

## **General Terms and Conditions of contracts**

These General Terms and Conditions, hereinafter referred to as the "GTCs", constitute the general terms and conditions within the meaning of Art. 384 § 1 of the Civil Code for supply contracts, sales contracts and contracts for the provision of heat treatment and machining services on material entrusted by the Ordering Party, and apply to contracts concluded by Narzędzia i Urządzenia Wiertnicze "Glinik" sp. z o.o., as the Seller or Contractor, with legal entities and natural persons conducting business activities, each of which is hereinafter referred to as the "Ordering Party".

### **Art. 1 Glossary**

The following phrases and expressions used in these GTCs shall mean respectively:

GTCs - these General Terms and Conditions

Seller or Contractor - Narzędzia i Urządzenia Wiertnicze "GLINIK" Spółka z ograniczoną odpowiedzialnością, with its registered office in Gorlice 38 - 320, ul. Michalusa 1, entered in the register of entrepreneurs of the National Court Register for Kraków Śródmieście in Kraków, 12th Commercial Division of the National Court Register under the number 0000127409, share capital of PLN 9,000,000.00

Ordering Party - a natural or legal person concluding a Contract with the Seller, with these General Terms and Conditions of Contracts forming an integral part of such Contract

Parties - jointly the Seller and Ordering Party

Contract - each contract for delivery, sale of Products and contract for the provision of Services to the Ordering Party concluded by and between the Seller and the Ordering Party, of which these General Conditions of Contract are an integral part.

Products - all products constituting movable property which the Seller offers for sale within the framework of its basic business activity

Services - all heat treatment services provided by the Seller (including on materials entrusted by the Ordering Party) within the scope of mechanical as well as thermal and chemical treatment

Materials - materials supplied by the Ordering Party on which the Service is to be performed and the supply of which to the Contractor is necessary for the proper performance of the Contract by the Contractor.

End Products - products created as a result of the provision of Services by the Seller under a Contract

### **Art. 2 General Provisions**

1. The GTCs shall govern the rights and obligations of the Parties. The GTCs constitute an integral part of a Contract. These GTCs are provided to the Ordering Party as part of the commercial offer prepared by the Seller or are communicated to the Ordering Parties during negotiations aimed at concluding a contract or are attached as an integral part (appendix) to the contract concluded with the Ordering Party. The communication of these GTCs to the Ordering Party shall also be deemed effective if the Ordering Party is informed of their availability on the Seller's website: [www.glinik.com.pl](http://www.glinik.com.pl).

2. In case of discrepancies between the provisions of the GTCs and a Contract, the provisions of the Contract shall prevail. Derogations from these GTCs shall be effective only if they result from the Seller's offer, which constitutes an offer within the meaning of the Civil Code, or if they were expressly formulated in writing in the content of the order or the Contract and were accepted by the Seller.

3. The conclusion of a Contract shall take place in accordance with the relevant provisions of the Civil Code, in particular when:

a) the Ordering Party accepts an offer to conclude a Contract, addressed to it by the Seller and containing a reference to these GTCs,

b) the Seller commences the performance of the Contract upon receipt of an order addressed to it by the Ordering Party (as a response to the Seller's offer containing a reference to these GTCs)

c) the Ordering Party commences the performance of the Contract, the subject matter of which are Services, by delivering Materials to the Contractor upon receipt of an offer from the Contractor containing a reference to these GTCs.

4. Information provided to the Seller in any shape or form, in particular announcements, advertisements, catalogues and price lists, does not constitute an offer within the meaning of the Civil Code and is not binding on the Seller; instead, it constitutes an invitation to conclude a contract.

### **Art. 3 Seller's Offer**

1. A Buyer interested in purchasing the Seller's Products or using the Services provided by the Seller shall submit an enquiry to the Seller specifying, in particular, the type of Products, Services, requirements for the implementation of the order (e.g. indication of the place of delivery), technical conditions, and information on the required non-standard packaging of the products.

2. In response to an enquiry, the Seller shall submit an offer to the Buyer specifying, in particular, the availability of Products/Services, unit price for the Products/Services, terms of execution of the order, terms of payment, terms of delivery, and period of validity of the offer.

