

GENERAL TERMS AND CONDITIONS OF ORDERS



General Terms and Conditions of Orders of OTTO Engineering Polska Sp. z o.o.

Article 1

[General provisions and definitions]

1. These General Terms and Conditions of Orders, hereinafter referred to as the "GTCs", constitute the general terms and conditions for supply agreements, sales agreements and service agreements within the meaning of Art. 384 sec. 1 of the Civil Code and apply to agreements concluded by OTTO Engineering Polska Sp. z o.o., as the Ordering Party, with legal and natural persons conducting business (with registered office/residence in the European Union), each of whom is hereinafter referred to as

"Supplier" and constitute an integral part of the order/agreement.

2. The terms used herein shall be construed as follows:

- 1) Supplier – any domestic or foreign entity supplying, selling or providing services to OTTO Engineering Polska Sp. z o.o.
- 2) Ordering Party – OTTO Engineering Polska Sp. z o.o. acting as the party to the agreement
- 3) Order – a declaration made by OTTO Engineering Polska Sp. z o.o. to the Supplier
- 4) Agreement – the agreement concluded between the Ordering Party and the Supplier, the subject of which is the sale, supply or provision of services to the Ordering Party in accordance with the Order
- 5) Party – Ordering Party or Supplier

3. Amendments, additional arrangements, suspensions or exclusions to the terms and conditions contained in the GTCs shall be made in writing under pain of nullity and must be accepted by both parties to the agreement in the form of an appendix to the order to which they relate.

4. For the agreements concluded between the parties, only the GTCs in question shall apply. Upon conclusion of the agreement with the Ordering Party with acceptance of the GTCs, the Supplier acknowledges its own general terms and conditions as not applying to the concluded agreement, either in whole or in part.

5. The Ordering Party shall use the GTCs in electronic form and shall make them available to the Supplier prior to concluding the agreement by sending electronically the file containing the GTCs or indicating that the order is placed on the terms and conditions specified in the GTCs, specifying the website address where the Supplier may access their content.

6. In the event of any inconsistency between the content of the agreement and the GTCs, the parties shall be bound by the agreement, whereas the provisions of the GTCs shall apply to the extent that they do not contradict the content of the agreement. The parties may exclude the application of the GTCs by providing explicit mutual statements to that effect in the agreement.

7. The provisions of the GTCs shall apply to both supply, sale and provision of services, unless the title of an article restricts their application to supply/sale or to provision of services.

Article 2

[Form of an order and terms of conclusion of an agreement]

1. The Ordering Party shall place the order to the Supplier in the following form: in writing, by e-mail, by fax, by means of the Supplier's website, indicating the data necessary for the proper performance of the order taking into account the obligation pursuant to Art. 1 sec. 5.

2. The conclusion of the agreement shall take place in accordance with the relevant provisions of the Civil Code, in particular when:

- 1) The Supplier accepts the offer to conclude the Agreement addressed to it by the Ordering Party in the form of an order containing the GTCs, and correspondence regarding orders may be conducted in the form of fax, e-mail or in ordinary written form. Acceptance of the order shall also mean acceptance of the entire GTCs and exclusion of the Supplier's general terms and conditions of agreements.
- 2) The Supplier shall commence performance of the Agreement upon receipt of an offer addressed to it by the Ordering Party in the form of an order containing the General Terms and Conditions of the Agreement. The Supplier's acceptance of the Ordering Party's order is tantamount to full acceptance of both the detailed terms of the order and these General Terms and Conditions of the Agreement.
3. The application of Art. 681 sec. 1 of the Civil Code is hereby excluded.
4. The order may only be performed in accordance with the terms and conditions specified in the order and the GTCs.

Article 3

[Selling price, payment terms]

1. The prices and payment terms stated in the order shall be binding and not subject to change. If the price is expressed in Euro and the Supplier is a Polish entity, the price in Euro shall be converted into PLN according to the average Euro – PLN exchange rate announced by the National Bank of Poland on the day the invoice is issued and valid on that day. The invoice must include the rate used for conversion and the number of the exchange rate table.

