

GENERAL TERMS AND CONDITIONS OF THE ORDER

Appendix to the order:

1.1. For
1.2. Acceptance

1. General provisions

- 1.1. These General Terms and Conditions of the Order (hereinafter referred to as the 'GTCO') concern an request for quotation or order made by PROJPRZEM MAKRUM S.A. with registered office in Bydgoszcz (hereinafter referred to as the 'Ordering Party') for product deliveries from other entities, as well as supplies from other entities (hereinafter collectively referred to as the 'Contractor'), and they specify mutual relations between the parties, constituting an integral part of executed requests for quotation, contracts or orders.
- 1.2. These GTCO shall apply to all of the Ordering Party's requests for quotation or orders, with no need of indicating it each time. This means that the Contractor's general conditions of the order are at all times excluded even if the Ordering Party has not raised any separate express objection against them.
- 1.3. Departure from these Conditions requires an express unambiguous acceptance of the Ordering Party expressed in writing, otherwise being invalid. Departure from these GTCO by the Ordering Party in agreement with the Contractor shall be binding only and exclusively with regard to a particular request for quotation or order and under no circumstances can it be deemed by the Contractor to apply to subsequent requests for quotation or orders placed by the Ordering Party.
- 1.4. Submission of a quotation by the Contractor or acceptance of an order of the Ordering Party shall be tantamount to the acceptance of these GTCO.
- 1.5. In case of any differences between the provisions included in a request for quotation or order and the provisions included in these GTCO, the provisions included in the request of quotation or order shall prevail.

1.6. The

2. Execution of the Contract

- 2.1. The Ordering Party's order inquiries shall not apply until the Ordering Party submits an order to the Contractor in writing, signed by the Ordering Party's legal representatives.
- 2.2. Writing form also includes placing an order by the Ordering Party by email.
- 2.3. The contract shall be executed upon acceptance of the order by the Contractor. If the parties maintain permanent trading relations, no reply within the period specified in the order shall be understood as the acceptance of the order's terms and conditions by the Contractor without reserve.

2.4. The

3. Remuneration

- 3.1. For mutual settlements between the parties, the remuneration specified by the Ordering Party in the order or in the Ordering Party's declaration of acceptance of the Contractor's offer shall be binding at all times.
- 3.2. Unless otherwise stipulated, the remuneration shall be fixed and shall include all the costs incurred by the Contractor until the products are issued at the Ordering Party's site or at other place indicated by the Ordering Party, including costs of loading, transportation, shipment, packaging, transportation and unloading insurance. The Contractor shall be liable for all the damage in the products arising from improper transportation or packaging.

4. Subject Matter of the Contract

- 4.1. If the Ordering Party explicitly specifies the product requirements in the offer inquiry, the Contractor shall include in the offer all the information necessary to establish whether the products meet these requirements. If product requirements are not specified in the offer inquiry, the Contractor shall be obliged to specify these requirements.
- 4.2. Unless otherwise agreed, the Contractor may place a variant or alternate bid. The said placement of a variant or alternate bid shall be treated as the Contractor's assurance that his variant or alternate bid is in all respects legally and technically equal to the one placed in accordance with the offer inquiry.
- 4.3. If the Ordering Party's order or inquiry does not specify any further requirements, then the products which comply with DIN or PN standards, or their equivalents, shall be delivered, provided that a particular good is subject to this kind of standards according to the applicable law.

4.4. The

5. Scope of the Services

- 5.1. The services also include the Contractor's obligation to transfer to the Ordering Party the property rights of the products and any technical documentation (those of sub-suppliers as well) necessary for production process, service, maintenance and operation. Technical documentation shall be prepared in Polish and in a foreign language specified by the Ordering Party.
- 5.2. Along with the ordered products, the Contractor shall also deliver all the necessary attestations, certificates of quality, declarations of compliance, guarantees and other documents specified by the Ordering Party.
- 5.3. Delivery of the products by the Contractor without proper technical and quality documentation shall not be deemed to be a delivery, but a failure to fulfil the obligation by the Contractor, which shall entitle the Ordering Party to refuse to accept the products and make the payment after expiration of such term.
- 5.4. The Contractor assigns to the Ordering Party all the rights necessary to use the subject matter of the contract, as well as services of the Contractor and the third parties.
- 5.5. If any invention, utility model or industrial design is developed in connection with the performance of an executed contract, only the Ordering Party shall be entitled to obtain a patent, right in registration of an industrial design or protection right for a utility model.

