

General Conditions of Sale and Delivery
EURO-LOCKS Sp. z o.o. with its registered offices in Ruda Śląska

1. General provisions

- 1.1. General Conditions of Sale and Delivery (hereinafter GCSD) define detailed rules of concluding agreements of sale and delivery of goods offered by EURO-LOCKS Sp. z o.o. WITH its registered offices in Ruda Śląska.
- 1.2. Definitions included in General Conditions of Sale and Delivery:
 - 1.2.1. **GCSD** - General Conditions of Sale and Delivery;
 - 1.2.2. **Seller** - EURO-Locks Sp. z o.o.
 - 1.2.3. **Buyer** - any entity not being a consumer within the meaning of art. 22¹ of the Civil Code that placed with the Seller an order for the goods offered by Euro-Locks Sp. z o.o.,
 - 1.2.4. **Order** - a declaration made by the Buyer to the Seller, including the will to conclude an agreement.
 - 1.2.5. **Delivery** sale of goods which are in the current offer of the Seller
- 1.3. These Conditions are an integral part of all transactions concluded with the Seller, including supplementary or substitute deliveries in the scope of goods offered by the Seller.
- 1.4. In the event of discrepancies between the contractual provisions agreed by the parties and these Conditions, applicable shall be the contractual conditions of sale agreed by the Parties.
- 1.5. These Conditions are available for the Buyers at the Seller's website: www.euro-locks.pl, or upon the Buyer's request, in a customary form for the parties, e.g. sent via e-mail, fax or handed over along with the first delivery.
- 1.6. The Seller reserves the right to modify unilaterally these Conditions. Such information will be published at the Seller's website: www.euro-locks.pl within 14 days before becoming effective, or it may be made available to the Buyers in a customary manner and form.

2. Offer.

- 2.1. Unless the Seller reserved otherwise, the proposal of sale made to the Buyer by the Seller is valid for 60 days from sending it by the Seller. None of such proposals (including proposals called an 'offer') is not an offer of sale binding upon the Seller - within the meaning of the civil code, but only a proposal of placing an order by a potential Buyer. The price proposed by the Seller does not include the costs of any possible certificates, approvals, tests and packaging of the goods which could be required by the Buyer, which costs will be added to the price of goods unless the parties agree otherwise.
- 2.2. Any plans, photographs, drawings or data presented in any way by the Seller - in particular those referring to weight and dimensions of the offered goods, are not an offer within the meaning of the Civil Code, and thus they are not legally binding, unless the given document states that they are defined as binding.
- 2.3. The Seller reserves the ownership title and copyrights of cost estimates, drawings and any other materials disclosed while presenting the Seller's goods in any form, and they may not be made available to any third parties without the Seller's written consent.

- 2.4. The Seller shall not be liable for operation of the products made according to the drawings, models, designs etc. provided by the Buyer.
- 2.5. The Buyer guarantees that the supplied drawings, templates, executive designs do not breach any third parties' ownership rights, and the Seller is not obliged to inspect whether the received drawings, designs or models breach any third parties' ownership rights in the event of executing them.
- 2.6. Models of the offered articles are provided to the Buyers against charge or according to separate arrangements.
- 2.7. In the event of any third parties' claims against the Seller relating to omissions or actions taken by the Buyer regarding these Conditions. The Seller shall immediately inform the Buyer of any claims made against the Seller, and the Buyer shall take all actions aiming to eliminate the dispute and the Buyer shall cover all the costs related to such claims. In particular, in the event of taking a legal action against the Seller, the Buyer shall join the proceedings as a defendant, and if it is not possible, it shall take a secondary intervention on the Seller's side. In the above case, the Buyer shall cover all the costs which will be charged against the defendant according to the court decision.

3. **Specification of goods**

- 3.1. All technical data of the goods, in particular their dimensions, conversion values, sizes resulting from materials presented by the Seller are indicative estimates and they are applicable only within the scope accepted by the both parties.
- 3.2. The Buyer shall be obliged to know the technical parameters of the ordered goods. The Seller supplies the goods according to the placed order and it shall not be liable for their further use by the Buyer.
- 3.3. Models and samples of goods offered by the Seller are only for illustrative purposes.
- 3.4. The goods offered by the Seller comply with applicable European and Polish standards.