2. The Supplier shall issue an invoice no earlier than the date on which the service (collection) is performed or the goods are collected by the Ordering Party at its premises or the goods are collected by a carrier appointed by the Ordering Party.

3. The Supplier shall invoice the Ordering Party for the amount specified in the order in accordance with section 1, indicating the Ordering Party's order number.

4. An invoice specifying a price in a manner other than that described in section 1 will not be accepted by the Ordering Party unless the Ordering Party agrees in writing and submits it to the Supplier as an appendix to the prior order.

5. Invoice payments will be made in accordance with the specific terms set out in the order and, in the absence of such arrangements, the payment period is set at 14 days from the date of delivery of the invoice.

Article 4

[Liability of the Parties for non-performance or improper performance of the Agreement]

1. The Supplier shall be liable for the acts and omissions of subcontractors as for its own acts and omissions.

2. Should there be a delay in delivering the goods or performing the service in accordance with the Agreement, the Supplier shall pay the Ordering Party a contractual penalty equal to 1% of the total value of the entire subject of the agreement, for each day of delay.

3. Should the Supplier fail to perform or improperly perform the obligations set out in the Agreement, or be in delay with the performance of the subject of the Agreement for more than 7 days, the Ordering Party shall be entitled to call upon the Supplier to duly perform the Agreement within a specified period, but not less than 7 days. In the event of ineffective expiry of the time limit, the Ordering Party shall be entitled to:

- 1) the right to withdraw from the Agreement in part or in whole,
- 2) demand from the Supplier a contractual penalty in the amount of 20% of the value of the subject of the Agreement, in addition to the contractual penalty specified in sec. 2,
- 3) the right to purchase goods of the same quantity and grade from a third party, at the Supplier's expense and risk; or to have the service covered by the agreement performed by a third party, at the Supplier's expense and risk.

4. A delay within the meaning of this section shall also be understood as a delay in the delivery of a given batch of goods or in the performance of a given stage of a service. Improper performance within the meaning of this section shall also be understood to mean the failure to perform a particular stage of the service or the delivery of a defective batch. A declaration of withdrawal may in such a situation concern, at the Ordering Party's choice, the entire agreement or the part thereof in which the delay/defect has occurred. The contractual penalties shall be calculated on the remuneration for the entire subject of the agreement. In the event of withdrawal from the Agreement in its entirety for the reasons referred to above, the Ordering Party shall not be obliged to pay the Supplier any remuneration. In the event of partial withdrawal from the Agreement, the Ordering Party shall only be obliged to pay remuneration for that part of the service not affected by the withdrawal declaration.

5. In the event that the amount of damage suffered by the Ordering Party as a result of a delay in the delivery of goods or the performance of services exceeds the amount of the stipulated contractual penalty, the Ordering Party shall be entitled to claim payment of damages in excess of the amount of the penalty.

6. In the event of a delay in the performance of the subject of the agreement by the Supplier or a defect in the performance of the agreement, the Supplier shall,

in addition to the contractual penalties described in this section, be obliged to reimburse the Ordering Party's contractor for the contractual penalties paid by the Supplier as a result of the delay or defect.

7. The Parties shall not be liable for non-performance or improper performance of the Agreement caused by force majeure. For the purpose of the Agreement, force majeure shall mean an event not caused by either of the Parties and independent of them, unforeseeable at the time of conclusion of the Agreement, which cannot be overcome without considerable difficulty or expense and which prevents or materially impedes performance of the Parties' obligations under the Agreement.

8. The following shall be regarded as cases of force majeure: natural disasters or other exceptional occurrences related to forces of nature, war, riots, general strikes.

Article 5

[Warranty and guarantee – common provisions]

1. The Supplier declares and assures the Ordering Party that the goods supplied are free from physical and legal defects, including any encumbrances by third parties, and that the goods sold comply with the applicable Polish Standards or with the internal standards in force at the Ordering Party, of which the Ordering Party shall be obliged to inform the Supplier.

