

GENERAL TERMS AND CONDITIONS OF PURCHASE by TAKT Sp. z o.o.

1. APPLICATION

- 1.1. These General Terms and Conditions of Purchase are applicable to purchases effected by TAKT Sp. z o.o.
- 1.2. Any and all understandings and agreements made between the Supplier and TAKT are exclusively applicable to the following terms and conditions and to any other arrangements executed on an individual basis. Any and all modifications and supplements to these terms and conditions will be made in writing, otherwise null and void. The Supplier's terms and conditions of sale are not incorporated into a contractual relationship, also where TAKT does not make any explicit objection thereto.
- 1.3. Purchased products include all types of deliveries and services, including special details and products manufactured upon an order placed directly by TAKT. Attachments concerning deliveries of specific type of assortment, referred to in point 10, will be considered an integral part of these General Terms and Conditions of Purchase.

2. OFFERS, OFFER DOCUMENTATION, ORDERS

- 2.1. Requests for proposal forwarded by TAKT to its Suppliers concerning their products and delivery conditions or the Supplier's request filed with TAKT to submit a quotation are not considered binding towards TAKT in any manner whatsoever.
- 2.2. The purchase of goods means sale, delivery or any other contract whereby TAKT acquires an ownership right to goods or services. Placing an order will also be considered a contract.
- 2.3. The orders placed in writing by an employee of the Procurement Department in TAKT will also be binding and valid. TAKT is not required to sign such order. A requirement of a written form is satisfied where the documents are delivered by fax, electronic mail or using any other electronic data transmission system. With regard to all the purchases, TAKT uses only its own forms in relationships with the Supplier. The wording of the order placed using a TAKT's form is considered valid and binding.
- 2.4. Any confirmation of the order forwarded by the Supplier which differs from the order placed by TAKT constitutes a purchase offer and must be accepted in writing by TAKT.
- 2.5. The order is considered irrevocable on the part of TAKT from the moment of the Supplier's obtaining a written confirmation of acceptance of an order for realization. In case of the Supplier's failure to confirm the order placed by TAKT within one working day, such order is considered to have been accepted based upon silent consent and the conditions and specifications provided for in the order

are considered to have been authorized.

- 2.6. The Supplier will not assign the Order or its execution, even partially, without a prior written consent of TAKT.
- 2.7. Given the circumstances whereby it may be assumed that the Supplier is not able to fulfil the accepted obligations, e.g. in case of bankruptcy, liquidation or any arrangement proceedings pending against the Supplier's business or in case of liquidation or acquisition of such business, TAKT stipulates a right to withdraw from the agreement on the basis of a written notice.
- 2.8. If the Supplier notifies TAKT, in compliance with point 2.3, about acceptance of an order for realization with certain modifications, TAKT will produce a written statement on acceptance of modified conditions within 2 working days from the date of receipt of notification from the Supplier. In case of a failure to provide such notification within the above specific timeframe, it is considered that such modifications are not accepted by TAKT and the Supplier should accept the order upon original terms and conditions or cancel it, notifying TAKT about this fact within the set deadline of 3 days after expiry of the above specified timeframe.
- 2.9. These General Terms and Conditions of Purchase are applicable only if a separate contract has not been executed. If a separate contract has been executed, its provisions will prevail over these General Terms and Conditions of Purchase.

