

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS
under Agreements concluded by Companies within the CIECH GROUP

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§ 1 DEFINITIONS

"BUYER"	means a Company within the CIECH Group, indicated in the ORDER or the AGREEMENT, as the party making the purchase;
"SELLER"	the entity indicated in the ORDER or the AGREEMENT, selling commercial goods to the BUYER;
"PARTIES" or "PARTY"	means the BUYER and the SELLER together, or individually;
"ORDER"	means an offer, submitted to the SELLER by the BUYER, in order to purchase the goods;
"AGREEMENT"	means the ORDER, accepted by the SELLER, or a separate agreement concluded between the BUYER and the SELLER, the subject of which is the sale of GOODS to the BUYER;
"GTC"	means these General Terms and Conditions for the Purchase of Goods;
"GOODS"	means the movable property, specified in the AGREEMENT, that the SELLER is obliged to sell and deliver to the BUYER, in accordance with the terms indicated in the AGREEMENT

§ 2 GENERAL PROVISIONS

1. The GTC form an integral part of the AGREEMENT.
2. In the case of discrepancies between the provisions of the GTC and the provisions of the AGREEMENT, the provisions of the AGREEMENT shall prevail.
3. Any changes to the GTC require the acceptance of both PARTIES and must be in the written form, under pain of nullity.
4. The AGREEMENT, together with the annexes, constitutes a uniform agreement concluded by the PARTIES.
5. The application of any standard agreement and general terms and conditions of the SELLER is excluded.

§ 3 ENTERING INTO THE AGREEMENT

1. The AGREEMENT is concluded by:
 - a) The SELLER's written acceptance, without any reservations, of the ORDER submitted by the BUYER and delivery of the signed ORDER to the BUYER within the deadline indicated by the BUYER in the ORDER;
 - b) the BUYER's written acceptance of the SELLER's statement of the acceptance of the ORDER with modifications introduced by the SELLER, in writing within the period of the validity of the ORDER; application of Art. 68¹ and Art. 68² of the Civil Code is excluded;
2. When the SELLER commences implementation of the ORDER, it is tantamount to the full acceptance of both the specific conditions of this ORDER and of the GTC.

§ 4 TERMS FOR THE PERFORMANCE OF THE AGREEMENT

1. The SELLER will deliver the GOODS to the BUYER on the DDP INCOTERMS 2010 basis, with the delivery location having been specified in the AGREEMENT, unless the AGREEMENT provides otherwise.
2. At least 7 days before the dispatch date, the SELLER shall send a dispatch note to the BUYER with the following information: AGREEMENT number, method and expected date of dispatch, delivery note with the number, weight, dimensions and contents of the packages and any instructions necessary for the proper transport, unloading and storing of the GOODS.
3. The SELLER shall include the following information and documents necessary for the proper receipt and use of the GOODS and, in the case of partial deliveries, shall include the same for each part of the GOODS delivered, in particular:
 - a) ORDER/AGREEMENT Number;
 - b) Invoice;
 - c) a delivery note with the number, weight, dimensions, and contents of the packages;
 - d) material certificates, certificates of analysis, testing and approvals;

4. The date for the execution of the AGREEMENT shall be deemed to be the date upon which the GOODS, meeting the requirements of the AGREEMENT, are delivered to the BUYER.
5. Partial deliveries, unless otherwise stated in the AGREEMENT, require the written consent of the BUYER. In the case of partial deliveries, unless otherwise stated in the AGREEMENT, the delivery date is the date of the last partial delivery.
6. The BUYER may refuse to accept the GOODS if, due to the incompleteness of the documentation, as required by the AGREEMENT or the bill of lading, it is impossible to assign the delivery to a specific AGREEMENT or it involves excessive expense, or it does not correspond to the specifications of the AGREEMENT, or the GOODS are damaged.
7. If the GOODS are imported from outside the European Union and where a different formula than DDP has been applied, the SELLER is responsible for market authorisation in the Customs territory of the European Union, in accordance with the EU regulations applicable. In the case of imported consignments, the GOODS must be accompanied by an invoice, in duplicate, due to Customs regulations. In the above case, simplifications are permissible only after the prior, written confirmation of the BUYER.
8. If documents are required for the consignment, in order to determine the purpose thereof, the SELLER is obliged to provide the same to the BUYER, at its own expense. Where there is an obligation to carry out Customs procedures, the SELLER is obliged to provide a certificate of origin. This certificate is required for each shipment. Unless otherwise agreed, Customs clearance is carried out by the SELLER.
9. Return of the packaging requires a separate agreement. The BUYER returns any packaging at the SELLER's risk and cost. If the packaging cannot be processed into secondary, raw materials, the BUYER retains the right to request its removal or disposal at the expense and risk of the SELLER. The previous sentence does not apply in the case of intra-Community acquisition.
10. In no circumstance does the checking, acceptance and receipt of the GOODS, release the SELLER from responsibility for their defects or other defects, in complying with the provisions of the AGREEMENT.
11. The SELLER guarantees delivery of the GOODS, parts, and components for their repair, maintenance or extension, throughout the AGREEMENT period.

