

TERMS AND CONDITIONS FOR ADVERTISING ASSET AGREEMENT



Issued by:

Business Factory Digital s.r.o.

Registered office in Klokočí 649/13, Soběšice, 644 00 Brno

Company ID: 09050434, VAT reg. no.: CZ09050434

incorporated in the Companies Register kept by Regional Court in Brno, file number C 116907 (hereinafter referred to as "the BF")

binding any individual or business corporation that enters into a contract with the BF concerning ADVERTISING ASSET AGREEMENT, (hereinafter referred to as "the Client") as the other Party, (hereinafter referred to together as "the Parties")

Definitions

For the T&C and the Agreement, the first letter of each word of the defined term is capitalized.

- **the Advertising Campaigns** - means any and all advertising efforts conducted on the Channels such as Meta, Google, TikTok, AdForm, Huawei, and Bing by the Client.
- **the Advertising Space** - means any and all space for commercial communication on any of the selected Channels.
- **the Ad Spend** - means any and all charges prepaid by the Client to the BF serving only for the advertising conducted with respect to any and all ad accounts attributable to the Client on Channel reduced by the BF Remuneration and reduced by any and all charges the Client has already spent for advertising on the Channel using the BF Credit Line.
- **the BF Credit Line** - means access to the Ad Spend. The amount of the Ad Spend accessible at any given moment by the Client is determined by Terms and Conditions in Art. 4 of the Agreement and the definition of the Ad Spend above.
- **the BF Remuneration** - means the remuneration of the BF according to Art. 5 of the Agreement.
- **the Channel** - any and all advertising platforms BF provides to Clients, including Meta, Google, TikTok, Telegram, Huawei, Pinterest, Native Ads, RTB or/and any other agreed channel upon a written mutual agreement.
- **the Prepaid Amount** - the summary of advertising budgets paid by the Client and received by BF
- **the Advertising budget** - is the amount of money used as a credit to pay the Client's advertising activities on selected platforms. The advertising budget covers only the value of the Client's ad spend used for running his campaigns.
- **Meta** - means any and all advertising platforms in Meta's ecosystem, including but not limited to Facebook, Instagram, Messenger and Atlas.
- **the Advertising Terms** - means any and all terms and conditions, including policies, procedures and/or guidelines of the selected Channel from time to time and currently published on <https://www.facebook.com/terms.php>, <https://policies.google.com/?hl=en-US>, <https://support.google.com/adspolicy/answer/6008942?hl=en>, <https://ads.tiktok.com/help/article?aid=9552>, <https://ads.tiktok.com/help/article?aid=9550> and other platforms used.
- **the Terms and Conditions (also the T&C)** - means any and all terms and conditions from time to time and currently published on the BF's website: (https://b.cz/wp-content/uploads/en_general_terms_conditions.pdf).
- **the Operators** - means any and all persons authorized by the Party to act on its behalf. Actions of any and all such persons are legally and contractually binding for the Party.
- **the Asset** - means any and all advertising accounts (Business Managers, Ad accounts) provided for the use of Clients on selected channels
- **Spend volume** - means the agreed monthly amount of funds spent in connection with the services provided by the BF to which the Client has committed.

1. Subject of the Agreement

- 1.1. The subject matter of Advertising asset agreement (hereinafter referred to as "the Agreement") is the obligation of the BF to provide the Client with the BF Assets and BF Credit Line based on an order specified by the Client, agreed upon by both the Parties and accepted by the BF, and the obligation of the Client to pay the agreed BF Remuneration.
- 1.2. These Terms and Conditions are an integral part of the Agreement and the Client is bound by them in their entirety, as well as by the Agreement.
- 1.3. BF is entitled to unilaterally change these T&C at any time, but is obliged to notify the Client of such change at least 1 month in advance before the new version of the T&C becomes effective. In the event that the Client does not agree to the change in the T&C, the Client is entitled to terminate the Agreement on the date on which the changes are to take effect (Termination Date). The notice must be delivered to BF at least 14 days prior to the Termination Date.