4. If the offer does not specify the terms of delivery of products, the delivery shall take place EXW Gorlice (the Seller's registered office) according to Incoterms 2020.

### **Art. 4 Submission of Orders**

During the period of validity of the offer, the Buyer may accept the offer at any time by submitting an order for the Products/Services included in the offer.

## **Art. 5 Price, packaging costs**

1. The price for the sale of Products or provision of Services is the price specified in the Seller's offer addressed to the Buyer, which the Buyer accepts by submitting an order.
2. Prices are expressed in Polish zloty (PLN) or EUR or USD. Prices quoted by the Seller are net prices to which Value Added Tax will be added at the currently applicable rate (valid on the day of issue of a VAT invoice).
3. In the event that the Products or End Products are delivered in non-standard packaging at the Buyer's request, the cost of such packaging shall be borne by the Buyer and shall be added to the invoice for the Price.

## **Art. 6 Terms of Payment**

1. The Ordering Party shall be obliged to pay the Seller for the Products delivered or Services performed within the deadline and on the terms and conditions agreed between the Parties, and in the absence of such an agreement, 100% of the Price shall be paid as an advance payment. The payment of the advance should be made within the period specified on the pro-forma VAT invoice.
2. The Seller shall issue a VAT invoice not earlier than after signing a relevant document confirming the release of the Products or a document confirming the performance of the Service.
3. The Buyer shall make the payment by transfer to the Seller's bank account indicated on the VAT invoice or the pro forma VAT invoice, respectively. In the event of late payment, the Seller may charge statutory interest for delays in commercial transactions.
4. In the case of payment by bank transfer, the date of payment shall be the day of crediting the Seller's account.
5. If the Buyer fails to specify the title of the payment, the Seller shall be entitled to set off the payment against the Buyer's due debt to the Seller, and if there are several due debts – against the debt that has been due for the longest period of time.
6. In the event of late payment by the Buyer, the Seller shall be entitled, notwithstanding any instruction to the contrary by the Buyer, to set off the payment in question against the statutory interest for late payment in commercial transactions first.
7. The Products and End Products shall remain the property of the Seller until the full price for a given Contract has been paid (retention of title). This means that the Seller shall remain their owner until the entire gross sales price under the relevant Contract has been paid, regardless of where the Products or End Products are located, including whether they have been installed on other objects. Upon the initiation of bankruptcy or composition proceedings in relation to the Ordering Party, the Ordering Party shall be obliged to mark the Products and End Products in a manner indicating the retention of title by the Seller. In the event of seizure of Products constituting the Seller's property in the course of enforcement proceedings against the Ordering Party's assets, the Ordering Party shall

immediately inform the Seller of this fact and cooperate in the execution of its rights against the seizing entity within all available means. At the Seller's request, the Ordering Party shall immediately provide all information as to where the Products subject to retention of title are stored.

8. It is forbidden for the Ordering Party to deduct its claims against the Seller from the reciprocal claims of the Seller against the Ordering Party without the Seller's written consent.

#### **Art. 9 Term of the Contract and delivery of Materials or documents**

1. The term of the Contract, i.e. the deadline for the delivery of the Products or performance of the Services, shall be individually agreed by the Parties. In the absence of a separate agreement between the Parties, the deadline for the delivery of the Products or performance of the Services shall be 12 weeks from the date of the Order.

2. In the event that Services are to be performed on Materials supplied by the Buyer or if it is necessary for the Buyer to provide certain documents or make an advance payment to enable the performance of the Subject Matter of the Contract, the date of delivery of complete Materials or documents, or the date of the advance payment, shall be determined individually by the Parties. In the absence of separate arrangements made by the Parties, the transfer of all Materials or documents necessary for the implementation of the Subject Matter of the Contract must take place within no more than 5 days from the date of conclusion of the Contract (receipt of the order submitted by the Ordering Party to the Seller), and the payment of the advance must take place within no more than 3 days from the delivery of the pro forma VAT invoice by the Seller to the Buyer. If the Buyer fails to meet its obligation to deliver the Materials or documents or to make the advance payment on time, the term of the Contract shall be postponed accordingly by a period equal to the Ordering Party's delay in delivering the Materials or documents or in making the advance payment. Furthermore, in the event of a delay in the delivery of Materials or documents or in the payment of the advance by the Ordering Party, the Seller shall be entitled to withdraw from the Contract without having to separately request the Ordering Party to fulfil these obligations and without having to set an additional deadline for delivery. Withdrawal from the Contract by the Seller may cover all or part of the Subject Matter of the Contract, at the sole discretion of the Seller.

