

KYOSUN BUSINESS TERMS AND CONDITIONS

1. INTRODUCTORY PROVISIONS

- 1.1 Pursuant to Section 1751(1) of Act No. 89/2012 Sb., Civil Code, as amended ("**Civil Code**"), these Business Terms and Conditions ("**T&C**") of Kyosun s.r.o., ID No.: 24727890, with its registered office at Trmická 836/1, Prosek, 190 00 Prague 9, entered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Entry No. 169303 ("**Seller**") regulate the mutual rights and obligations arising from or in connection a purchase contract ("**Purchase Contract**") made by and between the Seller and another individual or legal entity carrying out business ("**Buyer**").
- 1.2 Provisions deviating from these T&C may be individually agreed in writing when entering into the Purchase Contract. Any deviating provisions in the Purchase Contract prevail over the provisions hereof. The provisions of these T&C are incorporated in the Purchase Contract as its integral part.
- 1.3 These T&C may be unilaterally changed or amended by the Seller at any time.

2. ENTERING INTO THE PURCHASE CONTRACT

- 2.1 The purpose of the Purchase Contract is the delivery of products offered by the Seller ("**Products**"), against payment by the Buyer of an agreed price.
- 2.2 The Buyer may order the Products only via e-mail on info@kyosun.com or sales@kyosun.com ("**Order**"). Any Order not made in accordance with these T&C may be rejected by the Seller. If in making a contract with the Seller, the Buyer is subject to the obligations arising from Act No. 395/2009 Sb., on significant market power and unfair business practices in the sale of agricultural and food products, as amended ("**SMP&UBP Act**"), the Buyer undertakes to comply with such obligations and the Seller has the obligation to provide the Buyer with reasonable assistance as may reasonably be required from the Seller.
- 2.3 When ordering the Products (i.e., especially in the Order), the Buyer must provide true and accurate information and notify the Seller of any change to such information without delay. The Seller reserves the right to ask the Buyer to verify the information (e.g., VAT number, entry in the Commercial Register, authorized person identification, etc.) or to additionally confirm the Order parameters. In the case of high-volume Orders, the Seller further reserves the right to require the Buyer to provide proof of valid liability insurance covering damage caused in the course of business, and in such a case the Buyer is obligated to submit, without delay upon the Seller's request, a copy of the relevant insurance policy or a certificate of valid insurance.
- 2.4 The Purchase Contract is entered into when the Seller, upon receiving the Order and any other terms and conditions being agreed with the Buyer (including any agreed changes), unconditionally accepts the Order in writing as final. A confirmatory e-mail or another electronic communication is also considered written acceptance (without prejudice to the last sentence of Article 2.2). Only the facts agreed in writing between the Parties, and, in each case, these T&C shall form part of the Purchase Contract.
- 2.5 The Buyer agrees to the use of remote communication means in entering into the Purchase Contract. Any costs incurred by the Buyer in using remote communication means in connection with entering into the Purchase Contract (internet connection costs, telephone call costs) shall be borne by the Buyer.
- 2.6 If the Seller does not accept the Order, or its modified version, in writing within three (3) business days from the receipt of the Order, the Order expires – in case the Buyer is still interested in the Products, the Buyer must deliver the Seller a new Order.
- 2.7 Any modification, cancellation or suspension of the Purchase Contract is possible only with the prior written consent of the Seller.

- 2.8 The Buyer acknowledges that the Seller is not obligated to enter into the Purchase Contract, especially if the Buyer previously materially breached their contractual obligations towards the Seller or has been or is in default with the payment of the Buyer's liabilities due to the Seller. Section 1732(2) of the Civil Code does not apply.

3. PRODUCTS PRICE; PAYMENT TERMS

- 3.1 The price of the Products and any costs associated with the Products packaging and delivery ("**Price**") is given in the Purchase Contract. The Seller is a payer of value added tax ("**VAT**") in the amount arising from applicable legal regulations of the Czech Republic - VAT will be added to the Price in accordance with such applicable legal regulations.
- 3.2 The Buyer shall pay the Price by wire transfer onto the account specified in an advance invoice issued by the Seller. The Seller may issue the advance invoice when the Purchase Contract is entered into. The obligation of the Seller to deliver the Products shall not arise until the advance invoice has been paid in full. The Buyer's obligation to pay the Price is fulfilled when the relevant amount is credited to the Seller's account.
- 3.3 The Seller may unilaterally determine the due date of the Price in the advance invoice; however, the term of payment shall never be less than five (5) days. Notwithstanding the preceding sentence, if the relationship between the Seller and the Buyer is subject to the SMP&UBP Act, the due date of the invoice shall always be no more than thirty (30) days from the date of delivery of the advance invoice. In case the Buyer defaults in paying any amount to the Seller, the Seller may charge default interest at the rate of 1.5% per month of the amount overdue.
- 3.4 The Seller will issue a tax document – final invoice to the Buyer regarding the payment made under the Purchase Contract. The final invoice will not be issued by the Seller until the Price is paid in full. The Seller may deliver the final invoice in the hard copy form together with the shipment, or in the electronic form to the electronic address communicated to the Seller.
- 3.5 In the event of a major change in input costs (e.g., the price of raw materials, transportation, exchange rate differences), the Seller reserves the right to adjust the Price accordingly if a period of more than thirty (30) days has elapsed between the date of the Purchase Contract and the shipment. The Buyer shall be notified of such change without delay and shall be entitled to withdraw from the Purchase Contract within three (3) days after the change of the Price has been notified.

