

GENERAL BUSINESS TERMS AND CONDITIONS AND COMPLAINT HANDLING RULES

of the **HESTEGO a.s.** company, with its Registered Office in Vyškov, Na Nouzce 470/7, postal code 682 01, ID No.: 634 75 073, incorporated in the Commercial Register administered by the Regional Court in Brno, Section B, File No. 6368 (hereinafter referred to as the “**Contractor**”)

1. INTRODUCTORY PROVISIONS

- 1.1. These General Business Terms and Conditions and Complaint Handling Rules (hereinafter referred to as the “GBTC&CHR”) regulate the mutual rights and obligations of the Parties in connection with or based on contracts for work, purchase agreements, service agreements and other similar types of contracts/agreements and also framework agreements and the related orders concluded between the Contractor and its business partner as a customer or a buyer (hereinafter referred to as the “Customer”).
- 1.2. These GBTC&CHR form an integral part of every Contractor’s offer or of any contract concluded between the Contractor and the Customer. These GBTC&CHR will also apply in the event that a reference to them is not given in the Contractor’s confirmation or the customer’s order.
- 1.3. These GBTC&CHR represent exclusive business terms and conditions that are applicable between the Customer and the Contractor, and they exclude the application of any Customer’s business terms and conditions, unless the Contractor has expressed its prior written consent with the application of the Customer’s business terms and conditions.
- 1.4. In order to improve the quality of services provided, in response to developments in the regulatory environment and in technology development and also with regard to the Contractor’s commercial policy, the Contractor is authorized to unilaterally amend these GBTC&CHR to a reasonable extent, especially in relation to the form of communication between the Parties, the method of invoicing, the range of products and services offered, complaints and the ways of termination of the respective contract/agreement (hereinafter referred to as “Amendment”). To this end the Contractor is authorized to submit such an Amendment to the Customer for approval in writing no later than two (2) months prior to the date on which the submitted Amendment is to take effect. Should the Customer not agree with the Amendment, it is authorized to withdraw from the contract in writing with effect as of the date preceding the date of effect envisaged in the submitted Amendment. A written notice of withdrawal must be delivered to the Contractor at least one (1) month prior to the date effect envisaged in the submitted Amendment. Should the notice of withdrawal not be delivered to the Contractor within the time limit referred to above, the Amendment becomes effective as of the date of effect envisaged in the submitted Amendment and becomes binding on both Parties.

2. CONCLUDING THE CONTRACT

- 2.1. The contract between the Parties is deemed to be concluded (i) if both Parties have signed the contract or (ii) if the Contractor has confirmed the Customer's order.
- 2.2. The Customer may make a non-binding inquiry for the Contractor's services, based on which the Contractor may prepare a quotation and a bid, which needs to be to the Customer.
- 2.3. The Customer orders part deliveries by means of individual orders (hereinafter referred to as the "Order") comprising the following essentials: (i) specification of the requisite goods and/or of the work; (ii) the number of items required; (iii) the requisite delivery date; (iv) the price; (v) the Customer's Order number; (vi) the identification of the person who issued the Order, together with the information regarding their name, surname and position, and (vii) the date on which the Order was issued. If required, drawings or sketches form an integral part of the Order. Confirmation of the Order on the part of the Contractor refers to the conclusion of the individual contract.
- 2.4. Unless agreed otherwise by the Parties, the Contractor must confirm or reject the Order within five (5) working days. The Contractor's confirmation of the Customer's Order will comprise a brief recapitulation of the terms and conditions of the contract.
- 2.5. Should the Order contain different conditions than those defined in the Offer and/or in the GBTC&CHR, the Contractor is authorized to amend the Order when accepting it and to bring it in compliance with the GBTC&CHR, thereby making the amended Order confirmation. The amended Order confirmation is acceptable provided that the Customer does not refuse such amendment to the Order within three (3) working days from the date of the receipt of the amended Order confirmation.