§ 5 PRICE AND PAYMENT TERMS

1. The price specified in the AGREEMENT is fixed and will not change. Unless agreed otherwise, the price includes packaging costs, taxes, duties, insurance and all costs of delivery, etc., until delivery of the GOODS ordered, to the address indicated by the BUYER in the AGREEMENT, has been effected.
2. The SELLER may not, without the express, written consent of the BUYER, assign receivables arising from this AGREEMENT.
3. The basis for payment for the GOODS delivered is a properly issued invoice.
4. The invoice shall be issued in accordance with the applicable provisions of the law and shall also indicate:
 - a) the number and date of the AGREEMENT;
 - b) the quantity and unit prices of the GOODS;
 - c) the conditions and date of payment, in accordance with AGREEMENT;

- d) information about the contractual prohibition regarding assignment of the SELLER's claims arising from the AGREEMENT.
5. Any payments due will be paid via bank transfers to the SELLER's account specified in the AGREEMENT within 30 days of the date of the delivery of the GOODS along with an invoice meeting the requirements specified in this paragraph, unless otherwise agreed in the AGREEMENT.
6. If the GOODS do not meet the requirements specified in the AGREEMENT or are not provided in accordance with the AGREEMENT, the BUYER shall be entitled to withhold payment until the SELLER fulfils its obligations in accordance with the AGREEMENT. The above does not restrict the BUYER's right to charge contractual penalties and to demand compensation for the damage on the terms and conditions stipulated in the AGREEMENT.
7. If the invoice delivered to the BUYER does not meet the requirement set out in section 4 of this paragraph, the BUYER shall have the right to withhold payment. The deadline for the payment of receivables resulting from such an invoice supplied by the SELLER, shall be counted from the date of the correction of such deficiencies by the SELLER. Payments withheld will be interest-free and shall not mature for the time of their retention; the SELLER shall desist from claiming them and shall treat them as payments not yet due.
8. The date of payment shall be the date of the debiting of the BUYER's account.

§ 6 RECEIPT OF THE GOODS

1. The GOODS should be checked by the BUYER immediately upon receipt. However, if it is not possible to check the GOODS upon receipt due to their use and the need to store them in their packaging, checking may be postponed to a later date, as specified in the AGREEMENT.
2. The SELLER is responsible for the completeness of the GOODS in accordance with the specifications attached thereto and in accordance with the AGREEMENT.
3. The BUYER is only obliged to control the quantity of the GOODS on the basis of the bill of lading and their damage during transport. The BUYER shall notify the SELLER, within 5 working days, of any deficiencies and any possible damage during transport which has been identified.
4. In the case of defects or defects in quantity or damage to the GOODS, the BUYER shall be entitled, at its own discretion, to:
 - a) refuse delivery thereof and request the immediate delivery of undamaged GOODS free from defects, in the amount provided for in the AGREEMENT,
 - b) accept delivery of the GOODS conditionally and request the immediate removal of identified defects or damage, or the replacement of the missing GOODS,
 - c) accept delivery of the GOODS conditionally and request a price reduction,
 - d) accept delivery of the GOODS conditionally and remove the defects and damage, or replace the missing GOODS at the expense and risk of the SELLER,
 - e) withdraw from the AGREEMENT.
5. In the cases referred to in paragraph 4 points a) - d) the BUYER is entitled to withhold payment and to charge penalties for the delay referred to in § 8 section 1 point b). In such cases, the payment period specified in § 5 GTC or the AGREEMENT starts on the day of the delivery of GOODS free from defects, the removal of defects in the GOODS, delivery

- of the GOODS in the amount specified in the AGREEMENT, setting a new, lower price for the GOODS or refunding the costs of the removal of defects performed by the BUYER.
6. The signing of the acceptance protocol without reservations by the BUYER, means that the subject of the AGREEMENT has been accepted by the BUYER or the appropriate stage of its implementation has been achieved and that it authorises the SELLER to issue a corresponding invoice.
 7. The signing of the acceptance protocol by the BUYER does not deprive it of the right to claim for defects which may come to light after acceptance.
 8. The signing of the acceptance protocol does not relieve the SELLER of its obligations under the guarantee granted.

