

**General Conditions for Delivery**  
**ELHURT Sp. z o.o.**

**§ 1 Purpose**

1. These General Conditions for Delivery (hereinafter: "GCD") apply to the purchase of goods, materials or services (hereinafter: Deliveries) from suppliers (hereinafter: "Suppliers") by Elhurt Sp. z o.o. with its headquarters in Gdańsk, ul. Galaktyczna 35a, 80-299 Gdańsk, entered into the Register of Entrepreneurs of the National Court Register run by the District Court Gdańsk - Północ in Gdańsk, VII Commercial Division of the National Court Register under number: 0000204930, with the share capital in the amount of PLN 1,500,000 (hereinafter: "ELHURT").
2. These GCD constitute the exclusive basis for the execution of all Deliveries for ELHURT and they form an integral part of contracts concluded and orders placed by ELHURT in this respect. Other general commercial conditions or similar documents used by Suppliers shall be binding only if they are expressly accepted by a person authorized to represent ELHURT according to current information from the National Court Register, each time in relation to a single Delivery, in writing or via e - mail, on pain of nullity. ELHURT's consent to the application of other general commercial conditions cannot be presumed on the basis of the very fact of silence or lack of an explicit objection of ELHURT, a payment of remuneration or an acceptance of a Supplier's offer.
3. The contents of orders placed by ELHURT, an offer accepted by ELHURT or a contract concluded, together with technical specifications and these GCD constitute the entire agreement between ELHURT and a Supplier, and in the event of a discrepancy with the contents of an offer or previous negotiations and arrangements, shall prevail, unless expressly stated otherwise - in writing or via e - mail, on pain of nullity. In the event of a conflict between these GCD and the contents of an order submitted by ELHURT, the contents of the order shall prevail, subject to item 2 of this paragraph.
4. These GCD form an integral part of the contract between ELHURT and a Supplier and bind the Parties without the need to submit a separate statement in this regard. If the GCD have not been attached to an order placed by ELHURT, a Supplier is bound by the GCD in the wording published on ELHURT's website: [www.elhurt.com.pl](http://www.elhurt.com.pl), valid on the day of submitting an offer by a Supplier, placing an order by ELHURT or entering into a contract.
5. Placing an offer by a Supplier, accepting an order submitted by ELHURT or proceeding to perform an order in any way means an acceptance of all provisions of these GCD. ELHURT's offer can only be accepted without any reservations. ELHURT does not enter into contracts under the conditions specified in art. 385<sup>4</sup> of the Civil Code.
6. These GCD applied to one Delivery are binding for the execution of all Deliveries henceforth, regardless of whether ELHURT refers to them when placing an order.
7. These GCD were adopted by the resolution of the ELHURT Board of January 2, 2018 and they are valid for an indefinite period, until they are amended or replaced by new GCD.

**§ 2 The scope of deliveries**

1. The scope of deliveries shall be specified each time in an offer accepted by ELHURT, an order placed or a contract concluded.
2. ELHURT is entitled to withdraw from a contract or cancel an order by a declaration made in writing or via e-mail:
  - a. in each case, but not later than within 5 business days from the day of concluding a contract, placing an order or accepting an offer of a Supplier;
  - b. regardless of point a above, each time within 3 business days from the date of receiving from a Supplier information on the necessity to change the date or scope of a Delivery;

- c. regardless of points a and b above, in each case under conditions agreed on individually or applied as standard by a Supplier.
3. In the cases referred to in item 2 above, a Supplier shall not be entitled to any claims against ELHURT.
4. At any time ELHURT is entitled to change the scope of a Delivery. If the changes introduced entail additional costs for a Supplier or the necessity to adapt a Delivery schedule, then the Parties shall establish new conditions for Deliveries, and ELHURT shall not be liable towards the Supplier for non-performance or improper performance of the contract.
5. In the event of a disagreement between the Parties as to the new conditions for Deliveries, ELHURT is entitled to withdraw from a contract or cancel an order, by a declaration made in writing or via e-mail, within 30 days from the date of completing the negotiations regarding the amendment of the conditions for Deliveries. In this case, a Supplier shall not be entitled to any claims against ELHURT.

### **§ 3 Conclusion of a contract**

1. All costs related to the preparation of calculations, quotations, offers, negotiations, and the conclusion or amendment of a contract shall be borne by a Supplier.
2. Conducting negotiations with a Supplier and submitting an inquiry or request for a quotation are for the sole purpose of verifying or clarifying the terms of a potential cooperation, and do not give to a Supplier any claims to conclude a contract.
3. To conclude a contract with ELHURT, a clear statement expressed by ELHURT in writing or via e-mail, on pain of nullity, and a Supplier's acceptance of these GCD are necessary, subject to § 1 item 2.
4. A contract may be concluded in the form of:
  - a. a written contract concluded between ELHURT and a Supplier;
  - b. a unilateral order signed by ELHURT or a Supplier's offer accepted by ELHURT. In the case of orders placed by ELHURT a Supplier is obliged to submit to ELHURT via e – mail a statement confirming whether he accepts an order for execution or refuses to perform the order, within 3 business days from the date of placing the order. The lack of response within the indicated time is equal to a consent and accepting the order for execution.

### **§ 4 Manner of executing Deliveries**

1. The place for the execution of Deliveries is the seat of ELHURT, unless ELHURT explicitly states otherwise in writing or via e - mail, on pain of nullity.
2. ELHURT is entitled to change the place for Deliveries at any time, however, with prior notice enabling the proper execution of a given Delivery.
3. For each order, an offer placed or a contract concluded, a Supplier must indicate to ELHURT a contact person for the matters related to the execution of a Delivery and a person responsible for the quality of Deliveries.
4. The person designated for contact by a Supplier must be authorized to act on behalf of and for the Supplier within the scope of the execution of a given Delivery, and any possible notifications and statements of will and knowledge from ELHURT may be directed to that person, including to the contact details provided by the Supplier.
5. The person designated by a Supplier as the person responsible for the quality of Deliveries should hold necessary permissions to enable and ensure proper representation of the Supplier in all matters related to the quality of a Delivery and provide necessary support, assistance and the possibility of

ongoing contact in connection with existing quality problems and other inconsistencies reported by ELHURT.