3. THE SUBJECT-MATTER OF PERFORMANCE

- 3.1. The subject-matter of performance is the delivery of goods or the implementation of the work (hereinafter jointly referred to as the "Products") as has been agreed in the contract or specified in the Order confirmed by the Contractor or in the Contractor's offer that has been accepted by the Customer under the terms and conditions defined in these GBTC&CHR.
- 3.2. Unless the quality, characteristics or design of the Products are expressly agreed, the supplied Products must be suitable for the purposes specified in the contract, in the Order or in the offer; otherwise, to the best knowledge of the Contractor for the customary purpose.
- 3.3. The Customer undertakes to provide the Contractor, without any undue delay, with all assistance necessary for the proper fulfilment of the Contractor's obligations.

3.4. The Customer undertakes to observe the proper conditions for storage, for professional assembly and handling and for the maintenance and the operation of the Products in accordance with the Contractor's instructions that are available, for the telescopic covers, on the Contractor's website at <https://www.hestego.com/download-en>. Coated panels must be stored on a pallet in a dry environment. In the event of packaging using stretch film, any coated products that are wrapped in this manner must not be stored in direct sunlight.

4. DELIVERY OF THE GOODS

4.1. The Contractor will deliver the Products to the Customer at the agreed time and place of delivery (and after the clarification of all the relevant technical and business matters) and the Customer undertakes to accept them. Unless the place of delivery is expressly agreed, it is understood that the agreed place of delivery is the Contractor's registered office. Unless agreed otherwise, the goods will be delivered under the EXW INCOTERMS 2020 terms of delivery.

4.2. The delivery term is to be extended by at least the duration of any delay that occurs:

4.2.1. If the Contractor has failed to receive information necessary for the performance under the contract in a timely manner or if the Customer requires additional amendments to the original Order thereby causing a delay in the delivery of the goods or the provision of the agreed services; or

4.2.2. If any obstacles have occurred that the Contractor is unable to overcome despite its reasonable efforts to do so, regardless of whether these obstacles are on the part of the Contractor, of the Customer or another supplier. The aforementioned circumstances refer e.g. to epidemics, mobilisation, war, riots, operational failures, accidents, strikes, delayed or faulty sub-deliveries, official inaction and natural disasters. If the Customer or a third party fails to perform its required tasks or to fulfil its contractual obligations, specifically in relationship to the payment terms.

4.3. Unless agreed otherwise, the Contractor will pack the Product in a manner compliant with the Contractor's standard.

Unless expressly agreed in the contract or in the Order, it is understood that the supply of the Products does not represent a fixed liability pursuant to Section 1980 of the Civil Code (of the Czech Republic).

4.4. The Customer undertakes to properly accept the Products in the place of performance and make a check of the quality and quantity thereof, specifically as follows:

- 4.4.1. Upon delivery of the Products, the Customer is obliged to check, without any undue delay, the Products' transportation packing (in particular as regards their potential damage due to transportation), the quantity of delivered Products, and carry out a general visual check of the Products concerned as well (scratched varnish, dented sheet metal, inoperable or deformed hinges, other mechanical damage, etc.). The Customer is obliged to specify any such discovered defects for the purposes of the Contractor upon acceptance and specify them in the delivery note of the forwarder as well. In the event that upon the receipt of the Products the Customer fails to specify in the delivery note the defects that could otherwise be discovered by such a check, it is understood that the Products delivered are free of any obvious defects of this nature and thereby the Customer will not be subsequently authorized to claim for any obvious defects in the Products.
- 4.4.2. No later than within three (3) working days after delivery of the Products the Customer is obliged to carry out a thorough inspection of the Products' quality within the scope of customary technical inspections of the required characteristics of the Products, e.g. checking the parameters of the thickness of the varnish coating, its gloss and its colour shades, etc. The Customer is obliged to specify any such discovered defects for the purposes of the Contractor within the defined time limit by a written notice addressed to the Contractor. In the event that the Customer fails to specify such defects in the Products within the defined time limit by a written notice to the Contractor, it is understood that the delivered Products are free of any obvious defects and thereby the Customer will not subsequently be authorized to claim for any obvious defects in the Products.
- 4.5. Minor defects and arrears, which do not prevent the Products from being used, do not constitute grounds for the Customer's rejection of the acceptance of the Products.
- 4.6. The risk of damage to the goods passes to the Customer when the Contractor hands the Products over to the forwarder or to another entity that has been designated by the Customer. In the event that based on the Customer's instructions or for other reasons, for which the Contractor is not liable, the transfer to the forwarder is postponed, then risk of damage to the Products will pass to the Customer immediately after the goods have been dispatched. As of the moment of dispatch the Products will be stored at the Customer's own expense and risk.
- 4.7. Unless agreed otherwise, the title to the Products will pass to the Customer on the day of payment of the Products' full price, including the statutory value added tax.

