

**GENERAL TERMS & CONDITIONS OF SALE  
OF GOODS/SERVICES ELHURT SP. Z O.O.  
(limited liability company) in GDAŃSK**

**§ 1 GENERAL PROVISIONS**

1. The General Terms & Conditions of Sale set out general conditions of contracts as provided for by Art. 384 of the Polish Civil Code, and stipulate terms of the conclusion of sale contracts of goods and services ("Goods") offered by the company ELHURT Sp. z o.o. with its registered office in Gdańsk.
2. As client ("Client"), according to these General Terms & Conditions of Sale ("GTCS"), there shall be deemed an entity purchasing Goods from ELHURT Sp. z o.o. ("ELHURT") with its registered office in Gdańsk (address: Gdańsk 80-299 ul. Galaktyczna 35A, entered into the Register of Entrepreneurs kept by the District Court Gdańsk-Północ in Gdańsk, 7<sup>th</sup> Commercial Department of the National Court Register, under no. 0000204930, NIP (*Tax ID*): 584-19-56-314, REGON (*Statistical No.*): 191231369, share capital: PLN 1,500,000.00), which is a business entity as provided for by the Law dated 2<sup>nd</sup> July 2004 on Freedom of Business Activities (with subsequent amendments).
3. The General Terms & Conditions of Sale shall be integral part of contracts concluded by Clients with ELHURT. Besides, GTCS are released at ELHURT's web site under [www.elhurt.com.pl](http://www.elhurt.com.pl), which implies that GTCS are made available to Client prior to the conclusion of contract, and Client may copy, store and reproduce them.
4. Binding effect of GTCS shall not be contingent on whether Client makes or not a statement in this regard. The acceptance of GTCS by Client with regard to one order shall be deemed as the acceptance of GTCS with regard to its all further contracts and orders. In other cases, placing an order by Client or accepting an offer by ELHURT shall be deemed as agreeing to be bound by GTCS available at ELHURT's web site on the date of the acceptance of offer or the confirmation of placing order.
5. If the provisions of GTCS do not stipulate otherwise, an order (i.e. accepting ELHURT's offer by Client or placing an order), as well as any declarations pertaining to the negotiations of contents and to the execution of contract, to be valid, shall be made in written form, by email or fax. Any arrangements not complying with the above provision shall be null and void.
6. Amendments of any provisions of GTCS made by the Parties, unless the Parties agreed otherwise, shall be valid and applicable solely to

the transaction with regard to which the Parties conceded to make the derogation, and solely on condition that the amendment was made in written form, otherwise being null and void.

**§ 2 CONCLUSION OF CONTRACT**

1. Contract shall be deemed as concluded at the moment when ELHURT confirms that an order was placed by Client, or when ELHURT proceeds to execute the order, depending on which of the occurrences took place first, subject however to the provision of clause 6 below. Art. 68<sup>2</sup> of the Polish Civil Code shall not apply to offers made by Clients to ELHURT.
2. If the Parties did not agree otherwise in a written form, under pain of nullity, a contract concluded by and between the Parties shall not constitute sale on approval or sale subject to the examination of Goods.
3. Confirmation by ELHURT of placing order may relate to the execution of order in part, unless Client explicitly stated in the order or offer that it was solely interested in complete execution.
4. ELHURT shall be entitled to suspend the execution of order if Client delays the fulfilment of any of its commitments towards ELHURT, in particular if it is in default with its payments, until Client has fulfilled such commitments. Moreover, ELHURT may suspend the execution of order until Client has paid full price, if Client's economic situation raises doubts as to whether the payment of price will be on time. In the above cases ELHURT's actions shall not be deemed as delay of the execution of contract.
5. If the date of the delivery of Goods was not specified beforehand, ELHURT shall specify such date in the confirmation of placing order.
6. If in the confirmation of placing order the date of release of Goods (the execution of contract) is not specified, contract with Client shall be deemed as concluded provided that ELHURT has obtained from its supplier the confirmation of the availability of Goods, which will immediately be communicated by ELHURT to Client, with information either on unavailability of Goods or the date of release of Goods (the execution of contract), not later than seven (7) working days from the date of the confirmation of placing order. ELHURT shall be not be liable towards Client for termination/expiry of contract due to the failure referred to in this clause 6 (no information from ELHURT on unavailability of Goods shall be prerequisite for contract to become effective at the moment

specified in clause 1). At the same time, should ELHURT in such a situation not state the date of release of Goods, then a deadline stipulated in order placed by Client, or in Client's offer, shall be deemed as accepted.