3. DELIVERY

- 3.1. Delivery schedule, delivery timeliness, quality and quantity are of fundamental and strategic significance to TAKT.
- 3.2. The supplied goods must be delivered in compliance with specifications and detailed lists attached to the orders.
- 3.3. Unless the Parties agree otherwise based upon individual arrangements made with the Supplier, the deliveries will be executed in compliance with DDU/DDP conditions. Original invoices for transport which have not been explicitly agreed between TAKT and the Supplier will be returned to a sender.
- 3.4. Unless the Parties make any additional arrangements, the delivered goods will be packed in an accurate manner and in compliance with conditions that are effective in professional commercial relations.
- 3.5. The goods will be packed in a manner which will ensure that they reach TAKT in a safe and unaffected condition. Goods marking will clearly and explicitly determine the content of the shipment and will allow easy identification of goods. These regulations will be explicitly determined for unsecured goods. Unless the Parties agree otherwise, the standard procedures concerning packaging and marking in force in the Supplier are applicable on condition that they satisfy the foregoing requirements.
- 3.6. The ordered goods will be marked, packed, labelled, designated, shipped and transported in compliance with the guidelines provided by TAKT. The Supplier will remedy any damage caused by any delay, losses, damage resulting from inappropriate marking, packaging, labelling, designation, shipment or a failure to comply with the foregoing guidelines.
- 3.7. The Supplier will be held liable for damage which occurs as a result of insufficient packaging. Notifications concerning damage that occurs as a result of inappropriate package identified at the

moment of delivery will be included in the shipping document returned to the Supplier.

- 3.8. TAKT may refuse to accept the delivered goods or service, if the delivery cannot be assigned to the order due to incompleteness of the shipping documents/ bill of lading, or if such allocation is actually possible, but high expenditures will be incurred thereunder.
- 3.9. The agreed schedules and delivery times are binding, if not explicitly agreed in writing as non-binding. In these circumstances, the Supplier is obliged to set another timeframe to execute delivery. The time of delivery of goods to TAKT proves a reliable measure to keep the delivery date or delivery timeframe. If "loco factory" delivery has not been agreed, the Supplier is obliged to prepare goods during relevant timeframe, taking into consideration a typical loading and forwarding time, and notify about completion of its preparation, if the Supplier does not order the shipment of goods based on arrangements made.
- 3.10. Due to delivery planning referred to in point 3.1, the delivery dates and schedules are defined and final and, therefore, late or earlier deliveries are not acceptable. TAKT may reject goods delivered prior to the prospected delivery date or in a quantity higher than the prospected quantity, at expense and risk of the Supplier or charge the Supplier with storage costs, postponing payment for goods delivered without orders placed.
- 3.11. The Supplier is in delay at the moment of exceeding the agreed delivery schedules and dates, without setting another time to deliver goods. In case of delay, TAKT may rescind from the contract or request compensation in place of services. The compensation will include, among other things, additional costs of transportation, lost profits and additional expenditures on purchase of substitute goods which have not been delivered, and which has constituted a breach of a contract.
- 3.12. In case of deliveries delayed due to force majeure events, TAKT will undertake the following activities, using performance measurement, if lower than 98% of the plan, the applied penalty will equal 5% of the value of goods that have not been delivered, until reaching 100% whilst obtaining deliveries from another sources and at any other moment, with a portion of all ordered goods/ details, at the Supplier's expense and risk and notifying the Supplier about this fact. In addition, TAKT may claim compensation to be determined in compliance with the following criteria which the Supplier knows and accepts:
 - 3.12.1. if the failure to deliver goods or delay in delivery of goods results in suspension of TAKT's manufacturing process, it may charge the Supplier with costs of unused labour, taking into consideration fixed costs, apart from major damage in case the failure to deliver goods or delay in delivery of goods will cause damage to the schedule of deliveries to TAKT's Clients,
 - 3.12.2. In case TAKT's clients incur significant losses due to delay, for example delay or suspension of the manufacturing process, which will not be possible to be recovered against agreed plans, TAKT may terminate a contract executed with the Supplier based upon a written notice filed with the Supplier, with immediate effect, without losing a right to compensation referred to in point (a) hereinabove.
- 3.13. TAKT will not be held liable in case of strikes, fires, demonstrations and other circumstances beyond control of TAKT, which prevent from acceptance of deliveries or result in decrease in demand for ordered materials.
- 3.14. In case of a force majeure event, TAKT and the Supplier will promptly and within relevant extent provide necessary information and adjust their obligations to the terms and conditions amended in good faith.