2. The Supplier declares and assures the Ordering Party that it will perform the service with due diligence, in accordance with the principles of knowledge and the applicable Polish Standards or with the internal standards applicable at the Ordering Party, of which the Ordering Party shall be obliged to inform the Supplier.

3. The Ordering Party shall be entitled to give notice of the defect and its nature and extent in writing, by e-mail or by fax.

4. The Ordering Party shall have the right to withhold payment of the price for the subject of the agreement covered by a reported defect or faulty service until the Supplier resolves the complaint and satisfies the claims of the Ordering Party related to the defectiveness of goods or services.

5. During the period of rectification of a defect in the goods supplied, the Supplier shall be obliged to provide the Ordering Party with replacement goods or equipment at its own cost and risk. If this obligation is not fulfilled, the Ordering Party may provide itself with replacement goods or equipment at the Supplier's expense.

6. If a complaint is accepted due to the existence of a defect reducing the value of the subject of the agreement, the Supplier shall be obliged to issue a correction invoice within 7 days from the date of acceptance of the complaint, for the value corresponding to the accepted complaint and to return the correction amount to the Ordering Party within 30 days from the date of issue of the correction invoice.

7. Should the Supplier fail to rectify the reported defect within the specified period, the Ordering Party may:

1) rectify the defect in the Supplier's stead, at the Supplier's expense, after prior written notification to the Supplier,

2) impose on the Supplier a contractual penalty of 0.1% of the remuneration for the subject of the agreement for each day of delay in rectifying the defect

8. Failure to acknowledge the Ordering Party's complaint in writing within 14 days of receipt of the complaint shall mean that the Supplier acknowledges the validity of the complaint. In such a case, the notification referred to in sec. 1 above shall constitute proof of the existence and extent of the defect.

9. Irrespective of the rights and claims under the warranty or guarantee, the Ordering Party shall be entitled to compensation from the Supplier for the damage it has suffered in connection with the delivery of defective goods or goods in incomplete quantity or defective performance of the service, as well as damage resulting from the Supplier's delay in fulfilling its obligations under the warranty and guarantee. This damage includes, in particular, contractual penalties and damages demanded from the Ordering Party by the contractor in a situation where a defect in the goods or services provided has caused a delay in the performance of the Ordering Party's agreement with its contractor.

Article 6

[Quality guarantee – supply and sale]

1. The Supplier shall provide the Ordering Party with a quality guarantee for the goods supplied for the period agreed between the Parties, and in the absence of such an arrangement for the period indicated in the order, calculated from the date of acceptance of the goods by the Ordering Party.

2. If defects are found in the delivered goods during the guarantee period, the Supplier shall be obliged to:

1) Process the complaint report within 7 days, counting from the date of receipt of the complaint report (by post, fax or e-mail),

2) Immediately rectify the physical defect or deliver goods free of defects within the guarantee period, but no later than 7 days from the date of receipt of the report, unless the parties agree on a different period, including:

a) rectifying the defects in the delivered product either by rectifying them at the location where they were discovered or, at its own expense, by transporting them to its registered office for rectification. The Supplier shall be responsible for the costs associated with rectification and, at the discretion of the Ordering Party, shall return the rectified goods to the location from which they were originally taken or to the Ordering Party's registered office.

b) extending the guarantee period by the time in which, due to the defects, the Ordering Party was unable to use them

3) notifying the Ordering Party of the method of rectification of the defect.

3. If the Supplier's repair of the goods twice under the guarantee proves to be ineffective, in addition to the right to withdraw from the agreement, the Ordering Party has the right to demand the replacement of the goods with new defect-free goods.

4. Once the goods have been replaced or repaired, the guarantee period for the subject of the replacement or repair shall run anew. Notwithstanding the above, the guarantee period shall be extended by the time during which, due to a defect in the goods supplied under guarantee, the Ordering Party was unable to use them.