2. Rights and Obligations of the Parties

- 2.1. The Client and BF agree on the method of ordering by the Client in the form of email communication or any other form of electronic communication at the contact addresses specified in the Agreement. In the event of a change of the Operators, the Parties undertake to inform each other by an email message indicating the new Operators and their details. The Parties agreed that preferred way of communication and delivery of the documents related to this Agreement incl. legal acts is electronically to the Operator's email address.
- 2.2. Tax document and/or an invoice delivered to the Client is considered a delivery note and confirms the BF's intent to provide the Client with the Assets and BF Credit Line in case the conditions specified in Art. 4, Par. 1 of the Agreement are met.
- 2.3. The Client shall notify eventual defects in BF services caused by BF properly in a written form to BF without delay (latest by 7 days from the moment the defect occurred) with the specification of concrete defects the Client applies. The Client forfeits the right from unsatisfactory performance if he fails to do so.

3. Remunerations and services

- 3.1. Remuneration covers the services provided by BF. The services included are:
 - a. Pre-approvals of the offers, products and services and ads - BF reviews all the materials provided by the Client and his advertising materials (visuals, text, landing pages, apps) that should be promoted on the Assets. If BF approves, the new Assets will be provided to the Client. The Client is allowed to promote only the pre-approved products and ads.
 - b. The account payment method is connected to BF Credit Line
 - c. Premium support from BF dedicated team - the team will provide support to the Client with creating new accounts, providing access to the accounts, adding new users, adding the Client page, creating pixel and basic events, assisting with domain verification, verifying the business (if required), troubleshooting in case there are any issues with the account
 - d. Education on the advertising policies and best practices training - guidance on the advertising that follows the advertising policies, including the latest trends and updates.
 - e. Support with sensitive markets and verticals - guidance for Clients who operate in sensitive markets and adjust advertising that would follow the specifics. Including the application for special approval for specific verticals (such as nutrition, supplements, dating, cryptocurrency etc.). BF provides full support in the process, but cannot guarantee the application approval, as the final decision depends on 3rd parties.
 - f. Credit allocations - The BF Finance team will support the Client with the new requests on credit allocations into the accounts, according to the amount that is pre-paid by the Client and received by BF. The team will also support the requests for re-allocations between the ad accounts if necessary (depending on the remaining balance on the individual ad account, which needs to be reviewed by the finance team). Minimum amount for the reallocation between ad accounts is \$200. If the reallocation is not possible due to limitations of 3rd party conditions, BF has a right not to re-allocate the requested amount. Reallocations are allowed only within one channel; cross-channel allocations cannot be supported.
 - g. Reporting - The Client will receive the report provided by the BF team, which will include the Financial report (including a list of ad accounts, the allocated budget, total spend, remaining budget, spend in individual months for channels Facebook, Google, TikTok), Invoices Report (list of invoices issued to the Client (number of invoices, amount, fees, status if the invoice was paid and received), Credit Allocation Request Sheet (Client

TERMS AND CONDITIONS FOR ADVERTISING ASSET AGREEMENT



can request allocation through this sheet), Overview (list of all accounts requested by the Client and provided by BF, Ads Approval Sheet (Client can submit the ads and relevant information into this sheet in order to be reviewed and approved by BF team. Any extra information or data requested by the Client is not included in the services and has to be paid as extra service.

