

General Business Terms and Conditions for the Supply of Ceramic Products

1. Supplier

1.1 KERAMTECH s. r. o.
Horská 139
542 01 Žacléř
Represented by: Ms. Jitka Gábrtová – Managing Director
Person authorized to act in commercial and technical matters:
Mr. Petr Procházka – Head of Commercial Department
Bc. Miroslav Polák – Sales Manager
Mr. Petr Sychra – Sales Manager
Registration No.: 43463151 VAT Registration No.: CZ 43463151
Bank: ČSOB Trutnov, Account No. 272196203/0300

Registered at the Commercial Register with the Regional Court in Hradec Králové – Section C, Inlet 1342

hereinafter only referred to as “the Supplier”

2. Subject of Delivery

2.1. The subject of delivery is usually a ceramic product manufactured by the Supplier according to the following specifications:

- Valid drawing documentation;
- Safety and material data sheet of the ceramic material;
- Technical and Acceptance Conditions for ceramic products (hereinafter only referred to as TAC);
- Other documentation approved by the Supplier and the Customer.

2.2 Packaging shall be realized according to the packaging practices of the Supplier or according to the specifications of the Customer approved in advance by the Supplier. The standard packaging is considered by the Supplier to be the packaging of the products in paper cardboard, then on a wooden pallet (EUR type). The marking of the cardboard is according to the customs of the Supplier unless specified otherwise by the Customer.

3. Purchase Quantities, Delivery Terms and Deadlines

3.1 The Supplier undertakes to manufacture and deliver the Products in the required quantity, time, quality and price according to the confirmed Purchase contract issued by the Supplier on the basis of the purchase order of the Customer. If the Customer needs to adjust the quantity of an already confirmed purchase order, the Customer is obliged to discuss this adjustment in writing with the Supplier and mutually confirm it.

3.2 The delivery terms according to INCOTERMS 2020 shall form an integral part of the price agreement and shall be always stated in the purchase order confirmation issued by the Customer. The Supplier considers the following delivery terms to be customary:

- FCA Žacléř, with transport being organized and paid for by the Customer. The Supplier undertakes to load the ordered goods onto the means of transport of the Customer and to issue all necessary documents;
- CPT/CFR/DAP at the agreed location (e.g. warehouse of the client of the Customer, warehouse of the final customer, etc.), whereby the transport is organized by the Supplier and included in the agreed price or stated separately in the commercial invoice.

3.3 In the event that the quantity per individual delivery does not correspond to the quantity agreed upon when the purchase price was agreed, the Supplier shall be entitled to reimbursement of the resulting difference in transport costs. The exact value of the difference shall be determined and agreed upon by both parties before the shipment of the goods.

3.4 The Customer is always obliged to receive the goods that have - according to confirmed purchased orders - already been manufactured or started being produced. The agreed delivery dates and deadlines shall be binding. The Customer shall be entitled to compensation for any extra costs caused by delayed deliveries by the Supplier. Acceptance of delayed deliveries shall not constitute a waiver of the claim for the compensation of damages. Withdrawal from the contract shall be without prejudice to the right to the compensation of damages. The Supplier shall be obliged to compensate the Customer for the costs which it has

incurred for the period by which the delivery period has been prolonged in comparison with the normal costs which would have been incurred by the Customer in the event of timely performance by the Supplier.

3.5 The transfer of liability for damage or loss of the goods shall be governed by the applicable agreed delivery terms in accordance with Incoterms 2020. The title shall only pass to the Customer upon the full payment of the purchase price.

3.6 If the Supplier discovers circumstances at a certain stage of the performance of the delivery which would presumably prevent it from meeting the delivery date in the agreed quality, it is obliged to inform the Customer without delay.

3.7 For the number of pieces, weights and dimensions, the values determined by incoming inspection of the Customer shall be decisive. A repeated delay in the performance of the subject of the contract by the Supplier shall constitute a material breach of the terms of the Purchase contract and may be a cause for withdrawal from the Purchase Contract.

3.8. Deviations from the Purchase contract and the TAC are only permissible with the prior written agreement of the Customer and the Supplier.

4. Price and Payment Conditions

4.1 The price of the subject of delivery is agreed in a separate agreement and in the Purchase contract and cannot be changed during the period of the performance of the purchase order.

4.2 Invoicing shall be in the currency specified in the Purchase contract. The due date of the invoices of the Supplier shall be governed by the price agreement or the Purchase contract. The invoice must be issued no later than 15 days after the delivery is handed over to the first carrier. The invoice shall be sent by the usual means (electronic or postal) within 3 days of issue. In case of doubt, the invoice/tax document shall be deemed to have been delivered on the 3rd day after the date of its proven dispatch.

