

**GENERAL TERMS AND CONDITIONS OF SALE**  
**with a Data Processing License**  
**of HAPPICH Polska sp. z o.o.**

### 1. Exclusive validity and application of the General Terms and Conditions of Sale.

1.1. All statements made by Happich Polska sp. z o.o. (hereinafter referred to as: Seller) are based on these General Terms and Conditions of Sale (hereinafter referred to as: GTC). The acceptance of every purchase order is subject to these GTC.

1.2. After a purchase order is placed or delivery is accepted by the Purchaser, these GTC become binding between the parties both in relation to the given agreement and in relation to any future agreements or contracts with the Seller.

1.3 The Purchaser places an order electronically or by telephone.

1.4 The Seller submits a declaration confirming the order.

1.5 If the Purchaser does not expressly reject the Order within 2 business days of accepting the Order confirmation, the contract is deemed to have been concluded upon the expiry of that period.

1.6 If the Purchaser declares to have some objections to the confirmed order, it is assumed that the Purchaser:

(a) has rejected the order, and

(b) has made an offer to the Seller to conclude the contract on terms which were communicated in the Purchaser's declaration, such offer being valid and irrevocable for a period of 5 business days. Such an offer made by the Purchaser may only be accepted by the Seller's express declaration. A contract concluded in accordance with the preceding sentence is governed by these GTC.

### 2. Offers. Subsidiary agreements. Contents of contract.

2.1. The Seller's statement is not an offer; it is an invitation to enter into a contract, which means that it is not binding. The contract is entered into only after acceptance by the Seller of a purchase order placed by the Purchaser. The Seller may accept the Purchaser's order within three weeks from date of receipt.

2.2. Subsidiary agreements regarding the Seller's invitation to enter into a contract or regarding the declaration of acceptance of the Purchaser's order, as well as contracts concluded with the Seller's sales representatives, require confirmation in writing by the Seller to be valid.

2.3. In the case of doubt as to the contents of the contract, the parties are bound by the contract of which the contents results from the written declaration of acceptance of the purchase order by the Seller.

### 3. Prices.

3.1. The prices used by the Seller apply to deliveries EXW Incoterms 2010, unless otherwise agreed. The price is not inclusive of value added tax (VAT), unless the Seller expressly indicates that the price quoted does include the value added tax (VAT).

3.2. The agreed prices are based on the Seller's margins, costs of materials and costs of energy at the time of concluding the contract. If these margins or costs increase before the execution of the contract, the Seller reserves the right to increase the price in accordance with changes in the rates of these margins or costs based on the percentage share of these margins or costs in the sales price.

### 4. Product shipping.

The products will be shipped in accordance with the shipping method deemed most appropriate in the Seller's estimation, unless otherwise agreed. The products shall be shipped at the Purchaser's risk and account. In each case, the risk of incidental damage, destruction or loss of the products is transferred to the Purchaser after receipt of the products, also through the carrier or forwarder commissioned to handle the shipment, at the latest however when the products are shipped outside the Seller's plant or warehouse, regardless of who bears the responsibility for shipment costs. If the products are ready for shipment and the shipment or collection by the Purchaser is delayed for reasons for which the Seller is not responsible, the risk of incidental damage, destruction or loss of the products is transferred to the Purchaser at the time of receipt of notice to collect the purchased products.

### 5. Delivery dates.

5.1. Delivery is deemed to be completed on time in accordance with EXW Incoterms 2010.

5.2. In the event of unforeseen obstacles that cannot be avoided despite reasonable effort to comply with the specific conditions at hand - whether they may arise within the Seller's operations or at those of one of the Seller's suppliers - such as *force majeure*, intervention by official authorities, energy supply difficulties, strike or lock-out, the delivery date shall be extended accordingly - even within the time period of a delay in delivery. The Seller shall advise the Purchaser immediately in the event of any such circumstances. The right to partial deliveries is reserved. Revisions to the delivery contract which have an impact the delivery date result in an appropriate extension of the delivery date. In the case of an obstacle that prevents the Seller from performing the contract and which exceeds a period of three months with no specific end in sight grant the Purchaser and the Seller the right to rescind the contract.