- h. Problem Resolution for accounts and profiles - BF provides support with the appeals in order to enable ad accounts, contact support and solve issues on the Client's behalf. BF reserves the right to decline the Client's request to submit the appeal of the account if the reason for the disabled ad account was the policy violation caused by the Client submitting the ads without the BF team's pre-approval.
 - i. Troubleshooting - The BF team provides support in case of any issues that may occur with the account usage and will immediately work on finding the solution with 3rd party advertising platform. BF cannot guarantee to provide the solution if there are limitations on any selected advertising platform.
- 3.2 If the Client settles a payment through BF in a currency that is not equal to the currency charged by the Advertising Space provider, BF will have to return it to the Client, remind to send in the correct currency and will charge \$100 for administrative work before refunding the payment. The parties have agreed that the nominal value of the offers (i.e. advertising budget) and Remuneration to the BF are paid in the currency of EUR/USD/PLN/CZK.
 - 3.3 The above-stated prices/sums are VAT-exclusive. VAT shall be charged following the law in a legal amount. The price, including VAT, shall be stated in a tax document and/or an invoice. The tax documents and/or invoices are due within 14 days from the issue date. The payment shall be settled by a transfer to the BF's bank account specified in the heading of this Agreement and/or in every issued invoice.
 - 3.4 In case of the Client's delay in settling payments, the BF is entitled in its sole discretion to terminate any and all provided services without prior notice to the Client.
 - 3.5 In case of the Client's delay with Remuneration payments, the Client is obliged to pay the contractual penalty of 0,2% for each day of delay until the payment is credited to the BF's bank account. In case of the Client's delay with Remuneration payments, the BF is entitled in its sole discretion to terminate any and all provided services without prior notice to the Client.
 - 3.6 Both Parties have agreed to cooperate on a prepayment basis until new terms are renegotiated and agreed upon by both the BF and the Client. The prepayment amount is always to include both the advertising budget, which is to be used towards the media buying budget of the Client and any Remuneration that has been agreed between the parties according to the Art. 5, part 1. of the Agreement.
 - 3.7 Payment to BF by the Client is considered the full amount arriving at the bank account of BF. Any agreed Remuneration is calculated from the received amount. BF reserves the right to deduct the amount from the received payment that is equal to the agreed Remuneration to the BF. The Client can use any payment method suitable as the BF will consider only the financial resources processed and thus received to the ad account of the BF as the payment including both the resources for media buying and the Remuneration to the BF. BF is not to be held liable for any fees connected to the payment processing, reception, withdrawal or any other manipulation of the resources.
 - 3.8 BF is not to be held responsible for any malfunctioning or inaccessibility of any payment method used by the Client to send the agreed resources to the BF. The BF is not to be held responsible for operating with any amount of resources that cannot be processed and paid to the BF bank account, including but not limited to resources held in the system by a money transfer provider that the Client cooperates with or uses.
 - 3.9 The Parties have agreed to be liable for the taxes that they are obliged to pay as the result of the cooperation between the BF and the Client. None of the parties is to be held responsible for the other party's taxes or any other third party.
 - 3.10 The actual balance of prepaid Advertising budgets (their unused portion, reduced by third-party invoices and any BF cost and Remunerations) are refundable within 60 days of receiving a written request from the Client. All fees (e.g. administration, management) paid to BF by the Client are non-refundable. The advertising budget unused by the Client within 6 months after the last spend remains with BF and is not refundable.

4. Responsibility a damages

- 4.1. The BF is not liable for any and all damages direct and consequent arising from the decision of the BF to reject any and all orders specified by the Client according to the Agreement and T&C.
- 4.2. The BF is not liable for any and all damages caused to the Client or any and all third persons by errors or faults of the Client or any and all operators of the Advertising Space and Third Party Service Providers.

- 4.3. The BF is not liable for any and all damages caused by interruption, failure, or malfunctioning of any and all services that were not reasonably foreseeable and/or were not caused by the BF and could not reasonably be avoided by the BF (e.g. failure of availability and functioning of any Channel, failure of availability of the BF Credit Line, etc.)
- 4.4. The maximum amount of damages that the BF would be obligated to pay (solely upon meeting the contractual conditions for a claim for damages) to the Client is limited in all cases to an aggregate cap of \$5,000, for the entire duration of the Agreement.
- 4.5. The Client is responsible for any and all damages arising from the publishing of advertising and/or arising from the Advertising Campaigns, their content or communication to the BF or any and all third parties. Damages include for example blocked Ad Accounts, Business Managers, Credit line, disabled profiles of BF team, inability to advertise on BF assets, or any damages of BF business and name. The Client shall also be fully liable for any damages incurred by the BF or a third party for breach of the obligations set forth in the Agreement in full, without limitation. The BF shall have the option to claim the actual amount of the damage in full against the Client or to claim lump sum compensation. The amount of lump sum compensation for damages caused by the Client's actions shall be agreed in the fixed amount of the sum of the Client's Ad Spend for the last 6 completed calendar months, but not less than \$ 10,000 in any case. In the event that the BF decides to claim lump sum damages, the BF is not obliged to prove the actual amount of damages to the Client, but only the breach of a specific obligation and the occurrence of damages on the part of the BF. The payment of lump sum damages shall extinguish any further monetary claims of the BF against the Client for breach of this specific obligation.
- 4.6. In addition, in addition to any compensation for damages caused by the breach of its obligation, the Client shall pay to the BF a contractual penalty of up to \$ 25,000 in the event that:
 - a. The Client is in default of payment of the fee within the meaning of Art. 2 par. 2.1. in combination with par. 5.1. and 5.10. of the Agreement exceeding 10 working days.
 - b. The Client is in default of payment of the agreed additional services within the meaning of Art. 5 par. 5.6. in combination with par. 5.10. of the Agreement exceeding 10 working days.
 - c. The Client falls into default in the payment of any other monetary payment to the BF arising from this Agreement exceeding 10 working days.
 - d. The Client violates the obligation to comply with the legal compliance of the uploaded content agreed in Art. 6 par. 6.1. and 6.2. of the Agreement, respectively the published content will not meet this requirement according to par. 6.1. and 6.2. of the Agreement. The Client, in violation of the obligation agreed in Art. 6 par. 6.3. of the Agreement, publishes the previously unapproved content to one of the Ad accounts provided by the BF.
 - e. The Client violates the obligation to comply with the law and the principles of protection of personal data of natural persons within the meaning of Art. 4 par. 4.8. of the T&C.