7. ELHURT shall be entitled to deliver Goods earlier, before agreed deadline.
8. Regardless of other provisions in these GTCS, of a contract, an offer or a confirmation of placing order, ELHURT shall be entitled to change unilaterally the quantity of Goods ordered, including electronic modules and PCBs, to the extent not exceeding 5% of the quantity originally ordered by Client. In such a case delivery of Goods containing less or more quantity shall not constitute failure to execute or failure to execute duly the contract by ELHURT, and Client shall be obliged to pay for the quantity of Goods actually delivered.

### **§ 3 DELIVERY OF GOODS**

1. If the Parties did not agree otherwise, Client shall collect Goods from the registered office of ELHURT.
2. If Goods are delivered to Client by a carrier, the delivery of Goods shall occur at the moment when Goods have been handed over to carrier; following this, all benefits and burdens related to Goods shall be transferred to Client, as well as any risks of their accidental loss or damage.
3. Should Client unauthorized fail to collect Goods, then the risk of accidental loss or damage shall be passed onto Client on the day following the deadline at which the collection of Goods was to take place. Moreover, should such situation occur, Client shall pay ELHURT a fee for storing Goods, amounting to 0.05% of the net value of uncollected Goods for each day of delayed collection; this fee shall be payable in arrears, at the end of specific month, and VAT shall be added to the specified amount.
4. If the Parties did not agree explicitly otherwise, Client shall unload Goods at its own cost and risk.
5. Should the shipment containing Goods be damaged, Client together with the carrier shall draw up a damages protocol specifying the list of detected irregularities. The Parties assume that absence of damages protocol involves that no loss or damage took place during transportation.

### **§ 4 PRICE OF GOODS**

1. Sale price of Goods shall be agreed individually by the Parties or defined on the web site [www.elhurt.com.pl](http://www.elhurt.com.pl) as of the date of placing

order. In addition, price may be determined by ELHURT based on the examination of the current business relations of the Parties, but in such a case the price may not materially vary to the detriment of Client from the price previously used between the Parties in relation to the same Goods.

2. Prices quoted in foreign currencies shall be converted into PLN at the exchange sale rate by the National Bank of Poland as of the date preceding the date of issuing invoice.
3. If the Parties did not agree explicitly otherwise, agreed price shall not contain the cost of releasing and collecting Goods, including also the cost of the delivery of Goods by a carrier. Such costs shall be borne by Client.
4. If the Parties did not agree explicitly otherwise, prices indicated by ELHURT shall be net prices, subject to the addition of VAT at the rate applicable as of the date of issuing invoice.

### **§ 5 TERMS OF PAYMENT**

1. Client shall pay for purchased Goods by the deadline indicated in VAT invoice, pro forma invoice, in offer or the confirmation of placing order, to the bank account specified in invoice or pro forma invoice.
2. The date of crediting ELHURT's bank account shall be deemed as payment date.
3. If the Parties decided that Client is obliged to pay an advance, ELHURT shall be entitled to suspend the execution of order until the advance has been paid, which shall not be regarded as a delay of ELHURT.
4. Client in relation to ELHURT, waives its right to deduct receivables, as well as waives its right to assign its rights arising from contracts concluded with ELHURT, without a prior written consent of ELHURT, otherwise being null and void.
5. ELHURT hereby declares that it is registered VAT payer and that it is authorized to issue VAT invoices.
6. Any receivables due to ELHURT shall become payable immediately as of the date of Client's compulsory liquidation, or as of the date of its removal from the register of companies or business, as well as in the case of filing for bankruptcy, for the initiation of restructuring proceedings or in case of opening of restructuring proceedings.