4. AUTHORIZATION AND GUARANTEE.

4.1. The Supplier will ensure that goods will comply in terms of quality, against the arrangements and declarations made in shipping documents. If any quantity discrepancy or defect in the delivered goods is reported during inspection of deliveries and manufacturing process, TAKT stipulates a right to cancel such order or request that the price be reduced. TAKT may also apply any of the following solutions:

4.1.1. to accept the reported quantity discrepancies, including an option to change quantities of consecutive deliveries,

4.1.2. request the Supplier to promptly deliver missing portions of deliveries and cover any and all costs thereunder.

In case of any discrepancy between shipping documentation and actually delivered quantity of the ordered goods, TAKT may, at the Supplier's expense, undertake preventive measure and/or request that the damage caused be remedied.

It is agreed that in case any defective goods are delivered, TAKT may conduct delivery inspection, or cause that 100% of delivery be inspected, without any prior notice, and charge the Supplier with costs of such inspection.

In case of repeating discrepancies in deliveries, TAKT stipulates a right to cancel consecutive delivery orders, even if already agreed and authorized.

4.2. The Supplier hereby guarantees that the delivered goods are free from any defects, damages, irregularities, in terms of raw materials used and installation defects, at any moment before, during, after their usage by TAKT for the purpose of manufacturing process, until the guarantee period agreed with TAKT's Client.

4.3. In case of an urgent need to execute a manufacturing order, TAKT stipulates an option to select a defective good or purchase good/ service with another company, but the Supplier will be charged with costs which TAKT will incur thereunder. If selection is not possible for too high number of defective packages, the Supplier may be charged with costs of complaint in respect of delay in execution of an order for TAKT's client. The Supplier is not entitled to compensation for processing a defective material.

4.4. For hidden defects reported at the moment of actual usage of goods, a request for compensation proves reasonable. Visible defects will be reported to the Supplier within 7 working days from the date of delivery of goods to TAKT. For other defects, a complaint is considered reasonable if occurs within 14 days from the date of reporting a defect when using the goods or during delivery inspection.

4.5. Defects in Supplier's goods reported at the Client. Should any defects be reported in the ordered goods that have been delivered by the Supplier, TAKT stipulates a right to charge the Supplier, as compensation for defectiveness of the ordered goods, with costs of installation/ disassembly and any costs, which TAKT has been charged by its clients.

4.6. Liability for product.

If any charges are pressed against TAKT, at any moment by any third parties or domestic or international authorities, in respect of its failure to comply with security, health, environmental protection or any other regulations, as a result of proven defectiveness, non-compliance, non-reliability or non-compliance with security standards by the good offered by TAKT's Client, manufactured using the Supplier's goods or service, as caused by the ordered goods, the Supplier will bear consequences thereof and hold TAKT harmless and defend it against liability towards any competent authorities and affected third party.

- 4.7. The Supplier's guarantee and liability will terminate upon expiry of a 24-month term or after manufacturing a finished good using the delivered material.

