

General Terms and Conditions of Purchase of Goods and Services

I. Definitions

1. The terms used in the General Terms and Conditions of Purchase of Goods and Services (hereinafter referred to as "GTCPGS") shall mean:
 - a) **"Ordering party"** – Hydraulika Siłowa Skraw-Met Spółka z o.o. Spółka Komandytowa with its registered office in Wąwelnica, under the number 18, 72-002 Dołuje, conducting business activities based on entry in the Entrepreneurs' Register in the National Court Register kept by the District Court Szczecin – Centrum in Szczecin, 13th Economic Division of the National Court Register KRS No. 0000412959, NIP 8513162077 (hereinafter referred to as "Skraw-Met" with its registered office in Wąwelnica/Dołuje);
 - b) **"Supplier"** – a business entity selling or delivering Goods or providing Services to the Ordering party;
 - c) **"Goods"** – movable items that the Supplier has undertaken to purchase or produce and deliver to the Ordering party;
 - d) **"Notification"** – written, electronic, or telephonic communication addressed to the Ordering party regarding the planned delivery date along with specifying the carrier;
 - e) **"Services"** – services provided or to be provided to the Ordering party by the Supplier;
 - f) **"Force Majeure"** – an unforeseeable and unavoidable external event, in particular:
 - catastrophic acts of nature;
 - war;
 - public riots;
 - g) **"Agreement"** – a supply agreement, sales agreement, work agreement, agreement on provision of services against payment, and any other agreement on the basis of which the Supplier provides Services against payment or transfers ownership rights to Goods to the Purchaser;
 - h) **"Order"** – written or electronic submission of instructions to the Supplier by the Ordering party, specifying the ordered Goods or Services;
 - i) **"Proper Delivery"** – an Agreement executed in a proper and complete manner, i.e., in particular, in accordance with the quantity and quality specified in the Ordering party's Order, in compliance with the scope of the Order and the established delivery date, confirmed by an external delivery/acceptance document or handover-acceptance protocol;
 - j) **"Day"** – means days from Monday to Friday, excluding Saturdays and Sundays, as well as days marked as bank holidays in the Polish calendar, with caution, it is noted that words written as "days" (in lowercase) mean days from Monday to Friday without excluding days marked as bank holidays in the Polish calendar;
 - k) **"Competitive Activity"** – competitive activity is understood as any activity within the scope of the Ordering party's business, both primary and secondary, conducted by the Supplier in their name and on their behalf, as well as for a third party on the basis of an employment or civil-law relationship, remunerated or unpaid, especially if it could objectively have an adverse effect on the activities conducted by the Purchaser, especially from an economic perspective.

- l) **"Verified Invoice"** – By a verified invoice, we mean a correctly issued VAT invoice, which is an accounting document containing:
- issue date,
 - sequential number assigned within one or more series, uniquely identifying the invoice
 - names or business names of the taxpayer and the purchaser of goods or services, along with their addresses,
 - number used to identify the taxpayer for tax purposes (in the case of EU transactions – VAT-UE),
 - number used to identify the purchaser of goods or services for tax or value-added tax purposes under which they received goods or services,
 - date of delivery or completion of the supply of goods or services, or the date of payment receipt if it occurred before the sale, provided such a date is specified and differs from the invoice date,
 - description (type) of the goods or services,
 - unit of measure and quantity (number) of goods delivered or the scope of services performed,
 - unit price of goods or services without tax amount (net unit price),
 - amount of any discounts or price reductions, including early payment discounts, unless they are already included in the net unit price,
 - value of goods delivered or services rendered in the transaction without the tax amount (net sales value),
 - tax rate,
 - total net sales value divided by sales subject to different tax rates and exempt sales value,
 - tax amount from the total net sales value divided by the amounts for specific tax rates,
 - total amount due, confirmed to be consistent with the delivered goods and the placed order in terms of quantity, price, and quality.

