

General Terms and Conditions of Purchase  
applicable in the company Hags Poland Sp. z o.o.

## 1. GENERAL PROVISIONS

1.1. These General Terms and Conditions of the Order constitute general terms and conditions of contracts within the meaning of art. 384 of the Civil Code and apply to orders placed by the company Hags Polska sp. z o.o. , hereinafter referred to as "the Recipient" and concern respectively the purchase and sale or delivery of services, materials, raw materials, parts, prefabricated elements, products or devices, hereinafter referred to as the "goods", by an entity hereinafter referred to as the "Supplier".

2. Whenever the document refers to the Supplier - it means an entity obliged to deliver the ordered goods under the accepted order.

## 2. ACCEPTANCE OF AN ORDER SUBMITTED BY THE RECIPIENT

2.1. Acceptance of the order by the Supplier should take place in writing within 2 days from the date of its receipt to the email address [purchasepl@hags.com](mailto:purchasepl@hags.com) in terms of direct material Purchase Orders and [Indirect.purchasePL@hags.com](mailto:Indirect.purchasePL@hags.com) for indirect material/services. A paper document or e-mail sent by the Supplier to the Ordering Party shall be deemed a written confirmation. Acceptance of the order means acceptance of these General Terms and Conditions of Purchase. Lack of written confirmation by the Supplier within the above deadline shall be considered by the Ordering Party as a silent acceptance of the order by the Supplier for implementation on the terms specified in the order and in accordance with the General Terms and Conditions of the Order.

2.2. The conditions set out in the order shall also be considered accepted in the event of a partial or full performance of the order.

2.3. Changes to the order or its conditions can only be made after the Recipient's written approval.

2.4. For open orders, a monthly delivery schedule shall replace the order confirmation for delivery.

2.5. The performance of the delivery schedule and any changes thereto shall constitute for the Supplier an automatic acceptance of the provisions of the "General Terms and Conditions of Purchase" as well as the conditions set out in the relevant order.

2.6. English is the main language in which the Supplier shall communicate with the Recipient in writing and orally. Communication may take place in the language of the Supplier or in another commonly agreed language, however, English is the basic language as the corporate language in the company Hags Poland sp.z o.o.

## 3. DELIVERY DATES

3.1. Delivery dates are the dates specified in the order and mean the date of delivery of the goods to the place of delivery indicated in the order. These deadlines must be strictly observed.

3.2. If the goods are not delivered within the deadline, the Recipient shall have the right to request a compensation for the damage suffered. In addition, the Recipient may:

a) impose a contractual penalty on the Supplier corresponding to 5% of the value of the non-delivered goods for each day of the delay,

b) give the Supplier an additional deadline for the performance of the Supplier's obligations

c) withdraw at the Recipient's discretion from the order in its entirety or from the order of the undelivered batch of goods.

3.3. Delays of sub-suppliers and entities cooperating with the Supplier shall not be considered "force majeure" and shall not justify delays in the delivery.

#### 4. DELIVERY TERMS AND REQUIRED DOCUMENTATION

4.1. Unless the accepted order provides otherwise, the Supplier shall deliver the goods to the Recipient's warehouse at the Supplier's own cost and risk, which shall pass on the Recipient at the time of the confirmation of receipt [of the goods].

4.2. Unless otherwise specified in the contract, the obligation and cost of transport to the place of performance of the Contract, loading, unloading, insurance, packaging and other similar costs related to the subject matter of the Contract shall be borne by the Supplier.

4.3 The Supplier shall be liable for damage resulting from any delay, loss or damage caused by improper labeling, packaging or identification of the cargo.

4.4. Along with the goods, the Supplier shall provide the Recipient with a delivery document - separate for each order, indicating the order number, order item, material code (drawing number with modification identifier), units of measure, quantities.

4.5. The Recipient shall notify the Supplier of any incompatibility of the goods with the placed order within 14 days from the date of the disclosure of such an incompatibility.

#### 5. ACCEPTANCE OF THE DELIVERY

5.1. The Supplier shall be obliged to deliver the goods according to the quantity, quality and assortment specified in the order.

5.2. Quantitative verification: Differences between the quantity declared and the quantity determined by the Recipient as a result of the quantitative control shall be communicated to the Supplier immediately after their disclosure.

5.2.2. Each individual packaging is to be provided with a document agreed with the Recipient and containing the drawing number with a modification identifier, material code, quantity, certificate of the compliance of product quality with the submitted technical documentation / standards and the production batch number.

