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*General Terms and Conditions, Fatra, a.s.*

**I. Scope of the General Terms and Conditions**

1. The General Terms and Conditions (hereinafter “**Terms and Conditions**”) have been issued by **Fatra, a.s.**, registered office: Napajedla, třída Tomáše Bati 1541, postcode 763 61; Company Id. No.: 27465021; Tax. Reg. No.: CZ 27465021, registered with the Commercial Register kept by the Regional Court in Brno, Section B, File No. 4598, as the seller (hereinafter the “**Seller**”) in accordance with the provisions of s. 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, in order to determine the requirements, conditions and exercise of mutual rights and obligations arising under purchase agreements (hereinafter the “**Purchase Agreement(s)**”) concluded between the Seller and another natural or legal person (hereinafter the “**Buyer**”) with respect to the sale of goods as part of their business activities.
2. Any person who attaches their signature, whether under the text of these Terms and Conditions, or to any other document or otherwise, to confirm their understanding of the Terms and Conditions, also declares to have fully accepted these Terms and Conditions, as amended.
3. The terms stipulated under these Terms and Conditions shall apply to any and all business cases where the Seller delivers goods to the Buyer based on Purchase Agreements according to s. 2079 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended.
4. The Seller shall deliver goods to the Buyer under Purchase Sub-Agreements, to be concluded at the moment when the Seller confirms the contents thereof, in the form of separate orders placed by the Buyer with the Seller.
5. The Buyer undertakes to duly take over the goods supplied as stated above, as well as any services related to the supply of goods, and to pay the Seller in due time.
6. The Buyer shall be obliged to present the Seller, upon the Seller’s request, with documents showing the Buyer’s legal personality, business license (extract from the Commercial Register, VAT registration, extract from the Trade Register etc.) and bank account, and deliver to the Seller updated documents without any delay in case of any change.
7. Any offer of goods made by the Seller shall not be binding until the Parties conclude an agreement, unless the Seller expressly indicates the offer as binding.
8. Should written stipulations of a Purchase Agreement derogate from the General Terms and Conditions, the special terms shall prevail.

**II. Delivery of Goods**

1. The Seller shall deliver the goods to the Buyer gradually within delivery periods and on dates as proposed by the Buyer in one-off orders issued in writing by the Buyer and confirmed in writing by the Seller. Delivery periods shall not exceed 35 days from the date of the written confirmation of a one-off order, unless the Parties agree otherwise.
2. The Buyer shall be obliged to make one-off orders in writing and send them to the Seller by post, fax or e-mail, provided that an order must contain a complete identification of the Buyer (business name, registered office, Company Id. No., contact person including phone and e-mail), a detailed specification of the goods according to the Seller’s price list (product number or description, quantity of units, required quality, name and office of the authorized representative of the Buyer). Such an order shall be binding on the Seller not earlier than as of the moment of the written confirmation thereof. The confirmation shall also involve the stipulation of a specific delivery period (by accepting the proposal of the delivery period specified in the order or by specifying the delivery period according to dispatch capacities of the Seller).
3. Should the Buyer be in delay with meeting any of their obligations under this Agreement or any legal regulation, or in any other way prevent the Seller from fulfilling the obligation to deliver the goods, the Seller’s obligation to deliver the goods in time will be fulfilled, if the goods were ready to be dispatched or handed over at the place of loading not later than on the last day of the delivery period and the Seller has informed the Buyer accordingly. Under such circumstances the Seller shall have the right to require the Buyer to pay the so-called storage fee amounting to 0.1% of the price for the stored goods per day.
4. Should the Buyer be in delay with their obligation to pay any of their financial obligations to the Seller, the Seller shall be entitled to refuse performing the delivery of goods until the financial obligation is fulfilled.
5. The place of delivery of the goods shall be determined by an agreed Incoterms 2010 delivery term, namely EXW warehouse of Fatra, a.s., unless the Parties agree otherwise.
6. The Seller shall be entitled to perform the delivery of goods in parts. Should the Buyer fail to accept or take over the goods duly and in due time, the Seller will be entitled to withdraw from the Purchase Agreement by a unilateral notice of withdrawal.
7. The Seller shall hand over the goods at the agreed place, together with a corresponding delivery note and other documents agreed.