6. Deliveries shall be made on the day indicated in an offer accepted by ELHURT, an order placed or a contract concluded. A Supplier undertakes to comply with the Delivery schedule. A change in the date of a Delivery may only take place at the explicit consent of ELHURT expressed in writing or by e - mail, under pain of nullity.
7. Deliveries may be made at the seat of ELHURT only on business days from Monday till Friday, from 8 AM to 2 PM, excluding public holidays.
8. The condition for the acceptance and receipt of a Delivery by ELHURT is a prior notification of the arrival of a Delivery (notification of arrival) made in writing or by e-mail at least 24 hours before the planned time of arrival of the Delivery. Refusal to accept or receive the Delivery by ELHURT due to lack of the notification of arrival is not deemed a failure or improper performance of the obligation.
9. Before the agreed date of a Delivery, or outside the hours indicated in paragraph 7 above, ELHURT is not obliged to accept or receive Deliveries. In the event of an acceptance or a receipt of a Delivery before the agreed date, a Supplier is obliged to pay to ELHURT a remuneration for storing the goods in the amount of 0.05% of the net value of the goods for each day before the agreed date of the execution of a given Delivery. VAT will be added to the abovementioned remuneration in the amount applicable at the time of issuing the VAT invoice. ELHURT is entitled to deduct the remuneration for storing the goods from the remuneration due to a Supplier for the execution of any, both earlier, and future Deliveries to ELHURT.
10. A Supplier is obliged to immediately inform ELHURT of events that may result in delays of Deliveries - in writing or by e-mail. The notification does not release the Supplier from its liability to ELHURT for non-performance or improper performance of a contract.
11. In the case of the delayed shipping of a given Delivery, preventing its arrival at ELHURT's seat on the prescribed day, ELHURT may require from a Supplier, or arrange a special transport on its own, and the related costs, in particular the costs of additional, express (e.g. air transport) or dedicated transport, shall be borne by the Supplier. If these costs are initially incurred by ELHURT, the Supplier shall be obliged to reimburse them to ELHURT in full without delay.
12. In the event of delays in the execution of a Delivery, ELHURT shall be entitled to demand from a Supplier a contractual penalty of 1% of the value of a single delayed Delivery for each day of delay, while the total amount of contractual penalties for delay of a single Delivery may not exceed 30% of the value of this Delivery. ELHURT has the right to claim damages exceeding the amount of the reserved contractual penalty on the general principles of the Civil Code.
13. Notwithstanding other entitlements of ELHURT provided for in the case of delays of Deliveries, if the delay of a Delivery exceeds 3 business days, ELHURT is entitled to withdraw from the contract and resign from the Delivery in whole or in part, at its discretion. The declaration of withdrawal may in this case be filed within 14 days from the date at which the delay exceeded 3 business days. The Supplier shall not be entitled to any claims against ELHURT in the event of withdrawal.
14. In the case provided for in item 12 or 13 above, ELHURT shall be entitled to demand from the Supplier to repair the damage in full, taking into account indirect (consequential) losses, lost profits and additional costs incurred in connection with the need to obtain the object of the Delivery from third parties, including but not limited to transportation costs caused by the necessity to provide a substitute delivery on the originally set date, costs arising from negotiations and conclusion of a contract with a third party, as well as any damages and contractual penalties imposed on ELHURT due to non-performance or improper performance of ELHURT's obligations towards third parties, related to the Supplier's delay.

15. All costs related to Deliveries, including in particular, but not limited to, the costs of delivering goods to ELHURT's seat or another place of Delivery, costs of providing services, transportation costs, all taxes related to a Delivery and other public and legal charges are borne by a Supplier within the agreed price, with the exception of public and legal charges incurred by ELHURT by virtue of law.

### **§ 5 Requirements regarding transportation and packaging**

1. The delivered products should be properly packaged in a way that protects them against damage or destruction, in particular during land, air or sea transport (including transport lasting longer than a month), and the packaging should meet all standards connected with environmental protection resulting from generally applicable laws and internal ELHURT's requirements, in particular the requirements set out in these GCD.
2. For the sake of environmental protection ELHURT prefers reusable packaging, subject to other requirements set out in these GCD. Any costs connected to the use of such packaging, including costs of storage, repair, return or possible disposal of packaging, are borne by a Supplier.
3. All materials and disposable packaging should meet legal requirements for safe processing and recycling. ELHURT may in any case charge a Supplier with the costs of disposing of single-use packaging, including fillers or other internal protections, after the execution of a Delivery, unless the Supplier collects the used packaging immediately after being called to do so.
4. A Supplier should limit the amount of styrofoam in all packages.
5. The packaging should ensure correct and uninterrupted transport of a consignment and be properly closed in a way that prevents access to the contents of the consignment to third parties.
6. The size, filling, strength and type of packaging should always be adjusted to the content, shape and weight of a consignment and the nature of a Delivery. All packages must have uniform and regular shapes, and any free spaces should be minimized by using baffles and fillings or other appropriate internal security.
7. Packages must not be used earlier or damaged, and all their elements should be free from stains, dirt, foreign materials or earlier markings not related to a given Delivery.
8. Every parcel must be marked with appropriate warning labels, e.g. "caution, glass" or "this way up / down", necessary warnings regarding hazardous materials and substances as well as unit labels and collective labels.
9. The weight of a single parcel cannot exceed 30 kg. The detailed dimensions of a consignment should be agreed on with ELHURT and the contractor of the transportation service. Consignments with a weight exceeding 60 kg or consisting of more than two parcels should be delivered on pallets.
10. Particular elements of a consignment with a lighter weight should be placed on heavier elements, and the center of gravity should be properly located.
11. The quantity of goods and parcels, as well as all descriptions and markings on packaging must be fully compatible with the consignment note, and all documentation required by law regarding the delivered goods, including confirmation of correct customs clearance, should be handed over to ELHURT at the latest at the time of releasing a Delivery to ELHURT.
12. Unit labels should contain the following information and markings:
  - order number (with the issue number of the first line) - when possible;
  - name of the part according to ELHURT;
  - the name of the producer along with the factory identification (if there is more than one);
  - manufacturer part number (MPN) - if used (barcode - 128 and legible text below the code);