4. PRODUCTS TRANSPORTATION AND DELIVERY

- 4.1 Transportation of the Products under the Purchase Contract made between the Seller and the Buyer shall be carried out in the manner agreed in the Purchase Contract. If the method of transportation is agreed upon a specific request of the Buyer, the Buyer bears the risk and any additional costs associated with such method of transportation.
- 4.2 The Seller does not guarantee a specific delivery date for the Products to the Buyer. If the Products are delivered by a carrier, the Seller does not carry any liability for the carrier's performance. The Seller shall also not be liable for any delay in the Products delivery caused by circumstances beyond the Seller's control, in particular delays in (international) transport, war, epidemics, pandemics, export restrictions, strikes, raw material shortages, interventions by public authorities and force majeure events. The Seller is also not liable for delays in the Products delivery if caused by third party delays or the Buyer's lack of cooperation (e.g., delayed approval of graphic materials, failure to ensure acceptance of shipment, etc.).
- 4.3 The Products will be handed over to and taken by the Buyer when the Seller hands the Products over to a representative of the Buyer or to the first carrier for delivery to the Buyer. At his moment, the title to the Products, as well as all risks and dangers of damage to the Products, shall pass to the Buyer. The Buyer's rights against the carrier shall remain unaffected. The Seller's obligation to deliver the Products is considered fulfilled upon handing the Products over to the carrier.

- 4.4 If the Buyer fails to take the delivery of the Products on the agreed date of delivery or from the carrier, the Seller is entitled to a fee for the storage of the Products of CZK 200 per pallet space for each commenced day of storage. The Seller may unilaterally invoice this amount to the Buyer, with a due date of fourteen (14) days from the date of the invoice. The contractual penalty does not affect the right to full compensation for damage in addition to the contractual penalty.
- 4.5 If for reasons on the Buyer's side it is necessary to deliver the Products repeatedly or in a manner other than agreed, the Buyer is obligated to pay the costs associated with the repeated delivery of the Products, or the costs associated with the different delivery method.
- 4.6 Upon receipt of the Products from the carrier, the Buyer must inspect the condition of the Products packaging, and in the event of any defects, notify the relevant carrier immediately.
- 4.7 Other rights and obligations in transporting the Products under the Purchase Contract may be regulated by the specific delivery conditions of the carrier chosen.
- 4.8 The Seller reserves the right to suspend performance of the Purchase Contract if the Seller has any overdue claim against the Buyer, until the Buyer's debts have been fully settled.
- 4.9 The Seller reserves the right, in exceptional cases, not to deliver the ordered Products to the Buyer, especially if the Purchase Contract mistakenly contains obviously incorrect or non-standard information, in particular about the selected Products, their price or delivery date, or if the Products are sold out and permanently unavailable. In such cases, the Seller undertakes to refund the Price for the undelivered Products to the Buyer - the Parties hereby exclude the right to compensation for any damage incurred by the Buyer due to the Products not being delivered.