5.2.3. Surplus of goods may not be accepted and may be sent back to the Supplier at the Supplier's cost and risk.

5.2.4. In the case of a lack in the quantity of the goods, the Recipient shall be entitled to:

- accept the shortage of the goods and pay the price corresponding to the value of the goods actually delivered,
- give the Supplier an additional deadline for the delivery of the missing batch of the goods and impose on the Supplier a contractual penalty corresponding to 5% of the value of the non-delivered goods for each day of the delay,
- withdraw from ordering this batch of goods and send the goods back at the Supplier's cost and risk,
- withdraw from the contract in full when the partial performance is contrary to the interests of the Recipient.

5.3.2. If the delivery is inconsistent in quality or assortment terms with the order, the Recipient shall have the right to:

- send back the goods at cost and risk of Supplier, and:
- request replacement of the goods with ones corresponding to the placed order within the time limit set by the Recipient, and in the absence of such a deadline - within 5 days from the date of notification of non-compliance

with the order and imposition on the Supplier of a contractual penalty corresponding to 5% of the value of the goods for each day of the delay

- withdraw at the Recipient's discretion from the order of this batch of goods or from the contract and pay a contractual penalty corresponding to the value of the ordered goods.
- issue a complaint at the current rate.
- request a price reduction.

5.3.3. If additional activities and / or the use of manpower to sort the goods are necessary to adapt the non-conforming goods to the production, the Supplier shall do this using its own resources and at its own expense within the deadline specified by the Recipient or the Recipient shall charge the costs incurred in these operations to the Supplier.

5.3.4. In case of recurring quality problems, the Recipient may introduce control.

3.5. The Recipient shall be entitled to seek additional compensation if the damage suffered by the Recipient is higher than the contractual penalties stipulated in the General Terms and Conditions of Purchase.

## 6. RESPONSIBILITY

6.1 The Supplier shall grant a quality guarantee and statutory warranty (*Polish "rękojmia"*) for the delivered Subject Matter of the Contract for a period of 36 months from the date of the receipt of the Subject Matter by the Recipient.

6.2 Complaints shall be submitted to the email address of the Supplier's representative indicated in the Order. Complaints may also be submitted in the form and by fax to the addresses or number used by the Supplier in business operations.

6.3 When using the statutory warranty, the Recipient may, at its discretion, withdraw from the Contract or part thereof (if the defect concerns part of the Subject Matter of the Contract), or request the Supplier to reduce the price in proportion to the extent to which the defect limits the usefulness or usability of the Subject Matter of the Contract for the Recipient, in particular taking into account the purpose of the conclusion of the contract by the Recipient.

6.4. When using the guarantee, the Recipient may at its discretion and according to the type of the Subject Matter of the Contract, request either repair or replacement of the Subject Matter of the Contract with a non-defective one (i.e. brand new). The Supplier shall not refuse to remove a defect, to repair the Goods or replace them with goods free of defects, even if this required excessive costs.

6.5. Filing of a complaint by the Recipient shall be deemed to have been made under the statutory warranty procedure, unless otherwise indicated by the circumstances and in particular by the content of the complaint request.

6.6. Each complaint submitted during the statutory warranty and/or guarantee period shall extend the statutory warranty and/or guarantee periods by the time counted from the date of filing the complaint to the date of the removal of the reported defect/fault. When the Subject Matter of the Contract has been replaced, the guarantee and statutory warranty regarding such a Subject Matter shall run anew from the replacement date.

6.7. A complaint shall be settled within the time limit set by the Recipient.

6.8. The Supplier shall respond to the Recipient's complaint within 3 days. Lack of a written stand of the Supplier within this period shall mean a full acceptance of the filed complaint.

6.9. In the event of a dispute as to the existence of a defect, the Subject Matter of the Contract shall be examined by an entity indicated in the Order. If no entity has been indicated in the Order, such an entity shall be indicated by the Recipient from among the recognized market research entities competent for the Subject Matter of the Contract. The cost of the

examination shall be borne by the Party, the stand of which in the dispute has not been confirmed.

6.10. The deadline for performing a complaint shall run from the date of the approval of the complaint by the Supplier, and if the Supplier has not approved it, from the date of the issuance of the opinion by the entity indicated above.