- Supplier's production lot identifier - e.g. data code (year, week), lot code, (bar code -128 and legible text below the code);
  - quantity in a single parcel (barcode -128 and legible text below the code);
  - when required: confirmation of compliance with RoHS2 and REACH.
13. Collective labels should contain the following information and markings:
    - order number (with the issue number of the first line) - when it is possible;
    - name of the part according to ELHURT;
    - manufacturer's name;
    - manufacturer part number (MPN) - if used (bar code - 128 and text below the code);
    - Supplier's production lot identifier - e.g. data code (year, week), lot code, (barcode -128 and text below the code);
    - quantity in a single parcel (barcode -128 and text below the code);
    - when required: confirmation of compliance with RoHS2 and REACH.
  14. All labels should be placed in a visible place on the packaging.
  15. In the case of materials, elements or products that are not delivered on reels, a Supplier should ensure that all elements of a given Delivery are on one carrier tape. The supplier may not combine materials, components or products from different production lots within one reel or tape.
  16. In the case of consignments delivered on pallets, a Supplier should only use undamaged, wooden and reusable pallets with maximum dimensions of 120 cm x 80 cm for parcels of a maximum height of 200 cm. Each parcel should be permanently attached to the pallet, in particular with a stretch foil or binding straps, and no part of it can protrude beyond the pallet. All consignments of non-standard shapes or sizes should be wrapped in a way that will not damage these or other consignments.
  17. If any element of a parcel protrudes beyond the pallet, the whole parcel must be properly secured, and all costs related to the transport of a non-standard parcel and costs related to the damage to the consignment during transport are borne by a Supplier.
  18. The number of individual parcels on one pallet and the total dimensions of the pallet must be compatible with the requirements of the contractor of the transportation service.
  19. A supplier bears all responsibility for the quality of the packaging, appropriate to the nature and contents of a parcel, and for forwarding the parcel to the contractor of the transportation service in a condition ensuring correct transport and preventing any contamination, loss, defect or damage to the parcel.

## **§ 6 Legal requirements**

1. All goods, materials, preparations and substances constituting the object of Deliveries and their elements must meet all standards resulting from the provisions of generally applicable law and ensure the correct certification of the final product. In particular, a Supplier undertakes to adhere to restrictions on hazardous, toxic or forbidden materials, as well as environmental restrictions, applicable both in this country, where the products are manufactured, and in the country where they are to be marketed.
2. A Supplier shall ensure that the goods, materials, preparations and substances constituting the object of Deliveries are free from the substances prohibited or limited by the provisions of Directive 2011/65 / EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS2) and the Regulation of the Minister of Development and Finance of December 21, 2016 on essential requirements regarding the restriction of the use of certain hazardous substances in electrical and electronic equipment (as amended or in subsequent versions). For each Delivery, a Supplier is obliged to submit to ELHURT a declaration of compliance with the above regulations together with the

results of tests carried out in this respect, and a mark of compliance with RoHS2 should be on each individual parcel constituting the object of a Delivery.

3. A Supplier guarantees that the preparations, substances or other materials and goods which he produces or launches do not adversely affect human health or the environment, and that the Supplier adheres to all the requirements, obligations and standards resulting from the EC Regulation No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the creation of the European Chemicals Agency, amending Directive 1999/45 / EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94, as well as Council Directive 76/769 / EEC and Commission Directive 91/155 / EEC, 93/67 / EWG, 93/105 / EC and 2000/21 / EC (as amended). In particular, the Supplier undertakes, for each substance or material being delivered, to deliver to ELHURT the Material Safety Data Sheet in an electronic form, in accordance with the model constituting Annex II to this Regulation, taking into account subsequent amendments to the Regulation. The supplier is obliged each time to provide an update of the Safety Data Sheet in the event of any change in relation to the one previously presented. The sign confirming compliance with the REACH Regulation should be on every single parcel constituting the object of a Delivery.
4. In the case of using minerals such as tin, tantalum, tungsten and gold (conflict minerals) in the goods and materials in Deliveries, a Supplier declares that these minerals do not come from sources related to conflicts, e.g. armed conflicts, including the Democratic Republic of Congo or neighboring countries. In order to fulfill the above obligation, Suppliers are required to introduce rules regarding safe sourcing of conflict minerals and require the same from all entities involved in the supply chain. Suppliers are required to obtain conflict minerals only from entities that adhere to the principles of social responsibility, and at every request of ELHURT shall submit a declaration consistent with the EICC / GeSI Conflict Minerals Reporting Template along with documentation confirming the sources of conflict minerals.
5. In the case of some Deliveries, a Supplier is also obliged to fulfill obligations under the Act of April 24, 2009 on batteries and accumulators (as amended) and the Act of September 11, 2015 on waste electrical and electronic equipment (as amended), in particular in the area of appropriate marking of waste equipment with the symbol of selective collection, the transfer of the information on its reuse and processing and the information on the weight of the transferred equipment with the accuracy of 0.001 kg.
6. If the products or elements belonging to a given Delivery require the UL certification marks, a Supplier is obliged to provide ELHURT with a confirmation of UL compliance together with each Delivery and to put the appropriate information and symbol on this product or element.
7. A Supplier shall not provide ELHURT with any preparations, substances, materials or goods that do not meet the requirements specified in this paragraph.