5.3. If the Seller finds that there will be a delay in the delivery, the Purchaser may rescind the contract in writing, provided they have granted a suitable time period of at least four weeks and provided that the product has not left the delivery plant or warehouse at the expiration of this time period. If the forwarding option has been selected, the timely notification of the Purchaser that the products are ready for collection is sufficient.

5.4. The Seller shall only be held liable for damages related to delay or impossibility of performance to the extent to which the damages are the result of a deliberate action or due to gross negligence on the part of the Seller's management or one of the Seller's employees. Under all other circumstances the Purchaser shall have the exclusive right of rescission.

### 6. Liability for defects.

The Seller is liable for defects in the products under the following principles:

6.1. The purchaser shall notify the Seller immediately in writing upon discovery of any defects in the delivered products. The notification period for defects is a maximum of one week from receipt of the product by the Purchaser. If the Purchaser should fail to provide immediate or timely notification of a defect or if the product is modified the Purchaser shall lose all rights arising from defects in the products.

6.2. A defect of a portion of the delivered products does not entitle the Purchaser to reject the entire delivery.

6.3. In cases where a duly reported notification of defect is justified, the Purchaser shall return the rejected product at the Seller's expense. In this case, upon receipt of the defective products, the Seller shall deliver a replacement product in flawless condition, but only in the event that the Seller has accepted such a method of removing the defects. Instead of providing a replacement product, the Seller may also select the option of removing the product defects. If the delivery of a replacement and/or reworked product should fail or not be possible or reasonable, then the Seller shall have the option of either rescinding the contract with regard to the defective product or of lowering the purchase price. The Purchaser may impose in writing a time period of ten days in which the Seller are to exercise this option, which shall begin at that point in time when the Seller shall receive back the defective product, at the earliest. If the Seller should fail to exercise this option within the designated time period, such option shall be transferred to the Purchaser.

6.4. In the event of delivery of rubber profiles, the guidelines as specified in the German Industry Standard DIN 7716 shall apply for the storage, maintenance and repair and cleaning of the products. The Seller shall accept no responsibility for any damages resulting from non-compliance with this regulation.

6.5. Liability for defects for the delivered products as outlined in the above paragraphs shall be final. Further claims for defects, in particular claims for damages, shall be excluded unless the damage in this case is based on an intentional act or gross negligence of the Seller's management or employees. This shall apply also in the case of a delivery of replacement product or the reworking of a defective product.

6.6. The subject matter of the contract (Products) should be used only in accordance with its intended use and properties, for the intended purpose, in accordance with the instructions provided with the purchased products or in the manner specified in the Seller's commercial brochures. In the absence of appropriate instructions or brochures, the Purchaser is obligated to obtain information from the Seller about the purpose and properties of the products, and the Seller is obligated to provide such information. The Seller is responsible for compliance with other intended use or properties of the products or intended purpose of use only if this has been expressly confirmed by them in writing.

6.7. Under no circumstances shall the Seller assume responsibility that the product ordered will be suitable for its intended use by Purchaser, or that it can be used or processed under the conditions as set forth by the Purchaser or their sub-purchaser. It is the Purchaser's own responsibility to check this before the respective use or processing.

6.8. If the products purchased from the Seller are intended for resale to third parties, the Purchaser is obligated to provide appropriate information about the properties and intended use of the products. The Purchaser understands that incorrect information about the purpose and properties of the products may result in claims for damages. The Purchaser hereby undertakes to either release the Seller from the obligation to repair damage caused by providing third parties with improper information about the properties and intended use of the products or to reimburse to the Seller the amounts of compensation paid by the Seller as a result of breach of this obligation. Furthermore, the Purchaser undertakes not to seek compensation from the Seller in the event of satisfaction of claims arising from the non-compliance of the consumer products with the contract within the meaning of the provisions on special conditions of consumer sales.

6.9. The Seller does not guarantee the availability of products and spare parts for the products after the purchase order has been performed.