II. Scope

1. Orders from Skraw-Met are placed exclusively based on these GTCPGS.
2. Conditions of the Supplier that are conflicting or deviating from these GTCPGS shall be considered binding only if confirmed in writing or electronically by Skraw-Met.
3. The Supplier guarantees that the Order will be fulfilled within the time frame indicated in the Order. If the delivery date is not specified in the Order or Agreement, the Supplier undertakes to deliver the Goods or Services promptly upon written demand to fulfil the obligation.
4. These GTCPGS also apply in cases where they conflict with the Supplier's purchasing terms, particularly in the event of order acknowledgment or payment receipt.
5. These GTCPGS apply as a framework agreement for all future transactions with a given Supplier, without the need for Skraw-Met to refer to them again in each individual case. If any changes are made to the GTCPGS by Skraw-Met, the Supplier will be promptly informed of all such changes by Skraw-Met.
6. If separate conditions or an agreement regarding specific quality standards have been agreed upon between the Supplier and Skraw-Met, which deviate from these

GTCPGS, these GTCPGS shall apply in a supplementary manner wherever the agreement or separate conditions would be detrimental to Skraw-Met.

7. These purchasing conditions apply exclusively to entrepreneurs within the meaning of Art. 33(1) § 1 of the Civil Code dated 23 April 1964 (Journal of Laws of 2019, item 1145, as amended).

III. Conclusion of the Agreement, Contract Changes, Target Quantities

1. Orders and cancellations of deliveries, as well as any changes and their potential supplements, require written form. This requirement is satisfied by remote transmission of data via email if it reaches the recipient, and the recipient has had the opportunity to review it.
2. The quantities specified in inquiries and auctions published by Skraw-Met are non-binding demand forecasts for a specified period and do not constitute an obligation to purchase.
3. If the content of the order, including its documentation, contains obvious errors or is incomplete, the Supplier has to inform Skraw-Met to rectify or supplement them before accepting the order; otherwise, the Agreement is considered not concluded until the errors are corrected or the documentation is completed.
4. Offers, plans, designs, technical drawings, documents, samples, etc., will be returned by Skraw-Met only upon a written request made by the Supplier.
5. An integral part of every order placed by Skraw-Met is the "General Guidelines for Ordering and Manufacturing Details for Skraw-Met Company." These guidelines provide instructions for manufacturing of goods unless otherwise indicated in the technical drawing, or not specified in the offer or order.
6. The Supplier is obliged to specify in the offer the period for which the offer is binding. In the absence of such specification, the Ordering party assumes that the offer is valid for a period of 6 months from the date of receiving the offer.

IV. Changes to the Scope of Delivery

Any change in the type, method, or manufacturing technology requires prior consent from Skraw-Met. Unless personal performance is stipulated, the Supplier is entitled to use third parties' services to fulfil the contractual obligations, unless there is a valid reason to the contrary, especially if the third party does not provide a guarantee of proper performance of the Agreement. Violation of these obligations gives Skraw-Met the right to terminate the Agreement to the necessary extent and to charge a contractual penalty equal to 20% of the net order value from which Skraw-Met withdraws. Payment of the contractual penalty does not preclude Skraw-Met from seeking additional compensation under general principles set forth in the Civil Code.

V. Prices, Payment Terms, Transfer of Risk, Compensation

1. The price for products or services specified in the order is binding unless otherwise agreed. The price includes delivery costs, packaging costs, and any additional costs, unless itemized in the offer or order confirmation.

2. The payment term commences upon the proper completion of the delivery and the receipt of a correctly issued invoice. In the case of delivering an incorrect VAT invoice or faulty goods, SM is entitled to extend the payment period by the time that elapses until the receipt of the correct VAT invoice or defect-free goods. The Ordering party will have the right to withhold payment until the receipt of a proper VAT invoice or defect-free goods. In this case, the Ordering party is not obligated to pay any ancillary charges, especially interest.
3. The Supplier bears the price and performance risk until the goods are received by Skraw-Met.
4. The payment of the VAT invoice is deemed to take place on the day the Purchaser's bank account is debited.

