticing tax benefits, Client shall be entitled to levy VAT from the performed taxable supplies directly to the relevant Tax Office. In such case, Client shall notify Supplier of this fact without undue delay. Upon the payment of VAT to the Tax Office's account, Supplier's claim against Client, to the tune of the sum paid as VAT, shall be considered as settled despite other provisions pursuant to the Contract and these Business Conditions. Concurrently, Supplier shall communicate to Client in writing that such payment has been recognized by the tax administrator.

10.7 Payment of Price. In the event of non-cash payment, the date of payment of the price shall be the date on which the sum corresponding to the price was debited by the respective payment service provider from Client's account.

10.8 Set-off of Claims. Client shall be entitled to unilaterally set off its own or by assignment acquired due, undue, statute-barred or non-statute-barred claims towards Supplier's claims ensuing from, or relating to, the Contract or these Business Conditions. Supplier shall not be entitled to unilaterally set off its claims against Client's claims ensuing from, or relating to, the Contract or these Business Conditions.

10.9 Assignment of Supplier's Claims. Supplier shall be entitled to assign its claims towards Client ensuing from, or relating to, the Contract or these Business Conditions only with Client's explicit written consent.

10.10 Pledge of Supplier's Claims. Supplier undertakes not to encumber its claims towards Client ensuing from, or relating to, the Contract or these Business Conditions with a lien to the benefit of any third party.

10.11 Contractual Penalty. If Supplier sets off, assigns or pledges its claims towards Client ensuing from, or relating to, the Contract or these Business Conditions contrary to paragraph 10.8, 10.9 or 10.10 of these Business Conditions, Client shall be entitled to demand that Supplier pay a contractual penalty of 20 % of the claim which has been the subject of a set-off, assignment or pledge.

10.12 Contractual Penalty and Statutory Interest. In the event of Client's default with paying the due price, Supplier shall be entitled to a contractual penalty of 0.01 % of the amount due for each commenced day of default plus the statutory default interest.

11. Termination of Contract

11.1 Withdrawal from Contract. Unless otherwise stipulated in the Contract or these Business Conditions, Client shall be entitled to withdraw from the Contract in compliance with the laws of the Czech Republic and, furthermore, prior to the due provision of the Service without stating a reason. In such case, Client shall be obliged to provide Supplier with compensation for the cost purposefully spent in relation to the fulfilment of the Contract, but at the most to the tune of the price stated in the cancelled Contract. Supplier shall be obliged to send Client a written enumeration of the cost according to the first sentence of this clause, along with valid documents proving the existence of such cost, within 14 days of the day of Delivery of the notice of withdrawal to Supplier; otherwise, such entitlement of Supplier pursuant to this clause shall be considered as expired. If Client withdraws from any Contract due to reasons on Supplier's part and, as a result, the already provided Service loses its economic significance for Client, Client shall be entitled to withdraw, without stating a reason, including from all other Contracts (either in part or in whole) based on which the provision of such identical Service has already taken place or shall take place. In such case, Client shall not be obliged to compensate Supplier for any cost.

11.2 Persisting Claims and Arrangements. Upon the withdrawal, the Contract, part of which are these Business Conditions, shall be considered as terminated. However, the following shall survive the withdrawal from, or any other form of termination of, the Contract:

- a) claims ensuing from liability for defects in the Service;
- b) provisions pertaining to liability for defects;
- c) confidentiality obligation and obligation to protect know-how;
- d) entitlements to compensation for damages suffered as a consequence of a breach of the Contract;
- e) other claims as per the applicable laws

11.3 Tangible and Intangible Items as Part of Services upon Passage of Title. Unless otherwise stipulated in the Contract, the delivered tangible and intangible items being part of the Services to which the title has passed or has been transferred to Client prior to the withdrawal from the Contract:

- a) shall remain Client's ownership upon the withdrawal from the Contract, in which case Supplier shall be entitled to substitute financial performance to the tune to which Client has benefited from the used items; if the price of these items delivered as part of the Services has already been paid, Supplier shall be obliged to return to Client the difference between the

price and the entitlement to substitute financial performance according to the previous sentence. If the price of these delivered items has not been paid prior to the withdrawal from the Contract, Client shall be obliged to provide Supplier with substitute financial performance reduced by Client's possible entitlements to a contractual penalty, damages, etc.; or

- b) may be returned by Client to Supplier upon the withdrawal from the Contract; concurrently, Supplier shall be obliged to return to Client the price or its part already paid.