#### **§ 7 Qualitative and quantitative requirements**

1. ELHURT has the right at any time to check the quality of a Delivery, also before the date of its execution, including at a Supplier's location or at the place of Delivery, as long as the nature of a given Delivery permits it. Delivery inspection after its execution may include verification of the correctness and completeness of the documentation provided, its compliance with the order, packaging inspection, quality control of individual elements of a Delivery and quantity control.
2. Notwithstanding the foregoing, ELHURT shall in no case be obliged to examine a Delivery or to carry out the inspection, and the lack of such actions by ELHURT shall not deprive ELHURT of claims under warranty and guarantee and shall not release a Supplier from liability for compliance of Deliveries with an offer accepted by ELHURT, an order placed, a contract concluded and specifications provided, as well as with any requirements indicated in the GCD and the mandatory provisions of law.

3. In order to ensure the quality of the products, before introducing any changes to the production process, supply chain or the composition of the materials used, a Supplier is obliged to inform ELHURT of such fact and obtain its acceptance in writing, under pain of nullity. The obligation referred to in the preceding sentence applies in particular to changes in the production process, material changes or changes in the source of the material, change of the production site, changes in the construction of the element, the introduction of a new, modified tool or functionality, ownership changes of the Supplier or takeover or transformation of the structure or legal form of the Supplier. ELHURT is entitled to refuse to accept any such change or make it conditional upon the Supplier providing additional information. The supplier is obliged to register any changes, in particular deadlines for implementing changes in the production, and to immediately submit to ELHURT documentation confirming the changes at every request of ELHURT.
4. A Supplier is also obliged to inform ELHURT of the intention to withdraw products that were previously ordered by ELHURT at least six months before such withdrawal, at the same time allowing ELHURT to place an order for another Delivery of the product within 1 month from the date of ELHURT receiving a notification in this respect, on the existing rules.

### **§ 8 Warranty and guarantee**

1. A Supplier guarantees that the object of Deliveries complies with the requirements specified in an order submitted by ELHURT, an offer accepted by ELHURT or a concluded contract and that it is free from physical and legal defects, as well as fit for the intended purpose, including the purpose implied on the basis of any guidelines and information provided to the Supplier by ELHURT.
2. A Supplier provides a guarantee to ELHURT for the object of Deliveries, while respecting all rights under the warranty.
3. The guarantee shall be granted for the period specified in an order submitted by ELHURT, an offer accepted by ELHURT or a concluded contract, but in any case for a period not shorter than 12 months, and shall count from the date of transferring the risk to ELHURT. The same period regards the warranty, unless ELHURT may use a longer warranty period based on the provisions of mandatory law.
4. During the warranty and guarantee period, a Supplier undertakes to remove all defects in the object of a Delivery immediately, not later than within 30 days from being notified about the defect, at his own expense (taking into account the cost of replacing, repairing the goods, costs of labor, materials, transport, disassembly and reassembly and any indirect costs) and within the price specified in an order submitted by ELHURT, an offer accepted by ELHURT, or a concluded contract. The guarantee and warranty cover all defects in the object of a Delivery revealed during the period of guarantee or warranty, except for defects caused by the fault of ELHURT.
5. Notwithstanding other rights of ELHURT resulting from the mandatory provisions of law and these GCD, in the event of delays in removing defects or lack of contact on a Supplier's side for more than 7 days from the date of notifying the Supplier about the defect, ELHURT shall be entitled to order the removal of defects or mandating the necessary actions to a third party, at the expense and risk of the Supplier. Such action shall not deprive ELHURT of its rights arising from the guarantee or warranty.
6. In the event of delays in the fulfillment of obligations under the guarantee or warranty ELHURT will be additionally entitled to demand from a Supplier a contractual penalty in the amount of 1% of the value of the Delivery which the complaint regards, for each day of delay, however, the total amount of contractual penalties may not exceed 30% of the value of this Delivery. ELHURT has the right to claim damages exceeding the amount of the reserved contractual penalty on the general principles of the Civil Code.

## § 9 Detailed procedure in case of non-conformity

1. Any, even irrelevant, derogation of a Delivery or its element from the requirements set out in a technical specification, an offer accepted by ELHURT, an order placed, a contract concluded or these GCD, regarding the quality or quantity of elements within a given Delivery, constitutes non-conformity.
2. A Supplier is obliged to inform ELHURT prior to a Delivery of any suspicions regarding non-conformity of shipped elements and Deliveries in progress, before they are detected by ELHURT.
3. In the case of detecting any non-conformities, ELHURT is entitled to use its rights resulting from § 8 of these GCD, and the procedure described below shall apply.
4. ELHURT notifies a Supplier in writing or via e-mail about any non-conformities detected (submitting a complaint), however, with regards to qualitative non-conformities, it may file a complaint using the ELHURT form - "Quality Control Report".
5. The Supplier is obliged to confirm the receipt of the complaint within 24 hours of receiving it, simultaneously send the 3D report and immediately start the necessary actions to protect ELHURT and its clients against the consequences of non-conformity. In particular, the Supplier is obliged to replace the non-conforming material or to sort the individual elements of Deliveries.
6. Unless the Parties agreed otherwise in writing or by e-mail, under the pain of nullity, the Supplier is obliged to collect the elements affected by non-conformity - at his own expense and risk - within 5 business days of the complaint being filed, from the place indicated by ELHURT and in hours agreed with him. If the Supplier does not collect the goods subject to the complaint, or does not arrange their collection and transport by the selected contractor of the transportation service, ELHURT will be entitled to arrange the transport and return the goods covered by the complaint, to which the Supplier agrees. The related costs will be charged to the Supplier, and if they are initially borne by ELHURT, the Supplier will be obliged to reimburse them immediately to ELHURT in full.
7. The selection of rights ELHURT shall be entitled to due to non-conformities belongs only to ELHURT. ELHURT may demand a repair or an exchange of the goods by the Supplier or return the goods together with a demand for full refund of the price and any additional costs related to the Delivery, in particular transportation and customs costs, including customs duty.
8. In the case of any quantity deficiencies of the elements delivered on reels, the Supplier – in order to replenish the quantity shortages - is obliged to collect the non-conforming in this respect reel in accordance with the rules indicated in item 6 and replace it with a complete reel containing the total amount of the ordered elements. Replenishment of quantity shortages cannot take place by providing individual elements or tapes or their fragments.
9. ELHURT is entitled to charge the Supplier with an administrative fee related to processing complaints in the amount of PLN 120 or EUR 30 for each submitted complaint regarding separate groups of elements within a given Delivery.
10. If the non-conformities affect the continuity of the production in ELHURT, the Supplier is obliged to take necessary preventive and corrective actions, in particular to deliver a new lot of material immediately, repair the non-conforming elements or sort the material. The supplier is obliged to return to ELHURT all costs related to the complaint, in particular, but not limited to, the costs of checking, sorting, processing, repairing, disassembling the non-conforming material or element. In order to calculate the costs of complaints the Parties accept as a basis the rates for each employee's hourly work in the amount of PLN 60 or EUR 15 for production employees and PLN 100 or EUR 25 for the need to engage an engineer or specialist equipment or tools.