VI. Deliveries

1. Delivery dates or other dates specified in the order are binding and must be adhered to. The date of delivery shall be determined by the receipt of the goods at the delivery location specified in the order. The compliance with the delivery date or service completion period will be determined by the date of receiving the service at the designated location specified in the order.
2. The Supplier is obligated to promptly inform Skraw-Met in writing if any obvious circumstances arise or become apparent that will impact the agreed-upon delivery or service completion date. This notification should also include the cause and the anticipated duration of the delay. Reporting a potential delay does not alter the binding nature of the agreed-upon delivery time.
3. Unless otherwise agreed in writing, Delivery has to be performed on a "delivered, duty and tax paid" basis, DDP - Incoterms 2020, at the Skraw-Met headquarters or another location specified by Skraw-Met (delivery to subcontractors).
4. Deliveries have to be made in accordance with the guidelines provided in the "Packing Instructions for Suppliers." Failure to comply with these instructions may be the basis for complaints, including the refusal to accept the order and its return to the Supplier.
5. In the event of a delay in delivery or service completion, Skraw-Met has the right to demand a contractual penalty of 0.5% of the delivery value for each full week of delay, but not exceeding 10% of the total order value. The above claim does not preclude Skraw-Met from pursuing additional claims under the general provisions of the Civil Code. The contractual penalty may be offset against the current Skraw-Met receivables from the Supplier, to which the Supplier agrees.
6. The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims for damages and contractual penalties that Skraw-Met is entitled to due to the delayed delivery or service.
7. If the delivery or service completion date is exceeded, or if the delivery or service becomes impossible due to force majeure or actions of Skraw-Met's contractor, Skraw-Met may, in such cases, terminate the agreement or order, in whole or in part, or extend the completion deadline. In such cases, the Supplier has no right to make claims for damages. Skraw-Met has the right to terminate the agreement within one month from the date of the occurrence of circumstances justifying termination.
8. In the event of a delay in the handling of a complaint, the Supplier will pay the Ordering party a contractual penalty of 2% of the Order value for each day of delay in

handling of any way of making claims by the Ordering party in connection with the Goods or Services listed in the General Terms and Conditions.

9. The Supplier must accurately indicate the Skraw-Met order number on all shipping documents and delivery notes. Failure to do so releases Skraw-Met from liability for delays in processing these documents and confirming the invoice.
10. Partial deliveries are generally not permitted unless expressly agreed upon in writing by SKRAW MET.
11. In case of valid reasons for the Ordering party, Ordering party may suspend the completion date of the Order for a period not exceeding 45 days by submitting a written statement to the Supplier. Each time, the statement will determine the end date of the suspension period.
12. Skraw-Met has the right to make deductions or withhold payments in accordance with the statutory regulations. The right to make deductions or withhold payment may be exercised if Skraw-Met's claims are undisputed or acknowledged by the Supplier, to the extent that it affects the performance arising from the contractual relationship. In the case of a mutual claim arising from the refusal to deliver the ordered goods or perform the service, the Supplier is entitled to exercise the right of retention only when its mutual claim is based on the same contractual relationship.

VII. Export Control and Product Approval

1. The Supplier has to comply with the applicable national, European, and international export control regulations. In any case, the Supplier is obligated to comply with the control regulations applicable within the European Union. If these regulations require the approval of the competent authorities in any matter, the Supplier undertakes to apply for it independently and at its own expense, and inform Skraw-Met accordingly.
2. The Supplier has to ensure that the delivery of ordered products does not violate the embargoes imposed by the European Union on external countries. The Supplier must also ensure compliance with all relevant EU sanctions lists concerning trade with companies, individuals, or organizations listed therein.
3. Upon Skraw-Met's request, the Supplier is obligated to promptly provide documents confirming that the delivered products do not violate the above-mentioned regulations.
4. In the case of intentional or unintentional violations of the above provisions, the Supplier is obliged to remedy any resulting damages and cover the incurred expenses.

