

## **Trading and Delivery Terms ("Terms")**

**pursuant to the relevant provisions of the Civil Code, as amended ("CC"), applicable as of 1. 2. 2024 - version 10**

### **1. Introductory provisions**

- 1.1. These Terms form an integral part of all purchase contracts ("Contract") for the sale of goods ("Product") by Synthesia, a. s., based at Semtín 103, 530 02 Pardubice, ID No.: 60108916, entered in the Commercial Register held at the Region Court of Hradec Králové, Section B, File No. 1031 ("Seller") to third parties ("Buyer"), jointly referred to as the "Contracting Parties".
- 1.2. These Terms shall apply accordingly for other contracts (particularly contracts of work), if attached to such contracts.
- 1.3. Contractual provisions that differ from these Terms take precedence over these Terms.

### **2. Maturity of the purchase price and other liabilities arising out of the Contract, arrears**

- 2.1. The purchase price for the Product and other liabilities arising out of the Contract are payable within 14 days of the issue of the invoice; the Seller is entitled to issue the invoice no earlier than on the day on which the Seller complies with its obligation to supply the Product (pursuant to the relevant provisions of CC). If no invoice has been issued or delivered, the maturity date is 14 days from the moment the Product is delivered.
- 2.2. The sum is deemed to have been paid the instant the sum is credited to the Seller's bank account specified in the invoice or, if no invoice has been issued, to a different bank account specified to the Buyer.
- 2.3. If the Buyer is in arrears with the payment of the purchase price for the Product or other liabilities arising out of the Contract:
  - a) the Buyer is obliged to pay the Seller delay interest in the amount of 10 % p.a.,
  - b) the Seller is entitled to claim reimbursement for administrative and other internal costs associated with the administration of any such receivable claimable by the Seller from the Buyer, in the form of a flat-rate sum amounting to 1,200 CZK,
  - c) the Seller is entitled to claim reimbursement for remaining costs associated with recovery of the debt (legal services, costs of external debt-recovery companies, etc.).
- 2.4. The Seller is also entitled to:
  - a) to refuse to comply with its obligations arising out of the Contract and all other contracts and agreements concluded between the Seller and the Buyer until all monies owed under the Contract have been paid in full or until the Seller has been provided with adequate consideration for the Buyer's liabilities arising out of the Contract,
  - b) to withdraw from the Contract; Art. 6.3. applies similarly.

### **3. VAT in case of delivery of goods to another state of EU or third country**

- 3.1. If the goods is delivered to a Member State of the European Union and the transport is provided by the Buyer or another person on behalf of the Buyer, the Buyer is obliged to issue a written Statement to the Seller meeting the conditions of Art. (i) of Regulation (EU) No 282/2011, as in force since 1.1.2020, at the same time submitting either 2 documents relating to the dispatch or transport of the goods, such as: signed document or CMR consignment note, bill of lading, invoice for air transport, invoice from the carrier of goods or provide 1 such document and 1 document such as: insurance relating to dispatch or transport of goods or bank document proving payment for dispatch or transport of goods, official document issued by a public authority such as a notary in the Member State of destination or the certificate of the warehousekeeper in the Member State of destination confirming the storage of the goods in that Member State. The documents referred to in this paragraph must be issued by 2 different entities independent of each other and the Buyer and the Seller and must not contradict each other. The Buyer must submit the documents referred to in this paragraph to the Seller immediately, no later than the 10th day of the month following the day of delivery.
- 3.2. If the customs office does not confirm the exit of the goods from the EU, the Seller has the right to require the Buyer to confirm the delivery of goods to a third country (eg a confirmed shipping document or a customer's confirmation of receipt of goods in a third country) and Buyer is obliged to provide such documents.
- 3.3. In case the Buyer fails to comply with its obligations under Article 3.1. or 3.2. of these Terms, in accordance with European legislation, the goods will be delivered under the VAT application and its payment in the Czech Republic by the Seller. The Buyer receives a corrective tax document and is obliged to pay it.

