

General Terms and Conditions of HEDVA a.s.

I. Scope of Validity

1. These General Terms and Conditions (hereinafter referred to as the "GTC") govern the rights and obligations of the contracting parties arising during the conclusion and performance of purchase agreements and agreements on work, the subject of which is the supply, manufacture, or modification of textile products by HEDVA, a.s., with its registered office at Na Strání 572/6 Moravská Třebová, Postal Code 571 01, ID No.: 28828291 (hereinafter referred to as "HEDVA a.s." or the "Seller").
2. These GTC apply exclusively to contractual relationships between HEDVA a.s. and persons acting in the course of their business or independent professional practice when concluding and performing the agreement. These GTC do not apply to agreements concluded with consumers.
3. These GTC apply exclusively to the contractual relationships referred to in paragraph 1 of this Article and do not apply to other contractual relationships to which HEDVA, a.s. is a party, in particular lease agreements, energy supply agreements, service agreements, employment agreements, or other agreements, unless expressly agreed otherwise in writing between the contracting parties.
4. These GTC form an integral part of the agreements specified in paragraph 1 of this Article concluded between HEDVA a.s. and its business partner. Unless expressly agreed otherwise in the purchase agreement, agreement on work, or in the documents constituting the content of the agreement, the rights and obligations of the contracting parties are governed by these GTC. Deviating arrangements of the contracting parties shall take precedence over the provisions of these GTC.
5. The valid and effective GTC are publicly available at www.hedva.cz.

II. Conclusion of the Agreement

1. A purchase agreement or agreement on work to which these GTC apply (hereinafter referred to as the "Agreement") is concluded:
 - a) by the signing of a written agreement by both contracting parties, or
 - b) by the delivery of a written confirmation of the Client's order by HEDVA, a.s.
2. The Client's order constitutes a proposal to conclude an agreement. In the case referred to in paragraph 1, letter b), the Agreement is concluded at the moment the confirmation of the order by HEDVA, a.s. reaches the Client.
3. For the purposes of this Article, written form is also considered to include communication carried out via e-mail or other electronic means of communication enabling the capture of the content of the legal act.

III. Delivery of Goods, Transfer of Risk of Damage, and

Retention of Title

1. Unless otherwise agreed in writing between the contracting parties, the goods shall be deemed delivered at the moment of their handover to the first carrier designated to transport the goods to the Buyer, or at the moment of their acceptance by the Buyer at the place of dispatch of the goods by HEDVA a.s.
2. The risk of damage to the goods passes to the Buyer at the moment of delivery according to paragraph 1 of this Article.
3. The ownership right to the goods passes to the Buyer only upon full payment of the purchase price and all related receivables of the Seller arising in connection with the relevant delivery of goods.
4. The transfer of the ownership right according to paragraph 3 is not affected by the transfer of the risk of damage to the goods according to paragraph 2 of this Article.
5. If the goods are transported within the European Union, the Buyer shall provide the Seller with a copy of the packing list or consignment note (CMR) bearing a stamp and confirmation of receipt of the goods no later than 10 days from the date of dispatch, and send the original by mail to the Seller's address.

IV. Quality

1. The delivered goods must comply with the specification agreed upon in the Agreement, technical documentation, or order.
2. Unless otherwise agreed in writing, the quality of the goods is assessed according to the valid Czech technical standards applicable to the given type of textile and the method of evaluating individual properties.
3. If technical parameters of the goods are agreed upon in the Agreement (in particular, weight, width, strength, color fastness, shrinkage, or other physical or chemical properties), their fulfillment is assessed exclusively according to the test methods stipulated by the relevant Czech technical standards or methods expressly agreed upon by the contracting parties.
4. Unless otherwise agreed in the Agreement, the conformity of the goods with the Agreement is assessed taking into account common manufacturing tolerances usual in the textile industry or stipulated by relevant Czech technical standards.
5. If a reference sample has been approved between the contracting parties, it serves to assess the appearance, feel, color, structure, and other properties of the goods that cannot be unambiguously determined by a technical specification or technical standards, unless a different method of assessment is agreed upon between the contracting parties. The reference sample forms an integral part of the Agreement.
6. Unless otherwise agreed in writing, the Seller is entitled to deliver the agreed quantity of goods with a deviation of $\pm 10\%$, and the purchase price will be adjusted accordingly.

V. Packaging and Labeling

1. The goods must be packaged in a manner appropriate to their nature and the chosen

method of transport to ensure adequate protection against damage, contamination, and other deterioration during normal handling, storage, and transport. Unless otherwise agreed, the goods will be wound on paper tubes with a length of 50 meters and wrapped in PE film.