VIII. Complaints Regarding Defects, Recourse

1. Skraw-Met inspects the delivered products for quality discrepancies. Such inspection takes place immediately upon the receipt of the products. Both full inspections of the delivered products and random checks are possible. Identified defects are promptly reported to the Supplier. Defects that were not identified are considered to be latent defects, even if they could have been detected during a proper inspection.
2. A defect may be detected at any stage of the manufacturing process in Skraw-Met company and even after delivering the finished product to the customer. Goods that are subject to complaints or reports of defects in such cases may have altered physical or chemical properties resulting from the technological processes used at Skraw-Met. Nevertheless, they are still subject to complaints.

3. The Supplier guarantees that the delivered goods or services comply with Polish and EU law, as well as all legal regulations concerning the protection of life, health, and safety in the delivery location, if applicable.
4. Complaints should be submitted to the Supplier in the form of a Complaint Report, in which the Supplier is required to address the sources of defects and corrective actions aimed at their future elimination.
5. From the moment of reporting defects, the Supplier has 2 business days to respond to the reported objections. If the Supplier does not address the reported defects or does not correct them within the specified time, Skraw-Met has the right to remedy the defects itself or commission a third party to do so, with the associated costs to be borne by the Supplier. Additionally, Skraw-Met has the right to impose a contractual penalty of 10% of the value of the defective order in such a case.
6. In highly justified cases, particularly the impossibility of delivering the claimed materials within the period specified by Skraw-Met, or the threat to life or health, or the occurrence of damage to Skraw-Met or third-party entities, disproportionately high to the order's value, Skraw-Met reserves the right to independently remedy the defects or execute the claimed materials in economically justified cases. The Supplier will be promptly informed of such a situation, and it will be justified by Skraw-Met. In this case, the Supplier bears the cost of the repair.
7. Regardless of the above provisions, Skraw-Met has the right to independently remedy the defects or commission a third party to do so, at the Supplier's expense.
8. If any claims are made against Skraw-Met arising from defects in the products manufactured or delivered by the Supplier, the Supplier is obligated to remedy the resulting damages. If Skraw-Met incurred expenses as a result, they will be fully borne by the Supplier for the defective product or service. These expenses include, in particular, the costs of withdrawing defective products, transportation costs, business trips, labour, and materials.
9. If a defect becomes apparent after the transfer of ownership to Skraw-Met is made, it is assumed that the defect existed before the transfer of ownership, unless this assumption is inconsistent with the nature of the item or the type of defect.
10. If a defect is detected within 2 years from the installation at the customer's location of a product produced or delivered by Skraw-Met, it is presumed that the Supplier is responsible for the defect. Unless the Supplier proves that it is not responsible for it. The Supplier's liability expires while preserving the deadline specified in point VIII, section 5.
11. It is assumed that the Supplier guarantees that the products delivered by them do not infringe third-party patents or other rights within the European Union.
12. If the delivered goods or provided services were to infringe the patent rights or other rights of third parties, the Contractor is obligated to satisfy the claims of patent or rights holders and pay a contractual penalty to Skraw-Met in the amount of 20% of the value of the defective order.
13. If the use of third-party patents or other rights requires the appropriate consent of those persons, the Supplier is obligated to obtain the appropriate consent at their own expense and independently, or modify or replace the products delivered or perform services in such a way that they do not interfere with third-party patents or other rights.
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IX. Confidentiality Clause