### **4. Other provisions relating to the Product, ownership rights, risk of damage to the Product and delivery slip**

- 4.1. If the Contract only states approximate quantities of the Product (particularly through the use of the words "approx.", "approximately", "estimated", etc.), the Seller is entitled to specify the exact quantity of the Product; deviations may not be greater than 10 % of the quantity of the Product as specified in the Contract. The Buyer is obliged to accept the Product and pay the purchase price for it.
- 4.2. The risk of damage to the Product passes to the Buyer the moment the Product is first removed from storage. If the Seller's obligation is fulfilled the moment it becomes entitled to handle the goods in a certain place (pursuant to the relevant provisions of CC), risk of damage to the Product passes to the Buyer at that instant.
- 4.3. The ownership rights to the Product pass to the Buyer the moment the purchase price for the Product is paid in full.
- 4.4. The Buyer is obliged to return the confirmed delivery slip supplied together with the Product, together with the transport documents accompanying the Product, to the Seller, no later than within 10 working days of the date on which the Product was received; the decisive date is the date on which the delivery slip was sent to the Seller's address. The Buyer is also obliged to confirm receipt of the Product to the carrier and to state on the carrier's documentation the name of the person who took delivery of the Product, together with the date on which the Product was received.

### **5. Defects in the Product**

- 5.1. The Buyer is obliged to inspect the Product no later than within 3 days of the date on which the risk of damage to the Product passes to the Buyer. If the Contract stipulates that the Product is to be sent by the Seller, this inspection may be postponed until the Product reaches its destination. The inspection may not be postponed in any other case.
- 5.2. The Buyer's rights arising out of defects in the Product lapse if the Buyer fails to notify (file a claim with) the Seller concerning the defects in the Product:
  - a) within 3 days of the date on which the risk of damage to the Product passes to the Buyer in the case of defects which are apparent, defects which are not apparent, if the Buyer could

have detected such defects with due diligence at the moment the risk of damage to the Product passed to it or during the inspection it is obliged to perform pursuant to Art. 5.1.,  
b) within 3 months of the date on which the risk of damage to the Product passes to the Buyer (or during the inspection it is obliged to perform pursuant to Art. 5.1.) in the case of defects which were not and could not have been detected with due diligence at the moment the risk of damage to the Product passed to the Buyer (during the aforementioned inspection).

5.3. If the Product is supplied with defects, the Buyer has the right to:

- a) request that any missing Product be delivered,
- b) request that defects in the Product be rectified,
- c) request a reasonable discount on the purchase price for the Product.

5.4. The choice of claims pursuant to Art. 5.3. is at the discretion of the Buyer only provided that the choice is made together with the submission of a report on the defects pursuant to Art. 5.2; otherwise, the choice of claims is made by the Seller.

5.5. The Seller is obliged to decide on claims no later than within 30 days of receiving the report on the defects submitted by the Buyer.

5.6. If the choice is:

- a) to have missing Product delivered, the Seller is obliged to deliver the missing Product to the Buyer no later than within 30 days of deciding on the claim;
- b) to have defects in the Product rectified, the Seller is obliged to rectify those defects no later than within 30 days of deciding on the claim,
- c) to claim a reasonable discount on the purchase price for the Product, the Seller is obliged to issue an amended invoice to include the discount no later than within 15 days of deciding on the claim; assuming that no other agreement is reached, the reasonable discount will amount to a maximum of 10 %.

The Seller is entitled to unilaterally extend the deadlines specified in a) and b) above, if it is unable to resolve the matter by those deadlines, or is able to resolve them but only at greater expense.

### **6. Withdrawal from the Contract and contractual penalty**

6.1. The Seller is also entitled to withdraw from the Contract if:

- a) the Buyer is more than 7 days delayed with accepting the Product,
- b) the Buyer is more than 10 days in arrears with the payment of the purchase price pursuant to Art. 2.1. and 2.2.

6.2. The Contracting Parties are entitled to withdraw from the Contract if:

- a) either party goes into insolvency (or insolvency is rejected due to lack of assets),
- b) a settlement is permitted for either party.

This does not affect the Contracting Parties' right to withdraw from this Contract under the appropriate provisions of the Civil Code.

6.3. Withdrawal from the Contract becomes effective the instant the notice of withdrawal is delivered to the other party.