11. Notwithstanding other entitlements provided for in these GCD, the Supplier may be charged by ELHURT with all production costs of the final product in the event that the non-conformity of a given element was a hidden defect that cannot be modified or its modification is not justifiable for economic or technological reasons on the part of ELHURT, or it was a hidden defect that caused damage to other materials.
12. The parties may at any time establish in writing, under pain of nullity, different methods of settling complaints, in particular by:
  - 100% material inspection at the place and time indicated by ELHURT in order to separate the conforming and non-conforming material and return the non-conforming material to the Supplier - at the expense of the Supplier.
  - 100% inspection at the place and time indicated by ELHURT and repair of non-conforming material - at the expense of the Supplier.
  - Full VAT invoice correction along with transportation costs, depending on the demand for a given element and its impact on the continuity of the production in ELHURT.
13. In the case of any complaint, the Supplier is obliged to provide ELHURT with the 8D report within 21 calendar days from the date of its submission.
14. The complaint should be considered and processed (handled) no later than within 30 calendar days of its submission. Handling a complaint is understood as its closure together with financial settlements.
15. In exceptional cases, ELHURT may accept in writing, under pain of nullity, slight deviations from the specification, provided that the Supplier immediately takes necessary remedial and corrective actions, including in particular submission of the 8D report within 30 calendar days from the date of reporting the complaint.
16. The failure to take corrective actions, including in particular not submitting the 8D report in the abovementioned period, may result in the termination of commercial cooperation with the Supplier and withdrawal from the contract (in the scope of executed Deliveries, Deliveries in progress and unexecuted Deliveries) by ELHURT, without any claims on the part of the Supplier. In this case, ELHURT will call the Supplier to take corrective actions and remove violations within no less than 7 days. Withdrawal from the contract can take place within 7 days from the ineffective expiration of the deadline set in this respect.

## **§ 10 Detailed requirements for particular groups of goods**

### **1. Requirements for the Suppliers of Printed Circuit Boards (PCB)**

- a. ELHURT does not accept panels with X-out boards in the number of more than 5% of the panels in a single Delivery.
- b. The number of panels in a Delivery must be in accordance with the order placed by ELHURT. Quantitative surpluses within one panel are allowed. Shortages are not acceptable. Only when the number of panels delivered is within the limit of the acceptable surplus specified above, ELHURT shall be obliged to pay for the surplus delivered.
- c. If, within the framework of a Delivery, a Supplier produces PCBs according to the delivered specification, he is obliged to explain to ELHURT all doubts, errors or inaccuracies regarding the specification provided to him before commencing the production.
- d. Before the start of production, each time no later than 2 business days from the date of an order being submitted by ELHURT, a Supplier is obliged to send to ELHURT technical documentation prepared by the Supplier based on the requirements presented by ELHURT, taking into account the technological capabilities of the Supplier and presenting the panel design proposal (Gerber files) and obtain ELHURT's approval in this respect.

- e. All PCB parameters delivered under a given Delivery, in particular the thickness of leads, thickness and type of the laminate, surface finish, covering or other, must comply with the technical specifications provided by ELHURT.
- f. Unless ELHURT expressly provides otherwise in writing or by e - mail, under pain of nullity, the production is required to adhere to the standards IPC-600 Class 2: "Acceptance criteria for printed circuits IPC-A-600H", and in case of any changes, any subsequent version of these standards.
- g. The production date of the PCBs in a given Delivery may not exceed three months counted from the date of executing the Delivery.
- h. A Supplier is obliged to perform a quality control of each production lot, and the results of the qualitative report, prepared in English or Polish, shall be provided to ELHURT together with the delivery of each production lot.
- i. A supplier is also obliged to provide ELHURT with the results of electrical tests for 100% of delivered PCBs and soldering tests, measure the cross-section with a sample (cross-section), and confirm the compliance of all PCBs' parameters and dimensions with the technical specification.
- j. In each case, a Supplier is required to provide a declaration of compliance with RoHS2 and meet other requirements set out in an offer accepted by ELHURT, an order submitted by ELHURT, a contract concluded, and these GCD.
- k. PCBs must meet the requirements of standards relating to soldering profiles, including JSD-020-D standards, and in the case of any changes, also of any subsequent versions of these standards, if other standards have not been specified by ELHURT.
- l. All PCBs must be new and previously unused.
- m. The products and materials for packaging must meet the requirements of the industrial standard JEDEC-J-STD-033, such as: MBB packaging or similar, containing moisture absorbing materials and HIC humidity indicator inside each package.
- n. The material must be protected against damage that may occur during transport (especially PCB corners).
- o. Each individual packaging must contain products from only one production lot.
- p. In the event of any non-conformity with the specification, including both material and non-significant defects and regardless of whether ELHURT has examined a Delivery or whether he carried out the test assembly, a Supplier covers all costs of all components placed on defective PCBs, costs of the completed process as well as costs of replacing defective PCBs and their assembly, even for defects detected by the end customer, when the failure of a finished product is the result of the Supplier's actions or omissions, PCB defects or other PCB non-conformities with the Conditions for Delivery and the technical specification.