5. PRICE AND PAYMENT TERMS

- 5.1. The price of the Products specified in the contract is exclusive of value added tax that is to be added to the price in the amount imposed by the applicable legal regulations. Unless agreed otherwise, the purchase price does not include the price of shipping containers, packing, loading on a means of transport nor the cost of other charges, e.g. taxes, duty, insurance etc. All such costs will be borne by the Customer.
- 5.2. The Customer is obliged to pay the agreed price of the Products, including any additional costs for packaging, transportation, insurance or assembly, unless it has been expressly stipulated that these costs are included in the price, based on an invoice that meets the requirements of a tax document pursuant to Act No. 235/2004 Coll., on Value Added Tax, as amended.
- 5.3. The Contractor is authorized to demand advance payment on the price of the Products from the Customer prior to the commencement of the production thereof. In the event of the Customer's delay with the advance payment the Contractor may postpone the time of delivery by the duration of the Customer's delay. The Contractor is also authorized to withdraw from the contract for the delivery of the Products for which no advance payment has yet been paid.
- 5.4. Unless agreed otherwise, invoices are due 30 days as of the date of issue of the invoice; the invoice will be usually issued within 15 days after the delivery of the Products. In the case of part deliveries, the Contractor is authorized to issue the invoice for the price of the part performance.
- 5.5. Prior to delivery of the Products, the Contractor is authorized to request from the Customer to be paid advance payment for the purchase price, in particular if repeated delays in the settlement of the Customer's obligations have been experienced or in the event of substantial worsening of the Customer's financial standing. In such cases the Contractor is authorized to retain pending deliveries of all sales contracts as well, without breaching the contracts or the right to withdraw from them.
- 5.6. The price will be paid by means of a bank transfer to the Contractor's bank account specified in the invoice. If a variable and/or a specific symbol are provided in the invoice, the Customer undertakes to refer to these details when making the relevant payment. The date of the payment of the monetary consideration is the date on which the Contractor's account has been credited with the amount due.
- 5.7. In the event of any default in regard to the payment of any amount that has already been invoiced, the Contractor is authorized to require from the Customer the interest on late payment of 0.05% of the outstanding amount for each day of the delay until the payment has been settled in full.

- 5.8. In the event of the Customer's delay in regard to the payment of any amount invoiced, the Contractor is authorized to suspend the fulfilment of any of the Customer's additional Orders until the full payment of all the Customer's debts to the Contractor has been made; in this case the Contractor is not considered as being in default with its performance.
- 5.9. Should the price of the Products negotiated between the Parties under an individual purchase contract or a confirmed Order is determined in a different currency than Czech crowns and should the exchange ratio of both currencies change causing a fall in the price of the Product expressed in Czech crowns by more than 2% compared to the price of the Product expressed in Czech crowns as of the date of the conclusion of the individual purchase contract, the Contractor is authorized to additionally charge for the difference in prices of the Products calculated in this manner. Decisive is the average exchange rate published by the Czech National Bank on the date of the conclusion of the individual contract and on the date of payment of the Product price. The Contractor is authorized to invoice an indicated increase by means of a separate invoice.
- 5.10. Should a rise in production costs (e.g. due to a rise in prices of raw materials, wages, changes in relevant exchange rates) needed for manufacturing the Products by more than 5% occur after the confirmation of the Order, the Contractor is authorized to increase the price of the Products by an amount corresponding to the increase in the production costs. The Contractor will notify the Customer of such an increase in price and together with the notice of increase in prices the Contractor submit for the purposes of the Customer documents justifying the increase in the price of the Products due to changes in prices of production costs (original and new price lists or original and new material Orders, etc.). Any change in the price of the Products will become effective as of the date of delivery of the notice concerned to the Customer.
- 5.11. The Customer is not authorized to set off its own receivables against the Contractor's receivable for the payment of the purchase price of the Products, including appurtenances.