5. INSPECTION AND PATENTTS

- 5.1. TAKT may conduct any and all inspections of quality system, logistics and delivery processes in respect of deliveries executed on the basis of a specific order. The Supplier will make its manufacturing plants available at any time to TAKT's representatives and provide them with any and all information and necessary assistance. The same requirement is applicable to sub-suppliers.
- 5.2. If patterns are to be delivered for the order to be executed in an appropriate manner, these patterns will be performed in compliance with TAKT's guidelines.
- 5.3. The Supplier will conduct, apart from any and all attempts specified in and required under the documentation and standards indicated by TAKT, any and all other tests and inspections, which TAKT considers necessary for the purpose of verification, certification and assurance of compliance of the ordered product, and produce, upon request, a written report on all the foregoing examinations. TAKT may not accept the commencement of deliveries of the ordered products, until the Supplier explains all the doubts and stipulations related to the quality of goods.
- 5.4. The Supplier will ensure appropriate conditions, relevant resources and manufacturing processes, in order to ensure delivery of goods and services ordered by TAKT, which will comply with the arrangements and will be free from any defects. The Supplier will confirm quality and ensure that all goods forwarded to TAKT comply with relevant requirements.
- 5.5. If the ordered goods are subject to Polish laws and regulations as well as the product safety regulations, the Supplier will apply traceability procedures that will satisfy the requirements determined by TAKT.
- 5.6. The Supplier will not introduce any modifications to the design, material and manufacturing venue into the manufacturing process of the ordered goods, without a written authorization of TAKT.
- 5.7. The Supplier will ensure that TAKT will not, in relation to delivery and use of goods, violate patents or any rights of third parties. The Supplier will inform TAKT about each breach of laws and regulations, if any. Unless the Parties agree otherwise under these General Terms and Conditions of Purchase, the Supplier will be responsible for remedy of damage suffered by TAKT, which occur directly or indirectly as a result of delivery of goods or for any other reason resulting from a breach of any other laws or regulations. The Supplier will be held liable for measures undertaken by TAKT in order to avoid damage (e.g. withdrawal from the market), within extent determined by law.

6. PRICES, COMMERCIAL CONDITIONS AND DOCUMENTS

- 6.1. The prices specified in the order are fixed and therefore there is no option to accept the price increase, unless such increase has been previously agreed in writing. The price specified in the order is final and binding.
- 6.2. Any and all price modifications will be first communicated and are applicable only after their written authorization by TAKT.
- 6.3. The purchase price includes, among other things, all payments due and payable to sub-suppliers,

in respect of the obligations accepted by the Supplier, and a customs fee in justified circumstances, and relevant packaging.

- 6.4. TAKT will make payments under the agreed terms and conditions and within the agreed timeframe, after receipt of accurately completed documents (in compliance with point 6.9).
- 6.5. The invoice will be forwarded promptly upon delivery or delivered in a paper form along with the supplied goods. The invoice will indicate a date, TAKT's order reference number, material delivered to TAKT, if specified in the order and unit calculator allowing for appropriate accounting and settling the invoice, if an order unit differs from a unit specified in the invoice. If these conditions are not satisfied, TAKT will not be held liable for delays in invoice processing and payment execution.
- 6.6. Unless the Parties agree otherwise, the invoice is payable within up to 60 days from the date of invoice delivery to TAKT. The invoice is issued upon accurate execution of the order. If the invoice is issued in an inappropriate manner, the Supplier will issue a relevant correcting VAT invoice or a correcting note. If the Supplier executes order in an inappropriate manner, TAKT may withhold payments or its relevant portion until the date of due performance of the order.
- 6.7. In case of delay in delivery/ forwarding an original VAT invoice, TAKT stipulates a right to make payment within the timeframe after the date indicated in the invoice.
- 6.8. The payment for the completed order is made to the bank account indicated in the invoice. The Supplier will promptly inform TAKT about any change of a bank or a bank number, but not later than within 3 working days from the date of such change. The letters concerning changes of bank account numbers or a bank will contain signatures of persons authorized to represent the Supplier and the information concerning an authorized contact person. The Supplier will provide the information specified in previous sentences in writing. Due to the Supplier's failure to disclose the information, TAKT will be released from liability for accuracy of the executed bank transfers.
- 6.9. The goods forwarded by the Supplier will contain 3 shipping documents. A shipping documents will contain the following information:
 - Supplier data,
 - product code,
 - product description,
 - shipment date,
 - order number and date,
 - number of shipped parcels,
 - measurement unit.

