

## General Business Conditions for purchase of goods and services of Budějovický Budvar, národní podnik (valid from February 1, 2024)

### Introductory provisions

- The General Business Conditions for purchase of goods and services (hereinafter referred to as „GBC“) form an integral part of contractual relationship established between Budějovický Budvar, národní podnik (hereinafter referred to as „BB“ or „Client“) and its Contractor of goods or services (hereinafter referred to as the “Contractor”).
- The contracting parties confirm that the provisions relating to the purchase of goods shall apply mutatis mutandis to the purchase of services, unless their wording excludes the nature of the case.
- Different provisions included in the contractual relationships prevail over the wording of GBC.
- Definition of terms:
  - **In writing** – declaration of will of one of the contracting parties made in a way, including remote data transmission, which enables identification of the action content and person who took the action
  - **Receipt** – in the case of doubt about receipt it is understood that in the case of a fax transmission receipt occurred the second day after successful fax transmission by one contracting party to the fax machine of the other contracting party, in the case of electronic mail receipt occurs 12 hours upon confirmation of receipt at the e-mail address of the addressee, in the case of registered mail at latest 21<sup>st</sup> day upon posting to the address of the contracting party.
  - **Fundamental breach** – fundamental breach shall mean in particular delay in delivery of goods longer than 5 days or delivery of defective goods

### Contractual relationship establishment

- Proposal for contractual relation establishment (hereinafter referred to as the “Purchase Order”) must be initiated by the Client in writing and submitted to the Contractor.
- The contractual relationship (Contract) shall be established by return of the unconditional acceptance of the Purchase Order to the Client. Should the Contractor fail to confirm the Purchase order to the Client or submit a new proposal, the Purchase Order shall be deemed confirmed for the purpose of these GBC.
- Any modifications in the Purchase Order made by the Contractor shall not result in establishment of a contractual relationship, but shall be considered as a new proposal.

### Contractual relationship subject

- The Contractor within this contractual relationship shall supply to the Client specified goods and enable the acquisition of the title to such goods to the Client. The goods must comply with the agreed quantity, quality and design, follow the quality of any reference samples and exactly meet the technical documentation if provided. In the case the goods quality and design has not been specified the goods must comply with quality and design usual for the given type of goods and must be fully suitable for the purpose for which they have been ordered.
- The Client shall duly and timely take over the delivered goods and pay the agreed price to the Contractor.
- The title to the goods shall be transferred to the Client at hand over. The risk of damage of the goods shall pass on the Client at the moment of delivery and goods take over in compliance with DDP supply parity in accordance with Incoterms 2010. All materials submitted by the Client to the Contractor for processing, such as samples, cuts, dies, technical drawings, moulds etc., owned by the Client and provided to the Contractor for the purpose of performance of the contract subject and/or specially ordered by the Client, are subject to the risk of the Contractor when they are in its possession. The Contractor shall not use such materials otherwise than for performance of its obligations to the Client under the contract. In addition the Contractor shall not authorize any third person for use of these materials neither give its consent for such use to any third party without prior written consent of the Client. In the case of breach of this obligation the Contractor shall fully compensate any resulting damage to the Client.

### Delivery

- The Contractor shall deliver ordered goods within DDP supply parity in accordance with Incoterms 2010. Unless specified otherwise in the Purchase Order, the place of delivery is the registered address of the Client.
- Goods shall be deemed delivered at the moment of due delivery and hand over to the Client, including the related documentation required by the Client and accounting for by the Contractor.

The required documentation may be specified in details in the Purchase order or its attachments, but at least in the following scope:

- delivery note containing at least the following data:
  - Delivery note number
  - Product and/or goods number as identified by the Client and position on the Purchase Order
  - Client's Purchase Order number
  - Certification of Conformity for the goods and packaging material
  - Quality assurance documents in the required scope
  - Goods origin declaration
  - Safety sheet

In the case the Contractor fails to provide the required documents the Client shall be entitled to refuse take over of the delivery, which shall not result in any delay or right of the Contractor to apply any claims against the Client.

