

**General Terms and Conditions of Sale and Supply Contracts  
of the company “Polmor” spółka z o. o. with its registered office  
in Bytów**

**Appendix No 7 to PS — 8.4**

**§ 1. Application**

These General Terms and Conditions of Sale and Supply Contracts shall apply to all legal acts in which the “Polmor” spółka z o. o. acts as Buyer in connection with the purchase of goods and/or accepting the services provided (hereinafter referred to as the “Subject of sale”). These General Terms shall apply when the parties enter into a contract in writing or otherwise. The amendment and/or addition to the General Terms must be made in writing and require our consent.

**§ 2. Acceptance of the order by the Seller**

The Seller confirms the acceptance of all orders and amending orders submitted by the Buyer by returning a signed copy of the order or the amending order within 14 days from the date of its receipt, unless the order specifies a different period of time. The Buyer has the right to withdraw the order as long as the Seller has not confirmed its acceptance.

**§ 3. Amendments and supplements to the Contract**

Amendments and supplements to the Contract shall be binding only if agreed in writing.

**§ 4. Ensuring the quality and characteristics of the Subject of Sale**

1. The Seller unequivocally asserts:
  - a) that the Subject of Sale will be complete in all respects and suitable for the purpose for which it is intended,
  - b) that the Subject of Sale will be in full compliance with the requirements of the Buyer's order and with the technical conditions, drawings, calculations and/or other documents provided by the Buyer,
  - c) that the Subject of Sale will comply at least with the provisions of the law in force in the country of the Buyer, provided that such provisions are in force in the case,
  - d) that, to the extent that the Subject of Sale is carried out in a place outside the Seller and/or its construction sites, the Seller will comply closely with all applicable laws, provisions or regulations and all rules and regulations of the Buyer or its customer applicable at the site of the construction,
  - e) that the Subject of sale will be of good quality and free from defects in the design, performance and/or materials and that new raw materials will be used

for creation of the Subject of Sale and that qualified workforce will be involved,

- f) that, if the Subject of Sale is also to provide labour force, such services will be in accordance with the law and the skills and qualifications of such labour force will be in accordance with the agreed standards or, where no specific standards have been established, with commonly accepted standards, and that the agreed quantity of labour force will be continuously available throughout the agreed period.
2. If the Contract and/or Appendices thereto refer to technical or security regulations or quality or other areas, which have not been supplied together with the Contract or Appendices thereto, the Seller shall be deemed fully informed thereof, unless it notifies the Buyer without delay in writing that it does not have such information. In the latter case, the Buyer shall inform the Seller of these provisions.
  3. Any deviations in respect of products supplied in breach of the Buyer's requirements shall be immediately reported in writing to the Supply Specialist who has placed the order. Prior to the delivery of the product in breach to the Buyer's warehouse, the Buyer's written consent shall be obtained.
  4. The Supplier shall bear the same liability vis-à-vis the Buyer for the obligations of its sub-dealers or subcontractors as for its obligations. The Supplier may not subcontract all or part of its obligations and/or involve sub-suppliers and may not assign any rights, benefits and/or shares arising from the Purchase Contract, either in whole or in part, in any way, without the prior written consent of the Buyer.
- Supplier

#### **§ 5. Provisional inspection, checks and tests**

- a) The Buyer is authorized at any time during the performance of the Subject of Sale to inspect, test, sample or verify the progress of the performance of the Subject of Sale, including any related matters or works, or to order the performance of such activities to third parties on its behalf.
- The Seller shall at reasonable limits provide the Buyer with the necessary assistance, labour, materials, apparatus and instruments that may be necessary for the performance of the inspection.
- The Seller is obliged to ensure that the persons or agencies designated by the Buyer are given free access to the place where the Subject of Sale is carried out; it is also obliged to provide an appropriate room for the temporary inspection, check or test.
- b) In the case of mutually agreed provisional inspections, checks or tests to be carried out at the Seller's initiative, it shall notify the Buyer in writing of the proposed date of inspection, check or test so that the Buyer, if it wishes so, can participate or be represented in such an inspection or test.
- If such inspections, checks or tests are to take place at the initiative of the Buyer, the Buyer shall notify the Seller in advance in writing about the proposed date of

inspection, check or test, so that the Seller, if it wishes so, can participate or be represented in such an inspection or test.