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8. The risk of damage to the goods shall pass to the Buyer in accordance with the agreed delivery term under these Terms and Conditions. Any damage to the goods incurred after the passage of risk to the Buyer shall be without any prejudice to the Buyer's obligation to pay the purchase price, unless the damage to the goods occurred due to the Seller's obligations.
  9. The goods shall be delivered in usual quality and design. The goods may be delivered in such an amount that the maximum difference between the amount determined under this Agreement and the amount actually delivered is +/- 5%.
  10. The Seller shall be obliged to ensure that the goods are packed, loaded and properly secured for transport according to usual business practice. Any packaging shall be listed separately on the delivery note and invoiced separately. The Buyer may return the packaging within 180 days from the date of the delivery note issued by the Seller. Any returned packaging must be cleared, clean and undamaged, subject to reasonable wear and tear, only of the same type, marking and quantity as those delivered to the Buyer in the relevant period. The Seller shall be entitled to refuse accepting the packaging items not compliant with the above stated conditions. After having received a confirmation of acceptance of the returned packaging by the Seller's pallet management worker the Buyer shall be obliged to issue an invoice for the returned packaging. Prices must be identical to the prices charged by the Seller to the Buyer and the invoice must contain the number of the delivery note, whereby the packaging items were sent from the Seller, or the Seller's invoice number. Shipping costs for the returned packaging shall always be borne by the Buyer. The packaging shall be returned to the business premises, which they have been shipped from.
  11. Records of the Buyer's own packaging items shall be agreed in writing upon request of one of the Parties, usually twice per calendar year.
  12. Metal pallets shall be charged at zero cost. The Buyer shall be obliged to return them using the same means of transport as used for the delivery of goods and in equal number, against the confirmation of a document proving the return of pallets.
  13. The Buyer undertakes to return a properly confirmed delivery note for each delivery of goods.
  14. An electronic exchange of data between the parties equals to a written legal act and is equivalent to other commonly used forms of written communication.

### **III. Purchase Price and Payment Terms**

1. The purchase price is agreed in the Purchase Agreements as a contract price based on the current price list of the Seller. Having regard to the volatility of input prices, the Seller reserves the right to update the price list as necessary. VAT will be added to the purchase price at the legal rate.
2. The Buyer shall pay the purchase price to the Seller in cash upon the handover of the goods or based on invoices duly issued by the Seller, payable within 14 days from the date of issue of the invoice to the Buyer. The date of payment of the purchase price shall mean the date on which the amount subject to the due date is credited to the Seller's account as specified in the Agreement or in a related accounting document (invoice).
3. The Buyer shall not be entitled to withhold the purchase price or any part thereof due to having any claims against the Seller. The Buyer shall not be entitled to set off any their claims against the purchase price, even if these claims are based on the rights arising from complaints made in due time.
4. Should the Buyer be in delay with payment of a purchase price or part thereof, the Seller shall be entitled to charge the Buyer with the agreed default interest of 0.03% of the outstanding amount for each subsequent day of delay.
5. Should the Seller have reasonable doubts about the solvency of the Buyer, the Seller will be entitled, without any regard to exercise of any other Seller's right, to unilaterally modify the payment terms agreed in the purchase agreement, in particular to shorten the payment term or demand the payment in cash or in advance.
6. The Seller shall be entitled to set a credit limit for the Buyer. The Seller will then deliver the goods to the Buyer according to the Buyer's orders up to the credit limit so established.
7. The Seller's outstanding claims against the Buyer based on delivered goods, inclusive of VAT, will be charged against the credit limit. The credit limit also covers the Seller's future claims against the Buyer arising from accepted orders or otherwise concluded Purchase Agreements, obliging the Seller to deliver goods to the Buyer in the future.

### **IV. Passage of Ownership Title to Goods**

1. The delivered goods shall remain in the ownership of the Seller and the deferral of acquisition of the ownership title to the goods shall apply until the Buyer reimburses the purchase price in full.

### **V. Liability for Defective Goods**

1. The Seller shall be obliged to deliver the goods in the agreed quantity, quality and design. The Seller warrants in full extent that after the delivery the goods will be fit for the agreed or usual purpose of use for at least 24 months. The warranty does not cover any damage caused by improper handling and/or improper storage and/or incorrect application with reference to the relevant instructions or technical data sheet for the goods. The

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Buyer shall be obliged to follow the instructions and the current technical data sheet for the goods, available on the Seller's website at [www.fatra.cz](http://www.fatra.cz) and at the Seller's registered office. Liability for defects cannot be claimed for goods sold at a lower price with respect to the defect which the lower price was agreed for.