11.4 Settlement between the Contracting Parties. In the event of a withdrawal from the Contract, the Contracting Parties shall be obliged to settle their mutual rights and obligations in a manner and within the time-limits set by Client. Within 30 days of the effective date of withdrawal from the Contract, Client shall be duly obliged to deliver to Supplier a written notice of the method of settlement of their mutual relationships. In the written notice of settlement, Client shall:

- a) define the mutual claims that have arisen between the Contracting Parties upon the withdrawal from the Contract or the persisting mutual claims ensuing from the Contract, in particular entitlements to the return of tangible and intangible items as part of the Service, entitlements to the return of other supplies provided pursuant to the Contract, entitlements to compensatory financial performance, entitlements to the payment of contractual penalties, entitlements to compensation for damages, entitlements ensuing from liability for defects in the Services, etc.;
- b) set reasonable time-limits for fulfilling the Contracting Parties' mutual obligations ensuing from the mutual settlement.

The settlement method and the time-limits set by Client shall be binding upon the Contracting Parties. The cost associated with a withdrawal from the Contract and the possible return of the provided performance shall be duly borne by Supplier.

12. Know-how

12.1 Technical and Other Documentation. All technical and other documentation handed over by Client to Supplier in relation to the Service for Supplier to be able to fulfil the Contract shall be Client's sole ownership. The subjects of Client's sole ownership shall be all technical solutions and other solutions and procedures contained in the technical documentation. In relation to the said know-how, Client does not grant Supplier any licence, does not provide any intellectual property rights, etc.

12.2 Supplier's Use of Client's Technical and Other Documentation. Supplier shall not be entitled to make available, disclose to any third party or use to the benefit of any third party the technical and other documentation within the meaning of paragraph 12.1 of these Business Conditions. Supplier shall be entitled to use such documentation only in relation to the Service for the purpose of fulfilling the Contract. This obligation shall not apply to administrative or other public authorities or bodies if these perform legal control or other supervision pursuant to the applicable laws. Upon fulfilment of the Contract or upon its termination in whatever manner, Supplier shall be obliged to return this documentation to Client and destroy any possible copies made by Supplier for the purpose of fulfilling the Contract.

12.3 Other Technical and Other Documentation. Supplier undertakes not to make public, disclose to any third parties or use to the benefit of any third party any other technical and other documentation which is not stated in paragraph 12.1 of these Business Conditions (in particular, the documentation developed by Supplier for the purpose of fulfilling the Contract) and which has been co-developed, funded or co-funded by Client. Supplier shall be entitled to use this documentation only in relation to the Service for the purpose of fulfilling the Contract. Upon the due and complete fulfilment of the Contract or upon its termination in whatever manner, Supplier shall be duly obliged to hand over this documentation to Client free of charge, transfer to Client the title to it, and destroy any possible copies made for the purpose of fulfilling the Contract.

12.4 Contractual Penalty. If Supplier fails to fulfil its obligation pursuant to paragraph 12.1, 12.2 or 12.3 of these Business Conditions, Client shall be entitled to a contractual penalty of CZK 100,000 for each individual breach of such obligation, including repeatedly. To avoid any doubt, the Contracting Parties expressly declare that the obligation as per paragraph 12.1, 12.2 or 12.3 of these Business Conditions shall not be affected by the payment of a contractual penalty.

13. Industrial or Other Intellectual Property Rights

13.1 Supplier undertakes to make sure that the provisions of the Contract or their application do not unlawfully encroach on any industrial or intellectual property rights of any third parties enjoying legal protection pursuant to the laws of any state.

13.2 Licence. Supplier hereby expressly declares that it is fully licensed to exercise the industrial and intellectual property rights to the Services or their constituents and undertakes to ensure proper and undisturbed use of the items handed over to Client as part of the Services on the part of Client or Client's customers.

13.3 Copy-left Effect. Alongside the guarantees stated above, Supplier undertakes to make sure that no part being the subject of an open-source licence, an integral part of which in the event of even partial use thereof would be the obligation to ensure free distribution of which the subject of the open-source license would be part (the so-called Copy-left Effect), is part of the Services.