6. Delivery

- 6.1. Unless otherwise agreed, the deliveries shall be DDP Incoterms 2010. The executed contracts shall be performed within the Ordering Party's principal place of business, unless a different place of performance has been expressly specified.
- 6.2. Immediately after the products have been issued to the Ordering Party at their place of destination specified at 6.1 above, the Ordering Party shall bear the risk of accidental loss or damage of the products.
- 6.3. If the products are delivered to a different destination, the risk is not shifted on to the Ordering Party even if the delivery is accepted at the different destination. The Contractor shall cover all the costs incurred by the Ordering Party due to delivery to the wrong address.
- 6.4. The Ordering Party may refuse to accept a partial delivery if it would prejudice his reasonable interests. The same applies when the products are delivered by the Contractor before or after a precisely specified date of contract performance. The Ordering Party may also send the products back or have them stored by the third parties at the Contractor's own risk and expense.
- 6.5. The Ordering Party may, before the contract is completed, request that deliveries be withheld or changes made within the subject of the contract. The said request may regard an expansion, reduction or alteration of the scope of services, change of technical conditions or delivery dates.

7. Acceptance

- 7.1. Shortages and quality deficiencies of the products entitle the Ordering Party to withhold the payment for completed deliveries until the deliveries are completed or defect-free products are delivered. Quality acceptance shall be conducted by the Contractor.
- 7.2. Delivery note shall not confirm that the Contractor has duly performed the contract.
- 7.3. Unless otherwise agreed by the parties, the products not accepted by the Ordering Party shall be within seven days collected and replaced by the Contractor with the products that are free from defects.
- 7.4. If the products are not collected, the Ordering Party is entitled to send them back or store – in both cases on the Contractor's expense.

8. Liquidated Damages and Withdrawal

9.1. The Contractor shall be liable for the delivery of the products in accordance with the agreed dates of executing the contract provisions or deliveries are binding at all times. The dates shall be deemed met if the products are issued within the specified period to the Ordering Party at his principal place of business or at a different address agreed upon.

9.2. Unless otherwise stipulated, if the Contractor does not meet the delivery deadline, the Ordering Party shall be entitled to liquidate damages of 0.5% of the gross value of the order for each day of delay and one-off liquidated damages of 10% of the gross value of the order.

9.3. If production is withheld or disturbed to the Contractor failing to meet the deadline, the Contractor shall pay to the Ordering Party liquidated damages of 30% of the gross value of the order.

9.4. The Ordering Party may withdraw from the contract in the cases specified in the Civil Code. In particular, the Ordering Party may withdraw from the contract without setting an additional date for the Contractor, if fulfilling the obligation after the deadline does not make any difference to the Ordering Party anymore due to the nature of the obligation or purpose of the contract.

9.5. In the event of delay in executing the contract provisions exceeding 30 calendar days, the Ordering Party without further notice shall be entitled to order the products from other entities without any permission from the Court of General Jurisdiction at the cost and risk of the Contractor.

9.6. If withdrawal from contract takes place due to the Contractor's fault, the Contractor shall pay to the Ordering Party liquidated damages of 10% of the gross value of the order.

9.7. Liquidated damages are payable within seven days from receipt of the Ordering Party's payment request or within other period specified in the Contractor's request.

9.8. The Ordering Party may offset the amount payable to the Contractor against the liquidated damages or may request that the liquidated damages be covered by a performance bond if the bond was obtained by the Contractor.

9.9. The Ordering Party may claim damages exceeding the sum of liquidated damages reserved in these GTCO in accordance with general rules of the Civil Code.