4.3 The invoice/tax document must contain the prerequisites according to the legislation in force at the time of its issue, at least the information specified hereinbelow and within/exceeding the law:

- Contract number according to the contract register of the Customer;
- Tax document identification, date of issue, due date;
- Name, registered office, registration number and VAT registration number of the Customer and the Supplier;
- Subject of the contract, including an indication of the type of goods;
- Designation of the financial institution and the account number to which payment shall be made.

In the event that the tax document contains incorrect or incomplete details, the Customer is entitled to return it to the Supplier within 5 days of the receipt thereof. The Supplier shall either correct the tax document or issue a new one with a new due date, depending on the nature of the deficiencies. For both the corrected and the new tax document, the entire agreed maturity period shall run from the beginning.

4.4 The obligation to pay the price of the subject of the contract is fulfilled by crediting the relevant amount to the account of the Supplier.

4.5 Default in the payment of any financial obligation of the Customer towards the Supplier shall be deemed a breach of the Purchase contract and shall be grounds for immediate withdrawal from the contract by the Supplier. The Supplier shall be entitled to charge a contractual penalty of 0.1% of the outstanding amount for each day of delay, whereby the withdrawal of the Supplier from the contract shall not extinguish the obligation of the Customer to pay the contractual penalty.

4.5 A valid set-off of mutual claims of the Parties, any of which arise from this contract, shall require a prior written agreement on the set-off, otherwise the set-off shall be null and void.

5. Quality

5.1 The Supplier undertakes to produce the products faultlessly in accordance with clause 2.1 hereof.

5.2 Any changes in the design and technical documentation of the product may only be made after written approval by the Customer and the Supplier. The approval of the changes shall include the determination of the date of implementation of the change, the cost of the changes and the prices resulting from such changes.

6. Claims and Warranties

6.1 The subject of the contract must be used in accordance with the recommendations of the Supplier and with the generally applicable principles in the use of such products.

6.2 The subject of the contract is defective if it does not conform to the valid drawing documentation and the confirmed TAC.

6.3 The Customer is obliged to duly accept the delivered goods and to claim any apparent defects in writing within 14 working days after the date of delivery. The notice of claim must include:

- Description of the defect;
- Identification numbers;
- Number of claimed pieces;
- Proposed measures.

6.4 The Supplier undertakes to submit a proposal for the resolution of the complaint within 14 calendar days of receipt of the written complaint.

The Supplier undertakes to resolve all complaints submitted by the Customer and acknowledged by the former within 30 days of the date of acknowledgment of the complaint at the latest.

7. Delayed Delivery

7.1 On account of deliveries delayed by the Supplier, the Customer shall be entitled to charge the Supplier a contractual penalty of 0.1% of the price of the undelivered volume for each day of delay, provided that all conditions for the realization of the delivery have been fulfilled by the Customer.

8. Period of Validity

8.1 These Terms and Conditions shall remain in force from the date of validity specified at the end hereof until a new version hereof is issued.

8.2 These Terms and Conditions are publicly accessible on the web pages of the Supplier: www.Keramtech.cz or can be requested from the Supplier.

9. Circumstances Excluding Liability

9.1 If circumstances excluding liability arise, the affected party shall immediately inform the other party thereof in writing. For the duration of the circumstance excluding liability, the affected party shall, to the extent of the impediment, be released from its obligations under the Purchase contract and these Terms and Conditions. However, it shall be obliged to take all necessary measures to enable it to be able to fulfill these obligations as soon as possible.

9.2 If the circumstances excluding liability last for 90 consecutive days, the other party shall have the right to withdraw from the Purchase Contract.

10. Final Provisions

10.1 These General Business Terms and Conditions shall apply unless other specific terms and conditions have been agreed by and between the Customer and the Supplier or the Supplier has accepted the terms and conditions of the Customer.

10.2 The Supplier is not obliged to notify the Customer of changes to these General Terms and Conditions.

10.3 The Supplier shall indicate a reference to the applicable/agreed Business Terms and Conditions on each Purchase contract.

10.4 By confirming the Purchase contract in writing, the Supplier and the Customer simultaneously declare that they have read the contents hereof.

10.6 The Contracting parties agree that all disputes arising from the performance of the Purchase contract shall be settled by agreement. If disputes cannot be resolved by agreement, they shall be decided by a court of competent jurisdiction.

10.7 The Contracting parties agree that issues not addressed by these GBTC shall be governed by generally applicable regulations, in particular the Czech Civil Code as amended on the date of signing the Purchase contract.

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