## **2. Requirements for the Suppliers of Cable Bundles**

- a. A Supplier should have a quality management system implemented and maintained with adherence to ISO 9001 or ISO-TS 16949 or have at least the following procedures:
  - Overseeing documentation
  - Supervision of records
  - Monitoring of non-compliant products
  - Identification and traceability in the course of production

- Corrective actions

- b. A Supplier is obliged to ensure that the producer and the symbol of the delivered elements are compliant with an offer, an order placed or a contract concluded by ELHURT.
- c. A Supplier is obliged to perform the necessary tests and visual inspection to ensure compliance with the requirements contained in the product specification.
- d. Unless otherwise agreed in an offer, an order or a contract, a Supplier is obliged to take samples of crimped wires and perform measurements of breaking forces of terminations crimped at startup, during and at the end of the crimping process. Measurements must be made for each type of connection being clamped. The minimum breaking force is specified in the PN-EN 60352-2 standard.
- e. The results of any tests should be stored by a Supplier and made available at every request of ELHURT and stated in the certificate of conformity for each Delivery.
- f. A Supplier is obliged to inspect the products for compliance with a cabling quality standard - industrial standard IPC-A-620 Class II: "Requirements and acceptance for the assembly of wires and cable bundles", and in the case of any changes, any subsequent version of this standard.

### **3. Requirements for the Suppliers of catalogue parts**

- a. A Supplier provides a Delivery consisting of only original parts and ensures that this condition is met by all entities in its supply chain.
- b. For each Delivery, the manufacturer and the symbol of the delivered elements are compliant with an offer, an order placed or a contract concluded by ELHURT.
- c. If it is not possible to deliver an individualized item of the manufacturer, a Supplier is obliged to notify ELHURT of this fact with an indication of possible substitute parts. In this case, ELHURT shall be entitled to make a decision not to continue the execution of a Delivery in whole or in part, and the Supplier shall not be entitled to any claims in this respect. ELHURT may also agree - in writing, under pain of nullity – for a Delivery which will include substitute elements. The consent of ELHURT does not release the Supplier in any respect from liability for non-performance or improper performance of the contract, including warranty and guarantee.
- d. The date of production of electronic components may not exceed 2 years counted from the date of the execution of a given Delivery, unless ELHURT explicitly stated otherwise in writing or by e - mail. If it is not possible to deliver elements that meet this requirement, a Supplier is obliged to notify ELHURT of this fact. In this case, ELHURT shall be entitled to make a decision not to continue the execution of a Delivery in whole or in part, and the Supplier will not be entitled to any claims. ELHURT may agree - in writing, under pain of nullity - for a Delivery which will include elements with an earlier date of production. The consent of ELHURT does not release the Supplier in any respect from liability for non-performance or improper performance of the contract, including warranty and guarantee.
- e. For the goods subject to conformity control, a Supplier is obliged to attach to each Delivery a declaration (certificate) of compliance containing at least such data as:
  - Name of the producer or importer, if it is launched by the importer, and their addresses and registered names or trademarks
  - Full symbol
  - Date of production of the item, e.g. in WW / YY format (week / year)
  - Name of the order (LOT / BATCH) of the producer
  - ELHURT order number
  - Quantity delivered

#### **4. Requirements for the Suppliers of inductive components**

- a. A Supplier should have a quality management system implemented and maintained with adherence to ISO 9001 or ISO-TS 16949 or have at least the following procedures:
  - Overseeing documentation
  - Supervision of records
  - Monitoring of non-compliant products
  - Identification and traceability in the course of production
  - Corrective actions
- b. A Supplier is obliged to perform electrical tests and flash tests for 100% of each lot delivered to ensure the required product parameters.
- c. The results of any tests should be stored by a Supplier and made available at every request of ELHURT and stated in the certificate of conformity for each Delivery.
- d. A Supplier is obliged to attach to each Delivery a certificate of conformity containing at least such data as:
  - Symbol of the element according to ELHURT (so-called abbreviation, index)
  - ELHURT order number and number of items in an order and Delivery
  - Quantity delivered
  - Information on all materials used (e.g. manufacturer, symbol)
  - Confirmation of positive completion of all required tests and measurements
  - Production date e.g. in WW / YY format (week / year)
  - Possible deviations from the ELHURT requirements along with the information on the consent of ELHURT for these deviations.

#### **5. Requirements for the Suppliers of mechanical and electromechanical elements**

- a. A Supplier should have a quality management system implemented and maintained with adherence to ISO 9001 or ISO-TS 16949 or have at least the following procedures:
  - Overseeing documentation
  - Supervision of records
  - Monitoring of non-compliant products
  - Identification and traceability in the course of production
  - Corrective actions
- b. For all new, non-catalogue elements, the ELHURT approval of the first sample (validation) is required.
- c. A Supplier is obliged to ensure that the producer and the symbol of the delivered elements are compliant with an offer, an order placed or a contract concluded by ELHURT.
- d. A Supplier is obliged to perform the necessary tests and visual inspection to ensure the requirements included in the specification of a Delivery.
- e. Unless otherwise stated in an accepted offer, an order placed, a contract concluded and a technical specification provided, a Supplier is required to perform a mechanical measurement (sampling for compliance of all dimensions and other parameters, in particular shape deviations, surface roughness, protective coatings applied and the type of material, with the documentation provided).
- f. The results of all tests should be stored by a Supplier and made available at every request of ELHURT and stated in the certificate of conformity for each Delivery.

- g. A Supplier ensures that all delivered components meet the requirements arising from the generally applicable law and enable the certification of the final product, including in particular, the CE Declaration and Marking.