4. **Order**

- 4.1. The transaction between the parties is concluded based on the order submitted by the Buyer. The order should be sent to the Seller in writing, electronically (e-mail or fax) or any other, customary form.
- 4.2. An agreement of sale is concluded at the moment of the Seller's confirmation of accepting the order for processing.
- 4.3. Order confirmation is available to the Buyer at the Seller's website after logging on to 'orders' tab - www.euro-locks.pl/zamowienia Login and password is agreed by the parties upon the Buyer's request.
- 4.4. Failure to reply to the Buyer's order shall not be interpreted as acceptance of the order.
- 4.5. The order should include the following elements:
 - 4.5.1. Name of the company, exact address, number and place of entering the Buyer in the register of business activity or company register, VAT id number;
 - 4.5.2. Reference to a possible offer, or arrangements with the Seller's authorised representative.
 - 4.5.3. Ordered quantity (possibly determine minimum and maximum values);
 - 4.5.4. Type of the ordered product, citing the Seller's reference number of supplied sample;
 - 4.5.5. Specification of all essential elements and dimensions of the product;

- 4.5.6. Dates, place and conditions of goods delivery;
 - 4.5.7. First name, surname and business phone number of the ordering party.
- 4.6. Placing an order by the Buyer is equivalent to reading, accepting and expressing consent to being bound by these Conditions.
 - 4.7. The placed order is binding upon the parties from the moment when the Seller confirmed it.
 - 4.8. It is assumed that persons signing the order are duly empowered and authorised to act on behalf of the Buyer. Placing an order by an unauthorised person or exceeding the scope of authorisation does not result in ineffectiveness of the order and it is still binding upon the Buyer. The Seller shall not be liable for any effects of such an order, both to the Buyer or any third parties.
 - 4.9. In the event of the Seller's accepting the order with reservations, the Buyer shall be bound with the contents of such reservations, unless the Buyer presents promptly its possible remarks. Prompt presentation of such remarks shall be considered as placing a new order, and the provisions of previous sentences shall apply respectively.
 - 4.10. The fact that an order has been accepted shall not be binding upon the Seller if due to reasons beyond its control, in particular force majeure, or the Buyer's or third parties' (including the seller's suppliers) conduct, delivery and sale of goods is impossible or significantly hindered.
 - 4.11. Order acceptance shall not be binding upon the Buyer also if the Buyer's aggregate liabilities to the Seller exceeded the amount of merchant credit possibly granted to the Buyer by the Seller, or if the Buyer is in default with any payments to the Seller.
 - 4.12. if the Buyer orders non-standard goods, i.e. the ones which are not on the Seller's current stock, as well as tools and equipment necessary to make them, the Buyer shall pay an advance payment which shall at all times be agreed with the Seller depending on the expenditures to covered by the Seller. The advance payment shall be counted towards the Ordering Party's liabilities and if the Buyer fails to collect the goods, it shall be retained by the Seller as a contractual penalty.

5. **Delivery date**

- 5.1. The volume of deliveries is determined by confirming the order by the Seller. Any additional arrangements or possible modifications of the order, to be valid, require the Buyer's written notice and the Seller's confirmation.
- 5.2. If products are ordered, which are not in the catalogue offer, manufactured e.g. according to the Buyer's drawings, templates or models, then the ordered value may be increased or decreased by approximately 10%. The parties consider such delivery to be in compliance with the agreement. Payment due for the delivery is calculated according to an actually delivered quantity of products.
- 5.3. Partial deliveries are admissible, which are justified from the seller's point of view.
- 5.4. Concerning tolerances of dimensions, weight and other parameters generally applied standards for specific product types are applied.

6. **Delivery and dates.**

- 6.1. The delivery date stated in the order or agreed in order confirmation, starts from the date of accepting order, and if the Buyer is to provide the Seller with the necessary materials and documents (permits, decisions etc.) - from the date of providing them.