6.11 The Supplier shall authorize the Recipient to remove the defect on behalf of the Supplier at the Supplier's sole cost and risk, if the Supplier does not remove it within a relevant deadline. This shall apply in particular to a situation in which the Supplier:

(a) has not removed the defect;

(b) has removed the defect in an improper, ineffective manner

(c) has not delivered the Subject Matter of the Contract

(d) has not completed the delivery in terms of quantity within the time limit specified in the Contract

(e) has not replaced the Subject Matter of the Contract with a one which is free from defects.

6.12. Within 7 days from the conclusion of the Contract, however, not later than on the day of its performance, the Supplier shall provide the Recipient with a guarantee document containing a detailed description of how to maintain the Subject Matter of the Contract. If the Supplier does not provide such a document, the Subject Matter of the Contract shall be used and maintained in a manner customary for its type, and its use and maintenance carried out by the Recipient shall be considered incorrect only if it was carried out in a manner obviously inappropriate from the point of view of the nature of the Subject Matter of the Contract and if the Recipient or another entity knew or could easily find out that the use or maintenance was incorrect. If the Supplier fails to provide a guarantee document, this contract shall constitute a guarantee document within the meaning of Art. 577 §1 of the Civil Code.

6.13 If the Recipient undertakes a substitute performance, the contractual penalties due to the Recipient shall be counted till the date of a proper delivery of the substitute performance by a third party.

6.14 In the event of an incompatible contradiction between the content of these guarantee rights and those contained in the content of a guarantee document submitted to the Recipient, these provisions shall prevail. For the avoidance of any potential doubts, submission of a guarantee document to the Recipient shall not limit the Recipient's rights in relation to the rights indicated in the General Terms and Conditions of Purchase, in particular rights under the statutory warranty and guarantee.

## 7. PRICES

7.1. The prices listed in the order are fixed: price changes made on the basis of subsequent cost increases shall not be allowed unless expressly agreed otherwise in writing.

7.2. Any price increases resulting from production changes should be communicated by the Supplier one month in advance and they shall not become binding without a prior written approval of the Recipient.

## 8. TERMS OF PAYMENT.

8.1. The Supplier's Contractual Remuneration shall be indicated in the Order ("Remuneration").

8.2. On each invoice, one should quote the order number and date of the Supplier's WZ document [stock issue confirmation document], quantity delivered, unit price, total value, VAT

8.3. After the performance of the Subject Matter of the Contract the Supplier shall issue a VAT invoice for the agreed

amount of the Remuneration. The Supplier may issue partial invoices, if the Order so provides.

8.4. The remuneration calculated in accordance with the provisions of the Contract shall be determined in the content of a relevant VAT invoice, which will be issued after the receipt of all deliveries covered by the Contract or partly after the delivery of a part of the Subject Matter of the Contract pursuant to the provisions of the Contract. If such arrangements are not in place, one invoice after the completion and receipt of the whole Subject Matter of the Contract shall be issued.

8.5 Payments for the properly issued VAT invoices covering the delivery of a fault-free Subject matter of the Contract or, a part of the Subject matter of the Contract, if so determined, shall be made within the deadlines specified in the Contract counted from the date of its delivery of a correctly issued VAT invoice, i.e. an invoice issued in accordance with the law, the General Terms and Conditions of the Order and provided as an attachment with documents referred to in the Order and the General Terms and Conditions of the Order. In particular, the Supplier shall attach to the invoice a copy of the delivery document / other confirmations of the performance of the Subject Matter of the Contract in accordance with the Contract, covered by a relevant invoice, and shall also place the Order number on the invoice, the above under pain of the refusal to pay the amount due from the invoice until the documents are completed, without the Recipient being in default or arrears with the payment.

8.6 The invoice may be delivered via e-mail to the following address: invoice.pl@hags.com, however, the Recipient may at any time withdraw its consent to the delivery of invoices in this mode by notifying the Supplier of this fact in writing. On the terms set out in this paragraph, the Recipient accepts only electronic invoices in pdf format.

## 9. LEGAL PROTECTION MEASURES IN CASE OF A BREACH OF THESE TERMS AND CONDITIONS BY THE SUPPLIER.

9.1. If, pursuant to the provisions of these terms and conditions, the Supplier shall be obliged to pay a contractual penalty or compensation, the Recipient may deduct the relevant amounts from the remuneration due to the Supplier.

9.2. If a third party makes a civil law claim against the Recipient related to the delivery of products delivered by the Supplier, the Supplier shall:

- repair all damage resulting from this and incurred by the Recipient,
- actively participate in the pending court proceedings.