### **§ 6 TRADE CREDIT**

1. If ELHURT (in an offer or the confirmation of placing order) shall grant trade credit to Client, the following provisions shall apply:

2. If the Parties did not agree otherwise, ELHURT shall grant to Client a trade credit for the period of seven (7) days from the date of issuing invoice (so-called period of crediting). The sum of the granted trade credit shall amount to EUR 1,000, however shall not exceed PLN 5,000 gross.
3. Any orders exceeding in value the sum of granted trade credit within an agreed period of time, shall be paid by Client prior to the date of execution of order. In such a case ELHURT shall be entitled to suspend the execution of order until the payment has been received, which shall not be regarded as delay of ELHURT.
4. ELHURT shall be entitled to change unilaterally the credit limit and the period of crediting, as well as to withdraw entirely the trade credit at any time, with effect for future.

#### **§ 7 OWNERSHIP**

1. Client shall become the owner of Goods following the payment in full for Goods (retention of title). Following the elapse of payment deadline, ELHURT may demand that Client returns Goods which have not been paid up in full. Any legal measures taken by ELHURT with regard to its rights arising from the retention of title shall not be deemed as the termination of contract.
  2. Until full payment for Goods is made, it is assumed that Client stores Goods free of charge, the owner of which, as provided for in clause 1 above, is ELHURT.
5. Client will lose its entitlements arising from warranty if it did not test Goods within seven (7) calendar days from the date of their collection and did not communicate detected defect to ELHURT within next 5 calendar days. If however detected defect proved to be undetectable during tests, Client will lose its entitlements arising from warranty if it does not communicate detected defect within 5 days following its detection, however not later than 3 months from the date of releasing Goods. When communicating defect, Client in each case should adhere to the above deadlines.
  6. If Goods purchased by Client are PCBs, then Client shall carry out test assembly on one circuit. Client may proceed with the assembly of further circuits only following positive outcome of the test assembly. ELHURT shall not be liable for any damages or responsibility arising from warranty or guarantee if Client fails to carry out test assembly.
  7. Client shall tally up delivered Goods immediately following the collection of Goods from carrier or ELHURT. Client will lose its entitlements arising from warranty with regard to quantitative shortages of delivered Goods if it does not communicate in a written form or by email such shortages to ELHURT, at the latest, at the end of calendar day following the day on which Goods have been received/released.
  8. ELHURT shall be obliged to review complaint within 14 days from the date of its receipt at the latest.

#### **§ 8 WARRANTY AND GUARANTEE**

1. ELHURT shall be responsible before Client if Goods have a defect affecting their value or usability in relation to either the purpose arising from the usual intended use of Goods or incomplete handing over of Goods.
  2. Client shall communicate its complaint in a written form or by email, otherwise being null and void. In its complaint Client should describe detected defects, attach photos, a test documentation, as well as, based on request of ELHURT, send back all defected Goods, or part of them, to the place indicated by ELHURT.
  3. Lodging the complaint shall not relieve Client from its obligation to pay the price on time for Goods covered by its complaint.
  4. Client, by virtue of warranty, shall be vested with two entitlements solely: the exchange of defected Goods for new ones or the repair of Goods, and, should the above be impossible or
9. If Client does not accept the response to its complaint, the Parties may commission a specialized research unit with a task to carry out a detailed examination concerning the quality of Goods, the fact of the existence of defect, and its extent. In such a case the period for re-review of complaint will commence as of the date of receipt of the report containing test results. Preliminary cost of preparing the report shall be borne equally by the Parties. Should the complaint prove to be unjustified, the entire cost of preparing the report shall be borne by Client.
  10. Exchange or repair of Goods shall take place immediately following positive review of complaint, taking in particular into account time necessary to bring Goods or a component from supplier or a sub-supplier. ELHURT will endeavour to make such time as short as possible. If ELHURT will manage to exchange

- or repair defected Goods according to the provisions of this clause, Client shall not be entitled to claim damages for the delay.
11. Entitlements described in this paragraph shall cover solely and exclusively Client's claims against ELHURT arising from the defects of Goods. Warranty and guarantee granted to Client shall in no case cover Goods or their elements that are subject to wear and tear, such as batteries, accumulators, bulbs or other similar products.
  12. In the case of granting by ELHURT guarantee for Goods, non-compliance by Client with the deadlines specified in clause 5 shall at the same time result in the loss of entitlements arising from guarantee granted by ELHURT.

