

GENERAL TERMS AND CONDITIONS

of the commercial transactions of sale and delivery

by TAKT Sp. z o.o.

§ 1 General provisions

1. The following terms and conditions shall be applicable to all offers, order forms, invoices and other documents produced by TAKT and to all agreements entered into with TAKT.
2. The present terms and conditions shall be applicable to any orders placed with TAKT. The terms and conditions below are deemed to have been accepted by the Buyer when an order is placed by the latter. General terms and conditions from the Buyer presented under any name whatsoever and deviating from the present terms and conditions of TAKT shall not be applicable and shall not be invoked against TAKT unless explicitly agreed upon by TAKT in writing.
3. In the event of a conflict between any provision of the present terms and conditions and any provision of an individual agreement between the Buyer and TAKT, the provisions of the latter shall prevail.
4. The invalidity, nullity or unenforceability of any provision of the present terms and conditions shall not affect the validity or enforceability of any other provision of the terms and conditions.
5. If the present terms and conditions are also drawn up in a language other than English, in the event of disputes the English terms and conditions shall prevail at all times.

§ 2 Agreement and termination

1. All offers shall be binding within the time limit given in the particular offer. In case currency variations and with variations in the cost of raw materials, wages, energy, etc. above 3% together, offers shall be without engagement and not binding and the prices contained therein may be modified at any given time.
2. TAKT shall be bound only when an order placed by the Buyer is confirmed by TAKT in the way specified in the particular offer. A binding sale and delivery agreement shall arise between TAKT and the Buyer through the order confirmation only. The Buyer's order shall include at all times in particular: Buyer's name and legal form (including the extract from the accurate register of companies), invoice details, quantity and quality of goods ordered, goods' specification, the exact delivery address and requested delivery date (the example of the order to be placed by the Buyer is enclosed in Appendix No. 1). In case of specific orders the Buyer's order shall also include all information necessary to timely and proper performance of the order by TAKT.
3. In the event of that Customer does not provide us with complete set of assets within the time indicated in order form (including entrusted assets) TAKT will be in the right to:
 - a. Recall the order acknowledgment or indicate another production lead time
 - b. Charge the customer the cost of protection and/or storing incomplete assets received from the customer
 It will be assumed that any order without complete assets will be cancelled after 3 months if the assets will not be provided before quoted period (3 months).
4. In the event that the order placed by the Buyer differs from the order confirmation provided by TAKT, only the order confirmation by TAKT shall be binding, unless the Buyer revokes the order immediately in writing (including fax), but no later than 3 days from the date of receipt of the order confirmation.
5. If the goods can be delivered immediately from stock, TAKT shall reserve the right to renounce the abovementioned order confirmation without affecting the applicability of the remaining provisions.
6. If the Buyer fails to comply with the applicable obligations, including but not limited to the obligation to pay the price due and to receive the goods, TAKT shall be entitled to terminate in writing the sale and delivery agreement at the Buyer's expense, with immediate effect and without prior judicial intervention. In such case, the Buyer shall be obliged to pay a fixed sum for damages to TAKT of 25% of the total amount originally payable by the Buyer under the sale and delivery agreement with TAKT, without prejudice to TAKT's right to full compensation for expenses and damages and without giving the Buyer the right to any damage claims.
7. Termination of a concluded agreement by TAKT shall be done either by registered letter addressed to the registered office of the Buyer or by fax or by e-mail including electronic signature with advice of delivery. In that case, TAKT shall only be liable to reimburse the price already paid. Furthermore, TAKT shall be liable to pay a fixed sum for damages equal to 5% of the total price of the order unless TAKT is able to demonstrate the termination is a necessary

consequence of reasons for which TAKT cannot be held responsible, including the force majeure (on the grounds of this General Terms and Conditions 'force majeure' shall mean any and all extraordinary and unpredictable event of which TAKT was unable to avert, and which led to the non-performance of the concluded agreement, including but not limited to civil disorders, strikes, collective labour disputes, armed conflicts, disasters, trade embargos, import and export limitations of any nature and any economic or other sanction impeding or affecting the delivery of goods, even if it does not make the delivery entirely impossible).

8. The Buyer is obliged to confirm in writing that the order placed with TAKT meets all requirements of intellectual property laws (Statement Form is enclosed in Appendix No. 3). TAKT shall supply the Buyer with the statement form along with the order confirmation. In case the Buyer refuses expressly or impliedly to send filled and undersigned statement form to TAKT or fails to file such form within 3 working days from the date of receipt of the order confirmation the order is cancelled automatically without notice.