- The delivered goods must be packed and protected by packing in a way preventing any eventual damage during transport or warehousing. The Contractor is responsible for the packing quality. The Contractor shall choose an efficient, cost effective and safe goods transport method. Unsuitable packaging which does not guarantee the above stated requirements may be subject to a complaint by the Client while the Client is entitled to charge to the Contractor any additional costs related to unsuitable packing and transport methods. Charging of such additional costs is without prejudice to the Client's entitlement to the compensation of damage. At the latest at the first delivery and afterwards always immediately upon the Client's demand, the Contractor shall obtain, document and submit a declaration that all packaging materials used by the Contractor comply with the conditions for introducing packaging materials to the market in accordance with the applicable legal regulations, in particular with Act No. 477/2001 Coll. as amended, on packaging materials, and that all packaging materials of the Contractor have been designed and produced in compliance with the applicable technical standards. In addition, the Contractor shall comply with all obligations stipulated by such legal regulations for the entities introducing packaging materials to the market or into circulation. For the goods/materials delivered on EUR pallets, the Contractor declares that it shall deliver goods/materials to the Client solely on EUR pallets complying with the UIC standards. The Contractor also undertakes that prior to the first delivery of goods it shall present the Client with the documentation proving that the obligations of the producer of EUR pallets within the scope of the granted licence relating to the production and repairs of EUR pallets have been fulfilled. Any change within the granted licence shall be notified by the Contractor to the Client in writing no later than within 14 days from the day when the change took place. If the Contractor delivers goods/materials on EUR pallets that do not comply with the UIC standards, or fails to present the documentation proving that the obligations of the producer and repairer of pallets have been fulfilled, or fails to notify a change within the granted licence, then the Contractor is liable to the Client for any damage that may incur to the Client due to the Contractor's failure to fulfil the obligations. The Contractor undertakes to compensate the whole damage caused to the Client by breaching the Contractor's contractual or statutory obligations, including the loss of profit and the costs arisen in the consequence of a defective delivery of EUR pallets, including contractual fines and other sanctions imposed on the Contractor by its customers or administrative or judicial authorities. Should the Contractor be imposed a fine by the control bodies for non-compliance with the obligations resulting from Act No. 477/2001 Coll. as amended, on packaging materials, as amended, and the Client assumed truthfulness of the Contractor's declaration in good faith, the Contractor undertakes to pay the Client a contractual penalty in the amount of the fine imposed on the Contractor by the control bodies.
- The delivered goods must be marked in a way enabling its clear identification at first sight. Such marking must be water-proof and located on a visible place. The Contractor is responsible for quality of such marking and non compliance with the above conditions may be subject of Client's complaint.
- During the goods take over the Client only confirms the delivery as for the number of packs and the scope of the required technical documentation submitted at the delivery. Incompleteness of the provided documentation may be subject of Client's complaint. The Client shall warehouse the goods within its possibilities. The Contractor is responsible for compliance with the quality requirements for the delivery and compliance with all technical parameters. The Client is not obliged to inspect all delivered goods.
- The Contractor shall not charge to the Client the price of the samples neither any costs related to supply of samples. Any deliveries delayed from the agreed delivery term, any deliveries prior the agreed term as well as goods deliveries in other than agreed quantity are not acceptable for the Client. Any costs resulting from the above situations shall be paid by the Contractor. In addition as agreed between the contracting parties the Client shall be entitled to refuse any delivery in the case any deviation from the Purchase Order is identified, unless the Client and the Contractor agree otherwise on settlement of such deviation. In the case of such refusal the Contractor is not entitled to raise any claim against the Client.

### Price and payment conditions

- The price specified in the contract is the fixed price. Unless agreed otherwise in writing the price includes packaging, transport to the destination and all insurance. The price covers all costs of the Contractor occurred or which may occur and the Contractor is not entitled to require payment of any other costs from the Client.
- The price is payable on the basis of an invoice. The invoice must include all data in compliance with the related provisions of the Czech value added tax act No. 235/2004 Coll. as amended and in the case of EU Contractors the relevant provisions of the 6th Council Directive dated May 17, 1977 (175/1977 EU SIXTH COUNCIL DIRECTIVE of May 1977) č. 77/388/EEC) shall be considered in the case of conflict between the tax law of the Contractor's and Client's countries. The most important data of the document:
  - a) data in compliance with the relevant tax and accounting regulations
  - b) subject of performance, delivery date, agreed price
  - c) delivery note number
  - d) invoice due date
  - e) Client's Purchase Order number
  - f) date of taxable performance
- The Contractor is entitled issue and send invoice upon due delivery. The Contractor shall issue invoices for duly delivered goods on the basis of delivery confirmation, i.e. the delivery note, which shall form an annex to the invoice. All goods items in the invoice shall be described and priced in details. The delivery notes must include the Client's Purchase Order number.
- The Client shall pay the price for duly delivered goods within the maturity period. The invoiced amount shall be deemed paid as of the date of the invoiced amount write off from the Client's bank account.
- The invoices issued by the Contractor shall be payable within 60 (in words sixty days) from their date of issue and receipt at the registered office of the Client. The Client is entitled to return any invoice without payment prior maturity date in the case it does not contain data specified in this GBC or in the Contract is otherwise incorrect, with specification of reasons for such rejection. The Contractor shall correct or newly issue the invoice depending on the type of problem. Justified return of the invoice shall result in cancellation of the original maturity period. The new maturity period starts from the beginning as of the date of receipt of the corrected or newly issued invoice at the registered office of the Client.