9. Warranty for Defects, Quality Guarantee, Complaints

9.1. The Contractor is liable under the warranty for the defects of delivered products, also in the case when the products were manufactured in line with the Ordering Party's requirements or according to technical documentation provided by the Ordering Party, unless the Ordering Party – despite being notified by the Contractor of the above defectiveness – shall continue to insist on the production method specified by the same or solutions resulting from its technical documentation. If the products are not replaced with new and defect-free products or if they are not repaired in the indicated term, according to the Ordering Party's instructions, the Ordering Party shall be entitled to withdraw from the contract and/or demand repairing the products under the warranty for the defects.

9.2. The Contractor guarantees that the products manufactured for the Ordering Party are new, properly manufactured, tested and suitable for use according to their purpose, as well as comply with technical and quality terms and conditions as per the Ordering Party's order or inquiry, meet the required security conditions and are approved for marketing in their area of use.

9.3. The Contractor shall grant a quality guarantee to the Ordering Party for the delivered products. Unless otherwise reserved, rights arising from the warranty and quality guarantee expire within 36 months of the payment for the products. The Ordering Party can assert the rights under the given warranty in addition to the rights under the warranty of the defects of delivered products.

9.4. In the case a complaint is made, the Contractor, at the Ordering Party's discretion, shall - within seven days of receipt of the complaint - replace an item with a new one that is free from defects or repair it under pain of liquidated damages of 0.5% of the gross value of the order for each day of delay or return the equivalent of its price to the Ordering Party and repair the defect or demand to reduce the remuneration for the manufactured product. Notwithstanding the claims to pay liquidated damages and repair any damage, the Ordering Party shall be entitled to withdraw from the contract in the case of failure to fulfil the Ordering Party's claims.

9.5. The Contractor shall bear all the costs of the complaint, including costs of transport, work, material, quality tests and, in the case of the Contractor's failure to fulfil their obligations, costs of procuring substitute performance from the third party, only when the conditions for substitute performance were met.

10. Third Party Rights

10.1. The Contractor shall take full responsibility and ensure that no third party rights are violated and no claims are raised against the Ordering Party by any third parties in connection with the delivery of products.

10.2. If any third party rights are violated, the Contractor shall – regardless of its fault - cover any costs incurred by the Ordering Party, including the costs of defence of their rights, and shall undertake that all the effects of the said violation are remedied.

§11 Invoices and Payments

11.1. All the Contractor's invoices shall be issued in accordance with the applicable regulations, including VAT regulations.

11.2. Unless otherwise agreed by the parties, the payment shall be made within 30 days from serving an original VAT invoice to the Ordering Party that is correct and complies with the provisions of the executed contract. Payment delay arising from a failure to fulfil these terms and conditions shall not entitle the Contractor to claim interest for the delay.

11.3. The payment date shall be the day the Ordering Party's bank account is charged.

11.4. The payment shall be made in a lump sum after the entire order is fulfilled, unless otherwise agreed by the parties.

11.5. If the Contractor performs the contract improperly, the Ordering Party shall be entitled to withhold the payment as a whole or in its relevant part until the order is appropriately fulfilled.

§12 Final Provisions

12.1. Without Ordering Party's written consent, the Contractor may not transfer to any third parties the whole or a part of the receivables under the executed contract by way of transfer, assignment, lien or any other similar activity.

12.2. If the Contractor is granted a permission to assign the performance of the whole or a part of the Order to a third party (the Subcontractor), the Contractor shall retain exclusive and full responsibility before the Ordering Party that the contract is properly completed, which includes meeting the deadline and required quality, and before the Subcontractors to pay their remuneration.

12.3. The Contractor shall keep in confidence any technical, commercial and organisational information which was disclosed by the Ordering Party or their representatives or which the Contractor obtained in relation to or as a result of the performance of the contract for the Ordering Party and which, if disclosed to any third party, could put the Ordering Party at risk of loss. The Contractor shall neither use this information for any other purpose than the performance of the executed contract.

12.4. Both parties shall make all the efforts to settle any disputes amicably. If it is not possible, such disputes shall be settled by the court with jurisdiction over the Ordering Party's registered office.

ORDERING PARTY:

WICEPREZES ZARZĄDU

Dariusz Szczechowski

PREZES ZARZĄDU
CEO

Piotr Szczehlewski