

# GENERAL TERMS AND CONDITIONS OF PREOL, a.s. FOR THE SALE OF GOODS

effective from 1 September 2025

## 1. INTRODUCTORY PROVISIONS

1.1 These GENERAL TERMS AND CONDITIONS of PREOL, a.s. FOR THE SALE OF GOODS (hereinafter the “**GTCSG**”) apply to legal relationships arising from the sale of goods by PREOL, a.s. seated at Lovosice, Terežinská 1214, postcode 410 02, Identification No.: 26311208, registered in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section B, File No. 1729 (hereinafter the “**Seller**”), provided the Parties expressly agree that they apply in the purchase agreement, framework purchase agreement or purchase order (hereinafter the “**Purchase Agreement**” or “**Agreement**”).

1.2 The Purchase Agreement, annexes to the Purchase Agreement and these GTCSG shall together form a complete and integral Purchase Agreement which is a set of rights and obligations of the Parties in relation to supplies of goods under the terms of the Purchase Agreement. In the event that there is a discrepancy or inconsistency between the Purchase Agreement, annexes to the Purchase Agreement and these GTCSG, the order of precedence shall be the following: the Purchase Agreement, annexes to the Purchase Agreement and these GTCSG. These GTCSG shall take precedence over those provisions of the law the nature of which is not binding.

1.3 The Purchase Agreement shall be considered concluded at the moment when the Parties agree in writing on all aspects of the Agreement. If any of the Parties has comments to supplement or amend the other Party's proposal, such comments shall be considered to be a new proposal by that Party.

## 2. METHOD AND PLACE OF DELIVERY

2.1. The place of delivery is contractually agreed; unless agreed otherwise, the place of delivery is the Seller's warehouse, the details of which shall be communicated by the Seller to the Buyer.

2.2. All the provisions relating to the sale, transport and changes in ownership rights to the goods shall be governed by international rules for interpretation of delivery clauses INCOTERMS® last amended in 2020.

2.3. If the Buyer does not pass to the Seller any transport instructions for delivery of the goods properly and on time, the Seller shall be entitled:

- a. to send the goods to the usual place of delivery and select the means of transport, upon prior written notice to the Buyer. If there is no usual place of delivery, the Seller shall be entitled to send the goods:
  - in the case of transport by rail to a railway station at the seat of the Buyer, or if there is no such railway station, to the point nearest to the seat of the Buyer;
  - in the case of transport by truck to the seat of the Buyer; and
  - in the case of transport by ship to the port at the seat of the Buyer, or if there is no such port, to the port that is the nearest port to the seat of the Buyer; or
- b. shall be entitled to unilaterally withdraw from the Agreement, effective upon delivery of written notice of withdrawal to the Buyer. In such a case, the Seller shall be entitled to claim compensation from the Buyer for all damages thereby incurred.

2.4. If the goods are to be delivered to a destination other than the Seller's warehouse by means of the Buyer's own transport or by the Buyer's contracted carrier, the Buyer or the Buyer's contracted carrier shall be obliged to comply with the “PREOL Safety Standard” (available at <https://www.preol.cz/informace-pro-kontraktory>) and to provide the Seller with (i) a list of the registration plates of the vehicles to be used for the transport of the goods, (ii) the date on which the goods will be collected by the Buyer or the Buyer's contracted carrier, and (iii) the necessary documents relating to the individual means of transport. The Seller shall provide the Buyer by email with the relevant PIN code required for the collection of the goods by the Buyer or the Buyer's contracted carrier. The Buyer shall remain responsible for handling the PIN code referred to in the preceding sentence, and the Seller shall not be liable for any misuse of the PIN code.

2.5. Proper and timely delivery of the goods by the Seller shall be conditioned by the Buyer providing the necessary cooperation in accordance with the Agreement and these GTCSG. In the event that the Buyer is in arrears in meeting any of its obligations under these GTCSG or arising from provisions of the Purchase Agreement or in any way prevents the Seller from fulfilling the obligation to deliver the goods, the obligation of the Seller to deliver the goods in time is complied with if the goods are ready for dispatch or handing over not later than on the last day of the agreed upon period of performance and the Seller sends the Buyer a notice to that effect.

## 3. PURCHASE PRICE, PAYMENT TERMS AND SECURING THE PURCHASE PRICE

3.1. The Buyer undertakes to pay the purchase price specified in the Purchase Agreement to the Seller, based on an invoice issued by the Seller.