13.4 Right of Use. Supplier declares that any Service parts to which industrial or other intellectual property rights relate shall belong to Client, as of the day of their takeover, with the exclusive and unlimited right to use them to the broadest possible extent in compliance with the relevant legislation applicable to the given type of industrial or intellectual property. The right to use these items shall be without limitation as to the territory and time and shall be transferred gratuitously as transferable with the right to grant a sub-licence and as assignable without the need for obtaining the consent of the originator or the owner of the industrial or intellectual property. Any remuneration for the provision of these rights is included in the price of the Services.

13.5 Damages. Supplier also undertakes to make sure that no damages are suffered by Client or any other person as a consequence of any possible breach of obligations by Supplier as stipulated in this Article or as a consequence of falsity of Supplier's declarations. Supplier expressly undertakes to provide Client with compensation for all damages suffered by Client as a consequence of a breach of these obligations or falsity of Supplier's declarations

and, moreover, for all damages and costs suffered by Client as a consequence of the assertion of any third party rights towards Client, any of Client's customers or any Concern company.

14. Liability for Damages, Cost and Insurance

14.1 Liability for Damages. The Contracting Parties agree that for the purpose of determining the scope of compensation for damages suffered as a consequence of a breach of Supplier's obligations pursuant to the Contract, which is governed by these Business Conditions, Supplier shall be liable for all damages inflicted on Client, Client's customers or other persons in relation to the breach of its obligations pursuant to the Contract, including damages exceeding those that could have been foreseen by Supplier as the possible consequence of the breach incl. Force Majeure. Supplier shall be obliged to provide Client with compensation for damages, in particular including all sums expended by Client in relation to the breach of Supplier's obligations pursuant to the Contract, all costs of Client's proceedings conducted in relation to the breach of Supplier's obligations pursuant to the Contract, as well as all costs spent in relation to defects in the Services. Supplier undertakes to provide Client with compensation for all damages within 30 days of Delivery of Client's written notice.

14.2 Cost. If Client's employees perform work or other activities due to a breach of the Contract or these Business Conditions, Supplier shall be obliged to reimburse the cost of such work as billed by Client according to the pricelist stated in paragraph 21.21.1 c) of these Business Conditions. Supplier undertakes to reimburse the cost within 30 days of Delivery of its billing by Client. Client's right to compensation for any other damages shall not be affected.

14.3 Insurance. Supplier undertakes to take out, at the latest on the date of signing the Contract and in the sufficient extent, insurance against damages caused by defective Services and damages caused by operating activities. The insurance coverage shall be appropriate with regard to the type of the Service and Supplier's operating activity. At Client's request, Supplier also undertakes to substantiate, through a certified copy of the concluded insurance contract or, possibly, the insurance company's written confirmation of the concluded insurance contract and its subject, the insurance benefits and other facts relating to the concluded insurance contract as per Client's demands. The insurance stated above must be maintained valid and uninterrupted by Supplier throughout the period of the Contract and, in the event of any changes, Supplier must notify Client in writing without delay. In the event of a breach of any obligation stipulated in this clause, Client shall be entitled to a contractual penalty of CZK 10,000 for each case of default.

15. Force Majeure and Changed Circumstances

15.1 Force Majeure. In the event of Force Majeure, the time-limits for fulfilling the obligations ensuing for the Contracting Parties from the Contract or these Business Conditions shall be extended by the period for which the Force Majeure event lasts. Supplier shall be obliged to notify Client of the beginning and end of the Force Majeure event in writing without undue delay. Supplier shall also be obliged to notify Client in writing and without undue delay of the beginning and end of a Force Majeure event experienced by its subcontractors. Events such as lockout, delayed deliveries on the part of subcontractors (unless caused as a consequence of Force Majeure), insolvency,

insufficient labour force or insufficient material shall not be considered as Force Majeure. Force Majeure shall mean, in particular, an earthquake, floods, extensive fire, or war.