6.10. The Seller does not provide any warranty for the delivered products.

## **7. Limitation of Liability.**

In the event of even slight negligence of the Seller or their representatives, the Seller's liability for damage is limited to the normal consequences of an event resulting from the non-performance or improper performance of the contract. With respect to the Seller's liability for damage caused by a hazardous product and with respect to other claims, the Seller's liability remains unaffected.

## **8. Invoices. Payment.**

8.1. The Seller issues an invoice when the products are ready to be shipped or picked up, at the latest however on the day of their receipt by the Purchaser. Delays in the transport or receipt of products for which the Seller is not responsible do not extend the invoice due date.

8.2. If, after entering into the contract, the Seller becomes aware of information that calls into question the Purchaser's creditworthiness, they may, at their own discretion, demand an early payment in cash or the provision of an appropriate security. The same applies if the Purchaser fails to meet the due dates for payments owed to the Seller. If such a situation occurs, all obligations due from the Purchaser, including those under other contracts, become due immediately. If the Seller has accepted payment in the form of a check or bill of exchange that is not yet due, the Seller may demand immediate payment upon return of the check or bill of exchange.

8.3. If the Purchaser fails to meet the due date, the Seller is entitled to demand statutory interest.

8.4. The Seller's acceptance of payment in the form of a check or bill of exchange is for the purpose of payment but not in lieu of payment. In such cases, the Seller is not obligated to make payment requests or protests. Any costs of discount, taxes or forfeiting are borne by the Purchaser, who is obligated to return them immediately at the request of the Seller.

8.5. The Purchaser may set off claims against the Seller only if they are due, undisputed and acknowledged by the Seller. The Purchaser is only entitled to a right of retention if their claim arises from the same contractual relationship.

## **9. Delays in collecting the products. Responsibility.**

9.1. The Purchaser is obligated to collect the ordered products within 60 days from the time of their delivery by the Seller to the warehouse of Happich Polska sp. z o.o. in Poznań (hereinafter referred to as: warehouse).

9.2. If the Purchaser delays in picking up the products on time for more than 60 days, they will pay the Seller a contractual penalty of 10% of the order value.

If the Purchaser does not collect the products within this period, the Seller may also rescind the contract. The Seller's rescission of the contract does not release the Purchaser from the obligation to pay the contractual penalty. By paying the penalty the Purchaser is not released from the obligation to collect the ordered products.

9.3. In the event of a further delay on the part of the Purchaser in collecting the products, exceeding a total of 90 days from the delivery of the products to the warehouse, the Seller has the right to charge the Purchaser with the costs resulting from the need to store the uncollected products in the warehouse (for more than 60 days), according to the rental rate for m<sup>2</sup> of warehouse space, as determined by the Seller.

9.4. Full liability for an incidental loss of or damage to the products after the collection deadline is borne solely by the Purchaser.

9.5. The Seller has the right to refrain from charging the contractual penalties referred to in this Point.

## **10. Retention of title to a sold item.**

10.1. The products purchased from the Seller remain the Seller's property until the price and all due obligations arising from the contractual relationship with the Purchaser, including the current balance of receivables, have been settled. Payment in cash, bank transfer or check, which is made on the basis of a bill of exchange issued by the Seller and accepted by the Purchaser, is deemed to be payment of the price on the terms set out in Paragraph 8.5 Clause 1 only after the bill of exchange has been paid by the Purchaser as the acceptor, and the issuer has been completely released from any liability under the bill of exchange.

10.2. Any acquisition of title by the Purchaser by the handling or processing of the products is excluded. The handling or processing of the products by the Purchaser does not give rise to any liability on the part of the Seller. In the event of handling or processing of products owned by the Seller with items which are not owned by the Seller, the Seller acquires a share in the co-ownership of the processed or combined item according to the ratio of the value of the products owned by the Seller to that of the other items combined, mixed/blended or processed at the time of combining, processing or mixing/blending. If the products purchased from the Seller have been combined or mixed/blended in a way that makes it impossible to separate them from the items that do not belong to the Seller, the Seller acquires a share in the co-ownership of the entire product according to the value of the products and that of the combined or mixed/blended items at the time of such combining or mixing/blending. If the combination or mixing/blending takes place in such a way that the item owned by the Seller becomes the main item, the Purchaser hereby undertakes to transfer to the Seller a share in co-ownership of the main item in proportion to value. The Purchaser will retain ownership or co-ownership of the item that will be handed over to the Seller.