3. The provision of Materials by the Ordering Party to the Contractor shall take place at the place agreed by the Parties, and in the absence of such agreements – at the Contractor's registered office. The provision of Materials to the Contractor shall each time be confirmed by an appropriate document of the Ordering Party. Within 3 working days of delivery of the Materials by the Ordering Party, the Contractor shall carry out a quantitative verification of the Materials delivered for compliance with the quantity indicated in the document provided by the Ordering Party. In the event of a quantitative discrepancy, the Contractor shall report the discrepancy to the Ordering Party in writing or by e-mail. In such a case, the delivery of the Materials shall be deemed incomplete. In such a case, the deadline for the performance of the Contract shall be postponed accordingly in accordance with the provisions of sec. 2 above.

4. The Ordering Party bears sole responsibility for the quality of the Materials. The Contractor shall not be obliged to test the quality of the Materials and shall not be liable for improper performance of the Service for reasons relating to the improper quality of the Materials.

**Art. 10 Issue of Products and End Products** 1. Delivery of the Products and End Products shall take place under the conditions agreed upon by the Parties. If such conditions are not specified in the Contract, the delivery shall take place EXW Gorlice (the Seller's registered office) according to Incoterms 2020.

2. The Seller undertakes that the products delivered to the Buyer shall be free of physical and legal defects.

3. Along with the Products or End Products, the Seller shall deliver to the Ordering Party the documents agreed upon by the Parties.

4. The deadline for the execution of the order shall be deemed to have been met by the Seller (unless, as a result of the absence of separate agreements between the Parties, the EXW Gorlice rule applies under Incoterms 2020) if:

a) the Seller has enabled the Buyer to collect the Products or End Products at the Seller's warehouse (registered office) no later than on the date of the deadline for completion of the Contract

5. The Ordering Party shall be obliged to collect the Products or End Products at the time designated by the Seller, whereas the Seller shall be obliged to inform the Ordering Party of the date of collection no less than 2 working days before the date of release.

6. In the event of a delay in the performance of the Contract by the Seller, the Buyer shall only be entitled to withdraw from the Contract if the delay is at least 60 days. Before withdrawing from the Contract, the Ordering Party shall be obliged to set an additional period in writing, no shorter than 7 days, for the Seller to implement the Contract. The additional deadline for the implementation of the Contract may be set only after the lapse of the 60-day delay referred to in the first sentence.

7. Notwithstanding any other sanctions provided for in these GTCs, in the event of delay by the Ordering Party in accepting the Products or End Products, the Seller reserves the right to:

a) withdraw from the Contract in whole or in part, after having set an additional period in writing, no shorter than 7 days, for the Ordering Party to fulfil its obligations, or

b) place the Products or End Products in storage at the risk and expense of the Ordering Party. The Seller shall inform the Ordering Party about placing the Products or End Products in storage.

8. The Seller reserves the right to partial deliveries.

9. When collecting the Products or End Products, the Ordering Party shall check their quantity and quality. Confirmation of acceptance shall take place by means of a Stock Issue Confirmation or other document confirming the issue of products signed by representatives of both Parties. The Carrier, its representatives as well as any person/entity accepting the Products or End Products on behalf of the Ordering Party shall be deemed to be persons authorised by the Ordering Party to accept the Products or End Products. The document confirming the issue of the Products or End Products shall include in particular:

a) the date of issue

- b) the Buyer's company stamp or, in its absence, the exact designation of the Buyer
- c) full names, official positions, legible signatures of the persons accepting the Products or End Products on behalf of the Buyer.