The BF is entitled to determine the amount of contractual penalty charged at its sole discretion (up to maximal limit).

- 4.7. The payment of the contractual penalty does not affect the obligation of the Client to compensate BF for all caused damages (including lost profit).
- 4.8. The Client agrees to comply with all applicable laws and regulations relating to the handling of personal data and data used by the Client to conduct its business and used in accordance with the BF Advertising Accounts. The Client is responsible for fulfilling requirements of personal data processing of persons to whom the Client's services are targeted. The Client is solely responsible for any breach and/or any and all damages arising from the personal data processing of persons to whom the Client's services are targeted.
- 4.9. Client is responsible for all spends on the rented ad Assets. If any additional advertising spend occurs above the prepaid amount, the client is obliged to pay the difference between the prepaid credit and the actual advertising spent within a period of 14 days after receiving the spend report and invoice from BF.
- 4.10. The BF is entitled to use the funds prepaid by the Client, regardless of whether they are in any account(s), to pay its outstanding monetary claims, whether for damages, unpaid invoices, contractual penalties, or overpayments made by the Client in excess of the prepaid limit, unless the overpayment was caused by the BF. The BF is obliged to notify the Client without delay of the use of funds (even in the form of credit already credited to one of the accounts). If such action results in the restriction or blocking of the functioning of any of the accounts due to lack of credit, the BF shall not be liable to the Client for any damage caused by such fact.

5. Arbitration clause

TERMS AND CONDITIONS FOR ADVERTISING ASSET AGREEMENT



- 5.1. The rights and obligations under the Agreement shall be governed by Czech law and the jurisdiction to adjudicate disputes arising out of the Agreement shall be vested exclusively in the courts of the Czech Republic.
- 5.2. All disputes arising out of and in connection with this contract shall be finally decided by the Court of Arbitration at the Czech Chamber of Commerce and the Czech Chamber of Agriculture according to its rules by three arbitrators, in accordance with Act No. 216/1994 Coll., the Act on Arbitration and Enforcement of Arbitral Awards and the Rules of Procedure of the Court of Arbitration. The seat of this arbitration court is expressly agreed by the Parties to be Brno.
- 5.3. The costs of the arbitration proceedings are charged for the arbitration proceedings, costs of legal representation according to relevant legislation and other costs arising from arbitration proceedings.
- 5.4. The unsuccessful party must reimburse the successful party's legal costs. Provisions of the Code of Civil Procedure and related legislation shall be reasonably used during legal costs reimbursing obligation decisions.
- 5.5. The delivered arbitral award is final and enforceable. Unless this arbitration clause states differently, Act No. 216/1994 Coll. shall apply. Unless this arbitration clause states differently, provisions of legislation valid for civil procedure, esp. Act. No. 99/1963 Coll., Code of Civil Procedure or Act No. 216/1994 Coll. shall apply reasonably. The language of the arbitration is the Czech language; the Parties are obliged to submit all materials in the Czech language or an officially verified translation. The Parties agree that all submissions delivered by the arbitrator to the Parties are only in the Czech language.