15.2 The Contracting Parties declare to be aware of the existence of the epidemic of coronavirus known as SARS CoV-2 (causing COVID-19 disease, as the virus may sometimes be called in practice) and the related emergency measures, other measures, regulations, administrative acts or interventions by public authorities of the Czech Republic or other states, as well as the fact that such emergency measures may evolve in the future, including a number of direct or indirect impacts on the economic or political situation, especially supply chains (e.g. deficiencies in supplies by subcontractors), shortages of labour or material, lack of financial liquidity or other impacts ("**Coronavirus Impacts**"). Hence, the Coronavirus Impacts are not deemed unforeseeable and the performance due dates, price/remuneration and other terms and conditions under the Contract were agreed already taking into account the Coronavirus Impacts. The Supplier is not entitled to demand a modification of the terms hereunder or rely on the force majeure provisions solely on the Coronavirus Impacts grounds under Article 15.1 of Business Conditions.

15.3 Changed Circumstances. Supplier hereby assumes the risk of changed circumstances after conclusion of the Contract.

16. Trade Secret

16.1 Trade Secret. All information handed over by Client to Supplier shall be considered as confidential and as a trade secret. Supplier undertakes not to inform any third parties on the existence or content of any contract concluded between Client and Supplier. Without Client's prior explicit consent in writing, Supplier must not disclose to any third parties any information or documents relating to any contract between Client and Supplier that has already been or will be handed over or made available to Supplier by Client. Client's prior explicit consent in writing shall also be needed in the event of disclosure of information to Supplier's subcontractors in relation to the fulfilment of any contract between Client and Supplier.

16.2 Contractual Penalty. In the event of a breach of the obligations as per paragraph 16.1 of these Business Conditions, Client shall be entitled to demand that Supplier pays a contractual penalty of CZK 100,000 for each individual breach of these obligations, including repeatedly.

16.3 Duration. The obligations ensuing from this clause shall survive the termination of any contract between Client and Supplier.

17. Governing Law

17.1 Governing Law. The rights and the obligations of the Contracting Parties, including the existence of the Contract and its validity and effect, shall be governed by the laws of the Czech Republic, with the exclusion of conflict of laws and the UN Convention on Contracts for International Sale of Goods.

17.2 Civil Code. The Civil Code pursuant to these Business Conditions shall mean Act No. 89/2012 Coll., the Civil Code, as amended.

17.3 INCOTERMS 2010. Where the Contract refers to INCOTERMS 2010, it shall be a reference to the International Rules of Interpretation of Delivery Terms of

INCOTERMS 2010 and the publication of the International Chamber of Commerce in Paris and the provisions contained for this term in INCOTERMS shall, if used in the Contract, become part of the Contract.

18. Arbitration Clause

- 18.1 Arbitration Clause. The Contracting Parties hereby undertake to make all efforts to settle any dispute ensuing from, or relating, to the Contract amicably. The Contracting Parties further agree that if they fail to resolve a dispute or claim ensuing from, or relating to, the Contract amicably, they shall submit it to the Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic ("Arbitration Court") for final resolution in arbitration proceedings. The arbitration proceedings shall be conducted according to the Rules and Regulations of the Arbitration Court and by a panel of three arbitrators. Each Contracting Party shall appoint one arbitrator and these arbitrators shall then appoint the third arbitrator who shall be the chairman of the panel of arbitrators. If the appointed arbitrators do not agree on the presiding arbitrator within 15 days of appointment or either Contracting Party fails to appoint its arbitrator within 30 days of Delivery of the other Contracting Party's notice, the chairman of the panel of arbitrators shall be appointed by the Chairman of the Arbitration Court in compliance with its Rules and Regulations. The venue of the arbitration proceedings shall be Prague, Czech Republic, and the language of the arbitration proceedings shall be Czech. The arbitration award handed down by the arbitrators shall be final on merit and binding upon the Contracting Parties.

19. Severability Clause, Interpretation and Changes

- 19.1 Severability Clause. If any provision of the Contract or these Business Conditions is or becomes invalid or ineffective, the validity and effect of the other provisions of the Contract or these Business Conditions shall not be affected. In such case, the Contracting Parties undertake to replace the invalid or ineffective provision with a new provision the purpose of which corresponds to that of the original provision to the fullest extent possible.
- 19.2 Interpretation. The Contracting Parties do not wish that any rights or obligations are deduced, beyond the express provisions of the Contract and these Business Conditions, from the present or future practise introduced between the Contracting Parties or the usage maintained generally or in the industry relating to the subject of performance of the Contract or these Business Conditions, unless expressly stipulated otherwise in the Contract or these Business Conditions. Alongside the foregoing, the Contracting Parties confirm that they are not aware of any business usage or practise so far introduced between them.
- 19.3 Changes. Any changes in, or amendments to, the Contract or these Business Conditions must be made in writing.