§ 3 Delivery and transport of products

1. Any and all deliveries shall be made by TAKT on the Buyer's exclusive expense in standard packages, proper for the delivered products. Delivery dates are binding unless otherwise expressly agreed by the Parties in writing. Delays in delivery by TAKT, not exceeding 3 working days, shall neither lead to damages payable by TAKT nor to the termination of the agreement at the expense of TAKT. Delays in delivery exceeding 3 working days shall lead to damages payable by TAKT or to dissolution of the agreement only in case of TAKT's gross negligence or when the later performance is of no further business importance to the Buyer. The Buyer shall inform TAKT of the latest possible delivery date 14 days before the date in question.
2. In case the Buyer intends to increase the quantity of goods ordered the delivery dates shall be modified due to production process of the increased quantity. In case the abovementioned increase of quantity that would potentially affect the timely delivery of the goods originally ordered, TAKT is entitled to respectively modify the delivery date of the entire order.
3. The delivered goods shall remain the sole property of TAKT until TAKT receives payment of the main sum, interest and costs in full from buyer. Nevertheless, the risk shall pass on to the Buyer upon delivery of the goods.
4. TAKT is entitled to provide partial delivery of the goods unless otherwise stipulated by the Parties.
5. The risk at all times shall be borne by the Party who organizes the transport of the goods. Any and all losses at the time of the goods' transport organized by the Buyer shall burden the Buyer, without any claims to TAKT. After the delivery of goods, the Buyer shall bear all risks, including the risk for loss or destruction.
6. If the Buyer fails to pick up the goods and/or receive the goods on the agreed (delivery) date, TAKT shall be entitled to charge the Buyer for the costs of goods' storage calculated on a weekly basis with each week commenced considered as one full week, equal to 50 (fifty) PLN, unless TAKT is able to demonstrate that the actual costs of store the goods exceeds the latter amount. Any risk of loss or damage to the goods shall nonetheless pass to the Buyer.
7. In case the delivery of goods has not been realized due to non-performance of the Buyer's obligations, in particular non-payment of the goods' price, within 4 months since the delivery date, TAKT reserves the right to destroy the goods at the Buyer's risk and expense. TAKT is obliged to inform the Buyer about the expected date of destruction of the goods, at the latest 14 days before the date in question. Irrespectively of the destruction of the goods the Buyer holds the liability for payment of their price along with all costs of storage and destruction process.
8. In the event that TAKT is unable to comply with the delivery obligation due to force majeure and/or misfortune, TAKT shall be entitled to suspend the delivery or to terminate the agreement by providing the Buyer a written statement and without prior judicial intervention, without the Buyer being entitled to claim any damages.
9. On the grounds of the present terms and conditions the misfortune shall mean an event future and uncertain, come into being without any impact of TAKT's employees.

§ 4 Warranty, Complaints and Liability.

1. The Buyer is responsible for controlling the goods upon delivery by TAKT and verifying that they are in satisfactory condition. Any complaints regarding the apparent defects and apparent non-conformities of the delivered goods shall be submitted in writing form (Non-conformance Report is enclosed Appendix No. 4), sent by registered letter, by fax or by an e-mail with the electronic signature within 3 days of receipt of the goods and prior to any handling of the goods by the Buyer.
2. Any complaints regarding the apparent defects and apparent non-conformities of the delivered goods during the receiving of the goods shall either be described in the bill of lading or the Parties shall draw up the report of non-conformities. The lack of such an endorsement will cause the particular complaint refusal.
3. Any complaints regarding to the hidden defects or hidden non-conformities shall be submitted to TAKT in writing either by registered letter or by fax or by e-mail including electronic signature within 3 days of such defect becoming apparent and at the latest 30 days after delivery of the goods.