### Ability to compete and data provision

- The Contractor shall make permanent effort for reduction of the price for the goods. In the case the goods shall be offered by any third party for a better price, the Client is entitled to inform the Contractor in writing and provide reasonable term within which the Contractor shall implement measures necessary for re-establishing ability to compete of the goods supplied by the Contractor. The Contractor shall immediately prepare plan for reestablishment of ability to compete and inform the Client about it.
- The Contractor shall take all necessary measures for maintaining ability to compete of its goods supplies. In order to maintain ability to compete both contracting parties shall cooperate in the way to achieve additional continuous and permanent improvements in the costs, quality, technology and logistics.
- The Contractor shall provide to the Client per request data related to the statistics of common business, costs, warehousing, goods receipt and handling, concerning deliveries to the Client under this Contract. Client's requirement for provision of specific data shall be in writing, sufficient and clear in order to enable the Contractor to meet its obligation to the Client, while both the Client and the Contractor hereby declare that they prefer electronic data transmission in the case of communication in writing.
- Contractor shall inform the Client reasonably in advance about prepared legislative changes and trends concerning production and distribution of goods delivered by it, packaging and activities related to business activities.

### Goods quality, rights of defective performance

- Quality assurance for the goods delivered under the Purchase Order must comply with ČSN, DIN, EN and/or provided technical documentation, eventually with the quality agreement or other equal standard.
- The Contractor guarantees required character of the goods, in particular as concerns material as well as the workmanship of processing of all materials and documents.
- The Contractor provides to the Client warranty that the purchased goods and every its part shall have required features and quality enshrined in the Contract or the Purchase Order for a period of 3 (three) years, particularly as regards the material as well as factual and professional handling of all materials and documents. In the case the goods will lose their features or quality during the warranty period the Client has the right to require the Contractor:
  - a) delivery of new goods for free in quality and design corresponding to the provisions of a Contract or the Purchase Order,
  - b) repair of goods for free, so the quality and design are corresponding to the provisions of a Contract or the Purchase Order,
  - c) appropriate discount of the purchase price, or
  - d) withdraw from the relevant Purchase Order or Contract.

The Client is not bound by the order in which the individual claims are sorted and he is allowed to change his choice in justified cases..

- The Contractor shall indemnify the Client any damage caused by the breach of Contractor's contractual obligation, in particular the obligation to duly provide the goods in adequate quality.
- The Contractor is responsible for the defects of goods especially under Act. No. 89/2012 Coll., The Civil Code, as amended as well as Act. No. 258/2000 Coll., The protection of public health, as amended.
- The Contractor is responsible to the Client for the entire supply of goods and each part of it will be free of any defects, factual and legal, obvious and hidden, founding substantial and/or insubstantial breach of contract.
- The Client is entitled to notify the Contractor obvious and hidden defects within a period of 3 (three) years from the date of delivery of goods. New notification period in the same length as above applies to replaced or repaired parts of goods, starting from the date of replacement or repair completion. The notification period shall be extended by the duration of tests, modifications and repairs performed by the Contractor. The period of tests, modifications and repairs performed by the Contractor starts from the date of complaint until successful repair of the defect.
- For the purpose of the GBC and a Contract the obvious defects mean defects which according to their character may be detected by surface inspection immediately during goods acceptance by at the place of delivery.
- For the purpose of this Contract the hidden defects mean quantitative or qualitative defects, which may be detected by the Client upon opening the packs.
- The Client shall report any apparent defects of the goods delivered by the Contractor in writing. Such defect report shall include in particular:
  - a) Data necessary for goods or service identification and identification of the related Purchase Order
  - b) Defect description
- In the case when the reported damage is not duly and timely corrected by the Contractor or in the case when the damage cannot be corrected considering its character, the Client shall be entitled to claim compensation of damage in compliance with the relevant provisions of Act. No. 89/2012 Coll., The Civil Code of Czech Republic, as amended.
- In the event of Contractor's defective performance founding substantial or insubstantial breach of contract the Client may require:

- a) Free exchange of new goods for the defective one. The date of Exchange of goods will be determined by the Client.
- b) Supply of missing goods or documentation.
- c) Removal of defects by repair of goods, if the defects are repairable. In that case the Contractor must remove the defect of the delivered goods for free within 2 working days of receipt of complaint. If the Contractor fails to remove the defect within the period, the Customer has right to remove the defect by his own means or by third parties at the expense of the Contractor.
- d) Appropriate discount of the purchase price up to maximum of 50% of the agreed price of the goods. The Contractor shall pay the amount corresponding to the discount within 14 days of the receipt of notification of the election of the claim. If the Contractor fail to pay, the Client is entitled to offset the discount of the next payment for goods. The Contractor is obliged to issue the relevant invoice on this payment and deliver it to the address of the Client within 20 days of receipt of the Customer's notice of election claim. If the Contractor fails to issue the invoice, the Client is hereby authorized to issue the invoice on Contractor's behalf. The Contractor undertakes to accept such invoice.
- e) Withdraw from the Purchase Order or from the Contract.

13. The Contractor is responsible for its subcontractors employed for performance of the subject of the relevant Purchase Order and the related activities, as if performed by itself. The Client reserves the right to prescribe to the Contractor its subcontractors but only for deliveries exclusively intended for the Client.
14. The Client is entitled to postpone payment of the purchase price until full settlement of any claims of the Client related to Contractor's defective performance, without being deemed in delay, up to the value corresponding to the value of the detected defects, which may be quoted by the Client independently depending on the scope of the detected defects.

#### Contractual penalty and interest on late payment

1. The Client is entitled to charge to the Contractor and the Contractor is obliged to pay:
  - a) Contractual penalty for delay in delivery of goods in the agreed term in the amount corresponding to min. 0.05% from the total price of the goods according to the related Purchase order, excluding DPH, for each started day of delay, but no less than CZK 1000;
  - b) Contractual penalty in the amount of CZK 1000 for each justified complaint protocol.
2. Claiming any amount of the above contractual penalties is without prejudice to the Client's right to compensation of damage in accordance with the following paragraph, in the amount exceeding the contractual penalty.
3. The Contractor shall pay any damage caused to the Client as a result of the breach of Contractor's contractual or legal obligations, in accordance with provisions of § 2894 et seq. Act. No. 89/2012 Coll., Civil Code, as amended. Such compensation shall be paid in actual amount, including lost profit, non-pecuniary damage and costs incurred by the damaged party as a result of defective performance or other breach of Contractor's obligations. Damage also includes all contractual penalties or other sanctions awarded to the Client by its final customers, administration or court bodies.

#### Confidentiality

1. All the facts which are not normally available within business circles and which shall be disclosed to them during performance of this Contract and the individual Purchase Orders, shall form subject of the trade secret.
2. In relation to the subject of this Contract and the individual Purchase Orders the Contractor received, respectively if he receives from the Client confidential information, including drawings, diagrams and samples, oral information as well as any knowledge or experience – hereinafter referred to as "Information". The Contractor undertakes that
  - a) It shall not disclose any Information received from the Client to any third party,
  - b) It shall use any Information and related know-how only for the purpose of performance of the assigned Purchase Orders and never for its own purposes or deliveries to competitors of the Client or any other third parties without express prior written consent of the Client,
  - c) It shall disclose Information only to limited number of Contractor's employees dedicated for performance of tasks related to Purchase Orders.
  - d) It shall take suitable measures and ensure that employees of the Contractor and eventually those of its subcontractors shall keep confidential any Information in the same scope as the Contractor and use Information only for the purpose of deliveries.
3. All documents provided by the Client, including drawings, diagrams and samples remain in exclusive ownership of the Client. Such documents must not be copied by the Contractor.
4. Providing of Information to the Contractor does not result in granting the license. The Client reserves all rights to any new brands introduced by the Client, in particular in the case of any patent or registration of any utility design or industrial design or registration of a trademark.
5. In the case the Client suffers any damage due to breach of the confidentiality obligation by the Contractor or its employees or subcontractor, the Contractor shall be liable for any such damage and compensate it in full.