- c) All provisional inspections, checks or tests are carried out on the basis of the requirements, regulations and documents referred to in § 4 of these Terms and Conditions.
- d) The costs of provisional inspections, checks or tests shall be borne by the Seller except for the costs of the Buyer's employees or other representatives who take part in these inspections and tests.

If the Buyer incurs additional costs as a result of the fact that the provisional inspection, check or test referred to in point b of this paragraph could not take place at the agreed date or when the provisional inspection, check or test had to be repeated for reasons attributable to the Seller, the Seller shall compensate the Buyer for the above costs.

Accordingly, the Seller shall be entitled to receive compensation from the Buyer for additional costs if the Seller incurred them in the above cases for reasons attributable to the Buyer or his customer.

- e) If, as a result of a temporary inspection, check or test, the Subject of Sale or its part is found to be incompatible with the terms of the Contract, the Buyer shall inform the Seller about that fact immediately and the Seller shall also promptly remedy or replace at his own expense the contested Subject of Sale, either in whole or in part.
- f) In the event that the Seller executes the Subject of Sale with the assistance of subcontractors, it is obliged to ensure that the subcontractors accept the same responsibilities and obligations towards the Buyer that the Seller has under these Terms and Conditions of Contracts.
- g) Neither performance of a provisional inspection, check or test nor resignation from performing them shall be deemed acceptance of the Subject of Sale by the Buyer.

#### **§ 6. Final inspection, check or test**

- a) A written confirmation from the Buyer stating that the Subject of Sale has passed the final inspection or test is deemed to be a certificate of acceptance of the Subject of Sale by the Buyer, which is without prejudice to § 6 point d.
- b) The conditions set out in § 5 of these Terms and Conditions, except for point g, shall apply to the rights and obligations of the Buyer and the Seller in connection with the performance of the final inspection.
- c) If the Contract concluded by the parties indicates that the Subject of Sale should have a guaranteed efficiency or other guaranteed features, and the achievement or determination of such quality or characteristics is only possible after installation, mounting or integration of the Subject of Sale, the final inspection or testing shall be carried out when the Subject of Sale or installation is ready for that purpose.
- d) If under the Contract the Subject of Sale includes provision of certificates, instructions for construction, maintenance, operation, plans, drawings or other

documents, or training or practical training of the Buyer's personnel, these shall be deemed to constitute a part of the Subject of Sale and the Subject of Sale handed over without these parts shall be deemed to be incomplete and unacceptable until complementation with the above parts.

- e) The Seller authorises us to use the Subject of Sale prior to its acceptance.

#### **§ 7. Packing and dispatch**

- a) The Seller is obliged to ensure a packaging and/or protection of the Subject of Sale that is necessary due to the nature of the item. If the Buyer has given special instructions or instructions to the Seller in respect of the packaging and/or protection appropriately in advance, the Seller shall comply with these instructions or instructions.
- b) In any event, the Seller is obliged to comply strictly with the Buyer's instructions relating to the protection, labelling, shipment, transport insurance and transport documents.
- c) The Buyer reserves the right not to accept packages not complying with the requirements specified in the preceding points.
- d) The Buyer is entitled to return the packaging to the Seller at its risk and cost. In such a case, the Seller is obliged to refund the fee paid for such packaging. The Seller is also obliged to insure the packages lent by the Buyer and exercise due care of them.

#### **§ 8. Transfer of ownership and risk**

- a) Unless otherwise specified in other provisions of these General Terms or Conditions or provisions of a contract, the ownership of the Subject of Sale and the risk of its loss or damage shall be transferred to the Buyer upon delivery of the Subject of Sale to the agreed place.

In the event that the Buyer pays a partial payment prior to the delivery of the Subject of Sale, ownership of the subject matter of the contract shall be transferred to the Buyer in a part proportional to the payment at the time it is made, but only if the subject matter of the contract can be divided proportionally to the payment made.

The meaning of the commercial terms used in the contract is in line with the rules for the interpretation of commercial terms "Incoterm" in force on the date of signature of the contract. This is without prejudice to the provisions of the General Terms and Conditions in sections b and c of this paragraph.

- b) In the event that the Buyer has entrusted goods to the Seller for processing, working, connection or incorporation into other goods, the goods, regardless of whose property they are, shall be deemed Buyer's property and the Buyer shall become the owner of the new goods created in the above manner. In this case, the Seller is obliged to label clearly the entrusted goods as property of the Buyer and bears the risk of loss or damage until the Subject of Sale is delivered to the Buyer.