10.3. All receivables due to the Purchaser arising from the resale of products that are owned or co-owned by the Seller will be transferred to the Seller upon the Seller's consent, regardless of whether the products are resold after being handled or processed or without being handled or processed, and regardless of whether they are resold to one or more sub-purchasers. If the items resold by the Purchaser are not the exclusive property of the Seller or they are resold together with items not constituting the Seller's property, the receivable due to the Purchaser is transferred only up to the value of the products purchased from the Seller which results from the invoice. The Purchaser may collect the Seller's receivables if they are due but they cannot sell them, even through a factoring agreement. The authorization to collect receivables may be revoked if the Purchaser fails to collect the Seller's receivables in due time or if circumstances emerge that may jeopardize the Seller's rights. The authorization to collect receivables for the Purchaser expires when the Purchaser is summoned to court to disclose their assets or takes steps to reach an out-of-court settlement. At the Seller's request, the Purchaser is obligated to notify the debtors about the transfer of receivables, notify the Seller about the name of the debtor and the amount of the receivable, and provide the Seller with all documents which are necessary for collecting the receivables by way of judicial enforcement.

10.4. The purchaser may only sell, handle, process or combine products of other origin with products that are within the Seller's ownership or co-ownership within the scope of normal business operations. The sale of products is only permitted by way of a sales contract and is tantamount to the transfer of the receivables for payment of the price due to the Purchaser under the product sales contract to the Seller, on the terms as set out above. The Purchaser is not authorized to dispose of the products otherwise, in particular they may not establish a lien on them or transfer ownership of them as security. The Purchaser is obligated to notify the Seller immediately of any loss or seizure of the products or the Purchaser's receivables by third parties that has already occurred or may soon occur. All of the related costs are borne by the Purchaser.

10.5. If the Purchaser is in default in the performance of part or all of the obligation secured by retention of title of the sold item or the Seller becomes aware of circumstances that jeopardize their rights, the Seller may demand the surrender of the purchased products without the need to have previously declared rescission of the sales contract and without calling for payment. In that case, the sales contract and the Purchaser's obligations remain unaffected. If the Purchaser's performance has become impossible due to circumstances for which neither party is responsible, the Seller has the right to demand payment of a contractual penalty for non-performance of the contract by the Purchaser in the amount of 25% of the value of the products resulting from the invoice. However, this does not exclude the Seller's right to demand a higher compensation for the damage.

10.6. Retention of title takes place under the condition precedent that upon full payment by the Purchaser of all obligations arising from their business relationship with the Seller, the title to the sold products and the receivables transferred to the Seller are immediately transferred to the Purchaser.

#### **11. Data processing license.**

The Seller has the right to process any legally protected data relating to the Purchaser to the extent provided for in the provisions of applicable laws.

#### **12. Place of performance. Jurisdiction. Governing law.**

12.1. The Seller's place of performance is their appropriate plant or warehouse.

12.2. All disputes actually or potentially arising from the contract, including those relating to bills of exchange or checks, are subject to the exclusive jurisdiction of the common court of law in the location of the Seller's registered office except, however, that the Purchaser may be sued by the Seller before any common court of law having general jurisdiction over the Purchaser.

12.3. These GTC and contracts based thereon are subject to the law of the Republic of Poland, unless the mandatory provisions of another legal system provide otherwise. The application of the United Nations Convention on Contracts for the International Sale of Goods, Vienna 1980.04.11 (Journal of Laws 1997.45.286) is excluded.

#### **13. Partial ineffectiveness of GTC. Additional documents.**

13.1. If individual provisions of these GTC become ineffective for any reason, the effectiveness of the remaining provisions shall remain unaffected. Ineffective clauses will be replaced by new provisions that come closest to those which are desired by the parties.

