

General Terms and Conditions of Sales

1. Area of Application

1.1. Our general terms and conditions of sales shall be exclusively applicable. We shall not accept the Orderer's terms and conditions of sale if they are contrary to or differ from our terms and conditions of sale unless we explicitly consented to their application in writing.

1.2. All agreements that we and the Orderer make for the purpose of performing the contract shall be set forth in writing in this contract.

2. Prices and terms of payment.

2.1. In the absence of anything else in the order confirmation or any other written agreement between us and the Orderer, our prices shall apply ex works exclusively packaging costs. Packaging cost should be shown separately in the invoice.

2.2. Statutory value added tax shall not be included in our prices. The statutory sum shall be separately shown in the invoice on the day of rendering accounts.

2.3. The Orderer shall only be entitled to rights of setoff if its counterclaims have been declared undisputed or final and conclusive or we have explicitly accepted them in writing. Beyond this, it shall be entitled to exercise a right of retention to the extent that its counterclaim relates to the same contractual relationship.

2.4. Date of payment: 14 days after the date of invoice.

3. Delivery time.

3.1. A prerequisite for complying with our obligations of delivery is that the Orderer properly fulfils its obligations in good time. The right to assert further-reaching claims shall be reserved.

3.2. If the Orderer is in default of acceptance or it infringes other duties of cooperation, we are entitled to demand recompense for the losses we suffer and any additional expenses. The right to further-reaching claims is reserved.

3.3. If the preconditions set out in paragraph 2 are fulfilled, the risk of an accidental loss or an accidental deterioration of the purchase item shall pass to the Orderer as from the point in time when the default of acceptance or debtor's delay occurred.

3.4. We shall be liable pursuant to the statutory provisions if the underlying purchase contract is a contract where time is of the essence pursuant to Section 286 (2), sub-paragraph 4 BGB (German Civil Code) or of Section 376 HGB (German Commercial Code). We shall also be liable pursuant to the statutory provisions if as a consequence of a delay in delivery that is attributable to us the Orderer has the right to assert that its interest in the continued fulfilment of the contract has lapsed.

3.5. Furthermore, we shall be liable pursuant to the statutory provisions if the delay in delivery is caused by an intentional or grossly negligent violation of contract which is attributable to us; a default by our representatives or vicarious agents is attributable to us. If the delay in delivery is not caused by an intentional violation of contract which is attributable to us, our liability for damages shall be limited to the foreseeable, typically occurring damage.

3.6. We shall also assume liability as provided for by law in the event that performance hereunder is

delayed through culpable breach of a material obligation under the agreement attributable to us. In such an event, however, liability for damages shall be limited to claims for damages that normally could have been anticipated.

3.7. If the delay in delivery is due to minor negligence and the violation of a minor contractual obligation, shall otherwise be liable, in the event of delay in delivery, for each completed week of delay and within the framework of a lump-sum compensation for delay, in the amount of 3% of the value of the supply, but as a maximum not more than 15% of the value of the supply.

4. Transfer of risk.

4.1. Unless stated otherwise in the order confirmation, delivery is agreed to be “ex works”.

4.2. If the Orderer so desires, we shall have the delivery covered by a transport insurance. The costs arising in this connection shall be borne by the Orderer.

5. Liability for defects.

5.1. The Orderer may raise claims based on defect only if it has properly met its obligations of examination and complaint pursuant to Section 377 HGB.

5.2. To the extent that the purchase item has a defect, the Orderer shall, upon its option, be entitled either to a subsequent performance in the form of a removal of the defect, or to the delivery of a new item that is free from defects.

5.3. If the subsequent performance fails, the Orderer shall be entitled to demand, upon its option, either a withdrawal or a reduction of the purchase price. In the case however of a mere minor contractual breach and, in particular, in the case of merely minor defects, Orderer shall have no right of revocation.

5.4. Where the Orderer opts to rescind the contract due to a legal or material defect after unsuccessful make-up performance he will not have additional claims to damages because of the defect.

5.5. We shall be liable according to the legal requirements as far as the Orderer asserts claims for damages resulting from liability for defects in quality or other claims for damages on whatever legal grounds which are based upon intention or gross negligence also of our representatives and agents. As far as we cannot be charged with any intentional violation of the contract, our liability shall be limited to the predictable, typically occurring damages.

5.6. We are liable according to legal regulations if we are guilty of violating an essential term of the contract; in this case, however, liability for compensation is limited to the predictable, typically occurring damage.