3.2. The Seller shall issue an invoice which shall serve as an accounting document pursuant to Act No. 563/1991 Sb., on Accounting, as amended, and shall contain elements of a tax document according to Act No. 235/2004 Sb., on Value Added Tax, as amended, or per other legal regulations, as applicable.

3.3. The due date of invoices shall be specified in the Purchase Agreement. If no due date is specified in the Purchase Agreement, the due date of invoices issued by the Seller shall be 30 days.

3.4. Payment shall be deemed to be made when the total invoiced amount is credited to the Seller's bank account. In the event that the Buyer transfers the payment to a different bank account of the Seller than the bank account stated on the invoice and the Seller incurs additional costs for this reason, these costs shall be paid primarily from the credited amount. The remaining amount shall be considered an unsettled part of the original receivable.

3.5. In the event that the Buyer is in default with the payment of any of the amounts according to the Agreement, the Seller shall be entitled to request and the Buyer shall be obliged to pay default interest on the outstanding amount each year at the repo rate set by the Czech National Bank for the first day of the calendar half-year in which the default occurred, increased by eight percentage points. The Parties have agreed that the Seller shall be entitled to damages resulting from a failure to fulfil a monetary debt even if it is covered by default interest.

3.6. If the Buyer is to pay the principal, interest and expenses associated with the enforcement of any receivable of the Seller, such payment shall first be applied to the specified costs, then to default interest, thereafter to interest, and finally to the principal.

3.7. If the Buyer is in default with the payment of any amounts under the Purchase Agreement or any other contract with the Seller, the Seller shall be entitled to stop further deliveries of goods under the Purchase Agreement with immediate effect and to withdraw from the Purchase Agreement. Any failure to continue deliveries according to the previous sentence shall not be a breach of the Agreement and the Seller shall not be liable for possible damages.

3.8. If, under the relevant provisions of Act No. 235/2004 Sb., on Value Added Tax, as amended, the export of goods under this Purchase Agreement to a Member State of the European Union is to be exempt from VAT, the Buyer undertakes to prove to the Seller the delivery of the goods to another Member State by means of a declaration of the Buyer or an authorised third party that the goods have been transported to another Member State, or by other evidence.

3.9. The Parties may agree to a credit limit for the Buyer in the Purchase Agreement. The Seller will be releasing goods according to orders of the Buyer up to the amount of the credit limit thus determined.

3.10. The credit limit shall be equal to the sum of outstanding receivables of the Seller towards the Buyer arising from the deliveries of goods including VAT. The credit limit shall also include future claims of the Seller towards the Buyer arising from the accepted orders or



otherwise concluded Purchase Agreements on the basis of which the Seller has an obligation to deliver goods to the Buyer in the future.

**4. OWNERSHIP RIGHT AND RISK OF DAMAGE TO GOODS**

- 4.1. The Buyer shall acquire ownership right to the goods upon full payment of the purchase price under the terms of the Purchase Agreement.
- 4.2. Risk of damage to the goods shall pass to the Buyer under the conditions of the Purchase Agreement and agreed delivery clause INCOTERMS® 2020. Damage to the goods caused after passing of the risk of damage to the goods to the Buyer shall not relieve the Buyer from the obligation to pay the purchase price to the Seller.

## 5. QUALITY

5.1. The Seller shall deliver the goods in quantity, quality and design required by the Purchase Agreement and shall protect or pack it for transportation in the manner specified in the Purchase Agreement.

## 6. MASS, QUANTITY, ACCEPTABLE DIFFERENCE AND CONTRACTUAL PENALTY

6.1. Both Parties consider it crucial to measure weight by properly certified measuring devices. In the event of a dispute, the Seller and the Buyer undertake to exchange relevant information on the weighing devices used and provide the relevant documents verifying the validity of the gauge. Static weighing mode shall be applied to rail and road weighing of goods.

6.2. The obligation of the Seller to deliver to the Buyer the agreed-to quantity of goods and the obligation of the Buyer to accept the agreed quantity of goods shall be deemed to be fulfilled if the quantity of actually delivered and purchased goods varies from the quantity agreed in the Purchase Agreement by up to 5%.

6.3. If the Seller delivers a lower quantity of goods to the Buyer than agreed to in the Purchase Agreement reduced by the acceptable difference according to Art. 6.2 of the GTCSG, the Seller undertakes to pay to the Buyer, as compensation for damages, the difference between the purchase price actually paid by the Buyer and the purchase price agreed under the Purchase Agreement, in respect of the undelivered quantity of goods reduced by the acceptable difference according to Art. 6.2 of the GTCSG.