- c) In the event that pursuant to the concluded contract the Seller is obliged to perform the mounting, installation, supervision of the mounting or installation or assembly or performance of tests as well as acceptance of the goods entrusted and made available to it by the Buyer, the risk of loss or damage to these goods shall be borne by the Seller from the moment of their acceptance until the date of acceptance by the Buyer of the Subject of Sale.

If the Seller has undertaken to deliver the goods to the place of construction and mount or install them or to supervise their mounting or installation at that site, the risk of loss of or damage to the goods in question shall be borne uninterruptedly by the Seller until the date of acceptance of the Subject of Sale by the Buyer.

### **§ 9. Delivery date**

- a) The Seller acknowledges that meeting the deadline(s) set forth in the contract is of fundamental importance.
- b) If the Seller fails to comply with its obligations in respect of meeting the deadlines set forth in point a, the Buyer shall be entitled to terminate the contract unilaterally without additional calls and notifications, either in whole or in respect of the part which has not been executed, depending on its discretion. In such a case, the Buyer is entitled to entrust the execution of the remaining part of the Subject of Sale to third parties at the Seller's expense, without prejudice to any other rights arising from the contract or General Terms.
- c) In any event, where there are obstacles to the timely execution of the contract by the Seller, it shall immediately notify the Buyer in writing about these obstacles and at the same time present the remedies it has taken and to indicate the likely extent of the delay. If the Seller fails to comply with the above obligations, it will not subsequently be able to waive its obligations with reference to the above circumstances, including the force majeure if it fails to comply with the above obligations.

### **§ 10. Guarantee**

- a) The Seller undertakes to provide the Buyer with a guarantee as to the quality of the goods sold for a period of at least 12 months or longer, fixed in the contract or guarantee document, during which period it undertakes to remove defects of the Subject of Sale or replace the defective item with one that will be free of defects at its own expense.

The guarantee period shall run from the date of acceptance of the Subject of Sale by the Buyer or the commencement of use of the Subject of Sale or installation for which the Subject of Sale was intended, the latter date being decisive for the determination of the duration of the guarantee period, unless the parties have specified it otherwise in the contract.

The Seller shall not be liable for defects due to other reasons than defective design or workmanship, as well as when the Subject of Sale includes delivery of defective goods.

The Seller is obliged to remove the defect by repairing or replacing the defective item or its part with ones free of defects as soon as possible, no later than specified by the Buyer in the notification.

- b) The Seller shall bear all costs related to removal of defects or replacement of defective goods with ones free of defects, including the cost of installation, dismantling, transport, etc.
- c) In the event that the Seller fails to comply properly and in appropriate time with the obligations of the guarantor, the Buyer is entitled to take necessary steps to reduce the defects or to replace the defective item at the Seller's expense and risk, provided that in such case it shall inform the Seller immediately of its intention to take such steps.
- d) The duration of the guarantee period shall be extended by the period for which the Subject of Sale or installation for which it is intended could not be used in accordance with its intended purpose due to defects attributable to the Seller.  
In respect of repaired or replaced parts of the Subject of Sale, the guarantee period referred to in point a shall resume from the date on which the repaired or replaced parts are put into service.
- e) The risk of accidental loss of or damage to the item within the time from its handover to the guarantor until its receipt by the Buyer shall be borne by the guarantor.
- f) The obligations of the Seller arising from the guarantee granted and other arising from these General Terms and Conditions do not release it from liability on other accounts imposed on it by the law applicable to the concluded contract.

#### **§ 11. Indemnity**

- a) The Buyer shall not be liable to third parties for their claims related to defects of the goods provided by the Seller or to be provided, as well as the tools used to perform the Subject of Sale or in connection with an operation and omission of the Seller, its employees and subcontractors.
- b) If this is due to the law applicable to this Agreement, the Seller shall be liable for payment of social security contributions, income tax, etc. for its employees, including temporary agents and subcontractors, thus releasing the Buyer from any liability in this respect.