## **6. Requirements for the Suppliers of chemical substances**

- a. A Supplier, within the scope of designing, production and delivery of products to ELHURT, undertakes to comply with all government, legal and environmental requirements both in the country in which the products are manufactured and in the country in which they are to be marketed.
- b. A Supplier is responsible for the ongoing monitoring of changes in legal regulations affecting the accepted government, legal and environmental requirements and is each time obliged to specify and provide ELHURT with information regarding the impact of these changes on Deliveries to ELHURT.
- c. A Material Safety Data Sheet should be attached to each Delivery and a Supplier is obliged to inform ELHURT of any changes or amendments made to it.
- d. The time remaining till the expiry date of the substances being the object of a Delivery on the day of executing a Delivery cannot be less than 75% of the entire shelf life of the substance.
- e. A Supplier is obliged to ensure that the producer and the symbol of the delivered elements are in accordance with an offer, an order placed or a contract concluded by ELHURT.

## **7. Requirements for the Suppliers of moisture-sensitive parts**

- a. Suppliers are required to use packaging and markings that meet the MSD requirements according to IPC / JEDECJ-STD-033 standards.
- b. Each package should be tightly sealed and constitute a moisture barrier containing a drying agent and a humidity indicator.
- c. The packaging should have the following indications: moisture sensitivity level, maximum exposure temperature, minimum exposure time before the required reheating and the date of closing the MBB packaging.

## **8. Requirements for the Suppliers of components sensitive to electrostatic discharges**

- a. For all components sensitive to discharges, a Supplier provides the ESD packaging in accordance with industry standards. The ESD protection program must be based on the PN-EN 61340-5-3: 2015-11E standard, and for each change also on each its subsequent version.
- b. The packaging of each element must be marked accordingly.
- c. Elements cannot be damaged as a result of ESD events prior to the execution of Deliveries.
- d. The above requirements should be assured by the ESD protection program adopted and applied by a Supplier, which the Supplier is obliged to provide to ELHURT at any request.

## **§ 11 Ownership, the passing of risk**

1. The risk of accidental loss or damage to all products included in a Delivery shall pass to ELHURT upon their release at the appropriate place of Delivery.
2. In the absence of separate arrangements made in writing, under pain of nullity, the ownership of all

products constituting the object of Deliveries shall pass to ELHURT upon their delivery to the appropriate place of the execution of Deliveries or upon payment - whichever comes first.

3. If, as a result of the execution of Deliveries, movable items belonging to a Supplier are combined or mixed up with movable items owned by ELHURT, ELHURT shall become the owner of the new item being a result of such combination or mix-up on the moment of its occurrence, within a fixed price.

### **§ 12 Fundamental obligations of Supplier**

1. A Supplier is obliged to execute Deliveries with the utmost professional diligence which is required of persons professionally performing a given business activity.
2. A Supplier undertakes to comply with the principles of the Quality Management System in accordance with ISO 9001 and the Environmental Management System according to ISO 14001 when executing Deliveries.
3. Within the scope of a Delivery, a Supplier is obliged to comply with the established ethical principles as well as the latest state of knowledge and technology.
4. A Supplier is obliged to independently and actively obtain from ELHURT all information, data and documents necessary for the proper execution of Deliveries. A Supplier shall be obliged to notify ELHURT without delay of defects or contradictions in the information, data or documents provided, indicating at the same time possible alternatives within the agreed price of a Delivery.
5. The execution of each Delivery must be confirmed by an appropriate document, in particular a consignment note or a delivery and acceptance protocol signed by a person authorized to act on behalf of ELHURT.
6. A Supplier is obliged to insure a Delivery during the time of its transport to the appropriate place of Delivery and to use only the transportation service contractors that ensure the traceability of a consignment.
7. A Supplier is obliged to inform all sub-suppliers from his supply chain about the requirements contained in these GCD and ensure that all sub-suppliers meet the requirements specified in these GCD or other requirements provided for in applicable law, equivalent requirements.

### **§ 13 Liability**

1. A Supplier is obliged to own and maintain for the period of executing Deliveries and the period of 12 months after the planned date of the completion of Deliveries, but not less than during the guarantee and warranty period, a third party insurance providing indemnification against civil and contractual tort liability related to the execution of Deliveries, with the insurance cover not lower than PLN 1,000,000. The insurance should cover material damage and damage to the person, losses, lost profits, damage caused by subcontractors, damages related to the product being placed on the market and its withdrawal from the market. A Supplier is obliged to provide an evidence of insurance coverage immediately, at every request of ELHURT.
2. A Supplier bears full responsibility for all claims of third parties, including damage to the person and material damage related to defects, delays or incomplete Deliveries.
3. ELHURT has the right to demand and claim from a Supplier any court costs and costs of legal representation, as well as any damages awarded to third parties in connection with defects, delays or incomplete Deliveries, irrespective of any other claims ELHURT is entitled to on the grounds of these GCD, an offer accepted by ELHURT, an order placed or a contract concluded, and without any limitations regarding their value.

4. A Supplier undertakes to indemnify and hold ELHURT harmless against any claims by third parties related to the infringement of copyrights, patents, trademarks or other intellectual and industrial property rights by the object of a Delivery, if the use by ELHURT of the object of the Delivery in any way infringes the rights of third parties. A Supplier in particular undertakes to step into the place of ELHURT or accompany it in all judicial or administrative proceedings in this regard and to cover any costs incurred by ELHURT and to pay the awarded or agreed damages to third parties.

#### **§ 14 Transfer of rights**

1. A Supplier cannot transfer the rights and obligations arising from a contract concluded with ELHURT to third parties without the prior written consent of ELHURT, under pain of nullity.
2. ELHURT is entitled at any time to transfer the rights and obligations arising from the contract to another entity, to which the Supplier agrees.