### **§ 9 CONTRACT MANUFACTURING**

1. Should ELHURT render manufacturing services, including the assembly of electronic modules, the following provisions shall apply:
2. ELHURT shall be entitled to change unilaterally the deadline for the execution of service agreed by the Parties or determined by ELHURT as provided for in § 2 clause 5 or 6 of GTCS, if:
  - a. material delivered by Client to ELHURT, indispensable to make Goods by ELHURT, proves to be inappropriate to make Goods correctly. In case of doubts, making use of ELHURT's entitlement as referred to above, shall not lead to assuming responsibility by ELHURT for any defects which may appear as the consequence of using the materials delivered by Client.
  - b. there is an occurrence of force majeure hampering the execution of the subject of contract (in particular armed conflicts, army mobilization, revolutions, major breakdowns during works, accidents, strikes, random events) or if there occur any other incidents beyond the control of ELHURT, in particular delayed or incomplete supplies from suppliers or subcontractors.
3. Client shall be entitled to examine manufacturing process as well as to examine the quality of materials used in manufacturing, provided however that the Parties granted explicitly in written form such entitlement to Client, otherwise being null and void, with the specification of terms and conditions of such examination.
4. If the Parties did not agree otherwise, the price of Goods manufactured by ELHURT to order of Client shall not comprise any costs necessary for the launch of manufacturing, which shall be subject to separate calculation of ELHURT.
5. If ELHURT manufactures to order of Client based on technical documentation furnished by Client, responsibility shall be on the part of ELHURT for physical defects of Goods solely if Goods prove not to be in accordance with the documentation furnished by Client. In addition, ELHURT shall not be responsible if defects occur as the result of the use of a specific manufacturing process determined by Client.
6. If Goods purchased by Client are electronic modules designed to be further processed by Client itself or built into a Client's product, Client shall carry out test assembly on one of modules. With the assembly of further modules Client may proceed only following positive outcome of the test assembly. ELHURT shall not be liable for any damages or responsibility arising from warranty or guarantee if Client fails to carry out test assembly.

### **§ 10 RESPONSIBILITY**

1. ELHURT shall be liable for damages solely in relation to a damage caused as the result of its intentional fault or due to a gross negligence. Should ELHURT be liable for damages, it shall be obliged to cover solely actual loss suffered by Client. ELHURT's responsibility for the suffered loss shall be limited to the sum equal to net value of Goods in relation to which the loss occurred. ELHURT shall not be liable for any lost profit of Client or its contractor.
2. The common court, having jurisdiction over the seat of ELHURT, shall be competent to settle disputes between ELHURT and Client related, directly or indirectly, to order placed, accepted offer and concluded contract.
3. Polish law shall apply to any orders or contracts concluded by Client with ELHURT.

### **§ 11 FINAL PROVISIONS**

1. Client shall immediately, in written form, communicate to ELHURT each change of its registered office or place of residence and address for correspondence deliveries. Failure to do this means that deliveries made to the address specified in order shall be deemed as effective.
2. Should specific provisions of GTCS become, irrespective of reason, invalid or ineffective, this shall not affect the validity of the remaining provisions of GTCS.
3. General terms used by Client shall not be binding to the extent they are in contradiction with these GTCS or make their provisions

ineffective, unfeasible or less advantageous to ELHURT.

4. Contents of the confirmation of placing order as well as the contents of these GTCS constitute the entire arrangement with ELHURT and take precedence over offers, any previous negotiations or agreements.
5. These GTCS were adopted by virtue of the resolution of the Management Board of ELHURT dated 8<sup>th</sup> December 2016, and shall remain in force for an unspecified period of time, until they are amended or replaced by new GTCS.