6.4. The Buyer is obliged to pay the Seller a contractual penalty amounting to 1 % of the purchase price for the Product for each day of delay in accepting the Product. This does not affect the Seller's right to claim damage compensation, including the amount covered by the contractual penalty. This contractual penalty is payable in accordance with Art. 2.1. and 2.2. proportionally.

6.5. In the case of a breach of the Buyer's obligations under Article 7.1., i.e. to empty the tanks without undue delay (although no later than within 48 hours) and return them to the carrier, the Buyer is obliged to pay the Seller a contractual penalty (demurrage) amounting to 1,000 CZK for each full or partial 24 hours of delay; this provision does not affect the Seller's right to claim damage compensation, including the amount covered by the contractual penalty. This contractual penalty is payable in accordance with Art. 2.1. and 2.2. proportionally.

### **7. Special provisions for cases when the Product is delivered by rail tank cars**

7.1. The Buyer is obliged to empty the tanks and return the empty tanks to the carrier without undue delay (although no later than within 48 hours) after the Product has been delivered. The obligation to return the empty tanks to the carrier is fulfilled once the empty tanks are returned to the railway station to which the Product was delivered; the return and acceptance of these tanks must be noted by the carrier on the waybill.

7.2. The Buyer is obliged to inform the Seller that the Product has been delivered; unless the Buyer proves otherwise to the exclusion of all doubt, it will be considered that the Buyer received the Product in the tanks by the deadline:

- a) specified by § 9 of Government Regulation No. 1/2000 Coll., on transport rules for public rail freight transport, in the case of national transport,
- b) specified by Art. 27 of Appendix B to the Convention concerning International Carriage by Rail (COTIF) announced by Ministry of Foreign Affairs Directive No. 8/1985 Coll. in the case of international transport; for the purposes of these Terms, international transport is understood to mean transport from a point in one country to a destination in another country.

7.3. If the tanks cannot be emptied due to a technical fault, the Buyer is obliged to inform the Seller as soon as the technical fault becomes apparent and together with the appropriate railway company to draw up a commercial record which the Buyer is obliged to send to the Seller without undue delay. The Buyer is not entitled to send a tank that has not been emptied back to the Seller.

7.4. If, when emptying the tanks, the Buyer discovered a defect in the Product, it is obliged to inform the Seller of such immediately, to stop emptying the tanks and to request that the Seller assist it in jointly drawing up a defect report. Any such Product must be left in the tanks until this report has been compiled. Any claims concerning quantities of the Product must be accompanied by a commercial record drawn up by the appropriate railway company and a weigh ticket from railway sidings scales classified as suitable for railway weighing.

7.5. The Buyer is obliged to remove all the original seals from the tank and fit it with new seals before returning it to the carrier.

### **8. Special provisions for the sale of dyes and pigments**

8.1. With deliveries up to 25 kg the Seller may add a handling charge amounting to 50 % of the purchase price (excluding VAT) to the purchase price for dyes and pigments.

8.2. The Seller is entitled to adjust the quantity of dyes and pigments pursuant to the standard package or multiple thereof, although only by a maximum of 20 %.

### **9. Other provisions**

9.1. The Buyer agrees that if it falls into arrears with the payment of the purchase price for the Product or other liabilities arising out of the Contract, the Seller is entitled to publish

information to the effect that the Buyer is in arrears, together with the sum owed, the length of arrears and the assumed reason for such.

9.2. By signing this Contract the Buyer declares that all its liabilities arising out of the Contract shall lapse 10 years from the commencement of the limitation period.

9.3. The Buyer is not entitled to transfer any right arising out of the Contract to a third party without the prior written consent of the Seller.

#### **10. Confidentiality of information**

10.1. Information comprising the Seller's trade secrets particularly includes all findings, facts, information and data which the Buyer has acquired or will acquire through the performance of this Contract ("Confidential Information").

10.2. The Buyer is obliged to keep Confidential Information secret for 10 years from the date on which this Contract is concluded or from the date on which such Confidential Information comes to its attention, whichever occurs later. Confidentiality is particularly understood to mean restricting third-party access to Confidential Information, refraining from publishing Confidential Information and preventing third parties from acquiring Confidential Information, either directly or indirectly.