#### Receivable assignment, settlement

1. The Contractor shall not, without prior written consent of the Client, assign, transfer or pass any its obligation or right resulting from any Purchase Order or a Contract to any third party.
2. The Contractor shall not, without prior written consent of the Client, settle any its receivable from the Client related to any Purchase Order or a Contract against any receivable of the Client from the Contractor.

#### Intellectual property

The Contractor guarantees the Client that no third party has any intellectual property right protected in the Czech Republic or abroad to the goods delivered by the Contractor or their parts or accessories as well as to the technical solution applied for their manufacturing, designing or development, in particular any patent right or any utility or industrial design. In addition the Contractor declares and confirms that all goods delivered to the Client are in compliance with all applicable technical and other standards. Therefore both the Contractor and the Client are not anyhow limited by these reasons in their right to manufacture, manage and use the goods separately or in connection with other products or as their part within the territory of the Czech Republic and abroad. The Contractor is liable to the Client for any damage which the Client would suffer in relation of full or partial incorrectness or incompleteness of this declaration of the Contractor.

#### Settlement of disputes

Any disputes resulting from the Contract, its annexes and other agreements of the contracting parties, as well as those in relation to their conclusion and validity, as well as any right and obligations of the contracting parties, shall be settled by the contracting parties by an amicable agreement first. Should such agreement fail to take place the dispute shall be settled by the competent court in České Budějovice.

#### Safety

1. For cases where performance under the Contract requires the presence or activities of the Contractor's employees or third parties required for performance by the Contractor (hereinafter employees and third parties required for performance of the Contract collectively referred to as "Persons") on the Client's premises, the Parties to the Contract have agreed on the following arrangements:
  - a) The Client has identified hazards and risks to Persons staying on the Client's premises and has established protective measures (hereinafter "Risks and Protective Measures"). The Client shall acquaint Persons of the Contractor with these risks and measures no later than before entering the Client's risk premises.
  - b) The Contractor undertakes to ensure that its Persons comply with the specified protective measures. For cases where the Contractor's Persons fail to comply with the protective measures made known to them in accordance with the preceding provision of this Article, the Contractor undertakes to indemnify the Client for any damage incurred by the Client because of it, including any claims or penalties of third parties.
2. For cases where performance under this Contract requires the presence or activities of the Client's employees or third parties required for performance by the Client (hereinafter employees and third parties required for performance of the Contract collectively referred to as "Persons") in the places of movement or work of the Contractor's Persons, the Parties to the Contract have made the following arrangements:
  - i. The Contractor undertakes to identify the hazards and risks to the Client's persons staying on the premises of the Client's Persons movement or work, to establish protective measures (hereinafter referred to as "Risks and Protective Measures") and to inform the Client in writing of the risks and protective measures **no later than prior to the commencement** of that part of the performance under the Agreement where the presence of the Client's Persons in the places of movement or work of the Contractor's Persons is to occur or will occur or is likely to occur
  - ii. The Client undertakes to ensure that its Persons comply with the above protective measures. For cases where the Contractor fails to comply with its obligation to inform the Client in writing of the risks and safety measures under this Agreement, the Contractor undertakes to indemnify the Client for any damage incurred by the Client because of it, including any claims or penalties of third parties.

#### Processing of personal data

The Contractor acknowledges that any personal data which he passes to the Client for the purpose of conclusion and performance of the Contract shall be processed by the Client in accordance with the Principles of Personal Data Processing,

which are available at <https://www.budejovickybudvar.cz/en/personal-data-protection>. The Contractor undertakes to inform all his employees or other persons whose personal data have been handed over to the Client for the purposes of conclusion and performance of the Contract about the manner in which their personal data are processed by the Client. At the same time, the Contractor undertakes that all personal data handed over to him by the Client for the purpose of conclusion and performance of the Contract shall be processed only in the scope of the relevant Czech and EU legislation.

#### Final provisions

1. If necessary, the Client is entitled to change the GBC within a reasonable range. In case of changes of GBC the Client shall inform the Contractor about the changes in writing or by an electronic communication.
2. If the Contractor will not agree to the changes of GBC, he shall be entitled to refuse the changes and also to denounce the Contract for this reason with a notice period of 3 months. The Contractor shall the Client notify in writing the rejection of changes without undue delay after getting familiar with them.
3. Any rights and obligations not provided for in this document shall be governed by the relevant provisions of the Civil Code of Czech Republic as amended.
4. These GBC shall come into effect and become valid as of February 1, 2024.