- 6.2. If the payment conditions provide for an advance payment, the delivery date may be extended by the period of delay in making such part of payment.
- 6.3. The delivery date is deemed to be met if by its lapse, the object of delivery has been accepted by the Buyer or if readiness for its acceptance has been reported.
- 6.4. The delivery date is extended respectively in the event of circumstances related with collective dispute at the Buyer's, in particular a strike or a lockout, and in the event of force majeure events, if such hindrances affect production or shipment of object of the delivery.
- 6.5. If the delivery date is delayed upon the Buyer's request, the Seller shall be authorized to set a new date and after its ineffective lapse, to other type of managing the delivery object and/to effect the delivery to the Buyer in an appropriately extended time.
- 6.6. Subject to provisions of the subsequent items, if delay in delivery or acceptance involves a serious damage to the party that is not guilty of such a delay, the suffering party has the right to withdraw from the agreement in writing. If the delay refers only to a single item of goods within the delivery, it is possible to withdraw from the agreement only with reference to such item of goods.
- 6.7. If the delivery date is postponed due to circumstances for which the Seller shall not be liable, in particular circumstances provided for in these General Conditions of Sale and Delivery, the Seller may postpone subsequent deliveries proportionally and it shall not be liable for the effects of such postponement.
- 6.8. If the Seller's delay in the delivery refers to non-standard goods (i.e. not in the Seller's offer or made on plans, photographs or drawings delivered by the Buyer), the Buyer may withdraw from the agreement only if the delay was significant and justified. If the party does not exercise promptly its right to withdraw from the agreement, the delivery date indicated in the notice of delay sent by the Seller is the new delivery date binding upon the parties.
- 6.9. Damages on account of delay in delivery may be paid only if the Buyer withdrew from the agreement for such reason and if a special written memorandum of understanding has been signed on this occasion. Any possible claims for damages shall be presented by the Buyer in writing no later than within one month from the moment when the delivery should have taken place according to the agreement. Failure to present claims within the aforesaid time limit is equivalent to waiving such claims irrevocably.

7. **Price and payment.**

- 7.1. All product prices provided by the seller do not include VAT or costs of transportation.
- 7.2. If prices are determined in another currency than Polish zloty (PLN) then the price in the invoice will be the PLN equivalent of the given currency according to average exchange rate of such currency announced by the National Bank of Poland on the date preceding the date of releasing the invoice.
- 7.3. If after concluding the agreement, any import fees are introduced, or fees related with intracommunity purchase of goods, a tax or any other public levy, or if such fees, taxes or levies are subject to change, or prices of raw materials, or exchange rate change by more than 5% (five per cent), the Seller may modify the price respectively even if this was not considered in the agreement between the Parties.
- 7.4. Payment shall be made in the form and on the date indicated in the invoice, as agreed by the parties.
- 7.5. With first orders, payment is made upon receipt of the delivery, or as a prepayment by a bank transfer on the basis of the issued pro-forma invoice, subject to arrangements with the Seller. The above mode is applicable until the Seller's authorised representatives adopts different regulations. If the goods are not released / received within 7 days from

- the date of making prepayment or advance payment, the Seller shall issue an advance payment invoice for the Buyer.
- 7.6. With subsequent orders, after verification and decision made by the Seller's authorised representative, the Buyer shall make payment without any deductions, by bank transfer to the Seller's account within the time limit stated in the invoice (also in the case of partial deliveries).
 - 7.7. It is inadmissible to suspend payments or counting the delivery towards the Buyer's claims against the Seller without a prior written consent of the Seller.
 - 7.8. The payment date shall be considered to be the date of crediting the Seller's bank account.
 - 7.9. In the event of delay in payment, the Seller has the right to charge statutory interest according to applicable rates.
 - 7.10. If the Buyer fails to receive the goods within the agreed time limit, for reasons not attributable to the Seller, the price and other benefits must be paid as if the goods were released according to the order.
 - 7.11. If the Buyer fails to fulfil any of its obligations within three months from the lapse of the agreed time limit, the Seller is entitled to withdraw in writing from the agreement without any prior notices sent to the Buyer. In the event of such withdrawal from the agreement, the Buyer shall be charged with a contractual penalty calculated as the equivalent of 50% (fifty per cent) of the gross price for the goods covered by the order not effected by the Buyer.
 - 7.12. After the time limit specified in the preceding sentence, the Buyer may also, retaining the right to withdraw from the agreement at any time, store such goods in any place at the cost and risk of the Buyer and to demand that the Buyer should perform the agreement and additionally pay the aforesaid costs of warehousing and a contractual penalty as in the case of withdrawal from the agreement (50% of the gross price of the goods).
 - 7.13. Notwithstanding the preceding paragraphs, the Seller may claim damages to the extent that the suffered damage exceeds the amount of reserved contractual penalties.
 - 7.14. If there are justified grounds to assume that the Buyer will not fulfil its payment obligation, the Seller may demand - prior to releasing the goods and regardless of the due date agreed previously - payment of the entire amount in cash or grant specific guarantees or securities of payment.
 - 7.15. Any possible objections, remarks or complaints made by the Buyer and the process of handling them do not suspend the course of due date.
 - 7.16. The Supplier is entitled to modify the prices of offered products in the manner determined in sec. 1 item 1.7. of GCSD.