#### **§ 15 Remuneration and payments**

1. All agreed prices of Deliveries are net prices, to which VAT will be added in the amount which is applicable at the time of issuing the VAT invoice, provided that a Supplier is a VAT payer.
2. In settlements with ELHURT for completed Deliveries, only the prices determined finally in an offer accepted by ELHURT, a submitted order or a concluded contract shall apply. Any price changes are binding only at ELHURT's consent, expressed in writing or by e - mail, under pain of nullity.
3. The basis for payment by ELHURT to a Supplier shall be only VAT invoices issued in accordance with applicable regulations and in any case not earlier than 7 calendar days before the Delivery date and not later than 14 calendar days from the date of the execution of a Delivery.
4. The remuneration for a Supplier shall be payable within no less than 30 calendar days from submitting to ELHURT a correctly issued invoice / VAT invoice, to the bank account indicated in said invoice.
5. A Supplier is liable towards ELHURT for any damage related to consequential determination of ELHURT's tax liability in the event that the invoice issued by the Supplier is considered to be incorrect in formal-legal or factual terms by competent tax authorities.
6. The date of debiting ELHURT's bank account shall be considered the date of payment.
7. The payment of the due amount resulting from a given invoice does not mean in any case that a Delivery is considered timely, complete or free from defects, or does not constitute a waiver of any claims in this regards.
8. ELHURT may withhold the payment of all amounts due to a Supplier in the event ELHURT submits a complaint regarding incompleteness or other defects and failures of a Delivery in the part corresponding to the value of the questioned Delivery. The exercise of the above rights by ELHURT shall not be considered as non-performance or improper performance of ELHURT's obligations.
9. Deduction of mutual receivables by a Supplier in relation to ELHURT is allowed only in the case when the claim of the Supplier has been confirmed as an enforcement title or has been explicitly accepted by ELHURT in writing, under pain of nullity.

#### **§ 16 Termination, cancellation, withdrawal from a contract**

1. ELHURT shall be entitled to terminate a contract with immediate effect, at its discretion in whole or in part in the case:
  - a) of a failure to perform or improper performance (execution) by a Supplier of the Delivery being

- the subject of the contract, after calling the Supplier to cease the violation and indicating an additional deadline to comply with the request, in the event of the Supplier failing to comply with the request within the prescribed period;
- b) of transferring the rights or obligations by a Supplier to another entity without the consent of ELHURT;
  - c) of commencing liquidation, suspension or termination of the business activity of a Supplier, submitting the application for the initiation or the initiation of restructuring proceedings, excluding the application for the approval of an arrangement, the approval of an arrangement, submission of the application for the opening or the opening of accelerated arrangement proceedings;
  - d) described in § 17 items 1 and 3 of these GCD (unacceptable actions of a Supplier);
  - e) of discovering by ELHURT that a Supplier is insolvent.
2. Notwithstanding other cases indicated in these GCD and arising from strictly binding legal regulations, ELHURT shall be entitled to withdraw from the contract with a Supplier - in whole or in part at its own discretion - within 21 days of the occurrence of any of the following:
- a) in the case referred to in § 8 item 5, i.e. in case of delays in removing defects or lack of contact on the part of a Supplier for a period exceeding 7 days from the date of notifying the Supplier about the defect;
  - b) if, during the guarantee or warranty period, the same element being the object of a Delivery or a part thereof is damaged again for the same reason;
  - c) if ELHURT determines that the object of a Delivery is significantly different from the technical and functional requirements specified in an order placed by ELHURT, an offer accepted by ELHURT or a concluded contract.

### **§ 17 Unacceptable actions of Supplier**

1. A Supplier undertakes not to grant, directly or indirectly, economic gains to any person for the purpose of submitting an offer, concluding a contract or executing Deliveries to ELHURT. The above restriction does not apply to small gifts with a value not exceeding PLN 100 if they are used to promote the Supplier and contain his logo. All other benefits allowed by law, in particular, trainings, etc., may be offered to ELHURT's employees and partners only through the ELHURT Board.
2. In the event of a violation of the prohibition referred to in item 1 above, ELHURT shall be entitled to demand from a Supplier a contractual penalty in the amount of PLN 50,000 for each case of infringement. ELHURT has the right to claim damages exceeding the amount of the reserved contractual penalty on the general principles of the Civil Code.
3. A Supplier also undertakes to refrain from any actions aimed at or resulting in restricting competition which affect ELHURT's trade relations, including in particular agreeing with third parties on the division of the market, price fixing or concluding other prohibited agreements within the meaning of the Act of February 16, 2007 on competition and consumer protection (as amended).
4. A breach of the above prohibitions set out in items 1 and 3 constitutes a gross violation of a contract with ELHURT and entitles ELHURT to terminate the contract with immediate effect, without any claims on the side of a Supplier.

### **§ 18 Force Majeure**

1. Force Majeure shall be understood as any external, sudden event, independent of the will and actions of the Parties, unpredictable, making the execution of a Delivery impossible in whole or in part.
2. In particular, cases of Force Majeure include strikes, riots, uprisings, hostilities, natural disasters, floods, fires, earthquakes, acts of terrorism, embargoes.
3. Neither Party shall be found guilty of non-performance or improper performance of a contract (execution of a Delivery) in the event that the non-performance or improper performance is the result

of Force Majeure.

4. In the event of a Force Majeure, each Party shall be obliged to immediately, not later than within 24 hours, notify the other Party of its occurrence.

#### **§ 19 Applicable law and jurisdiction**

1. Deliveries, including all contracts, orders and offers, are subject to Polish law and should be interpreted and implemented in accordance with this law, with the exception of rulings imposing the application of foreign law.
2. All disputes related directly or indirectly to the execution of Deliveries or resulting from it shall be settled only by the court having jurisdiction over the seat of ELHURT.

#### **§ 20 Final provisions**

1. All arrangements and declarations regarding the execution of Deliveries demand a written form for their validity, unless otherwise expressly stated in these GCD.
2. The invalidity or ineffectiveness of any of the provisions of these GCD shall not result in the invalidity or ineffectiveness of the remaining provisions.
3. In matters not covered by these GCD, the relevant provisions of Polish law shall apply, in particular the Civil Code.
4. When concluding contracts and executing Deliveries the United Nations Convention on Contracts for the International Sale of Goods, made in Vienna on April 11, 1980, shall not apply.