

## **GENETRAL TERMS AND CONDITIONS OF PURCHASING GOODS AND SERVICES OF CIECH SODA ROMANIA S.A.**

### **I. DEFINITIONS**

1. “GPT” – stands for this General Purchasing Terms.
2. “Goods, commercial goods, services” – stands for the object of the Order / Contract that is to be performed for the Buyer’s needs.
3. “Seller”, “Selling Party”, “Supplier” – stands for any domestic or foreign entity selling commercial goods to the benefit of the Buyer.
4. “Buyer” or “Buying Party” – stands for a company from CIECH S.A. Group with it registered office in Warsaw, being a Party to the Order or Contract.
5. “Parties” – stands for the Selling and Buying Party jointly.
6. “Order” / “Contract” – stands for a statement submitted by the Buyer addressed at the Seller or a contract concluded between the Buyer and the Seller the object of which comprises in delivering Goods or Services to the benefit of the Buyer.

### **II. GENERAL PROVISIONS**

1. These General Purchasing Terms apply to all contracts for purchases made by the Buyer and constitute an integral part of the Order / Contract.
2. Any amendments, additional agreements, suspensions or terminations of the terms and conditions must be made in writing or else shall be null and void, and must be accepted by both Parties.
3. Buyer’s derogation from application, in particular circumstances, of strictly defined terms and conditions of purchase is binding only and exclusively with regard to a specific Order / Contract.

### **III. CONCLUSION OF CONTRACT**

1. Contract can be concluded provided that the Buyer submits Order in writing. Correspondence regarding orders can be conducted via fax or e-mail. Purchase contract is concluded upon Seller’s written confirmation of accepting the order for execution under terms and conditions resulting from the content of the Order as well as these GPT.
2. Each amendment or supplementation to the Order is understood as a new offer. The Parties exclude usage of a modifying acceptance of an order / contract, i.e. the application of Article 68<sup>1</sup> of the Civil Code and Article 68<sup>2</sup> of the Civil Code.
3. Buyer’s order can be confirmed by the Seller exclusively in writing, via e-mail or fax by persons authorised to act on his behalf.
4. Proceeding by the Seller to execute Buyer’s order is tantamount to full acceptance of both, particular terms and conditions of the order as well as these GPT.

### **IV. TERMS AND CONDISTIONS AND DATES OF DELIVERIES**

1. Ordered goods must be delivered in compliance with the list and specification included in the Order / Contract. Quantities, prices and dates of deliveries as well as execution periods stipulated by the Parties are binding for the Seller.
2. Unless stipulated otherwise, costs of transport, insurance and packaging are born by the Seller.
3. The Seller is obliged to inform the Buyer about any situation that can have an influence on timely delivery of the Goods. The above information shall not, however,

- release the Seller from obligations stipulated in the Order / Contract. Changing the delivery date agreed in the Order / Contract requires written acceptance of the Buyer.
4. The Buyer has the right to, at his own cost, carry out an inspection in order to verify progress of the executing the Order / Contract by the Seller, under a condition of informing the Seller about a date of such an inspection with five-day notice.
  5. Not later than 7 days before agreed date of shipment, the Seller should send a shipping advise providing the following information: number of the Order / Contract, manner and expected date of shipment, shipping specification together with quantity, weight, size and contents of packages along with all instructions necessary for proper transport and unloading of the Goods.
  6. Each delivery should be attached with transport documents that should enable accurate identification of deliveries, control thereof with regard to the quantity and, when necessary, also data entries regarding safety of materials. Furthermore, together with Goods, all documents necessary for proper receipt and use of Goods should be delivered, in particular:
    - a. an invoice copy,
    - b. shipping specification together with quantity, weight, size and contents of packages,
    - c. complete technical documentation (in Polish) necessary for proper installation in the place of use and correct setting in motion, operation and service, including, among others, design drawings and assembly drawings together with necessary details regarding mechanical, control-measuring and electrical parts etc.,
    - d. materials' attestations, certificates of analyses, trials and admissions,
    - e. instructions for proper storage of the goods.
  7. These documents should include a number and date of the Buyer's order, quantity and assortment of Goods.
  8. Execution date of the Order / Contract is considered to be the date on which Goods are forwarded to the Buyer in compliance with terms and conditions given in the Order / Contract and are compliant with respect to the type and quantity.
  9. Partial deliveries require Buyer's consent in writing, unless stipulated otherwise under the Order / Contract. In case of partial deliveries, unless stipulated otherwise under the Order / Contract, the delivery date is the date of executing the last partial delivery.
  10. The Buyer can refuse to accept goods, if, due to incompleteness of delivery documents or consignment note, it is impossible to assign a delivery to a particular order or it requires excessive costs, as well as when they are not compliant with the specification under the Order / Contract, or when the Goods are damaged.
  11. In case of Goods imported from outside the European Union, the Seller is liable for admittance of Goods for trading in the customs area of the European Union pursuant to the provisions binding in the EU. In case of import deliveries, due to the customs provisions, the goods should be attached with an invoice in two copies. Simplifications are acceptable in this case only upon prior confirmation by the Buyer in writing.
  12. If the import requires documents in order to stipulate the purpose of the object of shipment, the Seller is obliged to organise and deliver them to the Buyer at his own cost. In case of an obligation to conduct customs procedures, the Seller is obliged to deliver a certificate of origin. This certificate is required for each shipment. Unless agreed otherwise, customs clearance is conducted by the Seller.
  13. The Seller undertakes to deliver the Goods in packaging adjusted to their type, manner of transport and storage, so that they are delivered unharmed. Each packaging