2. Should the delivered goods fail to conform to the agreed conditions in terms of quantity, quality, design or packaging, the goods shall be treated as defective. The Buyer shall be obliged to report the defects of the goods to the Seller without any delay and must prove the defects in a credible manner.
3. The notice of defects must include:
  - the number of the purchase agreement, invoice, or delivery note,
  - an exact description of the defect, or determination of how the defect is manifested,
  - one or more photographs of the defect in the goods,
  - the number of pieces or amount of the defective goods,
  - the way of discovering the defect in the goods.
4. The notice must also include the product label of the goods.
5. If necessary, the Seller reserves the right, at their discretion, to request a sample of the product with the claimed defect for the purpose of laboratory testing.
6. The Buyer shall be obliged to report the defects to the Seller in writing not later than by the end of the agreed warranty period and lodge the claim. Evident defects must be claimed with the Seller in writing not later than within 10 days after the takeover of the goods or after the date when the goods reached their destination. If the Buyer fails to report the defects within the above-stated time limits, the right to claim the defects shall expire.
7. If the defects represent a substantial breach of the Purchase Sub-Agreement, the Buyer shall be entitled to require:
  - removal of the defect by a delivery of goods free of defects, delivery of the missing quantity of the goods or repair of the goods,
  - reasonable discount on the purchase price,
  - withdrawal from the Purchase Sub-Agreement.
8. Unless the Buyer exercises their right in due time, or in the case of a non-substantial breach of the Purchase Sub-Agreement, the Buyer shall be entitled to have the defects removed or receive a reasonable discount on the purchase price in accordance with s. 2107 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended. In the case of quality defects, the Buyer shall present the Seller with a sample of the claimed goods.
9. The total foreseeable injury including the lost profit which the Buyer could incur in connection with the Purchase Agreement shall not exceed the amount equivalent to the purchase price for the successfully claimed goods.
10. The goods must be taken over and stored by the Buyer with due professional care in order to prevent any damage to the goods.
11. Applicable exclusively to waterproofing membranes (HIF) on the territory of the Czech Republic: Upon agreement with the Buyer shall be entitled to return the goods within 1 year of the takeover thereof, provided that the Buyer may be charged a handling fee of 15% of the original purchase price. The goods must be in their original packaging, in undamaged condition and must be accompanied by the original sales documents (invoice and delivery note). However, the Seller shall have the right to refuse to take the goods back at any time without giving a reason.

## **VI. Circumstances Excluding Liability**

1. Liability of the Parties for partial or complete failure to fulfil contractual obligations is excluded when such a failure occurs:
  - a) as a result of force majeure; in the event that the effects of force majeure last for a period not exceeding 90 days, the Parties will be obliged to fulfil the obligations from this Agreement as soon as the effects of force majeure cease, the delivery periods and any other time limits being extended by the duration of the force majeure. Cases of force majeure exclude delayed deliveries from subcontractors, lockouts and strikes;
  - b) as a result of an intervention by official authorities, preventing the Parties from fulfilling their obligations under this Agreement.
2. Therefore, a circumstance excluding liability shall be an obstacle occurring independently of the will of the obliged party and preventing the obliged party from fulfilling their obligations, if the obliged party cannot be reasonably expected to avert or overcome the obstacle or consequences thereof and to have anticipated the obstacle at the time of creation of the relevant obligation. Liability shall not be excluded by an obstacle, which has arisen at the time when the obliged party has already been in delay in fulfilling their obligation or which resulted from the financial situation of the obliged party.

## **VII. Clause and Applicable law**

1. The rights and obligations of the Parties as well as the legal relations resulting therefrom, created thereby and related thereto shall be governed by the law of the Czech Republic, subject to exclusive jurisdiction of the courts of the Czech Republic. The application of the UN Convention on Contracts for the International Sale of Goods dated 11 April 1980, and the statutes of international private law shall be excluded.
2. No business practices will prevail over the arrangements agreed herein or over legal provisions, even where such provisions do not have compelling effects.
3. Should the circumstances change after the execution of the Agreement to the extent that the performance under the Agreement becomes more difficult for either of the Parties, this shall be without any prejudice to the Party's obligation to fulfil their contractual obligations.

### **VIII. Confidentiality of Information and Protection of Intellectual Property**

1. Both Parties undertake not to disclose to third parties or publish any information acquired in connection with transactions under this Agreement or information that could harm relations between the Parties or the rights and interests of any of the Parties.
2. The Seller shall be entitled to use the business name or the name of the Buyer for their marketing purposes.
3. Trademarks, designs, internet domains and any and all other intellectual property rights remain the exclusive property of the Seller. The Buyer acknowledges that they does not acquire any right to trademarks or other intellectual property rights of the Seller, except for the rights subject to a license agreement concluded between the Parties. The Buyer expressly declares that they will not register or request the registration of trademarks or other rights infringing in the Seller's intellectual property right in the territory of the Czech Republic or in any other country, and without the Seller's consent the Buyer will not register an internet domain containing the Seller's trademark or a designation mistakable with the Seller's trademarks.
4. The Buyer acknowledges that they are not authorized to use any items constituting the Seller's intellectual property (especially images, graphics, texts, trademarks, etc.) without the written consent of the Seller.

### **X. Final Provisions**

1. Should any provision of the Terms and Conditions be or become invalid or ineffective, such an invalid provision shall be replaced with a provision, whose meaning comes as close as possible to the invalid provision. The invalidity or ineffectiveness of a provision shall be without any prejudice to the validity of the remaining provisions. The contents of the Purchase Agreement may be changed only by a legal act in written or more stringent form; the Parties exclude any possibility to change the contents of the Purchase Agreement in any other manner.
2. Without the prior written consent of the Seller, the Buyer shall not be not entitled to assign the rights and obligations under the Purchase Agreement to a third party. The Buyer agrees that the Seller, as the assignor, may transfer their rights and obligations under the Purchase Agreement or part thereof to a third party.

Napajedla, 1 March 2024

Fatra, a.s.

Ing. Pavel Čechmánek

Vice-chairman of the Board of Directors

Ing. Luděk Kramoliš, LL.M.

Member of the Board of Directors