#### **§ 12. Ownership, risk and care of auxiliary equipment, drawings, etc.**

- a) The Seller shall bear any risk of loss of or damage to the auxiliary equipment and tools used by it in the performance of the Subject of Sale, unless loss or damage occurred due to a serious breach of the obligations by the Buyer.
- b) Any auxiliary equipment, such as drawings, designs, moulds, dies, measuring instruments or special equipment needed to perform the Subject of Sale made available to the Seller by the Buyer or produced or imported by the Seller at the Buyer's expense is, remains or becomes the property of the Buyer.

c) The Seller shall maintain such auxiliary equipment in good condition, labelling it clearly as the property of the Buyer, and shall bear any risk of loss or damage until the equipment is delivered to the Buyer.

d) The Seller undertakes to use this auxiliary equipment and to ensure that it is used solely for the purpose of executing the contract.

The Seller may not, without the prior written consent of the Buyer, use, copy or reproduce the elements of the auxiliary equipment for other purposes or to disclose or hand them over to third parties in any form whatsoever.

### **§ 13. Assignment of rights and obligations**

The Seller may not assign the contract or any part thereof, or any benefit, obligation or right contained in that contract or in connection with it without the prior written consent of the Buyer.

Such consent, if granted, shall not relieve the Seller of any obligations arising under this contract.

### **§ 14. Withdrawal and cancellation of order**

a) In the event that the Seller fails to comply with the obligations arising from the contract entered into, as well as in the event of filing a motion for a declaration of bankruptcy, liquidation or seizure of its assets, the Buyer may declare withdrawal from the contract in whole or in part by notifying the Seller thereof. In such a situation, the Buyer shall not be liable for the Seller's losses. Withdrawal from the contract in the above situation shall not limit any other rights vested in the Buyer.

The Buyer is entitled to cancel the order in whole or in part at any time. In such a case, the Buyer is obliged to compensate the Seller for the costs incurred until the Seller has become aware of the cancellation of the order and to settle the general costs and lost profit of the Seller related to the accepted order.

b) In the event of withdrawal from of the contract or cancellation of the order, all claims which the Buyer has against the Seller in connection with this contract or order become due immediately in full.

### **§ 15. Price and payment**

Unless otherwise agreed by the parties in the contract, the price agreed between them shall be final and binding. Recognition of an increase or reduction of the Subject of Sale shall require a statement by the Buyer in this respect expressed in writing.

### **§ 16. Deductions**

The Buyer is entitled to deduct the receivables owed by the Seller from the receivables of the Seller owed by the Buyer.

### **§ 17. Infringement of patents, licences, etc.**

The Seller guarantees that the execution of the Subject of Sale has not resulted in a breach of any third party industrial property rights and guarantees that the Buyer shall

not be liable for any claims on this account except where such claims arise as a result of the application of a design chosen by the Buyer.

## **§ 18. Confidentiality**

The Seller undertakes to keep as strictly confidential as possible, in respect of third parties, any information, in the broadest possible sense, concerning the Buyer's enterprise which may be made aware to it in connection with the contract, including information on instructions, designs, drawings, attachments, drafts and the like. The Seller shall not have the right to, without a prior written consent of the Buyer, disclose to third parties the fact of the existence of a contract in leaflets, advertisements or otherwise in mass media or in writing.

The confidentiality rules between the Buyer and the Seller are defined as follows:

### **§ 18.1**

1. Information which, in accordance with the law or wishes of the disclosing Party, should be treated as confidential, shall be hereinafter referred to as “confidential information”. Confidential information shall in particular include: all materials, documents and technical, technological, commercial and organisational information, received or obtained in an intentional or incidental manner from the other Party in oral, written or electronic form. Confidential information shall be subject to limited use and distribution in accordance with the provisions of this contract, provided that they are labelled “confidential information” or otherwise marked as restricted for the sole information of the Parties prior to the transfer or disclosure to the other Parties.
2. Information provided orally shall be treated as confidential if, at the time of disclosure, they are identified as confidential and this has been confirmed by the other Party.
3. The Parties undertake to use a secure way of communicating confidential information to each other.
4. No signature of either Party is required for the form for the transmission of confidential information.
5. The Parties undertake not to transfer and disclose confidential information or their source, whether in whole or in part, to third parties without obtaining prior written consent in writing (or equivalent) from the Party to whom the information or source of information relates.
6. In the event of termination of the Parties' negotiations without taking a decision regarding cooperation, the Contractor undertakes not to use information in its activities directly or indirectly or through third parties.