unit should have its external side marked with legible information in compliance with requirements of transport provisions as well as all instructions concerning particular terms and conditions of storage. The above information should include number of the order, number of series, full name of the Buyer, delivered quantity, gross and net weight.

14. Return of packaging requires a separate agreement. Return packages are sent by the Buyer at the Seller's risk and cost. If the packaging is not subject to processing for recycling materials, the Buyer preserves the right to demand its reclaim and utilisation at the Seller's cost and risk. The previous sentence does not apply in case of a purchase done within the community.
15. Control, acceptance or receipt of Goods does not in any case release Sellers from the liability for defects or other offences in fulfilling requirements of the Order / Contract.
16. Sellers guarantee deliveries of Goods, parts and elements for repair, maintenance or development thereof within whole period of the Order, including the guarantee period, and also guarantee that the production or distribution thereof shall not be withheld. If Sellers decide to end production of all Goods or parts thereof after the final date of the Order, they should inform the Buyer of this fact with at least one-year notice, so that the Buyer could still have the possibility to submit additional orders.

## **V. PRICES AND PAYMENT TERMS**

1. The price of the Order / Contract is fixed. The price includes, unless agreed otherwise, costs of packaging, taxes, customs, insurance, all delivery costs etc. until moment of delivering ordered goods to the address indicated in the Order / Contract by the Buyer.
2. Grounds for paying for delivered goods are provided for by VAT invoice or other account document permissible under legal provisions of the Buyer's country.
3. The VAT invoice should be issued pursuant to legal provisions binding within this scope and should include a number and a date of the Order / Contract. The invoice should also include quantity and unit prices of Goods, Seller's NIP (Tax Registration Number), terms and conditions as well as payment date compliant with the Order / Contract. The Seller is obliged to indicate in the invoice, in details, advance payments made by the Buyer.
4. Invoices issued by the Seller become payable and due on the date given in the invoice compliant with payment terms stipulated in the Order / Contract under a condition of proper execution of the object of the Order / Contract. The date of obtaining VAT invoice and Goods by the Buyer is deemed as the starting date for running of a payment period. Unless stipulated otherwise, the payment period amounts to 60 days counted since the day of delivering properly issued invoice to the Ordering Party.
5. A number of the Order / Contract placed on the invoice, as well as on delivery notes, constitutes a condition of timely payment thereof.
6. The payment date should be understood as the date of charging the Buyer's bank account.
7. If the delivery of Goods is not executed in compliance with the Order / Contract, the Buyer shall have the right to withhold payment or to extend the payment date until the moment of full and proper execution of the object of the Order / Contract by the Seller. It does not limit the Buyer's right to exact provisions of the contractual penalties' clause.