8. Transfer of risk.

8.1. If the goods are sent to the Buyer's address through a carrier, the benefits and burdens that relate to the object and the risk of accidental loss or damage of the goods shall be transferred to the Buyer as of releasing such goods to the Buyer or as of notifying about the goods readiness to be accepted by the Buyer. If as of the day of accepting the goods from the carrier the Buyer discovers a difference between the actually delivered goods and the goods specified in freight documents, or it will discover damage of the goods, the Buyer should immediately enter its reservations in the carrier's waybill copy or in the specification of goods at the same time obtaining confirmation (signature) of the carrier's representative. Such actions are to settle rules and the scope of possible carrier's liability. The Buyer's failure to comply with the abovementioned conditions will entail:

- 8.1.1. waiving its rights under statutory warranty [*Polish: rękojmia*] for the goods physical defects – in the case of goods damages or absence of component parts, especially such as nuts, etc.;
- 8.1.2. its consent to amend the concluded agreement in the part relating to designation of its subject and price – in the case of differences between the delivered goods or their quantity and the goods that were entered into the waybill or specification.
- 8.2. If the Buyer collects the goods with its own means of transportation, transfer of benefits and burdens that relate to the object and the risk of accidental loss or damage of the goods to the Buyer takes place as of releasing the goods from the Seller's warehouse. The person accepting the goods on behalf of the Buyer should have a written authorisation issued by the person authorised by the Buyer to represent it.
- 8.3. If the Parties' arrangements do not include detailed information in respect of the goods quality and packaging, it will be presumed that the goods of quality corresponding to average requirements of a specific goods grade and type should be delivered and that they should be packed and unpacked – according to applicable regulations and standards effective at the Seller's company or its carriers' companies. The cost of a different packaging from the one specified above in item 8 section 8.3., which was demanded by the Buyer will be charged to the Buyer at the price of the Seller's internal costs. The Buyer may also be charged with the costs of demanded coverage or insurance of the goods for the period of transport.
- 8.4. With its signature in the presence of a driver, the Buyer shall be obliged to control and confirm the conformity of goods with the order regarding their quantity and quality. Any discrepancies are recorded in the waybill or other document of a complaint nature.
- 8.5. Upon the Buyer's request, the Seller may insure the goods at the Buyer's cost from theft, failures related to damage, occurred during transportation or any other risks that are covered by the insurance. The scope of insurance is determined by the Buyer.
- 8.6. If the goods acceptance is delayed due to reasons attributable to the Seller, the risk is transferred to it as of the day of the readiness for delivery. Upon the request and at the cost of the Buyer, for and on behalf of the Buyer, the Seller may conclude insurance agreements in the demanded scope.
- 8.7. The goods delivered under the concluded agreement, even if bearing minor defects, should be accepted by the Buyer, regardless of rights resulting from item 10 of the Conditions.
- 8.8. In the case of unjustified withdrawal from the order by the Buyer, the shipment and return shipment costs will be covered by the Buyer.

