

Internal Information

ČEZ Willing to Reach an Agreement with Sokolovská Uhelná

ČEZ Company is aware of the difficulties faced by Sokolovská uhelná, právní nástupce, a.s. Company due to the landslide, which complicate performance of the long-term coal supply contracts. ČEZ Company is ready to assist its supplier and help it to solve the difficult situation within the limits of obligations based on due business care. Therefore ČEZ contacted Sokolovska uhelna once again today with an offer of amicable settlement of the coal supplies issue.

However, ČEZ has currently no legal basis for a procedure that would differ from the contract in force. The Company has to respect the requirements that applicable laws impose on the operation of trading companies with due diligence. ČEZ is thus forced to insist on the effect of the contract until it is legally proved without any doubt that the contract cannot be performed for the reason of demonstrated objective impossibility to supply, or due to other legally acceptable reasons that require modification of the respective contractual relationship.

ČEZ Company also applied to the Office for the Protection of Competition today for assessment of the contract for supplies of coal made with Sokolovská uhelná, právní nástupce, a.s. as part of its effort to find fast solution to the situation, and sent information proving that there has been and there is no breach of the law by ČEZ.

Sokolovská uhelná supplied to ČEZ volume of coal according to the general contract of purchase about 2 million metric tons of brown coal last year, which is burnt mostly by Tisová heating plant. It has always been the interest of ČEZ to find mutually acceptable solution to the supplies according to the long-term contract of purchase.