2. A packing list will be attached to each shipment, unless otherwise agreed in writing between the contracting parties.
3. If the Buyer requires a special method of packaging, labeling, or handling of the goods, this requirement must be agreed upon in writing in the Agreement or order.

VI. Documents and Transport

1. The Seller shall hand over to the Buyer, together with the goods or in another agreed manner, the documents necessary for the acceptance of the goods and their proper use, in particular:
 - a) an invoice,
 - b) a packing list,
 - c) the relevant transport document corresponding to the transport method used (in particular, CMR, consignment note),
 - d) other documents if agreed in the Agreement or required by legal regulations.
2. If the Buyer requires the submission of additional documents, in particular certificates, certificates of origin, declarations of conformity, test reports, or other documents, this requirement must be agreed upon in writing in the Agreement, order, or an annex thereto.
3. If the Agreement, order, or order confirmation contains a delivery clause according to Incoterms® rules, this clause shall be interpreted according to the Incoterms® 2020 rules published by the International Chamber of Commerce (ICC), unless expressly agreed otherwise in writing between the contracting parties. In such a case, the rights and obligations of the contracting parties upon delivery of the goods, especially regarding transport, loading, unloading, insurance, customs clearance, transfer of risk of damage to the goods, and allocation of costs, are governed by this delivery clause.
4. The contracting parties are obliged to provide each other with the mutual cooperation necessary to fulfill obligations related to transport, export, import, or customs proceedings, if this arises from the Agreement, the agreed delivery clause, or legal regulations.

VII. Payment

1. The purchase price or the price of the work, currency, payment method, and due date are agreed upon in the Agreement or in the order confirmation.
2. Unless otherwise agreed in writing between the contracting parties, payments are made by cashless transfer to the Seller's bank account specified on the tax document.
3. If no due date is agreed upon, the invoice is payable within 14 days from its date of issue.

VIII. Rights Arising from Defective Performance

1. The Seller is responsible to the Buyer for ensuring that the goods are in conformity with the Agreement upon receipt. If the goods are not in conformity with the Agreement upon receipt by the Buyer, the Buyer is entitled to the rights arising from defective performance regulated by Act No. 89/2012 Coll., the Civil Code, as amended, unless expressly agreed otherwise in writing between the contracting parties.
2. The Buyer's right arising from defective performance is based on a defect that the goods have at the time the risk of damage passes to the Buyer.
3. The Buyer is obliged to inspect the goods upon receipt and notify the Seller of any defects without undue delay after discovering the defect, but no later than 10 days after receipt. If the Buyer fails to notify the Seller of the defects without undue delay after they could have been discovered through timely inspection and sufficient care, the Buyer shall not have rights arising from defective performance.
4. The Buyer does not have rights arising from defective performance if the Seller notified the Buyer before the goods were handed over that the goods had a defect, or if the Buyer caused the defect themselves.
5. The Seller's liability for defects does not apply to goods that have already been partially cut or processed by the Buyer (e.g., the right of liability for defects can only be exercised on entire rolls of goods prior to their processing).
6. If the defective performance constitutes a material breach of the Agreement, the Buyer has the right to:
 - a) have the defect removed by the delivery of a new item without a defect or the delivery of a missing item,
 - b) have the defect removed by repairing the item,
 - c) a reasonable discount on the purchase price,
 - d) withdraw from the Agreement.
7. If the defective performance constitutes an immaterial breach of the Agreement, the Buyer has the right to have the defect removed or to a reasonable discount on the purchase price.
8. The Buyer shall inform the Seller of the right they have chosen when notifying the defect or without undue delay after notifying the defect.
9. If the Seller fails to supply the appropriate documentation together with the goods, this constitutes defective performance as an immaterial breach of the Agreement, and the Seller is entitled, without undue delay, first to remedy the situation and supply/repair the incorrect documentation. Only if this defect cannot be removed is the Buyer entitled to a discount on the purchase price.
10. If the Buyer makes a claim regarding the delivered goods, they are obliged to send the claim in writing to the address of the Seller's registered office: Hedva a.s., Na Stráni 572/6, Předměstí, 571 01 Moravská Třebová. The claim may also be submitted electronically to the e-mail address designated by the Seller.
11. A written claim must contain:
 - the business name of both the Seller and the Buyer,
 - identification of the Agreement (order, invoice, etc.); if the claim concerns only one of the partial deliveries made, the claim must also contain the identification of the partial

delivery to which the claim relates, in particular by specifying the delivery note number,