9. Retention of title.

- 9.1. The Seller reserves the right to ownership of the delivery object until all Buyer's dues to the Seller have been settled.
- 9.2. In the case of the Buyer's acting contrary to the agreement, in particular in delay of payment, the Seller is entitled to collect the delivery object after a written request, and the Buyer shall be obliged to release it. Collecting and seizure of the delivery object by the Seller means withdrawal from the agreement only when the Seller expressly states that in writing. The Buyer immediately informs the Seller about seizure of the delivery object and other claims of third parties to the delivery object.
- 9.3. Until the payment of all dues, the Buyer may neither pledge nor transfer the delivery object to secure loan payment. In the case of seizure, confiscate or other disposal of the delivery object by the third parties, the Buyer shall be obliged to inform about that the Seller immediately.

10. Liability for defects.

- 10.1. The Buyer shall be obliged to control in particular the shipment (freight) condition and quality, quantity and stock of the delivered goods immediately after their delivery (release) and to

make an appropriate annotation in the waybill or another proof of releasing goods, and also to inform the carrier immediately (according to appropriate freight regulations) and the Seller (according to effective complaint procedures that are in force at the Seller), in writing, about any possible reservations in this respect, and to enable the Seller's representative to inspect, on immediate date, the intact goods. The Buyer's collection of goods without inspecting them or not reporting any reservations immediately after inspecting the goods will be considered as confirmation that the goods have been delivered appropriately, in the correct quantity, and they are of appropriate features and properties.

10.2. If due to packaging type or another reason, it is objectively impossible to perform the immediate inspection of the delivered goods, the acceptance inspection should include at least the waybill, quantity and the packaging condition, data relating to goods designation on the packaging and damages visible from outside. Immediately when it becomes objectively possible, but no later than upon the goods unpacking, before they are used, the detailed, full inspection of the goods should be performed.

10.3. If it is not possible to ascertain the goods defects upon their acceptance or during their inspection performed according to the preceding provisions, in compliance with the highest professional diligence, then the period for filing a complaint shall be seven days from noticing the defect while maintaining the highest diligence.

10.4. Under the pain of forfeiting the right to pursue any claims from the Seller for goods defects or non-compliance of delivery with the order or its confirmation – the Buyer shall be obliged to complete all formalities stipulated in the abovementioned items, in particular it shall be obliged to inform the Seller about discovered abnormalities promptly after their discovery and no later than when according to the above provisions, discovery of abnormalities was not possible.

10.5. The Seller shall be responsible for defects of materials delivered by the Buyer only if the discovery of defect was not possible despite maintaining the due diligence.

10.6. If a delivery is delayed not at the Seller's fault, liability for defects expires no later than within 24 months from risk transferring.

10.7. During production according to the Buyer's drawings, the Seller shall be liable only for performance according to drawings.

10.8. Application of art 556 of the Civil Code is excluded with reservation of the undermentioned provisions.

10.9. The Seller shall not be liable for defects that arise on the subject of sale in particular on account of the following reasons: inappropriate or improper use, incorrect installation or launching by the Buyer or third parties, natural wear, wrong or careless use, inappropriate use, chemical, electro-chemical or electrical operation, incorrect assessment of the goods' appropriation by the Buyer and resulting from that improper choice of products to its needs, stealing of material goods, from installations the component part of which are goods delivered by the Seller, shortages in goods that do not cause the loss of their usefulness (e.g. lack of the producer's logo, difference between the goods colour and the one presented in the visual offer published on the Seller's website, manufacturing the component parts of the goods from different metal alloys than previous, etc.).

10.10. In order to perform all amendments and replacement deliveries considered by the Seller as necessary, the Buyer in agreement with the Seller should make it possible and determine a necessary period for that, otherwise the Seller is exempted from the liability for defects.

10.11. In relation to changes or repairs of the delivery object performed inexpertly and performed by the Buyer or third parties without prior Seller's consent, the Seller's liability for their results shall be waived.

10.12. The Seller shall not be liable for consequential losses or lost profits.

10.13. The exclusion of liability does not relate to cases of intentional damage or gross negligence of the Seller or its employees, for which it shall be liable.

10.14. The abovementioned also does not relate to cases when the subject of delivery lacks properties which were expressly promised, if the promise was to prevent the Buyer from damages which did not arise in the delivery object.