20. Limitation Period and Contract Assignment

- 20.1 Limitation Period. Unless otherwise stipulated in the Contract, the limitation period shall be 04 years for both Contracting Parties.
- 20.2 Assignment of Contract by Client. Client shall be entitled to transfer the rights and the obligations pursuant to the Contract or its part to a third party. Supplier grants its explicit consent to such transfer by signing these Business Conditions. The assignment of the Contract shall be

effective towards Supplier at the moment of Delivery of the notice of assignment of the Contract to Supplier or at the moment at which the assignment of the Contract is proven to Supplier by the third party. Supplier and Client agree that in the event of a failure to fulfil any of the assigned obligations by the assignee, Supplier cannot demand that such obligation be fulfilled by Client instead of the assignee.

21. Documents for Supplier

- 21.1 Documents. Supplier takes into account the following documents relating to corporate social responsibility (CSR) and the quality management of the Concern companies:

- a) Code of Conduct of the ŠKODA TRANSPORTATION Group;
- b) Supplier Manual;
- c) Work Pricelist; and
- d) principles of occupational safety & protection of health, fire protection and environment protection

Supplier duly acknowledges that the documents stated in subparagraph d) of this clause shall apply in the version of the specific Concern company based on the relevant name of a document. The provisions of the Business Conditions shall prevail over the documents stated in this clause.

- 21.2 Website. All documents intended for Supplier as per paragraph 21.1 of these Business Conditions are stated in detail on Client's website. The Contracting Parties consensually declare that this form of reference to Supplier-intended documents is possible between them for the purposes of these Business Conditions and that they consider it as sufficiently definite. By signing these Business Conditions, Supplier duly declares that it has familiarised itself with the Supplier-intended documents before signing them, agrees with their content(s) and undertakes to adhere to them.

In Client's individual companies, the Supplier-intended documents are available at the following address:

<http://www.skoda.cz/en/documents/documents-for-suppliers/>

If Supplier finds that the website stated above is unavailable or otherwise non-functional, it shall be obliged to notify Client of this fact without delay.

- 21.3 Contractual Penalty. In the event of a breach of the obligations stated in Articles 3, 5, 6 and 9 of the Supplier Manual, Client shall be entitled to demand that Supplier pay a contractual penalty of CZK 10,000 for each individual breach of these obligations, including repeatedly.
- 21.4 Occupational Safety and Protection of Health (OSPH) & Fire Protection (FP). Supplier also confirms that its employees will be trained in OSPH and FP at Client's workplaces prior to the commencement of their works and undertake to observe the provisions of the generally applicable laws and Client's internal regulations pertaining to OSPH and FP at Client's workplaces so as not to pose any threat to their own lives or health or in the same extent to Client's employees.
- 21.5 Compliance Client. Client has adopted and complies with the internal corporate compliance program which is designed in such a manner that activities of Client comply with rules of ethics, morals, applicable legal regulations and international treaties, including measures the objective

of which is to prevent and detect their breach the Corporate Compliance program.

- 21.6 Compliance Supplier. Supplier (and any individual or legal entity that cooperates with said Contractual Partner and that is used for the fulfilment of obligations from this agreement or in relation to its conclusion and performance, i.e. employees, representatives, or external collaborators) observes and complies with applicable legal regulations, including international treaties, fundamental moral and ethical principles. Supplier rejects any tortious acts and refrains from them. Namely, Supplier will not allow, approve, or permit any direct or indirect act that would result in breach of any applicable legal regulations related to bribery or corruption by Supplier or any of its employees, representatives, or external collaborators. This obligation is, namely, but not exclusively also related to any illegal influence, undue payments/payments without a legal title or a supply of such a character in relation to public servants, representatives of public authorities, families, or closer friends. If Supplier acts for Client or on its behalf, Supplier will demonstrate that it complies with principles stated.
- 21.7 Personal data protection. The principles of personal data protection of Client are available at <https://www.skoda.cz/en/protection-of-personal-data/> and Supplier confirms that he is familiar with these principles.

Corporate Name: _____

ID: _____

Registered Address: _____

Entry in Companies or other Reg. _____

Name, Surname and Title: _____

Date: _____

Signature: _____