9.3. The Supplier shall be responsible for physical defects of the goods also when the Supplier is bound by the Recipient's position regarding the method of production and the documentation provided. The Supplier may exempt itself from the above liability if, despite the observance of due diligence, the Supplier could not detect a defectiveness in the production method and technological documentation or if the Recipient insisted on the method of production and compliance with the provided technical documentation, despite being informed by the Supplier of the defectiveness.

9.4. If the Supplier fails to fulfill its obligations, unjustifiably withdraws from the performance of an order, or if the Recipient withdraws from the performance due to the Supplier's fault, the Supplier shall be obliged to pay - irrespective of the compensation for the damage suffered because of this by the Recipient - a contractual penalty in the amount of the value of the ordered and non-performed delivery.

9.5. The Recipient and the Supplier may withdraw from the performance of an order with the observance of a deadline allowing them to meet the commitments existing upon the submission of a declaration of withdrawal from the order, but

until the supplies are secured from a new supplier.

9.6. In the case of batch delivery orders, if the Supplier's failure to perform any of the obligations gives the Recipient a reasonable basis to think that there will be a significant breach of the terms of the order regarding the delivery of future batches, the Recipient may declare a withdrawal from the order in full. However, the Recipient should do so within 20 days preceding the next delivery.

9.7. By declaring the withdrawal from a given batch of goods for reasons attributable to the Supplier, the Recipient may simultaneously declare a withdrawal from the contract - orders for deliveries already made or for future deliveries, if due to their mutual relationship these deliveries cannot be used for the purpose provided by the parties at the time of acceptance of the order.

8.8. Matters not covered by the provisions of this section shall be governed by the provisions of the Civil Code.

## 10. ENVIRONMENTAL CONSIDERATIONS

10.1. Together with the material, the Supplier shall provide documentation describing the rules for the storage of the material, type of packaging, its quantity and weight, and the Material Safety Data Sheet in Polish (if the material is a hazardous substance).

## 11. CONFIDENTIALITY

11.1 Any information resulting directly from these General Terms and Conditions of Purchase, as well as information obtained by the Supplier in connection with the performance of the order, including in particular all organizational, commercial and technical information concerning the Recipient and not made publicly available, shall be considered by the Parties as confidential information and as such shall not be disclosed to third parties. This obligation shall not apply to situations in which the obligation to provide information results from mandatory provisions of law.

11.2. The Supplier shall in particular keep in confidence information about the volume of trade, applied prices, given discounts, product specifications, logistic agreements, technological data, under pain of withdrawal by the Ordering Party from the order for reasons attributable to the Supplier.

11.3 The Supplier declares that it shall not use confidential information for purposes other than for the performance of the order and that it shall protect this information appropriately to its confidential nature. The obligation of confidentiality shall remain in effect after the order has been completed and can be waived only with a written consent of the Recipient under pain of nullity.

## 12. PROTECTION OF PERSONAL DATA

The Recipient authorises the Supplier within the limits of the existing provisions on the protection of personal data to process and store the Recipient's data provided to the Supplier in connection with the concluded contract.

## 13. ADDITIONAL PROVISIONS

13.1 In the event of extending the scope of the order, the Supplier shall provide additional or replacement goods on commercial terms applicable to the performance of a given order (unit prices, discount).

13.2 The Supplier shall release the Recipient from any liability for any claims of third parties in relation to the goods, parts

and materials provided under a patent, license or registered designs. If proceedings are conducted in respect of such claims, the Supplier shall directly defend the Ordering Party at the Supplier's expense.

#### 14. DISPUTE MATTERS

Matters not regulated by these General Terms and Conditions of Purchase shall be governed by the relevant provisions of the Civil Code. Disputes regarding the interpretation or performance of the order and these General Terms and Conditions of Purchase, which the parties are unable to resolve amicably, shall be resolved by a court competent for the Recipient.

#### 15. FINAL PROVISIONS

15.1 The Supplier shall not be entitled without a prior written consent of the Recipient to transfer to another person the rights or to encumber the rights arising from the performance of the order.

15.2 These General Terms and Conditions of Purchase shall constitute an integral part of the order placed with the Supplier by the Recipient. In the event of a contradiction or discrepancy, the content of the order shall be decisive.

15.3 All changes and additions to the General Terms and Conditions of Purchase shall be made in writing and shall otherwise be null and void.