6. DEFECTS OF GOODS, LEGAL GUARANTEE, AND COMPLAINTS

- 6.1. If the Products are delivered by the Contractor to be transported to the site designated by the Customer, the Customer must ensure the inspection of the Products within the meaning of Art. 4.4. 4.4.1. of the GBTC&CHR upon delivery of the Products to the designated site. If the Products are supplied in the registered office of the Contractor, the Customer must ensure the inspection of the Products within the meaning of Art. 4.4. 4.4.1. of the GBTC&CHR upon receipt thereof at the Contractor's site. Failure to do so is understood as the completed delivery of the Products free of any defects. In the event that obvious defects are discovered, the Customer must document such defects in a provable manner and inform the Contractor thereof in accordance with Art. 4.4. of the GBTC&CHR, namely by submitting the respective photographic documentation of the defects. In the event of any failure to comply with the specified obligations the Customer will not be authorized to claim any compensation for these obvious defects. In the event of any damage occurring to the Products supplied during their transportation, the Customer is obliged to carefully document such a fact directly in the vehicle and with the forwarder at the time of the acceptance of the goods and to execute a report providing a detailed description of the extent of damage sustained. The Customer must report any potential latent defects in the Products in a similar way as in the case of obvious defects. The Customer is authorized to report latent defects no later than upon expiry of 12 months as of delivery of the Products concerned.
- 6.2. The Customer must report potential latent defects without any undue delay in a similar way as in the case of obvious defects. The Customer is authorized to report latent defects no later than upon expiry of 1 year as of delivery.
- 6.3. The Contractor will also provide the Customer with a legal guarantee for the quality of the Products in regard to any non-obvious defects for a period of 12 months as of the date of the delivery of the Products. The legal guarantee only applies to defects in the Products in which proper storage conditions, professional assembly, handling, maintenance and operation in accordance with the Contractor's instructions have been complied with. The legal guarantee does not cover wearing parts and consumables (e.g. wipers, sliders, rollers, shock absorbers, "Z" bars).
- 6.4. Services, repairs, cooperative production and other services are subject to a legal guarantee for quality of 6 months, provided that the Customer adheres to the Contractor's GBTC&CHR. The legal guarantee period starts running as of delivery of the goods to the Customer or their handover to the forwarder, i.e. as of the date of shipment.

- 6.5. The Contractor is liable neither for any defects in the Products' functionality nor for any damage resulting from the use of documents and materials supplied by the Customer. In the case of the Products manufactured by the Contractor in accordance with the documentation or materials submitted by the Customer, the Contractor is not obliged to check the accuracy, adequacy, and completeness of the documentation or materials submitted by the Customer and assumes no liability for any such documentation (or use of such materials) or for meeting the legislative conditions for the distribution and use of such Products. Regarded as the Customer's documentation is also the Customer's documentation copied by the Contractor for the production purposes, if the basic concept of the Product has not been changed.
- 6.6. Complaints based on defects in the Products must be submitted within the legal guarantee period, without any undue delay after discovering the defect, but no later than seven (7) days following the date of the discovery of the defect. Complaints must be sent to the Contractor in writing and must include an exact specification of the Product that is being complained about (including its identification data, e.g. the drawing No., the quantity, any defects discovered, the date, the method of the defect discovery, and the manifestation thereof). If the Customer fails to report the defect properly and in a timely manner, the Customer will lose the right to be provided compensation for defective performance by the Contractor. In the event that the Contractor deals with a defect reported with a delay (both legal guarantee and after-guarantee ones) and discuss its removal, the Contractor is not deprived of the right to object against the late reporting of the defect.
- 6.7. If the Customer discovers a defect, the Customer is obliged to immediately implement measures aimed at minimizing any further damage to the Products or the machinery and also to prevent the occurrence of any other potential related damage.
- 6.8. If the defect is properly complained of by the Customer, the Contractor undertakes to carry out an inspection of the relevant Product defect without any undue delay. For this purpose and unless agreed otherwise the Product complained of will be delivered to the Contractor's premises, where it will undergo appropriate testing to determine whether the alleged defect exists or not. The method of the Product's transportation to the Contractor's premises will be agreed between the Parties. The Parties will bear all costs related to the exercise of rights arising from defective performance individually, with the exception of costs necessary for the transport of the Product, that are to be settled by the Contractor should the complaint be found legitimate. In addition, the Customer is aware of the fact and agrees that in the event of a defect in the Product complained of the Contractor will not be liable for potential damage sustained by the Customer in relation to the defect complained of, in particular for lost profit on the part of the Customer.