§ 7 GUARANTEES AND WARRANTIES

1. The SELLER grants to the BUYER a guarantee of quality of the GOODS, for a period of 24 months from the date of their receipt by the BUYER. In the case of the partial delivery of the GOODS, the warranty period begins from the date of the receipt of the last batch.
2. The SELLER guarants that the GOODS supplied under this AGREEMENT shall be in accordance with the specifications, drawings and any other requirements set out in the AGREEMENT and that they will be new, unused, of good quality and free from faults and defects. Furthermore, the SELLER warrants that the GOODS will be carefully made from the appropriate and tested materials. They will meet all the technical requirements necessary for their proper use in accordance with the AGREEMENT and will be made in accordance with the applicable regulations, standards, and requirements of the Technical Inspection Authority/Transport Technical Supervision.
3. Regardless of the guarantee, the BUYER may exercise all rights under the statutory warranty, taking into account the provisions of these GTC.
4. The SELLER is obliged to repair any defective GOODS, or replace such GOODS with GOODS free from defects, within 14 days of the receipt of a complaint, or on such other date, as mutually agreed by the PARTIES. The filing of a complaint by the BUYER shall entitle it to withhold payment for the GOODS. The payment period, specified in the GTC or in the AGREEMENT, shall not commence until full settlement of the complaint has been made.
5. The guarantee shall be extended by the repair period and, in the case of any replacement of parts, shall be extended by a further 24 months from the date of such replacement.

§ 8 CONTRACTUAL PENALTIES

1. The SELLER shall pay the BUYER contractual penalties for the non-performance or improper performance of the AGREEMENT in the following cases and in the amounts indicated below:
 - a) for the non-performance of the AGREEMENT, in the event of its cancellation by the BUYER in whole or in part, if the withdrawal was for reasons attributable to the SELLER - a penalty in the amount of 10% of the gross price specified in the AGREEMENT;

- b) for delay in the execution of the AGREEMENT - a contractual penalty of 1.0% of the gross price specified in the AGREEMENT for each day of such a delay, to a maximum of 10% of the gross price, specified in the AGREEMENT;
 - c) for delay in the removal of defects discovered upon receipt, or within the guarantee or warranty period - a contractual penalty of 1.0% of the gross price, specified in the AGREEMENT for each day of such a delay in relation to the deadline for the removal of defects;
2. Each of the above, stipulated contractual penalties is independent and the BUYER has the right to pursue them independently of each other, as well as to charge a cumulative penalty for all the penalties, the calculation of which is justified by the occurrence of the conditions provided for herein.
3. Accrued contractual penalties can be deducted from the price specified in the AGREEMENT. The SELLER agrees to deduct the penalties referred to in section 1 of this paragraph, from the price payable to the SELLER without a separate statement from the BUYER regarding such deductions.
4. The BUYER reserves the right to supplementary compensation exceeding the amount of the aforesaid contractual penalties, up to the value of actual damage suffered by the BUYER.

§ 9 WITHDRAWAL FROM THE AGREEMENT

1. Notwithstanding the its statutory right, the BUYER shall be entitled to withdraw from the AGREEMENT in whole or in its uncompleted part, until expiry of the guarantee period, calculated from the date of delivery and receipt of the GOODS specified in the AGREEMENT or, in the case of delayed delivery, from the date of actual delivery and receipt of the GOODS, in the following cases:
 - a) a significant failure of the AGREEMENT by the SELLER, regarding in particular, defects of the GOODS delivered or service provided; the BUYER may not cancel the AGREEMENT if, at the time of the statement, the material breach has ceased to exist and its consequences have been removed by the SELLER;
 - b) a material change in circumstances such that the performance of the AGREEMENT is not in the interest of the BUYER and which could not have been foreseen at the time of conclusion of the AGREEMENT. In such a case, the BUYER may cancel the AGREEMENT within 7 days of becoming aware of such circumstances, but in any case, no later than on the day preceding the day of delivery, specified in the AGREEMENT. The SELLER may only request reimbursement of reasonable costs in connection with the AGREEMENT, which it incurred up to the date of the written notice of withdrawal received by the SELLER;
 - c) the passing of a resolution on the liquidation of the SELLER or corresponding proceedings have been initiated in the SELLER's country of residence;
 - d) the SELLER's insolvency within the meaning of the Act of 28 February 2003. - Bankruptcy Law (uniform text Legal Journal of 2015 item 233, as amended), or there is a risk of the SELLER's insolvency, within the meaning of the Act of 15 May 2015 - Restructuring Law (Legal Journal of 2015 item 978 as amended);