In the event of an unjustified refusal to sign the document confirming the issue of products by the persons performing the collection on behalf of the Ordering Party, it shall be sufficient for the Seller to sign such document. This document shall constitute the basis for the VAT invoice.

10. The Buyer shall also be obliged to accept the products by adding appropriate notes on loading lists and waybills.

11. The signing of the document confirming the issue of the Products or End Products referred to in sec. 1 above shall be tantamount to confirming the absence of reservations concerning the quantity of the Products or End Products received.

12. In the event of finding any quantitative shortages/excesses during the collection of the Products or End Products, the Buyer shall be obliged to request the carrier to check the shortages/excesses and draw up an acceptance report with the participation of the carrier with a precise description of the revealed quantitative shortages/excesses (quantity complaint); otherwise, it shall be deemed that the quantity delivered was compliant with the Contract. The Buyer shall indicate the fact of reporting a quantity complaint on a copy of the Stock Issue Confirmation/waybill by adding the following note: "I have received the products/elements subject to the report of ....".

13. The Ordering Party shall be obliged to send the prepared report to the Seller to the e-mail address [info@glinik.com.pl](mailto:info@glinik.com.pl) or on the day of receipt of the products/elements or on the next working day at the latest; otherwise, it shall be deemed that the quantity of the products/elements issued/collected was compliant with the order.

14. If the Ordering Party collects the products/elements on its own, from the Seller's warehouse, it shall perform the actions referred to in Art. 10 points 1-5 of the GTCs directly at the Seller's premises during the issue/collection.

15. The submission of a quantity complaint shall not relieve the Ordering Party of the obligation to pay the price, on the due date, for the delivery of the Products or End Products in the proportion corresponding to the Products or End Products actually accepted.

16. If the Seller accepts a quantitative complaint regarding:

- a) a shortage – the Seller undertakes to supplement the delivery within 14 days from the date of accepting the complaint or to issue an adjustment invoice,

- b) an excess – the Seller shall collect the excess at its own expense or, upon the consent of the Ordering Party, issue a VAT invoice for the excess Products or End Products.

17. If the Ordering Party fails to collect the Products or End Products, it shall be obliged to cover any damage incurred by the Seller as a result of such delay.

18. All benefits and burdens associated with the Products or End Products as well as the risk of their accidental loss or damage shall pass to the Ordering Party upon their issue to the Ordering Party or its representatives, including carriers or freight forwarders.

19. In the event that the Ordering Party fails to collect the Products or End Products on time, the benefits and burdens associated therewith as well as the risk of accidental loss or damage shall pass to the Ordering Party upon the lapse of the time period for their collection.

20. In the event of a delay exceeding 5 days in the collection of the Products or End Products, including refusal to collect them, irrespective of the costs of storage, the Seller may demand payment of a contractual penalty in the amount of 0.5% of the gross Contract price for each day of delay. The Seller reserves the right to claim damages in excess of the amount of the contractual penalty.

21. The Seller shall not be liable for any loss, damage or costs (direct or indirect) resulting from the Buyer's claims due to delivery errors or delays caused by the actions of freight forwarders or carriers.

### **Art. 11 Warranty for physical and legal defects and quality guarantee**

1. The Parties exclude the warranty for physical and legal defects of the Products and End Products pursuant to Art. 558 of the Civil Code.

2. The Seller grants a quality guarantee for the Products and End Products. The guarantee period shall be specified in the Contract, and in the absence of relevant provisions in the Contract, the quality guarantee shall be granted for a period of 12 months from the date of issue of the Products or End Products, where issue shall be understood to mean making them available to the Ordering Party if the Products or End Products are not collected within a specified period for reasons attributable to the Ordering Party.

3. The quality guarantee shall be granted for defects in the Products or End Products. A defect in the Products or End Products shall be understood as non-compliance of the Product or End Product with the parameters specified in the Contract, preventing the use of the Product or End Product in accordance with its intended purpose, which has been inherent in the Product or End Product since its release to the Ordering Party and which has become apparent during the guarantee period.