### **§ 18.2**

In respect of confidential information, the receiving Party shall protect it from unauthorised disclosure, in particular:



- 1) keep confidential information secret and protect it at least with care which it exercises to protect its own business secrets and respect the rules for access and transfer of information, enter into contracts with subcontractors provisions obliging them to keep confidential information confidential,
- 2) use confidential information only for the purposes necessary for carrying out joint ventures specified in a separate contract, unless agreed otherwise by the Parties in writing,
- 3) except for the purposes set out in the preceding point, do not copy or otherwise reproduce,
- 4) disclose confidential information solely to persons involved in joint ventures and only to the extent necessary to perform the task, after establishing relationships of employment or contract with them, training them in respect of organisation of secrets protection, who have made a commitment not to disclose confidential information to persons not appointed and who, for fully justified reasons, must be made aware of confidential information.
- 5) be responsible for maintaining confidentiality by all its subcontractors, in the event of entrusting them with any work arising from the scope of the contract.
- 6) promptly inform the disclosing Party of the occurrence of such circumstances as, in particular, conduct of judicial or administrative proceedings, resulting in a legal obligation to disclose confidential information,
- 7) promptly inform the disclosing Party about loss, disclosure or reproduction of confidential information, whether authorised or without authorisation or failure to maintain confidentiality.

### § 18.3

Confidentiality obligations shall not apply to information which:

- 1) was known to the receiving Party prior to its disclosure by the disclosing Party, which can be confirmed with a written proof,
- 2) has been disseminated, but not due to negligence or deliberate action by the receiving Party,
- 3) has been disclosed by a third party not bound by a confidentiality agreement with either Party,
- 4) has been approved as information for disclosure on the basis of a written authorisation by the Party concerned,
- 5) must be disclosed by law.

### § 18.4

1. The receiving Party to whom confidential information has been disclosed shall be fully liable for any damage arising to the disclosing Party from the unauthorised disclosure or release of this information by any person whom the receiving Party has provided confidential information in accordance with the provisions of this contract.

2. In the event of default by either Party, the other Party shall be entitled to terminate the contract with immediate effect.
3. In the event of non-performance or improper performance of obligations under this contract by either Party, which shall be understood as any case of disclosure of confidential information (except in cases permitted in this contract), a contractual penalty between the parties, agreed on the basis of a separate document, may be determined.
4. The parties shall have the right to claim compensation in excess of the stipulated contractual penalty, in accordance with the general civil code, where the damage caused exceeds the value of the contractual penalty received.

#### **§ 18.5**

These rules shall apply for a period of 30 years from the date of communication of the confidential information.

#### **§ 18.6**

1. Neither Party shall acquire any rights to intellectual property, except for the rights necessary to achieve the objectives set forth in other contracts concluded between the Parties.
2. These rules do not require any Party to purchase, sell, license, transfer or otherwise dispose of any technology, service or product.
3. The Parties are obliged to comply with all laws, regulations and rules relating to the export of technical data and should not, without proper authorisation, export or re-export any technical data and products received from the disclosing Party or direct products, such as technical data, to the countries reserved in these laws, regulations and principles without appropriate permission.
4. These rules do not create any legal relationship, based on an agreement of agency or company.
5. Any material and documents containing confidential information which have been or will be transferred to the receiving Party shall remain the property of the disclosing Party and shall be returned upon any request, in particular in the case of termination of the discussions by the Parties without taking a decision regarding cooperation.

#### **§ 19. REACH & RoHS**

Each conclusion of a contract by and between the Buyer and the Seller, confirmation of the execution of an order by the Seller, expressly implies that the

Seller complies with the compliance requirements of REACH (Regulation of the European Parliament and the Council (EC) No 1907/2006 governing the use of chemicals, by means of their registration and evaluation and, in certain cases, authorisation and placing on the market) and RoHS (EU directive Restriction of Hazardous Substances (2002/95/EC) of 27 January 2003 entered into force on 1 July 2006. This Directive was transposed into Polish law by the Minister for Economy of 27 March 2007 (Journal of laws of 2007, No 69, item 457)). Compliance with the provisions of REACH and RoHS is an essential element of the contract/order; in other words, the Buyer orders the goods only if the Seller ensures that it complies with the requirements of REACH and RoHS.

**§ 20. Jurisdiction of the Court**

Any disputes which may arise in connection with the performance of this Contract shall be settled by the Court competent in rem and venue for the registered office of the Buyer, unless the parties agree separately for an arbitration dispute.