

General Terms and Conditions of Purchase

I. Scope of Application

1. These General Terms and Conditions of Purchase (hereinafter GTCP) apply to orders placed by CGH Group Sp. z o.o. and refer to supplies of materials, services, raw materials, parts, prefabricates, products or equipment, hereinafter referred to as the Goods, by entity hereinafter referred to as the Supplier.
2. The GTCP are applicable to all the Suppliers of materials, goods and services. Any terms and conditions different from those defined in the GTCP and suggested by the Supplier, need to be approved in writing by CGH Group. The different terms and conditions shall be binding for the specific order only and must not be deemed binding by the Supplier for the next Orders placed by CGH Group. If any discrepancies occur between the GTCP and the different terms and conditions, the provisions contained in the different terms and conditions confirmed by the buyer and agreed upon for the specific Order shall prevail.

II. Forms of agreements. Order confirmation

1. If an Order is placed with a Supplier being in continuous business relationship with CGH Group, no reply by the Supplier, within 2 business days, shall mean acceptance of the Principal's offer under terms and conditions determined in the Order. A continuous business relationship means the simultaneous duration of another Order of one of the parties and/or repeatability of business contacts between the Parties consisting in fulfilment of at least two Orders by the other party within 12 calendar months preceding submission of the Order.
2. A Supplier who is not in continuous business relationships with CGH Group is obliged to confirm acceptance of the Order in writing (Order Confirmation), within 2 business days, unless otherwise agreed upon between the Parties. Upon expiration of the above date, the Order shall cease to be binding for CGH Group.
3. Should Order Confirmation include terms and conditions that appear to be to any extent different from the Order placed, CGH Group shall have a right to declare, within 3 business days from the Order receipt, whether it accepts the Order fulfilment under the terms and conditions modified by the Supplier or not. The declaration of CGH Group may be transmitted to the Supplier by facsimile or email.
4. The Supplier must notify CGH Group in writing about each modification planned to the Goods ordered and about any planned modifications in the Goods production at least 10 business days before implementation of the said modifications. The Supplier is obliged to obtain a written consent of CGH Group for implementation of any changes to the Goods or its production process. Should any modifications be implemented to the Goods or its production process without obtaining the written consent by CGH Group or should the Supplier infringe the obligation to notify CGH Group about the planned modifications at least 10 days prior thereto, CGH Group shall have a right to terminate the agreement within 1 month from receipt of notice of the circumstance justifying the same.
5. Should any data discrepancies occur between the Order placed by CGH Group and the Supplier's invoice, the data contained in the Order shall be deemed settled and prevailing.
6. Unless otherwise agreed upon by the Parties, the Order value includes the value of the Goods ordered plus the documents and its packaging and delivery, including insurance for the time of transportation to CGH Group.

III. Delivery term and performance

1. The Goods deliveries must be performed in compliance with the specifications and conditions contained in the assignments or orders.
2. The delivery term indicated in the Order shall be final and means the term of goods delivery to a place indicated, under the terms and conditions of delivery defined in the order.
3. The Supplier is obliged to notify CGH Group without delay of the occurrence or risk of occurrence of circumstances suggesting that the Order delivery date agreed upon cannot be met, including specification of anticipated period of delay and causes of such situation.
4. Unless otherwise agreed upon by the Parties, the Order shall be fulfilled in line with DAP (Delivered AT Place, Incoterms 2010) rule – CGH Group Sp. z o.o. ul. Srebrna 39, 85-461 Bydgoszcz, Poland).