- 6.9. When accepting a claim for defective goods the Contractor will remedy any defect(s) free of charge either by repairing it or them or by delivering a new Product or the relevant part thereof, upon the Contractor's sole discretion. Should the Contractor fail to remedy the defect within 30 days following the date of making a written statement concerning the complaint, the Customer may demand a reasonable discount from the price of the Products in an amount that is agreed between the Parties; the Customer will not be authorized to any discount if the delay in remedying the defect(s) occurred due to the Customer's delay in providing the required assistance.
- 6.10. Checking the functionality and for any defects in the Products as well as replacing small components (e.g. wipers) and replacing worn out parts may only be carried out by the Contractor's qualified personnel or by the Client's employee who has been properly trained by the Contractor to carry out such activities. In the latter event, the Customer must submit to the Contractor a written record of the inspection or of the replacement of worn-out parts within 10 days of the execution thereof. Any unauthorised intervention in the Product that is in violation of this provision of the GBTC&CHR during the legal guarantee period will automatically terminate the legal guarantee of quality for the Product concerned.
- 6.11. Should the manual or the Contractor's instructions for use of the Product state that the Product requires regular maintenance and professional servicing, such maintenance must be carried out or otherwise the legal guarantee will expire.
- 6.12. In the event of a dispute between the Parties as to whether the Product's defect is either covered by the legal guarantee or by the Contractor's liability coverage, the Parties will appoint an expert or another generally recognised professional in the field who will make an assessment of the defect and determine whether or not it is one for which the Contractor is liable. The costs associated with the processing of an expert opinion or of the opinion of a generally recognised professional in the field shall be borne by the Party whose opinion concerning the defect, based on the expert report or opinion, was not accepted. In the event that the claim proves to be justified by an expert opinion or report, the time limit for remedying the Product's defects pursuant to Article 6.8. commences on the date of delivery of this opinion or report to the Contractor.

7. Liability

The supplier shall only be liable - on whatever legal grounds - for damage that has not occurred to the delivery item itself:

- a. in case of intent;
- b. in the event of gross negligence on the part of the owner / executive bodies or senior employees;
- c. in the event of culpable injury to life, body or health;
- d. in the case of defects which he has fraudulently concealed;
- e. within the scope of a guarantee promise;
- f. in the case of defects in the delivery item; insofar as liability is assumed under the Product Liability Act for personal injury or property damage to privately used objects.

In the event of culpable breach of essential contractual obligations, the supplier shall also be liable in the event of gross negligence on the part of non-executive employees and in the event of slight negligence, in the latter case limited to the reasonably foreseeable damage typical for the contract.

Essential contractual obligations are, for example, those which the contract specifically intends to impose on the supplier according to its content and purpose or the fulfilment of which makes the proper execution of the contract possible in the first place and on the observance of which the customer / purchaser regularly relies and may rely. Further claims are excluded.

INTELLECTUAL PROPERTY RIGHTS

- 7.1 If the Products or their components are manufactured on the basis of documentation supplied by the Customer, the Customer undertakes to ensure the provision of the relevant rights to use such documentation to the extent necessary and the Customer will also be liable for any or all damage (including loss of profits, compensation for costs for judicial proceedings, costs of legal representation, court and other charges) that the Contractor may incur in connection with the use of such materials, while the Customer undertakes to pay their full amount to the Contractor. The Contractor will not be held liable for any infringement of the rights of another person in regard to any industrial or other intellectual property due to the manufacture and/or the use of the Products in accordance with the documentation provided by the Customer and pursuant to the terms of any legal system in regard to which this infringement could occur.
- 7.2. The drawings, the models, the technical documentation and any other technical information and documents that have been passed between the Contractor and the Customer for the purposes of the manufacture and the delivery of the Products may not be used for any other purpose without a prior express consent of the Party that provided these documents by passing them on to the other Party. Specifically, these documents may not be copied, or reproduced, nor may they be disclosed to any third party/parties without a prior written consent of the Party that provided these documents.
- 7.3. the Parties expressly agree otherwise, all the technological procedures, the documentation and the technical information related to the manufacture of the Products, with the exception of documents that have been supplied by the Customer, represent the intellectual property of the Contractor.