13.2. All documents, in particular price lists and specifications, submitted by one party to the other in connection with the purchase order and relating to its subject matter constitute an annex to the contract.

#### **14. Relationship to other standard contracts.**

14.1. Without prejudice to the legal effects of individually agreed provisions of a contract, these GTC constitute the only contract template applicable to the contract.

14.2. By concluding a contract with the Seller, the Purchaser undertakes not to use any contract templates other than these GTC and the Purchaser agrees that the provisions of no such templates will be binding.

#### **15. Confidentiality.**

15.1. Seller and Purchaser may disclose to each other Confidential Information that they consider proprietary and confidential. The parties unanimously agree that the recipient will not use or disclose any of the information received from the other party which is marked as "PROPRIETARY and CONFIDENTIAL" or marked in a similar manner, or information (delivered orally or in writing) that may generally be considered confidential and was received in connection with the evaluation and analysis of the benefits of a purchase order, to any person, company or other organization, except as provided for in the contract and, in order to ensure confidentiality, the recipient will guarantee the same level of information protection that is provided in relation to the recipient's own Confidential Information of similar importance.

15.2. "Confidential Information" is to be understood as any information, materials, documents, data in oral, written, electronic or other recorded form, regarding the terms of cooperation between the parties, the activities, plans and strategies of one of the parties (including, in particular, financial and legal data, data regarding sales strategy, advertising, promotion), all technical and technological data regarding production, as well as technology, their repair and servicing of products (know-how), as well as regarding actual and potential customers and contractors.

15.3. Information will not be treated as Confidential Information if it:

- a) was in the public domain prior to being disclosed in connection with this agreement;
- b) entered the public domain as the result of negligence on the part of the recipient of the information or another person to whom the information was disclosed by the recipient;
- c) has been disclosed after obtaining consent in writing from the other party;
- d) has been disclosed at the lawful request or demand of state authorities or when the necessity to disclose such information results from statutory regulations;

The above information is not subject to any obligation of confidentiality.

15.4. Notwithstanding the provisions of Point 15.1 above, the Parties may disclose Confidential Information which was obtained in connection with the execution of a purchase order and the agreement entered into between the Parties to their employees or representatives only in order to provide the other party with sufficient information, needed to assess the potential benefits of establishing a business or contractual relationship between the parties. The recipient of the information will in all cases be liable for any breach of the terms of the agreement by any of their employees or representatives.

15.5. The Purchaser and the Seller undertake not to disclose to third parties the fact of providing Confidential Information to the other party, the fact of conducting talks and negotiations in connection with the Cooperation between the Parties, or any other conditions, information and facts related thereto. The obligation specified in the preceding sentence does not apply to the Seller's ability to transfer Confidential Information obtained from the Purchaser and referred to in Point 15.2 to their affiliated companies within the Hapich Group.

15.6. All written data communicated by one party to the other is and remains the property of the providing party and all such data, as well as copies thereof, will, at the written request of the providing party, be promptly returned or destroyed, whichever option is at the providing party's discretion, at the latest however within 3 days of receiving the request in writing or by e-mail.

15.7. The Parties undertake to make reasonable effort to ensure that the means of communication used to receive and transmit Confidential Information guarantee the protection of such Information against access by unauthorized persons.

15.8. The Parties undertake to store all Confidential Information which is expressed in material form (including written and computerized materials, information carriers, films, sound carriers) in a way that prevents access to such Information by unauthorized persons.

15.9. The Parties are obligated to maintain confidentiality for a period of 5 years from the date of conclusion of the agreement or from the expiry of the relevant "Cooperation Agreement", of which the confidentiality is an important element.

15.10. Upon the termination or expiry of the agreement, Point 15.6 of these GTC shall apply accordingly.

15.12. A Purchaser who has disclosed Confidential Information is obligated to pay the Seller a contractual penalty of PLN 50,000.00 for each breach of the agreement. By obtaining a contractual penalty, the Seller is not deprived of the right to claim compensation on general terms.