Article 7

[Quality guarantee – services]

1. The Supplier shall provide the Ordering Party with a quality guarantee for the services performed for the period agreed between the Parties, and in the absence of such an arrangement for the period indicated in the order, calculated from the date of acceptance of the goods by the Ordering Party.

2. If defects are found in the service provided during the guarantee period, the Supplier shall be obliged to:

1) Process the complaint report within 7 days, counting from the date of receipt of the complaint report (by post, fax or e-mail),

2) Immediately rectify the defect at its own expense within the guarantee period, but at the latest within 14 days of receipt of the report, unless the parties agree on a different period,

3) extending the guarantee period by the time in which, due to the defects, the Ordering Party was unable to use them,

4) notifying the Ordering Party of the method of rectification of the defect.

3. Once the goods have been replaced or repaired, the guarantee period for the subject of the replacement or repair shall run anew. Notwithstanding the above, the guarantee period shall be extended by the time during which, due to a defect in the goods supplied under guarantee, the Ordering Party was unable to use them.

Article 8

[Liability under warranty]

The Supplier shall be liable under the warranty for physical and legal defects of the goods sold or services performed under the terms of the Civil Code and the GTCs regarding warranty. The period of the Supplier's warranty shall be equal to the period of the Supplier's guarantee, but shall not be less than 24 months.

Article 9

[Terms of delivery, transfer of danger of accidental loss of or damage to goods - delivery, sale]

1. Delivery of the goods shall be made by the Supplier to the Ordering Party's registered office or to any other place indicated in the order or to a carrier appointed by the Ordering Party, which shall also constitute the place of performance.

2. The costs of:

1) transporting the goods when delivered to the Ordering Party's registered office and the costs of delivering and entrusting the goods to a carrier when the Supplier entrusts the goods to a carrier appointed by the Ordering Party shall be borne by the Supplier.

2) unloading the goods at its registered office and the costs of the carrier appointed by it shall be borne by the Ordering Party

3. Acceptance of the goods by the Ordering Party shall take place on the basis of a written delivery document signed by both Parties, a copy of which shall be forwarded to the Ordering Party.

4. The delivery may be rejected if it is not accompanied by a delivery document issued by the Supplier, including the Ordering Party's order number, the specification

of the goods shipped, the quantity, as well as the approvals, certificates and guarantee cards as stated in the order

5. Before the delivery of the goods and the signing of the hand-over delivery note, the Ordering Party has the right to carry out a technical examination of the goods, which shall be carried out in the presence of representatives of the Supplier and the Ordering Party. In the event that the technical examination reveals that the delivered goods or a sample thereof do not meet the requirements or parameters resulting from the order or mandatory legal regulations, the Ordering Party shall be entitled to return the goods to the Supplier at the Supplier's expense and, in addition, to charge a contractual penalty in accordance with the provisions of the GTCs.

6. The Supplier shall be obliged to:

1) package the goods to be delivered correctly, in accordance with the applicable legislation, the nature of the goods, in a manner appropriate to the type of transport of the goods and in such a way as to protect the goods during transport. The cost of packaging the goods shall be borne by the Supplier.

2) provide the Ordering Party with precise and accurate information on the goods to be supplied, in particular on their dimensions, weight and specific storage requirements.

3) provide the Ordering Party with all documents necessary for the use and application of the goods to be delivered, including any required technical specifications, quality certificates and safety instructions.

4) repair any damage and reimburse any expenses incurred by the Ordering Party as a result of the failure to provide or the incorrect provision of the information and documents specified in the GTCs.

7. The delivery of the ordered goods shall be deemed to have been performed with respect to the fulfilment of the delivery terms and conditions and the transfer of the risk of accidental loss of or damage to the goods from the Supplier to the Ordering Party at the moment of defect-free documented acceptance of the goods by the Ordering Party at the place specified in the order.