8. TERMINATION OF THE CONTRACT

8.1. The termination of the contract can only occur:

8.1.1. based on written agreement of the Parties;

8.1.2. based on a written notice of termination for the reasons stipulated either in the contract or in the GBTC&CHR;

8.1.3. by withdrawal from the contract for the reasons stipulated either in the contract or in the GBTC&CHR. Should either of the Parties have a reason for withdrawal, the Party will first deliver to the other Party a written notice requesting remedy within a reasonable grace period of not less than ten (10) working days. In the event of expiry of the grace period with no effect, the entitled Party is allowed to withdraw from the contract based on a written notice of withdrawal.

8.2. The reasons for the Contractor's withdrawal are (i) the Customer's delay in providing the required assistance necessary for proper performance on the part of the Contractor, (ii) a breach of the Customer's obligation to ensure the provision of the necessary rights to use the materials that have been supplied by the Customer pursuant to Article 8, or (iii) the Customer's delay with payment of any of amounts due to the Contractor longer than 60 days. Should the Contractor have a reason for withdrawal, the Contractor will first deliver to the Customer a written notice requesting remedy within a reasonable grace period of not less than ten (10) working days. Only after expiry of such a grace period with no effect, the Contractor may withdraw from the contract.

8.3. The reason for the Customer's withdrawal is (i) the Contractor's delay in the delivery of the Products for a period of more than 30 days or (ii) the failure to remedy any legitimately claimed defect(s) in the Product pursuant to Article 6.

9. CONFIDENTIALITY

- 9.1. The Parties undertake to maintain confidentiality in regard to all the information related to the Parties and their commercial relationships that the Parties have obtained, whether directly or indirectly, from the other Party in connection with the conclusion of the contract and with the fulfilment of their obligations under the contract and to refrain from disclosing such information to any third parties with the exception of disclosure thereof to the extent necessary for ensuring the full and proper performance under the contract. The Parties undertake to ensure the protection of their confidential information, including ensuring that adequate technical and organisational measures are available to protect their confidential information and thereby ensuring its protection against any unauthorised access or unauthorised use and/or transfer. In the event of concluding a separate confidentiality agreement and/or an agreement regarding the protection of confidential information, then in the case of any discrepancies the provisions of such a separate agreement shall prevail over this provision concerning confidentiality.
- 9.2. Pursuant to this article not considered as confidential information is: (i) information that is or that will become generally known or publicly available for a reason other than as the result of a breach of the confidentiality obligation as it is defined in this contract, (ii) information a disclosure of which is already foreseen by this contract (e.g. references), (iii) information in the case of which: (a) there is a legal obligation to disclose confidential information to the court or to another public authority, or if either Party suspects that the other Party has committed any crime(s) against life, health, human dignity or personal freedom, (b) confidential information has been communicated to a person, who himself/herself is bound by a legal obligation of confidentiality, especially if s/he is a lawyer or another professional adviser or (c) it has been communicated in order to fulfil the obligations arising from this contract.
- 9.3. The Customer is aware of the fact that the Customer's personal data and/or the personal data of the persons acting for and on behalf of the Customer or representing the Customer is processed within the framework of the commercial relationship. Detailed information on the processing of the business partners' personal data is available on the following website www.hestego.com.

10. FINAL PROVISIONS

- 10.1. Business relationships between the Parties are governed by the rule of law of the Czech Republic.
- 10.2. All disputes arising from the contract and/or in relation thereto that will not be remedied by negotiations between the Parties, will be decided by the court of general trial jurisdiction to the Contractor is submitted.
- 10.3. The Parties exclude the application of the provisions of Section 1765, Section 1766, Section 1924, and Section 2594 of Act No. 89/2012 Coll. and also the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

These GBTC&CHR are effective as of 1.3.2024.