A document number should be a numeric code and contain materials from one order. For the materials at the stage of delivery or service/ processing, other documents indicated by TAKT should be completed. If the foregoing and other (if any) conditions are fulfilled, TAKT will not be held liable for delays in order processing caused thereby, including specifically acceptance of deliveries and timely payment.
- 6.10. The Supplier will attach material safety data sheet, specifications, technological card and attestation, if required, to the delivered materials, in an electronic or paper form, to the shipping documents.
- 6.11. The Supplier will not issue bills of exchange for payments for deliveries. If such a bill of exchange is issued without TAKT's authorization, it will not be accepted, and the Supplier will be held liable for all the damage thereunder.
- 6.12. The Parties hereby explicitly agree that the receivable related to the execution of the order will not become subject of assignment or transfer in any form whatsoever.
- 6.13. If the delivered materials are reported to contain a level of incompatible products which significantly

exceed the acceptable defectiveness, TAKT stipulates a right to suspend payments due on a specific date to the Supplier, up to an amount being an equivalent of a value of a specific portion of the order, until the moment the Supplier delivers materials free from any defects.

- 6.14. When executing the order, the Supplier will comply with appropriate laws and official regulations. The Supplier and the service will comply with the requirements set forth in occupational health and safety regulations and other relevant standards. For the agreed price, the Supplier will deliver all the security devices set forth in security regulations. In case of any doubts concerning the order executed by TAKT, it will deliver a written notification thereof.

7. TERMINATION AND AMENDMENTS

- 7.1. Any and all amendments to these General Terms and Conditions will be subject to written arrangements made between the Parties. These General Terms and Conditions of Purchase enter in force from the moment of their notification.

8. GOVERNING LAW AND DISPUTES

- 8.1. In case of any disputes related to deliveries executed on the basis of these General Terms and Conditions of Purchase, Polish laws and regulations will apply.
- 8.2. Any and all disputes will be settled in an amicable manner.
- 8.3. The Parties will make any and all attempts to reach an agreement before a court of arbitration prior to commencing litigation.
- 8.4. Any and all disputes will be settled by a court pertinent to the registered office of TAKT; TAKT stipulates a right to file a claim against the Supplier with a court pertinent to the registered office of the Supplier.

9. CONFIDENTIALITY, SAFETY AND GENERAL PROVISIONS

The Supplier will:

- 9.1. satisfy legal requirements related to the products/ goods/ services provided for TAKT; specifically, assume all liability under intellectual property law and copyright.
- 9.2. protect the obtained/ delivered information in an electronic and paper form, to which the Supplier has acquired access due to its nature of cooperation with TAKT.
- 9.3. implement effective security devices to protect the information disclosed by TAKT in an electronic and paper form.
- 9.4. implement organisational solutions which will ensure the return or destruction of information storage devices provided by TAKT at the moment of completing the realization of the order or within any other agreed timeframe.
- 9.5. reduce activities aimed at copying and disclosing information obtained from TAKT; specifically, the

foregoing refers to the information of strategic significance to the functioning of TAKT.

- 9.6. inform the employees who have access to the information disclosed by TAKT in an electronic and paper form about their liability for security of the disclosed information.
- 9.7. promptly inform a representative of TAKT, appointed to contact with contractors, about any adverse security incidents related to the information disclosed by TAKT, security breaches, as well as failures to satisfy the requirements set forth in the order (e.g. destruction, their disclosure to unauthorised persons).
- 9.8. implement the activities determining the principles and rights of access of the Supplier's employees to the information disclosed by TAKT in an electronic and paper form and supervision over the compliance with these principles.
- 9.9. store the records confirming the execution of the order placed.
- 9.10. monitor the functioning of security activities and existing security devices as implemented in respect of the assets provided by TAKT to the Supplier.

10. TERMINATION OF A CONTRACT

In case of circumstances, facts and activities related to the Supplier's existing or prospective inability to regularly fulfil its obligations, TAKT may withdraw from the General Terms and Conditions of Purchase through filing a written notification with the Supplier.

In addition, if TAKT executes a right to cancel an order or terminate a contract, the Supplier will participate in defining and implementing all the activities which TAKT considers necessary, in order to avoid the circumstances where suspension of deliveries from the Supplier will cause cease or stoppage in the TAKT's or TAKT's clients' manufacturing process.