4. The following shall not be understood as defects in the Products or End Products within the meaning of these GTCs:

- a. wear and tear in the normal course of their use,
- b. irregularities arising from the use of the Products or End Products in a manner inconsistent with the documentation provided,
- c. defects caused by the Ordering Party or persons/entities other than the Seller

5. Defects shall not extend to the expected performance of the Products or End Products, unless otherwise agreed in the Contract. With regard to the End Products, defects shall not include any irregularities or defects in respect of the Materials.

6. The Ordering Party shall notify the Seller within 3 working days of discovering the defect by sending a detailed description of the defect discovered, along with the circumstances of its discovery, to the Seller's e-mail address info@glinik.com.pl.
7. When reporting a defect covered by the guarantee, the Ordering Party shall be obliged to deliver the defective Products or End Products to the registered office of the Seller, at their own cost and risk, unless the Parties agree otherwise.
8. The Seller shall consider the complaint within 45 days from the date of receipt of the complaint and the Products or End Products complained about
9. If the complaint is accepted, the Seller shall have the right to choose the manner of processing of the complaint:
  - a. repair of the defective Products or End Products,
  - b. replacement of the defective Products or End Products,
  - c. reduction of the price of the defective Products or End Products

#### **Art. 12 Liability of the Parties**

1. Neither Party shall be liable for non-performance or improper performance of its obligations caused by force majeure.
2. Force majeure events that release the Contracting Parties from their contractual obligations for the duration of such events shall include events unforeseen by the Parties, remaining beyond the will of the Parties and occurring after the conclusion of the Contract, which the Parties, in exercising due diligence, could not have prevented and which render the fulfilment of the contractual obligations wholly or partially impossible, such as fire, flood, earthquake, tornadoes, whirlwinds, strikes, acts of state authorities, epidemics or pandemics related to the occurrence of an epidemic, a state of war or martial law.
3. A Party affected by force majeure shall immediately inform the other Party in writing of the occurrence of force majeure and its anticipated duration. Upon cessation of force majeure, the affected Party shall immediately inform the other Party of its cessation and proceed with further performance of its contractual obligations.
4. If the Party affected by force majeure is unable to fulfil its contractual obligations adequately for more than 2 months, the other Party shall be entitled to terminate the Contract in writing with immediate effect.
5. The total liability of the Seller under the Contract is limited to wilful misconduct and the total net price of the Contract concluded.
6. However, the Seller shall not be liable for any damage caused to the Ordering Party through the delivery of Products or End Products that are defective within the meaning of clause 11 of the GTCs, including for damage that could result from the inability to use the products/elements due to the defect revealed.



7. The Seller shall not be liable for contractual penalties and compensation paid by the Ordering Party to its Counterparties due to the non-performance or undue performance of contractual obligations by the Seller.

8. The Seller shall not be liable for any benefits lost by the Ordering Party.

### **Art. 13 Final provisions**

1. These GTCs and the Contract, as well as all rights and obligations arising therefrom or in connection therewith, shall be governed by the Polish law, unless otherwise expressly agreed by the Parties.

2. Any disputes arising in connection with the Contract concluded shall be settled by the court having jurisdiction over the registered office of the Seller.

3. The invalidity or ineffectiveness of any of the provisions of the Contract shall not affect the validity or effectiveness of any other provision thereof. In such a case, relevant legal provisions shall apply instead of the invalid or ineffective provisions.

4. The Buyer shall not be entitled to transfer any rights under the Contract to any third party without the prior written consent of the Seller; otherwise, the Buyer may face a contractual penalty of 25% of the gross value of the order.

5. The titles and numbers of articles are provided for information purposes only and shall not affect their interpretation.

6. These GTCs constitute a contractual regulation binding on the Parties. The Parties exclude the use of other contract templates (general terms and conditions of contract, terms and conditions of sale, model contracts, regulations, etc.) used or established by the Ordering Party.

7. The transfer of any rights and obligations of the Ordering Party towards the Seller under the Contract or these GTCs requires the prior written consent of the Seller. When granting the consent to the transfer of rights and obligations referred to above, the Seller may make it dependent on the fulfilment of certain conditions by the Ordering Party.

8. Any amendments to the GTCs shall be null and void unless made in writing.