- e) a total delay, by the SELLER, in the performance of the object of the AGREEMENT exceeding 30 days;
2. The significant failure on the part of the SELLER, justifying withdrawal from the AGREEMENT on the principles set out in section 1. of this paragraph shall, in particular, be:
 - a) any violation of a significant provision of this AGREEMENT, deemed essential for its proper execution;
 - b) any failure to perform the duties arising from the liability for defects in the GOODS;
 - c) entrustment a third party with the performance of all or part of the AGREEMENT thus constituting a breach of the AGREEMENT, in particular, entering into a sub-AGREEMENT, without the BUYER's consent;
 - d) the improper performance of the AGREEMENT by the SELLER, despite a written request by the BUYER to cease such violations and the arrangement of an additional deadline for the removal of their consequences;
 - e) suspension by the SELLER, without valid reason, of the implementation of the AGREEMENT;
 - f) the persistent failure or refusal of the SELLER to perform its obligations under this AGREEMENT;
 - g) the inability to perform the OBJECT of the AGREEMENT;
 - h) undue delay in the implementation of the OBJECT of the AGREEMENT.
3. In the event of the cancellation of the AGREEMENT by the BUYER, the SELLER shall refund the price paid and the BUYER shall return the defective GOODS on the basis of ExWorks INCOTERMS 2010. The BUYER shall indicate the following in the statement of withdrawal:
 - a) bank account number to which the SELLER shall return the price paid for the GOODS,
 - b) deadline for the return of the price for the GOODS covered by the waiver,
 - c) date and place for the return of the GOODS covered by the waiver
4. In the case of withdrawal from the AGREEMENT by the BUYER in whole or in unfulfilled part because of the occurrence of the conditions prescribed in section 2, the SELLER shall be obliged to pay a contractual penalty for withdrawing from the AGREEMENT, for reasons attributable to the SELLER, as indicated in § 8 section 1.
5. In the case of withdrawal from the AGREEMENT with regard to its unfulfilled part, for reasons other than the occurrence of an event of *Force Majeure*, the BUYER shall pay the SELLER the actual value of the work duly completed and received up to the day of the withdrawal, as well as for *work-in-progress*, where the same has been duly executed and is useful for the completion of the OBJECT of the AGREEMENT by another contractor.
6. In the case of withdrawal from the AGREEMENT in whole or in unfulfilled part by either PARTY due to an event of *Force Majeure* lasting longer than 6 months, settlement of the AGREEMENT will be based on agreement between the PARTIES, on the basis of the Protocol for the Completion of the AGREEMENT, on the day of the withdrawal and as approved by both PARTIES.

§ 10. CONFIDENTIALITY

1. "Confidential Information" within the meaning of the GTC, means any information of the BUYER, of a technical, technological or organisational nature which is made available to the SELLER in any form, regardless of whether it is marked "CONFIDENTIAL" or not; this refers, in particular, to ideas, techniques, technologies, diagrams, drawings, subjects of copyrights, models, inventions, *know-how*, equipment, software and security systems, information on tests and their results, experiences, projects and specifications, financial information, commercial and manufacturing requirements, lists of partners, investors and employees and their contact details, business relationships and contractual, business forecasts, marketing plans, the confidential information of third parties - *to the extent permitted* - or other information of commercial value, the use, transfer or disclosure of which, to an unauthorised person, may affect the interest of the BUYER.
2. The SELLER agrees to maintain in strict confidence all confidential information received, as well as the contents of this AGREEMENT, and not to disclose it to third parties and undertakes furthermore, not to use such confidential information for any purpose other than the performance of this AGREEMENT.
3. The obligation of confidentiality binds the SELLER for 10 years, starting on the date such confidential information is received.
4. The obligations of confidentiality, as set out in this paragraph, do not apply to:
 - a) information that is widely known or which is already in the public domain without breach of the obligation to preserve its confidentiality;
 - b) cases where the BUYER has given its written consent to such a disclosure;
 - c) information for which there is an '*obligation to disclose*' to the public authorities, according to the applicable legislation or a final, court decision.
5. If the SELLER discloses confidential information to third parties, it will bear full responsibility for the actions and omissions of these parties as for its own.
6. The BUYER's consent is not required for disclosure of confidential information to companies belonging to the same group as the BUYER.

§ 11 GOVERNING LAW AND DISPUTE RESOLUTION

1. The AGREEMENT shall be governed and interpreted in accordance with Polish law. In cases not covered in the GTC or in the AGREEMENT, the applicable provisions of Polish law in force, in particular the Civil Code, shall apply.
2. Any disputes arising out of the AGREEMENT, shall be resolved by the common court of law, competent for the BUYER's seat.

§ 12 FINAL PROVISIONS

1. Should any provision of this GTC or the AGREEMENT be found invalid due to its non-compliance with the law, ineffectiveness or unenforceability, or if there is a loophole in the GTC or the AGREEMENT, the validity of the remaining provisions of the AGREEMENT shall not be affected by that, and the AGREEMENT shall continue to be implemented without referring to the provision in question, unless the invalidity affects any material terms of the AGREEMENT, or the AGREEMENT stipulates that without the invalid provisions the AGREEMENT would not have been concluded. In such an event, the PARTIES undertake to replace such a provision with another, valid and effective provision, which in terms of

economic and financial impact and the intentions of the PARTIES would be as close as possible to the affected, invalid provision.

2. All changes to the AGREEMENT must be in writing in order to be valid.