5. The Supplier is obliged to deliver the dispatch document along with such delivery (delivery note corresponding to the method of transportation and accompanied with packing slip).
6. The Supplier is obliged to include the Order number in the dispatch document and other documents related to the Order fulfilment, such as: letters, invoices, quality certificates and declarations of conformity.
7. The Supplier is obliged to notify CGH Group in writing (by email) on the Goods readiness for shipment at least 3 business days prior to the planned date of Goods delivery.
8. The Goods delivery must be preceded by advice sent to the email address of the ordering person, one day prior to the planned delivery at the latest. The advice should include: delivery note number, order number, name and quantity of Goods, index number for the Goods assigned by CGH Group. The Goods deliveries are accepted at the premises of CGH Group on business days and during warehouse opening hours, i.e. from 7.00 to 14.00. Should the Buyer perform the transportation, the Goods shall be accepted on business days from 8.00 to 16.00.
9. CGH Group admits the option to accept a delivery outside warehouse opening hours, provided it is agreed upon between CGH Group and the Supplier, prior to the same.
10. The Supplier is obliged to pack the Goods in a method corresponding to the means of transport and loading/unloading equipment used. The packages should have legible and durable labels containing the Buyer's name and address and the Order number assigned by the Buyer as well as symbols determining the method of handling the consignment according to relevant dispatch and shipping standards. Each element outside and inside the package should be labelled in a manner assuring its full identifiability.
11. The quantitative check of the Goods delivered and the evaluation of its visual condition after the transport are to be carried out directly after the delivery of the Goods to the warehouse of CGH Group, through comparison of the delivery compliance with the dispatch documents and Order as well as through visual inspection of the external condition of the Goods.
12. Should the Goods quantity deviate from the dispatch documents and Order or should the Goods delivered be damaged, CGH Group shall mark the said discrepancy in the dispatch documents. Should the delivery diverge in terms of quantity and quality from the Order terms and conditions, CGH Group shall notify the Supplier about it by email, telephone or facsimile. The Supplier is obliged, within 2 business days from the date of reporting discrepancy by CGH Group, to deliver the missing parts of delivery or replace the faulty Goods with new faultless items, at its own cost.
13. An Order shall be deemed fulfilled on delivery of the Goods ordered to CGH Group, compliant with the Order and accompanied by all the documents required by the Principal.
14. In the case of refusal to accept the Goods, CGH Group shall notify the Supplier thereon without delay, indicating the reasons for such refusal. The Goods rejected by CGH Group shall be, at the Principal's option, returned to the Supplier at the Supplier's cost and risk or kept by the Principal, if possible, until the Supplier provides the Principal with further instructions on the Goods disposition within 5 business days.

IV. Warranty

1. The Supplier grants a 24-month warranty for the Goods delivered, unless otherwise agreed upon by the Parties.
2. The Supplier guarantees that the technical and efficiency parameters of the Goods comply with the requirements of CGH Group specified in the Order and that throughout the warranty period the Goods shall be free from any defects that would impede its proper and faultless use and operation.
3. The Supplier shall bear full responsibility for the effects and consequences of the Goods' defects detected or arising during the warranty period.
 4. If any defect of the Goods arises during the warranty period, CGH Group shall notify the Supplier about the fact in writing. The Supplier is obliged to repair the Goods' defect within the term indicated by the Principal. During the warranty period the Supplier may reject the claim submitted by CGH Group in such a way only if the Supplier proves that the Goods' defect arose at the fault of CGH Group as a result of improper use and operation of the Goods, non-compliant with the instructions / documents provided by the Supplier. If the Goods delivered show a defect three times during the warranty period, and the cause of such defect lies with the Supplier, the latter shall be obliged to replace the faulty Goods with defect-free Goods, at its own cost. The warranty obligations of the Supplier shall be performed in the place indicated by CGH Group. The Supplier is obliged to prepare a report concerning

the occurring Goods' defect, indicating the cause of its occurrence and the method of repair, within 2 weeks from receipt of notice about finding such defect.

5. The warranty shall be extended by the time from reporting the defect until its repair. 6. In the case of replacement of faulty Goods with new items, the warranty period shall be restored. 7. In the case the Supplier fails to repair the defect reported on time within the warranty or guarantee period, CGH Group is entitled to repair such fault on its own or have it repaired by a third party at the Supplier's cost, without losing the rights resulting from the warranty. Without prejudice to the rights by way of the warranty, the Supplier shall bear guarantee liability towards the Principal, under the Civil Code regulations. The period of the guarantee granted by the Supplier is equal to that of the warranty granted by the Supplier.