10.3. Confidential Information does not include information commonly available in business circles.

10.4. The Buyer undertakes that no documents relating to the performance of the contract on public storage of data (eg "Ulož.to" etc.) will be placed in connection with the Purchase of the Product, such as the exchange of large data volumes if necessary. The Buyer will allow electronic exchange of data via the Seller's storage at <https://uschovna.synthesia.cz/> (hereinafter referred to as the "Seller's storage"). In this case, the Buyer will ask the contact person of the Seller to create the access or at the e-mail address: [sy-uschovna@synthesia.cz](mailto:sy-uschovna@synthesia.cz). The Seller shall, upon request, send the necessary login data to the Seller's storage. The buyer will also become aware of any subcontractors he / she will use to fulfill the engagement.

#### **11. Final provisions**

11.1. This Contract and all associated legal relations are governed by Czech law, particularly the Civil Code, as amended. The UN Convention on Contracts for the International Sale of Goods is not used. If there is any dispute between the agreements made by the Contracting Parties and the dispositive legislation, the agreements made by the Contracting Parties will be considered decisive.

11.2. In the case of the processing of personal data of natural persons domiciled in the EU under this Contract, the Contracting Parties hereby conclude pursuant to Section 6 of Act No. 101/2000 Coll., On the Protection of Personal Data (hereinafter referred to as the "Act") and in accordance with Article 28 et seq. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC of the Data Processing Treaty (hereinafter referred to as the "processing agreement"). By this processing agreement, the Contracting Parties are responsible for the mutual processing of personal data to the extent necessary for the performance of the Contract and for the purpose of the Agreement. This processing agreement is valid and effective for the duration of the Agreement. The Contracting Parties undertake to comply with all obligations arising from the Act and the Regulation as processors, and in particular they undertake:

- a) process personal data transmitted by the other Party solely on the basis of the instructions provided to them for purposes relating to the performance of this Contract; The Contracting Parties ensure the accuracy of the data and declare that they are authorized to transmit the data; they also inform their employees of the transfer of personal data,
- b) to comply with the instructions of the other Contracting Party on the transfer of personal data to a third country or to an international organization unless such processing already provides for the law of the European Union or the Member State to which the other Contracting Party is subject; in such a case, the Contracting Parties shall inform each other of this legal requirement prior to processing unless such legislation prohibits such disclosure from important public interest reasons,
- c) to ensure that persons authorized to process personal data are bound by confidentiality or subject to a statutory duty of confidentiality,
- d) not to engage in the processing of any other processor without the prior written permission of the other Party,
- e) to maintain such technical and organizational measures to prevent unauthorized or accidental access to personal data, alteration, destruction or loss thereof, unauthorized transmissions, any other unauthorized processing, and other misuse of personal data,
- f) taking into account the nature of the processing, be assisted by appropriate technical and organizational measures, where possible, to meet the obligation to respond to requests for the exercise of the rights of data subjects,
- g) to assist in ensuring compliance with the obligations of the other Party to ensure a level of security of processing, shall without undue delay report any breach of security of the processing of personal data. The notice shall state the description of the nature of the case in which the personal data breach has been infringed, including the categories and approximate number of data subjects and categories concerned and the approximate amount of personal data records concerned,
- h) either delete or return all personal data after the termination of the provision of performance under the Agreement and delete existing copies, unless the law of the European Union or of a Member State requires the storage of such personal data,

provide the other Party with its request with all the information necessary to demonstrate that the obligations laid down by the Regulation have been fulfilled, and to enable audits, including inspections carried out by another auditor, to contribute to such audits. Similarly, the Parties undertake to protect all personal data transmitted to each other even when they are not processed further.

11.3. All disputes which may arise out of or in relation to this Contract, if the Buyer is a foreign entity, will, to the exclusion of the jurisdiction of the general courts, finally decided by the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic in Prague pursuant to its Regulations by three arbitrators appointed

pursuant to those Regulations. The Contracting Parties undertake to comply with all obligations imposed upon them by the arbitration ruling by the stipulated deadlines.

11.4. If the Buyer is not a foreign entity, the Contracting Parties have agreed, in compliance with § 89a of the Code of Civil Procedure, that the locally applicable court for disputes arising out of this Contract will be the general court pertinent to the Seller.