6.4. If the Buyer accepts from the Seller a lower quantity of goods than agreed to in the Purchase Agreement reduced by the acceptable difference according to Art. 6.2 of the GTCSG, the Buyer undertakes to pay to the Seller, as compensation for damages, the difference between the purchase price agreed under the Purchase Agreement and the purchase price actually required by the Seller, in respect of the undelivered quantity of goods reduced by the acceptable difference according to Art. 6.2 of the GTCSG.

6.5. The obligation to deliver or accept the remaining quantity of goods, in respect of which the compensation is paid, shall cease to exist by the payment of the difference according to the preceding provisions, unless the Seller and the Buyer agree otherwise in writing.

6.6. The obligation to pay the compensation according to the preceding provisions shall not arise if the breach of obligations of any of the Parties results from a Force Majeure event under Art. 10 of the GTCSG.

6.7. If any of the Parties withdraws from the Purchase Agreement, the right to pay contractual penalty that arose before the withdrawal according to the preceding provisions shall remain unaffected.

6.8. Any contractual penalty agreed to pursuant to the relevant provisions of the Purchase Agreement and/or these GTCSG shall not affect the right of the injured Party to damages caused by such breach of contractual obligations by the other Party and the obligations of the breaching Party to pay such damages in excess of the paid contractual penalty.

## 7. LIABILITY FOR DEFECTS OF GOODS

7.1. If the delivered goods do not comply with the conditions set out in the Purchase Agreement in terms of quantity, quality, design, or packaging, the goods shall be deemed defective. The Buyer shall be obliged to provide the Seller with credible evidence of the defects.

7.2. The Buyer shall be obliged to inspect the goods without undue delay after their delivery to the place of destination. The Buyer shall record defects that can be found during the inspection of the goods in the consignment or delivery note of the carrier and notify the Seller in writing within 7 calendar days of the inspection. The Buyer shall report to the Seller any defects found by laboratory tests within 14 calendar days of the analysis, however, no later than within 30 days of delivery to the place of destination. The Seller shall not be liable for defects notified later.

7.3. A claim of weight differences, damaged packaging, quality defects or destruction of goods shall be raised by the Buyer in the context of the complaint/claim and evidenced to the Seller by a document certified by an independent auditing company (a specialised third party). If the Buyer finds out about damage to the vehicle or circumstances indicating loss of the goods, it shall be obliged to ask the carrier to check the weight and in the case of deviations from the weight listed in the transport document to request the drafting of the relevant record (for rail transport - commercial record of ČD) and to raise the complaint with the carrier. Differences in weight of shipments transported by rail shall be dealt with on the basis of the ČD Transport Regulations.

7.4. Within 5 working days of receiving written notice of defects detected by the Buyer, the Seller shall suggest next steps to solve the complaint or refuse the complaint. The Seller shall be entitled to refuse the complaint even after this period if it proves to be unjustified.

7.5. The Buyer shall be obliged to store the goods with claimed defects separately from other goods and not to dispose of the goods in a way that could make it impossible for the Seller to check the claimed defects. The Seller shall be entitled to send its representatives to the Buyer for the purpose of investigating the complaint or warranty claim and the Buyer shall allow representatives of the Seller to inspect the reportedly defective goods.

7.6. If the Seller finds the claim to be justified by written communication, the Buyer may require delivery of goods replacing the missing or defective goods or request a discount off the purchase price. The Buyer may only withdraw from the Agreement if the delivery of defective goods means a material breach of the Purchase Agreement. The right of withdrawal shall not arise if the Buyer is unable to return the goods in the state in which they were received by the Buyer.

7.7. In the case of delivery of substitute goods or withdrawal from the Agreement by the Buyer, the Buyer shall be obliged to return the goods to the Seller in the state in which the Buyer took them over from the Seller. Without the Seller's express written consent, the Buyer is not authorised to return the goods to the Seller before the warranty claim procedure is finalised.

7.8. Should the Buyer breach its obligation to carry out a timely inspection of goods or send notification of defects according to these GTCSG to the Seller, the Seller shall be entitled to refuse the complaint/claim and no rights of the Buyer based on liability for defects shall arise in this case.

7.9. If an expert assessment is necessary to prove the existence of defects in goods, the Party that commissioned such an expert opinion shall cover the costs associated with such opinion and shall have the right to claim compensation for these costs against the other Party in the event that the conclusion of the claim is in its favour.