11. The Buyer's right to withdraw from the agreement.

11.1. The Buyer may withdraw from the agreement if it is impossible for the Seller to execute entire obligation before the risk passing date.

11.2. The Buyer may withdraw from the agreement also when it is impossible to execute part of the order or when it has a justified benefit from rejection of the partial delivery. However, the Buyer may accept the partial delivery and reduce the consideration respectively.

11.3. If there is a delay in an obligation, and the Buyer sets to the Seller an appropriate additional period and will expressly state that after expiration of such period it will reject acceptance of the obligation and when the additional period is not complied with, the Buyer is entitled to withdraw from the agreement.

11.4. If the Seller's obligation becomes impossible to fulfil due to the Buyer's fault or when the Buyer is in delay with collection of goods, it shall be obliged to exercise the mutual consideration.

11.5. What is more, the Buyer is entitled to withdraw from the agreement if the Seller, by its fault, causes expiration of the additional period to perform the repair or a replacement shipment in relation to defects for which it is liable under these Conditions.

11.6. The Buyer's right to withdraw from the agreement will also be maintained in other cases of unsuccessful repair or ineffective replacement shipment.

12. The Seller's right to withdraw from the agreement.

12.1. In the case of unforeseen circumstances, if they significantly change the economic meaning or content of the obligation or have a significant effect on the Seller's activity, as well as in the case of posterior exposure of the impossibility to perform the obligation – the Parties will adequately adjust the provisions of the agreement. If it is not be justified from the economic point of view, the Seller is entitled to withdraw from the agreement completely or partially.

12.2. The withdrawal, specified in item 12 section 12.1. does not provide the Buyer with basis to file claims for compensation. If the Seller wishes to exercise the right of withdrawing from the agreement, it shall be obliged to inform the Buyer immediately also when at first the extension of the delivery period has been agreed with the Buyer.

12.3. The Seller is entitled to withdraw from the agreement in the case of the Buyer's delay in paying the invoice, exceeding 14 working days.

13. Court jurisdiction.

13.1. The Parties undertake to settle any disputes arising pursuant to execution of the sale conditions, amicably through mutual negotiations.

13.2. If it is not possible to reach a satisfactory agreement for every dispute resulting from application of the Conditions, a locally competent court is the court having its jurisdiction over the Seller's seat.

14. Final provisions.

14.1. In all matters not settled in the sale conditions, the provisions of the Civil Code shall apply.

14.2. All information included in the sale conditions and obtained in relation to their performance constitute the Seller and Buyer's secret – pursuant to the Act on unfair competition (*Journal of Laws of 2003 no. 153, item 1503 as amended*). The Parties and persons performing work

for them in any form and persons through whom the parties will execute mutual duties are obliged not to disseminate information of technical, technological, organisational and commercial nature that constitute the trade secret, under the pain of civil and criminal liability.

14.3. The Seller informs the Buyer that has the protection rights to trade marks.

14.4. If any provision of the conditions turn out to be invalid or ineffective, this will not have an influence on validity of their content. Invalid or ineffective provisions shall be replaced by provisions of the law regulations which are most parallel in content.

14.5. To each sale agreement, pursuant to which the Seller will sell to Buyer any goods the General Conditions of Sale and Delivery shall apply (unless the Buyer was informed about these in any form or could easily read them and if the parties excluded in writing application of all or some of these Conditions) and – in the scope not stipulated in the General Conditions of Sale and Delivery – appropriate provisions of the Labour Code and other mandatory legal acts.

14.6. Notwithstanding the contents of the General Conditions of Sale and Delivery, the agreement between the parties may be subject to an appropriate modification in the case of introduction of mandatory legal acts from which the parties' duties will result. In particular, the Seller may refer to any modifications of provisions and circumstances which could lead to the change of operating costs or charges of public-legal nature, or modification of the conditions of the Seller's offer, or agreement already concluded between parties but yet not performed by the parties.

14.7. With the reservation of other provisions of the sale conditions which impose on the parties the obligation to use the written form for declarations filed in relation to their performance, any other notifications or declarations filed by the parties may be sent by an e-mail or may be submitted personally, by fax, approved courier company or a registered letter (against payment or confirmation of receipt, in the case of fax against, subject to transmission confirmation).