1. Confidential information primarily includes:
 - a) Technical, technological, organizational information of the company, or other information with economic value, which as a whole or in a particular combination and set of its elements is not commonly known to people usually dealing with this type of information or is not easily accessible to such persons.
 - b) Data related to technical documentation and drawings, actuator drawings, and materials to be used in the project, including production processes, formulas, methods, procedures, prices, the knowledge, know-how of the Company, or technology produced or used by the Company, materials, production specifications, sketches, designs, and any other data that may be disclosed during their review, testing, or use.
 - c) Business contacts, databases of potential customers of the Company, and details of agreements made with them, which may be included in the documentation provided by the Supplier.
 - d) Information accumulated in correspondence, including correspondence conducted through electronic mail, internet messaging applications, or other means of long-distance communication used by the Parties.
2. In case of any doubts about whether certain information is Confidential Information, the Parties are obliged to jointly clarify such doubts, and until these doubts are clarified, it is presumed that such information constitutes Confidential Information. Classifying information as confidential within the meaning of this **General Terms and Conditions of Purchase of Goods and Services** does not require labelling it with the "confidential information" clause or any other symbol or sign, and does not require reservation of its confidentiality or taking any measures to protect it by Skraw-Met.
3. By accepting an order made by Skraw-Met, the Supplier undertakes to maintain the confidentiality of all Confidential Information mentioned in point 1 resulting from the order/agreement. The Supplier is entitled to use Confidential Information solely for the purpose of properly executing the agreements concluded between the Parties and, in the case of receiving or obtaining Confidential Information by the Supplier for the purpose of initiating cooperation between the Parties and before initiating such cooperation, for the purpose of negotiating the terms of cooperation between the Parties and deciding whether or not to undertake such cooperation.
4. As part of the obligation to maintain confidentiality, the Supplier undertakes to take all necessary measures to prevent the disclosure of Confidential Information to unauthorized persons. In particular, the Supplier undertakes to:
 - a) keep confidential information confidential and protect it at least as they protect their own trade secrets,
 - b) protect confidential information from theft or unauthorized access,
 - c) promptly inform Skraw-Met of any case of breach of the obligation of confidentiality arising from this Agreement
 - d) use confidential information only for the purpose for which it was provided
 - e) after completion of negotiations or cooperation with Skraw-Met and upon each request from Skraw-Met, the Supplier undertakes to return or destroy all materials or carriers containing confidential information. The Supplier is also required to confirm this fact in writing.
5. The obligation to maintain confidentiality under this Agreement lasts from the moment of receiving Confidential Information, both during negotiations to initiate

cooperation between the Parties and during cooperation between the Parties, including during the term of the main agreement, and for a period of 10 years from the termination or conclusion of the above-mentioned negotiations or cooperation.

6. The Supplier is not entitled to receive any remuneration from the company for maintaining confidentiality under this Agreement.
7. In the event of a breach of the Supplier's obligations related to the confidentiality of confidential information, the Supplier undertakes to pay Skraw-Met or its subsidiary or affiliate a contractual penalty in the amount of PLN 100,000 for each breach. Skraw-Met reserves the right to pursue supplementary compensation on the general principles, in addition to the amount of the reserved contractual penalty.

X. Declaration of Origin of Delivered Goods

1. If necessary, the Supplier will provide Skraw-Met with documents confirming the origin of the delivered material required by customs or other state authorities, free of charge.
2. The Supplier is obligated to reimburse Skraw-Met for any costs incurred as a result of delivering incomplete or incorrect documentation referred to in the preceding paragraph.

XI. General Provisions

1. The place of delivery of goods and provision of services is the collection point indicated by Skraw-Met.
2. The place of payment is the registered office of Skraw-Met.
3. Unless these terms and conditions provide otherwise, the provisions of the relevant laws apply to all events mentioned here. If any of the provisions in these General Terms and Conditions or any of the clauses included in agreements made by Skraw-Met were to be in conflict with the legal regulations, this does not affect the validity of other points or clauses.
4. Any oral agreements made before, during, or after the conclusion of an agreement or an order, in particular any subsequent changes and potential supplements, require written confirmation by Skraw-Met. The absence of written confirmation by Skraw-Met implies that no such agreements were reached, and no order was made.
5. All disputes will be settled by a common court having jurisdiction over Skraw-Met's registered office.
6. The Parties agree that exclusive jurisdiction in all disputes arising or potentially arising from the concluded agreement or the General Terms and Conditions of Purchase of Goods and Services lies with the Polish courts, and Polish law shall be applicable. The United Nations Convention on Contracts for the International Sale of Goods and the Convention on the Limitation Period in the International Sale of Goods are excluded.