4. After receiving by TAKT the non-conformant goods, TAKT shall control the goods according to the regulations of Philips' specification CD and/or DVD. In case of the dispute between the Parties, the control shall take place in TAKT's place of residence at the presence of both Parties.
In case if during the abovementioned control the Parties qualify the non-conformity of goods, the letter of complaint shall be accepted unless the goods are free of apparent mechanical damages.
5. In the event that the letter of complaint is accepted by TAKT, the Buyer shall either receive the goods free of defects, according to the order or the discount in an amount not higher than equal to 20% of the total price of the order.
6. The Buyer shall keep the defective goods at the disposal of TAKT until the complain decision be made.
The Buyer shall provide TAKT with a written overview of the defective goods to be controlled.
7. In case the defective part of goods delivered does not exceed:
 - a. 0,5 % of the total order if the production for the Buyer amounts from 1.000 to 10.000 units or
 - b. 0,1 % of the total order if the production for the Buyer amounts from 10.000 to 100.000 units or
 - c. 0,05 % of the total order if the production for the Buyer amounts over 100.000 unitsthe Buyer is not entitled to submit effective letter of complaint.
8. If the goods have been processed, modified or alienated or are no longer in the possession of the Buyer, then the Buyer shall be deemed to have renounced his claims under the hidden non-conformities or hidden defects and any complaints on the matter shall be no longer accepted.
9. In the event of a timely submitted and accepted letter of complaint, the Buyer shall only have the option to claim a reduction in price or to return the defective goods, without the Buyer being entitled to claim any damages.
10. Quality requirements or quality standards of goods to be delivered by TAKT must be expressly agreed upon. The warranty obligation of TAKT shall only cover those quality provisions or quality standards expressly agreed. TAKT does not guarantee and shall never be deemed to guarantee or warrant that the purchased goods are suited to the purpose for which the Buyer wishes to use it or have it used, processed or worked, unless the Buyer explicitly indicated the purpose of the goods in writing and this purpose was expressly agreed upon by TAKT in the order confirmation.
11. In case the Buyer shall modify the order later than 3 working days before the delivery date, quality requirements or quality standards of goods shall not be guaranteed by TAKT.
12. TAKT's liability to the Buyer for any direct costs or damage caused by TAKT shall be limited at all times to the amount of the sale and delivery price of the goods sold as indicated on the invoice.
13. Under no circumstances shall TAKT be held liable for any indirect, special, incidental, punitive damage, consequential damage or product damage, including but not limited to transport costs, travel and accommodation expenses, loss of profit, an/or business stagnation.
14. By submitting a letter of complaint, the Buyer shall by no means be exempt from his payment obligation for disputed units. TAKT is not responsible for the goods' quality standards and/or other requirements of the Buyer in case the materials supplied by the Buyer do not meet such standards and/or requirements.
15. Up to 5 % shortage (underdelivery) neither influences the completion of production nor results in penalty to be paid by the Seller. Up to 5% surplus causes the adequate increase of the invoiced items number.
16. TAKT is not responsible for misuse of the goods by the Buyer or by third parties.
17. TAKT is not responsible for the materials supplied by the Buyer, including submitted units and/or polygraph except for their return to the Buyer in case the Buyer expressly demands the return. The Buyer hereby confirms and accepts that TAKT is not obliged to entry control of the materials supplied by the Buyer and is not responsible for the state of those materials resulting from their use in the production process. In case the Buyer does not demand the return of those materials TAKT is entitled to destroy them on the cost of the Buyer without any liability after 4 months from the date of delivery of the goods ordered. Before the destroy the materials supplied by the Buyer TAKT shall call on the Buyer in writing to receipt those materials. Furthermore TAKT shall not be responsible for:
 - a. the defects effected by the material mistakes in the materials supplied by the Buyer,
 - b. the damages effected by the normal use of the materials supplied by the Buyer,
 - c. the defects effected by the quality of the materials supplied by the Buyer,
 - d. the defects effected by the lack or mistakes in information about the materials supplied by the Buyer.
18. All remarks concerning the products quality as well as complaints should be addressed to reklamacje@takt.eu (via e-mails) or to TAKT Sp zoo, ul. Wyzwolenia 2, 32-329 Boleslaw (via standard mails)

§ 5 Pricing and payment.

1. The prices shall be calculated due to prices provided in the offer of TAKT, sent to the Buyer.
2. In case TAKT is to bear additional costs due to the Buyer's order specificity the Buyer shall reimburse such costs to TAKT, irrespectively of the prices set out in the offer of TAKT.
3. Unless otherwise stipulated by the Parties in writing the price is payable within 7 days since the invoice is received by the Buyer. In case of partial delivery TAKT is entitled to issue separate invoices for any part of goods delivered.
4. The price does not include any import duties and other pecuniary burdens imposed on the goods in the Buyer's jurisdiction. The price does not include value added tax (VAT).
5. The price is considered as paid on the date of the effective recognition of the due sum on TAKT's bank account.
6. With regard to orders and order confirmations quoted in currency other than PLN (polish zloty), TAKT reserves the right to invoice the amount in PLN based on the current exchange rate.
7. Currency variations from 3% upwards may lead to changes in price.
8. The invoice amount is the net amount payable. A discount for immediate payment must be agreed on in writing prior to the issue of the invoice. Any banking and discount costs shall be at the expense of the Buyer.
9. When protesting an invoice of TAKT, the Buyer shall draw up a written, well-founded protest and shall submit the protest within 3 days after being presented the invoice in question.
10. If the Buyer fails to pay the invoice of TAKT on the due date according to it. 3, the Buyer shall be ipso iure liable without notice of default to pay a compensation of 15% of the outstanding invoice amount to TAKT, and this with a minimum of EUR 100 by way of damages.
11. Furthermore, the Buyer shall be ipso iure liable without notice of default to pay interest for late payment to TAKT in the amount of 2 % for every month commenced.
12. The drawing or acceptance of a bill of exchange shall neither imply a novation of debt nor a modification of the present terms and conditions of sale and delivery of TAKT.
13. TAKT furthermore reserves the right to suspend or cancel some or all present and/or future deliveries, partially or entirely, should the Buyer fail to comply with the stipulated payment terms and/or conditions.
14. In case of the Buyer's insolvency, whether legal or factual, TAKT is entitled to immediately and entirely cancel all orders of the Buyer, without prejudice to the TAKT's claims for damages.

§ 6 Governing law and jurisdiction

1. Any dispute arising between parties shall be governed by Polish domestic law, with the exception of the United Nations Convention on Contracts for the International Sale of Goods., drawn up in Vienna on 11th April 1980.
2. Any and all disputes between the parties shall be settled before the competent courts of the TAKT's residence.

Boleslaw, 06.06.2018