V. Prices and payments

1. The prices included in the order are fixed net prices.
2. The due amounts shall be paid after receipt by CGH Group of correct, reliable and timely issued VAT invoices, pursuant to the provisions of the Value Added Tax Act and implementing regulations.
3. The condition for payment shall be the receipt of all the documents required, i.e. attestation, certificates, declarations of conformity, delivery-acceptance protocols, product data sheets, necessary to perform and meet the requirements of the Principal
4. The Seller accepting the order declares to be a registered VAT payer.
5. Unless the Parties agree otherwise, CGH Group shall pay the due amounts to the Supplier by transfer onto its bank account within 60 days from the VAT invoice delivery date. Any invoices containing no order number shall be deemed incorrect and shall not constitute the basis for payment.
6. The invoice maturity shall run from the moment of receipt of correct invoices or correction notes accompanied by documents required in the order. The lack of any of the documents required in the Order shall suspend the maturity term running. Payment of the due amounts is not the confirmation of fulfilment of the contractual obligations by the contractor.
7. The invoice shall be issued in the currency of the Contractor's country, unless otherwise agreed upon.

VI. Confidentiality

1. The Parties undertake to treat as confidential terms and conditions of the Order and any other information obtained from each other or otherwise in relation to the Order fulfilment, in particular any organisational, commercial and technical information concerning CGH Group, which has not been disclosed to the public.
2. The Supplier undertakes to treat as confidential information concerning commercial trading, prices and discounts applied, products, agreements and technological data.

VII. References and advertising

The Supplier is not entitled to use the Goods and information about cooperation for any purposes, particularly for reference or advertising purposes, without prior written consent by CGH Group.

VIII. Force Majeure

1. Either Party may withdraw from fulfilling the contractual obligations, should any delay caused for reasons beyond its control occur. A delay at no fault of a party shall be deemed as delay caused by so-called Force Majeure, i.e. a fortuitous event which could not have been prevented or foreseen in spite of maintaining due diligence, which means in particular fire, flooding, typhoon, earthquakes, epidemics, war, government prohibitions or assignments, restrictions, unusual severe weather conditions, delays for similar natural or governmental reasons
2. The Party afflicted by an event beyond its control and one which could not have been foreseen or avoided shall notify the other Party about such event without delay and shall provide the other Party with all the information and evidence related thereto, particularly concerning the period in which such even may delay the timely performance of contractual provisions.
3. During the period of contract performance suspension caused by Force Majeure, the Principal may obtain the goods from other sources and reduce the quantities contained in the contract with the Contractor correspondingly, if the Contractor was unable to deliver the goods within the extended date

given to it. Fixing an additional extended date shall not be necessary, if it is obvious that the extended date shall not be kept. Moreover, the Contractor is obliged to provide comprehensive information on the delay, insurance, emergency plans on each relevant enquiry from the Principal.

4. The Contractor is obliged to notify the Principal immediately and comprehensively about any labour disputes that may delay the delivery.

IX. Other provisions

1. If the Supplier fulfills its obligation without due diligence, particularly in case of delay in fulfilment of the Order or repair of Goods' defect, CGH Group is entitled to charge the Supplier with penalty of 2% of the Order value for each day of delay. Payment of the penalty shall not release the Supplier from the duty to perform its obligation. In the case of delay in delivery of the Goods exceeding 30 days, the Principal shall be entitled to withdraw from the Order in the delayed part of delivery.
2. In the case of default in payment by CGH Group, the Supplier shall be entitled to claim payment of statutory interest from CGH Group.
3. Should the penalties not cover the damage suffered, CGH Group may claim supplemental indemnity. Simultaneously, CGH Group informs that most of its orders is placed for fulfilment of orders from its own clients. Undue fulfilment of those orders is sanctioned with penalties calculated from the value of products in which the Goods ordered may be assembled.
4. CGH Group is entitled to control the Order fulfilment process on the Supplier's premises, also in the presence of CGH Group product recipients.
5. Any disclosure of information related to the order to third parties by the Supplier requires the written consent of CGH Group.
6. Any assignment of the Supplier's rights and obligations resulting from this Order requires the written consent of CGH Group.
7. Any disputes related to the Order shall be settled by the court competent for CGH Group.

Bydgoszcz, 20.09.2016