

**APPENDIX NO. 1**  
**TO**  
**THE BUSINESS TERMS AND CONDITIONS FOR FOREIGN SALES FROM 15 AUGUST 2019**

*issued by Černý Seed s.r.o. (LLC), a company doing business in accordance with the Certificate of Incorporation, place of business: Czech Republic, Jaroměř, Husova 139, company ID number 04431049, registered in the Trades Register, in accordance with the provisions of Section 1751 para. 1 Act no. 89/2012 Coll., Civil Code, as amended.*

*The Appendix No. 01 is valid from 15 November 2023 until publication of a new version and relate exclusively to sales of goods outside of the territory of the Czech Republic.*

**Respect for and compliance with trade embargoes**

International organisations and bodies (e.g. the European Union, the United Nations, etc.) may impose restrictive measures against countries, organisations, legal entities or natural persons that violate human rights, international law, engage in criminal activities, terrorism, money laundering, etc. or are suspected of the above illegal activities. Restrictive measures are generally referred to as sanctions or embargoes ("embargoes"). An embargo is a restrictive measure enforced at the national or international level. Depending on their content, these embargoes are either financial embargoes, which prohibit certain financial operations and transactions, or trade embargoes, which are restrictions on the import or export of certain goods or services, usually in relation to certain countries or persons.

Černý Seed s.r.o. (hereinafter referred to as "the Company") consistently takes care of its social responsibility and within this framework it strictly complies with all currently valid and legally binding trade embargoes adopted in accordance with the relevant legislation under the legal system of the Czech Republic and also at the level of the European Union.

The Company also does business with entities from the United States of America (USA) or its US subsidiaries that are required to comply with embargoes under US law (so-called "embargoes"). OFAC embargoes), which often have an extraterritorial overlap with the territory of the USA and affect US nationals and US business companies based in the USA or with US owners, or concern goods at least partially of US origin, and as a result, the Company as a contractual customer of its business partners directly or partially from the USA, e.g. Pan American Seed (Ball Horticultural Company) is bound by these embargoes and also requires compliance with them from its customers.

In addition to the U.S. embargoes, the Company seeks to comply with its obligations under the embargoes imposed by the United Kingdom of Great Britain and Northern Ireland.

The Company specifically does not export goods from U.S. suppliers to any destination under an OFAC embargo (currently includes Iran, Cuba, North Korea, Syria, Crimea, as well as many sectors and services involving any persons in the Russian Federation) or any individuals, entities or other destinations subject to United States, European Union, United Kingdom or United Nations sanctions programs or embargoes.

As a matter of principle, the Company does not do business with entities that are on the relevant sanctions lists or with persons suspected of doing business directly or indirectly with prohibited persons on the currently applicable sanctions lists. The Company also encourages its customers and clients to do so, as not only is it the right thing to do, but failure to do so can lead to significant financial penalties for violating international sanctions, as well as a significant threat to the overall credibility of the entity violating usual and customary business standards and practices in international trade.

Due to the Company's business commitments, compliance with the re-export ban as described above is also required of the Company's trade customers and other business partners. Violation of the OFAC embargo on the supply of goods to selected countries entitles the Company not only to terminate business cooperation but also to claim compensation for related damages in accordance with generally applicable law.

In order to comply with the above obligations affecting the Company's business partners, the Company has implemented certain measures to ensure enforcement and compliance with the prohibitions and obligations associated with and related to the above embargoes. The Company, at its sole discretion, reserves the right to require its business partner to provide proof of the person of the actual consignee of the goods as a necessary condition, if any, for the delivery of specific goods that are or may be subject to the relevant embargo with respect to the onward movement of the subject goods. The Company shall also be entitled to refuse delivery of the goods where the Company is in doubt as to the actual recipient of the relevant goods.

The Company is entitled to cancel its business at any stage, provided that it has been established that the business partner has in any way illegally disposed of the goods in question or intended to do so. The company is also entitled to demand the return of goods previously delivered.

In the event that the Company discovers a breach of any embargo by its customer, the Company is prepared to notify the relevant supervisory authorities in order to seek redress of the defective and illegal situation.

More information on UN, EU and OFAC sanctions can be found on the pages below, also due to the fact that the scope of bans and restrictions of individual embargoes may change over time.

UN: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

EU: [http://ec.europa.eu/dgs/fpi/what-we-do/sanctions\\_en.htm](http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_en.htm)

USA: <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>

In Jaroměř, on 15<sup>th</sup> November 2023

PhDr. Jan Černý