## **VI. GUARANTEE AND COMPLAINTS**

1. The Seller guarantees proper quality and quantity of sold Goods. The guarantee is valid for a period of 24 months since the delivery date.
2. The Seller guarantees to the Buyer that the Goods delivered under this Order / Contract shall be compliant with specification, drawings and any other requirements included in the Order / Contract and that these shall be new, unused, of good quality and free of defects and faults. Furthermore, the Seller guarantees that the Goods shall be manufactured from proper and verified materials, and that they shall fulfil any technological requirements necessary for proper use thereof compliant with the Order / Contract, as well as that the Goods shall be manufactured in compliance with binding provisions, norms and requirements of the Office of Technical Inspection / Transport Technical Supervision.
3. The Seller shall attach to the delivered goods proper attestations, certificates, declarations of compliance or other documents confirming the quality of the goods. The Seller is obliged to ensure that the attached documents confirming the quality refer to the Goods actually delivered. Upon the Buyer's request, the Seller is obliged to send to the Buyer attestations, certificates, declarations of compliance or other documents confirming the quality of goods via email before delivering Goods.
4. Irrespectively of entitlements resulting from the guarantee, the Buyer can execute all rights resulting from the warranty taking these provisions of GPT under consideration.
5. The Buyer is only obliged to a minimum control pursuant to the consignment note and with regard to transport damages. The Buyer shall inform the Seller about noticed quantity or quality shortages as well as possible damages caused in transport within 5 business days after discovery thereof.
6. In case of stating quality defects, the Buyer is entitled at his own discretion to demand immediate removal of stated defects, delivery of goods free of defects, lowering price of the goods or to terminate the contract.
7. The Seller is obliged to repair or exchange Goods to ones free of defects within 14 days since obtaining a complaint. Submitting a complaint by the Buyer entitles him to withdraw payment for Goods. Until the time of completing the complaint process, the payment date stipulated under point V of the GPT above or under the Order / Contract does not run.
8. The Buyer, upon prior notification of the Seller, is also entitled to repair and exchange parts by himself, if these are small or necessary to avoid further damages or must be carried out immediately. Costs incurred for this purpose by the Buyer must be returned by the Seller.
9. The guarantee of the Goods is extended with the repair period and in case of exchanging parts for new ones, with following 12 months counted from the exchange date.
10. The Seller is obliged to conclude an insurance agreement to such an amount and under such conditions, under which he shall be insured against any risks and liabilities resulting from the Order / Contract of the Buyer.

## **VII. INFRINGEMENT OF PATENT AND OTHER RIGHTS**

1. The Seller guarantees that there are no binding patents, copyrights, reservations of rights or know-how of third parties, which would be infringed by the Buyer as a result of using ordered Goods.
2. The Seller shall pay all costs and indemnities adjudicated to the Buyer's disadvantage pursuant to stated infringement of a patent, know-how, copyrights or other rights of a third party by using the Goods delivered by the Seller, provided that the Buyer

immediately informs the Seller of allegations of such type and claims resulting therefrom.

3. In case the Goods constitute an object of an action or claims regarding infringement of intellectual property rights, the Seller shall obtain from the Buyer the right to use the Goods in the shortest possible period of time or shall modify or exchange the goods so that the infringement ceases. Modification or exchange of Goods should never result in lowering or reducing the functionality or usefulness of Goods to specific purposes of the Buyer. If Sellers fail to fulfil their obligations as is hereunder stipulated, the Buyer shall be entitled to undertake activities he deems necessary in order to reclaim full costs of the Goods from the Seller.

## **VIII. SERVICES**

If the Order / Contract includes services provided for by the Seller within the Buyer's premises and if the provisions of the Order / Contract do not state otherwise, it is accepted that:

1. The value of services is included in the price of the Order / Contract.
2. All additional costs connected with services provided by the Seller and in particular costs of accommodation, travel and insuring the Seller's staff etc. are borne by the Seller.
3. A hand-over report constitutes a confirmation of executing services by the Seller.
4. The Seller is obliged to provide staff with qualifications relevant for proper and timely execution of services.
5. In case the execution of services requires cooperation of the Seller's and the Buyer's staff, the Seller is liable for accuracy of guidelines and instructions given by his staff.
6. The Seller is fully liable for damages and loses resulting from activities of staff providing services as well as resulting from improper instructions and guidelines forwarded by the Seller's staff.
7. The Seller ensures that services provided by him are performed properly and in compliance with the content of the Order / Contract. If, within 12 months from executing the services, any defects are stated, the Seller is obliged to remove them immediately at his own cost. The Seller is liable for defects in service comprising in performing a task, under warranty, as the one accepting the order.
8. The Seller is obliged to provide for full insurance for his employees for the time of performing services at the Buyer's premises. The Seller accepts the risk and any possible consequences and claims resulting from performing the service.
9. The Seller's staff is obliged to comply with the provisions binding at the Buyer's premises and to obtain all necessary permits to perform works.

## **IX. ADDITIONAL PROVISIONS**

1. In case of force majeure, the Buyer reserves the right to change previously set dates of executing Orders / Contract.
2. The Parties shall not be liable for results of partial or full failure to fulfil their obligations hereunder caused by Force Majeure.
3. Force Majeure refers to all events that cannot be foreseen while concluding the Contract or avoided and on which neither Party has any impact, in particular: war, internal riots, flood, fire, earthquake and other natural disasters, government limitations or regulations or other acts of public authority and administration, general and industrial strikes officially recognised by all-Poland Trade Unions.
4. The Party that is not able to fulfil its obligations due to Force Majeure is obliged to immediately notify the other Party about this fact, not later than within 7 days from

the occurrence of such events and to provide credible evidence for this inability. When Force Majeure ceases, the other Party should be immediately notified about this fact. Failure to comply with the aforementioned requirement causes losing the rights to invoke acts of Force Majeure.