5. DEFECTIVE PERFORMANCE RIGHTS; QUALITY GUARANTEE

- 5.1 The Seller guarantees that the Products comply with applicable European Union legal regulations and that each production batch of the Products goes through laboratory testing which includes checking of the presence of heavy metals, pesticides, moulds and other relevant parameters. Laboratory tests of a production batch of the Products will be made available to the Buyer upon request but for information purposes only and without any guarantee.
- 5.2 The Buyer must claim any defects in the Products within five (5) calendar days of the date of receipt of the Products. The Buyer agrees that the expiration of this period shall constitute the Buyer's acceptance of the Products without any reservations, and the Buyer's rights from defective performance shall cease upon that, and the Seller shall bear no liability or obligation to settle any subsequent claims. Sensory characteristics of the Products (especially colour, taste and aroma) cannot be claimed as the Products are a natural product where natural variation is expected and permitted - any reference samples of the Products provided by the Seller to the Buyer are indicative only and do not constitute any guarantee of performance or quality on the part of the Seller.
- 5.3 Any claims or complaints may be submitted via email on info@kyosun.com
- 5.4 The Seller shall not be liable for indirect, consequential, non-pecuniary or special damage, including, but not limited to, loss of profit, loss of revenue, loss of business or damage to reputation or other non-pecuniary damage, even in the event of defects in the Products or their late delivery or non-delivery. The Seller shall also not be liable for defects caused by improper storage of the Products by the Buyer after receipt.
- 5.5 The Buyer bears exclusive responsibility for ensuring that all graphic materials supplied by the Buyer, in particular labels and packaging design, are and will be in compliance with the legal regulations of the destination country in which the Products will be marketed. Upon approval of the graphic materials by the Buyer, the Seller may arrange their printing in accordance with the Purchase Contract. The Seller shall not be liable for errors in the graphic materials that were not timely identified by the Buyer during the approval process.

5.6 The Seller shall not be liable for any harm to third parties arising from the use and/or sale of the Products by the Buyer. The Buyer must ensure that the use of the Products by third parties is in compliance with the laws of the destination country.

5.7 The Seller's overall liability for any pecuniary or non-pecuniary damage incurred by the Buyer in connection with the Purchase Contract, its performance or breach shall be limited by the amount of the Price paid. This limitation of liability applies to any claim, whether arising from contract, tort, unjust enrichment or on any other legal basis.

6. PROTECTION OF THE RELATIONSHIP WITH SUPPLIERS

6.1 The Buyer acknowledges that the Seller's supplier relationships (e.g., with matcha tea suppliers) are the result of business know-how, investment and long-term relationship building. The Buyer therefore undertakes that for a period of sixty (60) months from entering into the first Purchase Contract incorporating these T&C, the Buyer will not purchase the Products or their substitutes from the Seller's suppliers who have demonstrably participated in the performance for the Buyer without the express written consent of the Seller.

6.2 This Article 6 serves the protection of the Seller's legitimate investment and contractual interests and applies solely to cases where such conduct by the Buyer would result in the circumvention or misuse of contacts obtained in the course of the Buyer's business with the Seller.

6.3 If the Buyer breaches the obligation under Article 6.1, the Seller may claim a contractual penalty of CZK 500,000 for each individual breach, without prejudice to the Seller's right to full compensation for damage in addition to the contractual penalty. The Seller may unilaterally invoice these amounts to the Buyer, with a due date of fourteen (14) days from the date of invoice.

7. PURCHASE CONTRACT TERMINATION

7.1 The Purchase Contract terminates upon due performance of all the obligations arising therefrom, in particular the delivery of the Products and full payment of the Price.

7.2 The Purchase Contract may be terminated only for the reasons expressly stated in the Purchase Contract or in these T&C. Any other contractual or legal grounds for unilateral termination of the Purchase Contract are hereby excluded to the maximum extent possible.

7.3 The Seller may withdraw from the Purchase Contract in the event that:

- (i) the Buyer materially and/or repeatedly breaches the Buyer's contractual obligations, in particular if the Buyer fails to pay the Price within ten (10) days after the due date;
- (ii) the Buyer fails to take the delivery of the Products by the agreed date and fails to do so even within ten (10) days of the Seller's request;
- (iii) the Buyer's financial position deteriorates obviously, in particular in the event of the commencement of insolvency proceedings, execution or other similar proceedings against the Buyer;
- (iv) there is a reasonable apprehension that the Buyer will not be able to meet their obligations, in particular in the event of repeated delays in payment or acceptance of the Products;
- (v) force majeure on the part of the Seller or any other circumstance preventing the Seller from delivering the Products to the Buyer which lasts for more than thirty (30) days;
- (vi) the Buyer fails to provide proof of valid liability insurance when requested by the Seller.

7.4 The Buyer may withdraw from the Purchase Contract only in the event of a material breach of the Contract by the Seller which is not remedied within thirty (30) days from delivery of a written notice to remedy. If the SMP&UBP Act applies to the relationship between the Seller and the Buyer, the Buyer may withdraw from the Purchase Contract no later than thirty (30)

days before the date of delivery of the Products. The Buyer further acknowledges that they are not entitled to withdraw from the Purchase Contract for the supply of such Products (a) which have been manufactured to the Buyer's individual requirements or adapted to the Buyer's needs, (b) in respect of which the Buyer has broken its packaging, for health and hygiene reasons.