5.7. Apart from this, liability to effect compensatory damages shall be excluded. In this context, we shall in particular not be liable for damages which are not incurred on the object of supply itself.

5.8. The mandatory regulations of product liability legislation remain unaffected.

5.9. The warranty period is 1 year from the passing of the risk.

6. Joint and several liability.

6.1. Further liability for compensation for damage than is foreseen according to Paragraph 5 is excluded – irrespective of the nature of the claim which is asserted. This is particularly applicable to claims for damage ensuing from indebtedness at the point of conclusion of the contract, other breaches of duty or tortious claims for the compensation of damages to property according to Section 823 BGB.

6.2. Claims for damages because of impossibility or disability remain unaffected.

6.3. The same applies as far as the liability is obliged as a result of regulations of Product Liability Acts.

6.4. In so far as our liability is ruled out or limited, this shall also apply to the personal liability for damages of our employees.

7. Retention of title.

7.1. We retain title to the good sold until all payments arising from the business relationship with Orderer have been received. In the event of the Orderer violating the contract, meaning especially if he falls into arrears of payment, we shall be entitled to recover the goods. Our recovery of the goods shall not be construed as a cancellation of the contract unless we have expressly declared in writing that it is to be cancelled. Any attachment by us of the contract goods shall always be deemed to be a cancellation of the contract. If we take the contract goods back we shall be authorised to dispose of them elsewhere. The proceeds from any such disposal shall be accredited to the Orderer's payment liability minus the appropriate disposal costs.

7.2. The Orderer shall treat the merchandise with care; in particular it shall insure it sufficiently against fire, water and theft at reinstatement value at its own cost.

7.3. Orderer shall immediately notify us in writing of any action of distraint or other third party intervention so as to allow us to take proceedings pursuant to Section § 771 ZPO (Code of Civil Procedure). As far as the third party is not able to reimburse us the court and out of court costs of proceedings pursuant to § 771 ZPO, Orderer shall be liable for the loss suffered by us.

7.4. Orderer shall be entitled to resell the object of purchase in the normal course of business; however, it here and now cedes us all claims to the amount of the final invoice amount (including VAT) of the claim accruing to it against its purchasers or third parties from the resale, regardless of whether the object of purchase has been resold without or following processing. Orderer shall remain entitled to collect the said claim even after the cession. The power to collect the claim itself shall remain unaffected. However, engages not to collect the claim as long as Orderer complies with its payment obligations from the income collected, does not fall into arrears in payment, payments have not been stopped and, in particular, no application for the opening of insolvency proceedings has been made. But if this is the case, we can demand that Orderer notifies of the claims ceded and their debtors, gives all the information necessary for collection, hands over the matching documents and notifies the debtors (third parties) of the cession.

7.5. Any processing of or alteration to the merchandise carried out by the Orderer shall always be carried out for us. If the merchandise is processed using items which do not belong to us we shall acquire co-ownership in the new item in the ratio of the value of the merchandise (final invoice amount including VAT) to the other processed goods at the time of the processing. The same shall apply to the item which is created through processing as to merchandise supplied subject to reserve.

7.6. If the merchandise is combined irreversibly with items which do not belong to us we shall acquire co-ownership in the new item in the ratio of the value of the merchandise (final invoice amount including VAT) to the other processed goods at the time of the processing. If the mixing process takes place in such a way that the Orderer's item must be regarded as the principal item the parties shall be deemed to have agreed that the Orderer shall transfer co-title to us pro rata. The Orderer shall hold the sole property or co-property which has been thus created in custody on our behalf.

7.7. We undertake to release the collateral to which we are entitled at the request of the Orderer to the

extent that the realizable value of our collateral exceeds the claims to be secured by more than 10 %; we shall select the securities to be released.

8. Applicable law/place of performance/place of jurisdiction

8.1. The law of the Republic of Poland shall apply excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

8.2. If the Orderer is not a businessman, the place of jurisdiction shall be our domicile; however, we are entitled to sue the Orderer at the court competent for its place of residence.

8.3. Unless otherwise stated in the order confirmation the place of performance shall be our domicile.

8.4. Should any provisions of the agreement or these General Terms and Conditions of Sales be invalid, the validity of the remaining provisions hereof or thereof will not be affected thereby.

9. Validity.

9.1. These terms and conditions of sales shall be valid from today.

POL - Elektra sp. z o. o. 28.03.2019