- delivery date,
 - a description of the defect or a precise indication of how the defect manifests itself,
 - the number of defective pieces of goods, or other specification of quantity,
 - original tags placed on each piece.
12. The Buyer is obliged to provide the Seller with the necessary cooperation after submitting a claim, in particular, to enable the Seller to inspect the condition of the claimed goods in terms of the existence of the claimed defect and the legitimacy of the submitted claim. In the event of a breach of these obligations by the Buyer, the Seller will consider the claim to be unjustified.
 13. The Seller is obliged to handle the claim within a reasonable time.
 14. The Buyer is obliged to store the claimed goods separately from other goods until the claim procedure is concluded, and any disposition of these goods that could hinder or prevent the verification of the claimed defects is not permitted without the Seller's prior written consent. In the event of a breach of these obligations by the Buyer, the claim will be assessed by the Seller as unjustified.
 15. After handling the claim, the Seller informs the Buyer via e-mail or telephone. The Seller subsequently issues a confirmation to the Buyer stating the date and method of handling the claim, or the justification for rejecting the claim.
 16. The submission of a claim does not relieve the Buyer of the obligation to pay the purchase price or the price of the work within the agreed period, unless a legal regulation or a written agreement of the contracting parties stipulates otherwise.

IX. Force Majeure

Neither contracting party shall be liable for delay or failure to fulfill its obligations if such delay or failure was caused by circumstances excluding liability that it could not have reasonably foreseen or influenced (force majeure). The affected contracting party is obliged to inform the other contracting party of the occurrence of such a circumstance without undue delay. For the duration of force majeure, the deadlines for the fulfillment of obligations by the contracting party affected by force majeure, the performance of which is prevented by force majeure, shall not run.

X. Contractual Penalties

1. If the Buyer refuses, without legal justification, to accept goods that are not manufactured or modified according to their individual requirements, they are obliged to reimburse the Seller for efficiently incurred costs arising in connection with the transport, storage, and return of the goods.
2. If the Buyer refuses, without legal justification, to accept goods manufactured or modified according to their individual requirements, they are obliged to compensate the Seller for all efficiently incurred costs arising in connection with the manufacture, modification,

handling, storage, and delivery of these goods. This does not affect the Seller's right to compensation for damage to the extent exceeding the costs incurred in this manner.

3. In the event of the Buyer's delay in payment of a monetary obligation, the Buyer is obliged to pay the Seller a contractual penalty of 0.05% of the outstanding amount for each day of delay, until paid. The application or payment of the contractual penalty does not affect the Seller's right to compensation for damage or the right to claim statutory default interest in accordance with the relevant legal regulations.

XI. Governing Law and Dispute Resolution

Unless the contracting parties agree otherwise in writing, all legal relationships arising from the Agreement or in connection with it are governed by the legal order of the Czech Republic, excluding conflict of laws rules and excluding the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The contracting parties further agreed that the courts of the Czech Republic have exclusive jurisdiction to hear and decide all disputes arising from the Agreement or in connection with it. If an agreement on the local jurisdiction of the court is permissible according to the legal regulations of the Czech Republic, the contracting parties stipulate, as the locally and materially competent court, the court in whose district the Seller has its registered office as of the date of the commencement of judicial proceedings.

XII. Final Provisions

1. The Buyer is not entitled to unilaterally set off any of their receivables against a receivable of the Seller or to withhold payment of the purchase price or any part thereof due to any of their claims against the Seller without the Seller's prior written consent.
2. The Buyer is not entitled to assign the Agreement or transfer or assign any rights or receivables arising from the Agreement or in connection with it to a third party without the Seller's prior written consent.
3. If any provision of these GTC or the Agreement becomes invalid, ineffective, or unenforceable, this shall not affect the validity, effectiveness, or enforceability of the remaining provisions. The contracting parties undertake to replace such a provision with a new provision that will match the purpose and economic significance of the original provision as closely as possible.
4. Any changes or additions to the Agreement may be made only by written agreement of the contracting parties, unless the Agreement or these GTC stipulate otherwise. Written form is also considered to include communication via e-mail if the intention of the contracting parties to change or supplement the Agreement clearly follows from its content.
5. Legal relationships not regulated by the Agreement or these GTC are governed by the relevant provisions of generally binding legal regulations of the Czech Republic.
6. These GTC become effective on July 1, 2026, and apply to all agreements concluded on or after the date of their effectiveness, unless the contracting parties agree otherwise in

writing.

7. The Seller is entitled to unilaterally change or supplement these GTC. The amended version of the GTC shall apply to agreements concluded after the date of their effectiveness. For agreements concluded before the effective date of the change, the version of the GTC effective as of the date of conclusion of the relevant agreement shall apply, unless the contracting parties agree otherwise in writing.

In Moravská Třebová, on July 1, 2026