8. The ownership of the goods shall pass to the Ordering Party on signing the goods delivery document. At the same time, the burdens related to the goods and the risk of accidental loss or damage to the goods shall be transferred to the Ordering Party.

Article 10

[Services - acceptance and documentation]

1. The acceptance of the performed service by the Ordering Party shall take place on the basis of a protocol of delivery and acceptance signed by both Parties, which constitutes confirmation of the service provision. Before signing the service acceptance document, the Ordering Party has the right, in the presence of representatives of the Supplier and the Ordering Party, to check the correctness of the service provided.

2. If the aforementioned examination proves that the service provided does not meet the requirements or parameters resulting from the agreement or mandatory legal provisions, the Ordering Party shall have the right to refuse to sign the protocol of delivery and acceptance and to proceed in accordance with the provisions of the GTCs on liability for improper performance of the agreement.

3. The Supplier shall provide the Ordering Party with accurate and precise information about the service provided and any technical specifications, quality certificates and safety instructions, if required.

4. The Supplier shall be obliged to indemnify and reimburse all damages and expenses (in particular those related to submitted claims, demands, initiated proceedings, fines imposed) incurred by the Ordering Party in connection with the failure to provide, or the incorrect provision of, the information and documents referred to in the above section.

Article 11

[Supervision by the Ordering Party of the proper performance of the Agreement]

At any time during the term of the Agreement, the Ordering Party shall have the right to require the Supplier to provide or make available any documents and information

relating to the Supplier's performance of its obligations under the Agreement, in particular with regard to the preparation and execution of the delivery of the goods, the performance of its obligations under customs regulations and the guarantee service. The Supplier shall be obliged to make immediately available to the Ordering Party any documents and information requested by the latter concerning the performance of the Supplier's obligations under the Agreement.

Article 12

[Technology protection]

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Article 13

[Industrial property]

1. The Supplier declares and assures the Ordering Party that the conclusion and performance of the Agreement does not infringe the intellectual or industrial property rights of third parties.

2. In the event that a third party asserts a claim against the Ordering Party arising from intellectual or industrial property rights related to the supplied goods or performed service, including their designation, name, concept, invention, or technological information regarding the supplied goods/service, the Supplier shall undertake to indemnify the Ordering Party from any liability towards third parties resulting from any infringement of industrial and intellectual property rights of such third parties.

3. The Supplier shall indemnify the Ordering Party for any damage that the Ordering Party suffers as a result of the Agreement infringing the intellectual or industrial property rights of third parties, and shall in such case reimburse the Ordering Party for all costs and expenses incurred in this respect.

Article 14

[Confidentiality]

Any written or verbal information provided to the Supplier by the Ordering Party regarding the Ordering Party's know-how, specifications, procedures, needs and any technical information, documents and data of the Ordering Party including financial data shall be treated as confidential by the Supplier and shall not be disclosed to third parties without the Ordering Party's written consent under pain of nullity. The above information shall be used by the Supplier solely for the purpose of fulfilling the order or preparing the tender.

Article 15

Correspondence

Correspondence between the Supplier and the Ordering Party relating to the conclusion or performance of the Agreement shall be made in writing or by e-mail to the addresses indicated by the Parties in the order and tender.

Article 16

[Applicable law]

The Parties unanimously declare that the provisions of the Polish Civil Code shall apply to the Agreement in matters not regulated in these GTCs.

Article 17

[Disputes]

All disputes that may arise from the provisions of the Agreement, including the GTCs, shall be submitted by the Parties to the common court having jurisdiction over the Ordering Party's registered office.

OTTO Engineering Polska Sp. z o.o., NIP (Tax Identification Number): 815 166 21 63, REGON (National Business Registry Number): 691794766, District Court in Rzeszów, 12th Commercial Division of the National Court Register, under KRS Number: 0000371381

Bank account: mBANK S.A. o/RZESZÓW, Bank account number: 68 1140 1225 0000 3175 5600 1001

Share capital: PLN 500,000

Homepage: www.ottoindustries.com.pl