## 8. WITHDRAWAL FROM PURCHASE AGREEMENT

8.1. Besides other cases set by these GTCSG, the Seller and the Buyer shall be entitled to withdraw from the Purchase Agreement if the other Party commits a material breach of its obligations under the Purchase Agreement. A material breach of contractual obligations shall include but shall not be limited to:

- Delay of the Buyer regarding payment of the purchase price or any parts thereof payable according to the Purchase Agreement or these GTCSG for longer than 30 days.
- Delay of the Seller in delivering the goods for longer than 30 days.
- Delay of the Buyer regarding acceptance of the goods for longer than 30 days.

8.2. Any withdrawal from the Agreement shall be effective when the written notice of the withdrawing Party is delivered to the other Party. The notice of withdrawal from the Agreement shall specify the reason for withdrawal.

8.3. Withdrawal from the Agreement shall terminate all rights and obligations of the Parties under the Purchase Agreement, except for the right to damages and payment of contractual penalties and provisions of the Purchase Agreement and these GTCSG concerning the choice of law, resolution of disputes between the Parties and regulation of rights and obligations of the Parties in case of termination of the Purchase Agreement. If the debt is secured, the withdrawal shall not affect the security or collateral.

## 9. INDEMNIFICATION

9.1. The Party that breaches any obligation under the Purchase Agreement shall be obliged to compensate the other Party for any damage caused by such breach.

9.2. Damage exceeding the damage which the obligated Party could have foreseen as a result of possible breach of contractual obligations at the time of concluding the Purchase Agreement or which was possible to predict with regard to the facts which the obligated Party knew or had to know at that time applying usual care shall not be compensated. This shall not apply if the damage was caused intentionally or by gross negligence.

9.3. The obligation to compensate shall not arise if the breach by the obligated Party is caused by the acts of the injured Party or by lack of cooperation that the injured Party is obliged to provide. The Party that has breached any obligation shall not be obliged to compensate the other Party for the damage caused thereby if it proves that such breach was caused by Force Majeure pursuant to Art. 10 of the GTCSG.

9.4. If either Party breaches any obligation under the Purchase Agreement and damage arise to the other Party or both Parties as a result of such breach, both Parties shall make every effort and use all available means to resolve the compensation for such damage amicably and out of court.

9.5. If either Party withdraws from the Purchase Agreement, the right for damages resulting from a breach shall not be affected thereby.

#### 10. FORCE MAJEURE

10.1. Neither Party shall be liable for any failure to perform under the Purchase Agreement besides the obligation to pay the purchase price if the failure or default is caused by extraordinary and unpredictable and insurmountable obstacle that occurred independently of the will of the obligated Party and prevented it from fulfilling its obligations (hereinafter "**Force Majeure**"). However, no obstacle arising from personal circumstances of the obligated Party or occurring at a time when the wrongdoer was in default regarding the fulfilment of the contractual obligation, nor any obstacle that the obligated Party was obliged to overcome, shall release the obligated Party from the duty to fulfil the obligation.

10.2. For the purposes of this Purchase Agreement, and provided the conditions set out in the preceding paragraph are met, Force Majeure shall include, in particular, the following events:

- accidents or serious malfunctions of the Seller's production equipment or the production equipment of a supplier of raw materials or semi-finished products for the Seller; or
- natural disasters, fires, earthquakes, landslides, floods, inundations, storms or other atmospheric disturbances and phenomena of a considerable extent; or
- wars, uprisings, rebellions, civil unrest, or strikes; or
- decisions or legal acts of public authorities, regulations, restrictions, prohibitions or other interventions by the state and state administration or self-governing bodies.

10.3. The Party that has breached, is breaching, or, in view of all known circumstances, anticipates that it will breach its obligation under the Purchase Agreement as a result of an event of Force Majeure shall be obliged to immediately inform the other Party of such breach or event and to exert all possible effort to avert such event or its consequences and to eliminate them.

10.4. If an event of Force Majeure lasts longer than 90 days, either Party may withdraw from the Purchase Agreement.

#### 11. EXCLUSION OF EXCLUSIVITY

11.1. No provision of the Purchase Agreement or these GTCSG is and shall be interpreted or construed as granting any exclusivity by the Seller to the Buyer for a certain area or for certain clients of the Buyer.