5. The Buyer can change previously confirmed dates of deliveries and orders' executions also for reasons other than force majeure, in particular, in case of obstacles of a logistic character or resulting from limiting manufacturing capabilities.

## **X. INDEMNITY AND TERMINATION OF CONTRACT**

1. The Buyer shall be always entitled, even if Sellers do not infringe any liability, to suspend the Order / Contract for a period set by the Buyer, or to cancel the Order / Contract in full or in part, with three-days prior notice to Sellers. In case of such cancellation, Sellers can charge the Buyer with costs incurred until the moment of cancellation with regard to the Order / Contract. In any case, the Sellers are not entitled to indemnity for indirect damages or loss of profits.
2. In case Sellers fail to comply with any principles or terms and conditions of the Order / Contract, the Buyer is entitled to cancel the Order / Contract in full or in part in a form of written notification to the Sellers and without detriment to any other remedies without further obligations and liabilities and to reclaim from the Sellers all amounts paid by the Buyer, all additional costs incurred while seeking exchange of Goods by an alternative supplier and indemnity for losses or damages suffered by the Buyer as a result of delayed execution of the order by the Sellers. The same applies if the Sellers do not make any progress in manufacturing or assembling Goods which threatens timely execution of the Order in compliance with its terms and conditions.
3. The Buyer is entitled to cancel the Order / Contract with an immediate effect without any further obligations or liabilities if he has sufficient reasons to state that Sellers shall not be able to properly fulfil their obligations.
4. In case of any delays in delivery for reasons other than the acts of Force Majeure, the Seller shall be obliged to pay to the Buyer contractual penalties in the amount of 2% of the value of Goods delivered after set date per each week of delay. Total value of contractual penalties for this reason cannot exceed 10% of the value of goods delivered with delay.
5. In case Buyer's damages resulting from failure to perform or improper performance of terms and conditions of the Order / Contract are higher than the amount of reserved contractual penalties, the Buyer has the right to seek indemnity for this reason in compliance with general provisions.
6. The Buyer's liability is in each case limited to the value of Goods constituting object of the Order / Contract.
7. The Buyer is entitled to deduct charged contractual penalties from the Seller's due remuneration.

## **XI. CONFIDENTIALITY**

1. All information directly resulting hereunder as well as information obtained by the Supplier in connection with execution of the Order /Contract, including, in particular, all organisational, commercial and technical information concerning the Ordering Party and not publicly disclosed, shall be considered by the Parties as confidential information and as such shall not be disclosed to third parties. This obligation does not apply to situations, when the obligation to provide information results from mandatory legal provisions.

2. In particular, the Supplier undertakes to treat as confidential the information concerning the size of commercial exchange, applied prices, discounts, specifications of products, logistic agreements, and technological data under pain of terminating the Order / Contract by the Ordering Party for reasons attributable to the Supplier.
3. The Supplier declares that he shall not use the confidential information for purposes other than the execution of the order and that he shall cover this information with due protection proper for its confidential character for a minimum 12 months period. Obligation to keep information in secret remains binding after execution of the Order / Contract and can be revoked only upon the Ordering Party's written consent under pain of nullity.

## **XII. FINAL PROVISIONS**

1. The Seller can assign Buyer's receivables and other rights and obligations resulting from the Order / Contract only and exclusively upon Buyer's prior written consent.
2. In case of legal ineffectiveness of some GPT provisions as a result of introducing different legal regulations, remaining provisions do not cease to be valid. In compliance with the contents hereunder, in case some GPT provisions prove to be invalid, the Parties to the Contract oblige themselves to undertake negotiations aimed at supplementing GPT in this part.
3. In case of inconsistency of particular GPT provisions with provisions of the Order / Contract, the provisions of the Order / Contract shall apply, yet, it does not exclude application of remaining GPT provisions.
4. To all matters not settled herein or in the Order / Contract, relevant provisions of the Civil Code and other provisions of Polish law shall apply. Application of the United Nations Convention on Contracts for the International Sale of Goods from 1980 is excluded.
5. In disputable cases, any disputes shall be in the first place settled amicably and in case of a lack of agreement, by the Court competent for the registered office of the Buyer.