- 7.5** Withdrawal from the Purchase Contract must be made in writing, in relation to the Seller only by sending an e-mail to info@kyosun.com or in the hard copy form to Mladoboleslavská 1120, 197 00 Prague 19. The withdrawal takes effect upon delivery of the notice of withdrawal to the relevant Party.
- 7.6** Withdrawal may be made only in relation to such part of the Purchase Contract which remained unperformed. Partial withdrawal does not affect the validity and effectiveness of any performance already provided.
- 7.7** Withdrawal from the Purchase Contract does not affect the Seller's right to the following:
- (i) reimbursement of costs already incurred (e.g., for the provision of the Products or transport);
 - (ii) compensation for damage incurred due to the Buyer's breach of obligations;
 - (iii) the storage fee pursuant to Article 4.4 hereof.
- 7.8** The Buyer must return the Products to the Seller within fourteen (14) days after withdrawal from the Purchase Contract, at the Buyer's own expense. The Seller is not obligated to return the funds the Seller received to the Buyer before receiving the Products; subsequently, the Seller shall refund to the Buyer the relevant part of the Price by wire transfer to the account designated by the Buyer.
- 7.9** The Buyer shall be liable for diminution in the value of the Products (e.g., through wear and tear or damage), and the Seller may unilaterally set off any claim for damage to the Products against the Buyer's claim for the reimbursement of the Price.
- 7.10** Termination of the Purchase Contract for any reason whatsoever is without prejudice to the obligations which are to survive such termination, in particular the obligations arising from Articles 6 and 8.

8. CONFIDENTIALITY; PERSONAL DATA PROTECTION

- 8.1** The Buyer undertakes to maintain confidentiality with respect to any and all confidential information made available to the Buyer in connection with entering into and performing the Purchase Contract, in particular regarding the Seller's manufacturing and delivery processes, recipes, business terms and conditions and business contacts. This obligation shall survive the termination of the contractual relationship, for a minimum period of ten (10) years after its termination. If the Buyer breaches the confidentiality obligation, the Seller may claim a contractual penalty of CZK 250,000 for each breach, without prejudice to the right to damages which may be claimed in full in addition to the contractual penalty.
- 8.2** The Seller processes personal data provided by the Buyer for the purpose of performance of the Purchase Contract in accordance with the General Data Protection Regulation (EU) 2016/679, Act No. 110/2019 Sb., on the processing of personal data, and other related or implementing regulations in the field of personal data protection. Such data includes, in particular, data provided by the Buyer when entering into the Purchase Contract or in communicating with the Seller.
- 8.3** More detailed information on the processing of personal data is contained in a separate document on the personal data processing policy available here [[LINK](#)].

9. FINAL PROVISIONS

- 9.1 These T&C and the Purchase Contract are governed by the Czech laws, excluding the application of the Vienna Convention on Contracts for the International Sale of Products.
- 9.2 The Parties agree that any disputes arising out of these T&C and the Purchase Contract, including their validity, interpretation and termination, shall be exclusively settled by the general courts of the Czech Republic according to the local jurisdiction of the Seller's registered office.
- 9.3 The Parties exclude the application of Sections 1799 and 1800 of the Civil Code, i.e., the provisions on adhesion contracts. The Buyer expressly declares that they had the opportunity to get familiarized with these T&C before entering into the Purchase Contract, the Buyer understands their content, and these T&C do not constitute a contractual arrangement which could not be reasonably expected by the Buyer.
- 9.4 The Buyer further declares that they have assumed the risk of change of circumstances within the meaning of Section 1765(2) of the Civil Code, and therefore the Buyer has no right to seek renegotiation of the Purchase Contract or to seek its amendment or cancellation due to a change of circumstances that occurred after its conclusion.
- 9.5 Should any provision of these T&C or the Purchase Contract prove to be invalid, ineffective or voidable, the validity and effectiveness of the remaining provisions shall not be affected. The Parties undertake to promptly replace such provision with a valid and effective provision which corresponds to its original meaning and purpose as closely as practicable.
- 9.6 The Parties expressly exclude the application of Section 557 of the Civil Code, as both the Parties are acting as entrepreneurs in the exercise of their business activities and are on an equal footing.
- 9.7 Any legal act, amendment or cancellation of the Purchase Contract must be made in writing, with electronic communication made via the e-mail address specified in the T&C or the Purchase Contract also deemed to be in writing.
- 9.8 The Buyer is not entitled to assign any of the Buyer's rights or transfer any of the Buyer's obligations under the Purchase Contract or these T&C to a third party without the prior written consent of the Seller. Any such attempted assignment or transfer without the consent of the Seller shall be invalid and of no effect against the Seller.
- 9.9 The Seller's current contact details are as follows:
- (i) Telephone No.: +420 773 08 2222
 - (ii) E-mail: info@kyosun.com
 - (iii) Website: www.kyosun.com

The Parties expressly acknowledge that they have familiarized themselves with and agree to these T&C and consider them to be incorporated in the Purchase Contract entered into on the basis of the Order.