#### 12. GOVERNING LAW

12.1. Legal relations or the rights and obligations of the Parties under the Purchase Agreement, including their security, amendments, and termination, shall be governed solely by the legal order of the Czech Republic, namely by Act No. 89/2012 Sb., the Civil Code, as amended (also referred to in these GTCSG as the "CC").

12.2. The application of the UN Convention on Contracts for the International Sale of Goods of 11 April 1980 and the rules of private international law shall be excluded.

#### 13. DISPUTE RESOLUTION

13.1. If any dispute arises between the Parties in relation to the Purchase Agreement, application or interpretation thereof, the Parties shall make every effort to resolve such a dispute amicably.

13.2. If the dispute is not resolved amicably, either Party may submit the dispute to the relevant court with territorial jurisdiction determined by the seat of the Seller.

#### 14. OTHER ARRANGEMENTS

14.1. The safety data sheet is available in its current version on the website of PREOL, a.s. – [www.preol.cz](http://www.preol.cz).

14.2. The Buyer shall be obliged to immediately notify the Seller of any change in the staffing of its governing body and any change in the controlling entity within the meaning of applicable legislation, but in any case no later than 14 days from the moment the change occurs. In the event of a breach of this obligation, the Seller shall be entitled to compensation for any damage incurred directly or indirectly as a result of the Buyer's breach of this obligation.

14.3. The Seller shall reserve the right to withdraw from the Agreement in writing in the event that a change in the staffing of the governing body of the Buyer or its controlling entity is assessed by the Seller as

high-risk. The withdrawal shall become effective upon delivery of the notice of withdrawal to the Buyer.

14.4. The Seller shall be entitled to assign its rights and obligations under the Agreement to any third party.

#### 14.5. CONFIDENTIALITY OBLIGATION

14.5.1. The Buyer undertakes not to disclose, make accessible, or otherwise enable access to any third party, nor to use for its own benefit or for the benefit of another, nor to use in a manner contrary to the purpose of the Agreement, any information that is competitively significant, identifiable, assessable, and not commonly available in the relevant business circles, which has been made available to the Buyer by the Seller directly or indirectly, in tangible or intangible form, or which the Buyer becomes acquainted with in connection with the performance of obligations under the Agreement (hereinafter the "**Confidentiality Obligation**").

14.5.2. In the event of a breach of the Confidentiality Obligation by the Buyer, the Buyer shall pay to the Seller a contractual penalty in the amount of CZK 100,000 for each breach.

14.5.3. The Confidentiality Obligation shall not apply to information

- a. which the Buyer obtained before the date of the Agreement without breaching any legal obligation;
- b. which the Seller had itself granted to third parties or published prior to the date of the Agreement or during the term thereof;
- c. which became generally available before the date of the Agreement or before its termination without breaching the Confidentiality Obligation by any of the Parties; or
- d. which is specifically designated in writing as information to which the Confidentiality Obligation does not apply by the Seller when providing it or making it available.

14.6. The Agreement may be amended or supplemented only by numbered written amendments signed by both Parties. The Parties shall exclude acceptance of an offer with an addition or deviation and insist on achieving full agreement on the entire contents of a written amendment and its particulars.

14.7. The Parties shall accept the risk of change in circumstances within the meaning of Section 1765(2) of the CC.

14.8. The Parties have agreed to exclude the application of Sections 1798 to 1801 of the CC.

14.9. The Parties declare and confirm by their signatures that neither of them feels or considers itself to be the weaker party in comparison with the other Party and that they had the opportunity to familiarise themselves with the text and content of the Agreement and these GTCSG, that they understand it and want to be bound by it and sufficiently discussed the Agreement before signing it.

14.10. PREOL, a.s. as the personal data controller shall inform the other Party, whose personal data are processed, about the manner and extent of the controller's processing of personal data, including the extent of the rights of data subjects related to the processing of their personal data. Information about the processing of personal data is available at [www.preol.cz](http://www.preol.cz).

14.11. These GTCSG shall apply to all deliveries of goods by the Seller. Any purchase or order conditions of the Buyer specified or preprinted on an order of the Buyer, as well as any other conditions in an order of the Buyer, that do not comply with these GTCSG shall not apply to the contractual relationship established by this Agreement.

14.12. The Buyer undertakes to comply with the **CODE OF CONDUCT FOR BUSINESS PARTNERS OF AGROFERT GROUP**, which is available on the Seller's website <https://www.preol.cz/o-nas/informace-pro-kontraktory> and which the Buyer acquainted themselves with, and to regularly follow any changes or updates.