6. Termination of the Agreement

- 6.1. The Agreement may be terminated by:
 - a) the termination of the Agreement by the Party without any notice (effective immediately) if:
 - i. the other Party infringes its obligation under the Agreement;
 - ii. other Party has declared bankruptcy or enters into liquidation or insolvency proceeding was initiated against the other Party;
 - iii. the Client will upload unapproved content in any BF account established for its benefit under the Agreement or individual order forms;
 - iv. the Client is in overdue in the payment of any monetary payment under the Agreement for more than 3 days;
 - v. the Client repeatedly or persistently fails to provide the BF with the cooperation required for the proper performance of its obligations under the Agreement, despite having been requested to provide such cooperation in writing;
 - b) the termination of the Agreement by the Party without any 10 days notice stating the cause of requested termination (i.e. specifying breach of the Agreement by the other Party). Such termination of the Agreement can be sent to the other Party only if it was preceded by the sending of a written request for remedy, where the Party specified the breach of the Agreement and provided the other Party with a period of at least 15 days after the delivery date of the request for remedy and the remedy or correction did not sufficiently occur within the provided period. The Client is obliged to pay BF the Remuneration for the Service provided until the expiration of the notice period according to the Agreement.
 - c) If the contract is concluded for an indefinite period of time, it can be terminated by either party without giving reasons, with a notice period of 3 months. The notice period shall commence on the first day of the calendar month following the month in which the notice is duly delivered to the other party.
- 6.2. The notice of termination must be in writing, must be clearly marked as a termination of the concluded contract, stating the reason for the termination (in the case of an open-ended contract, also without stating a reason), and must be duly delivered to the other contracting party. Delivery of the notice to the contact email address specified in the contract shall also be deemed to have been duly delivered.
- 6.3. The termination must be in writing. The Client's outstanding debts to the BF are due on the first working day following the delivery of the termination to the Client if the BF does not specify a later date.
- 6.4. In case of unpaid debts pending 3 days after the due date or if the Client's activities on the ad account could violate the used channel policies and possibly could lead to blocking the BF's ad account or business account, BF is allowed to block the ad spend utilisation immediately without prior notice to the Client and terminate the Agreement according to this article of T&C. In such case, the Client shall not be entitled to any claim or compensation for such blocked account.

- 6.5. Should this Contract be terminated by either Party, BF shall reimburse the Client with remaining not spent amounts of ad spend i.e. prepaid amount after deducting any outstanding amount that belongs to BF, i.e. remuneration, such as fees or commissions, fees after re-evaluated pricing according to the Agreement and/or T&C, also penalties, damages etc. according to the Agreement and/or T&C, belonging to BF from the remaining prepaid amount. The refund amount will be paid off 2 months after signing the Confirmation of prepayment reminder by both parties.

7. Final provisions

- 8.1. In case of any provision of these T&C be or become obsolete, ineffective or invalid, it shall not result in nullity or ineffectiveness of these T&C as a whole.
- 8.2. Rights and obligations not covered by this T&C shall follow the Act No. 89/2012 Coll., Civil Code, the Act No. 40/1995 Coll., on Advertising Regulation as amended and other legal regulations of the Czech Republic as amended.
- 8.3. All changes and amendments to the Partial contract shall be made in a written form unless the Parties agree otherwise. The Parties declare that their mutual communication shall take place through authorized persons and/or elected representatives. Concrete persons shall be designated in the Partial contract. The Parties agree that the communication shall also take place electronically, by electronic mail to the addresses of the authorized persons and/or the elected representatives designated in the Partial contract. Documents in electronic form can be delivered by email.
- 8.4. If anything in the Agreement is stated differently from these Terms and Conditions, the provisions in the Agreement shall govern.
- 8.5. The T&C, as well as the Partial contracts, are governed by the law of the Czech Republic, excluding conflict in standards that would after to the use of foreign law. In the event of any dispute between the Parties arising out of these T&C and the Partial contracts, the Parties undertake to make the greatest possible effort that may be required to reach an amicable settlement by agreement of the Parties.
- 8.6. The T&C shall become valid and effective on 1.1.2024 and its wording is available on www.quority.com.