

## **DISTRIBUTION AGREEMENT**

Between **Kratki.pl Marek Bal** having its registered office at Wsola, ul. Gombrowicza 4, 26-600 Jedlińsk, Polska, TAX number: PL7961158007 – hereinafter referred to as the “Manufacturer”,  
and

**Halcyon Home Solutions Ltd** – registered address at First Floor, Winston House, 349 Regents Park Road, London, England, N3 1DH, Company No 10753579 t/a Halcyonfireplaces.co.uk – hereinafter referred to as the “Distributor”.

1. Definitions and Territory
  - a. Products: Fireplace stoves and accessories of the “Kratki” brand (as specified in the current product annex).
  - b. Territory: United Kingdom
  - c. The sale of Products within this Territory includes all deliveries and services to end customers or resellers with a delivery address in the United Kingdom.
  
2. Grant of distribution rights
  - a. The Manufacturer grants the Distributor the right to distribute the Products within the Territory.
  - b. The Manufacturer is not responsible for indirect deliveries of the Products to the Territory by third-party companies or individuals.
  - c. The Manufacturer refrains from its own online sales within the Territory. Both Parties shall take reasonable technical and organizational measures to prevent unintended deliveries to the Territory.
  
3. Obligations of the Distributor
  - a. Market Development: Active promotion, participation in trade fairs, digital campaigns, updating prices and product information.
  - b. Dealer Network: Establishment of at least 3 active dealers within 12 months from the commencement of the agreement; each dealer must display a minimum of 8 appliances.
  - c. Reporting: Quarterly reports (network development, sales, forecasts), and notification of significant market or regulatory changes.
  
4. Obligations of the Manufacturer
  - a. Supply and Quality: Deliveries in accordance with specifications; compliance with standards; provision of technical documentation and training.
  - b. Protection of Exclusivity: No deliveries to third parties within the Territory; transfer of all inquiries from this market to the Distributor.
  - c. Marketing: Provision of brand guidelines, textual and photographic materials; the Distributor is granted a non-exclusive, revocable right to use “Kratki” trademarks within the Territory (revocable upon breach or with 30 days’ written notice).
  
5. Prices, Orders, and Deliveries
  - a. Annex “Prices and Terms” shows discounts, payment, and delivery conditions;
  - b. Amendments require written form.
  - c. The Distributor’s forecasts are non-binding; only confirmed orders are binding.
  - d. Returns are possible only upon prior agreement.
  
6. Duration and Termination

- a. Commencement: 01.12.2025. Initial term until 31.12.2026.
- b. If the Distributor fulfills clause 3(2) "Obligations of the Distributor", the agreement shall be automatically renewed for successive 12-month periods.
- c. If clause 3(2) is not fulfilled, the agreement shall automatically terminate at the end of its current term.
- d. Ordinary Termination: With a 3-month notice period effective at the end of any calendar month.
- e. Extraordinary Termination: For good cause, including (i) material breach of the agreement despite a 30-day remedy period, or (ii) initiation of insolvency proceedings.
- f. In the event that the Manufacturer terminates the agreement, they agree to accept the return of the devices that remain in the Distributor's inventory at the end of the notice period.

#### 7. Competition and Compliance

- a. The Distributor shall not offer, sell, or distribute within the Territory any products that compete with the Products defined in this agreement.
- b. Competitive products include, in particular, fireplace stoves, fireplace inserts, free-standing stoves, accessories, and heating systems from manufacturers other than the Manufacturer, comparable in function, purpose, or target group.
- c. Exceptions to this restriction may only be made with the Manufacturer's prior written consent.
- d. Any breach of this restriction constitutes a material breach of the agreement and entitles the Manufacturer to immediate termination for cause and to claim damages.

#### 8. Product Safety

- a. Warranty periods and terms as per the Manufacturer's guidelines.
- b. Product liability shall comply with applicable law; both Parties shall promptly inform each other of safety risks and cooperate in any product recall actions.

#### 9. Confidentiality and Data Protection

- a. Commercial and pricing information shall remain confidential; this obligation continues for 2 years after the termination of the agreement.
- b. Personal data shall be processed strictly in accordance with applicable law; if necessary, the Parties shall enter into a data processing agreement.

#### 10. Intellectual Property

- a. All rights to trademarks, designs, and copyrights remain with the Manufacturer.
- b. The Distributor may use these trademarks solely for sales within the Territory and in accordance with the brand guidelines.

#### 11. Governing Law, Jurisdiction, and Language

- a. Governing Law: This Agreement is governed by Polish law, excluding conflict-of-law rules and the UN Convention on Contracts for the International Sale of Goods (CISG).
- b. Jurisdiction: Any disputes arising from this Agreement shall be settled by the competent court of the Manufacturer's registered office in Poland.
- c. Language: This Agreement is drawn up in Polish and English. In the event of discrepancies between the language versions, the Polish version shall prevail. The English version, if provided, is for reference/translation purposes only.

## 12. Final Provisions

- a. Written Form: Amendments and supplements must be made in writing (including annexes); no other oral arrangements exist.
- b. Severability Clause: Invalid provisions shall be replaced by valid and economically equivalent ones.
- c. The following Annexes form an integral part of this Agreement:

Annex A: Product groups, discounts and prices

Annex B: KPI and Dealer Network

**Kratki.pl Marek Bal**

**Halcyon Home Solutions Ltd**