

## GENERAL TERMS AND CONDITIONS OF PURCHASE of 1 September 2015

applicable at the company: BKT Elektronik Sp. z o.o. with its registered office in Białe Błota near Bydgoszcz, ul. Łochowska 69, 86-065 Białe Błota, KRS [National Court Register] No.: 0000374400, NIP [Tax ID No.]: 5542894462

### 1. GENERAL PROVISIONS

- 1.1. The present General Terms and Conditions of Purchase are applicable to requests for proposal and orders submitted by BKT Elektronik Sp. z o.o. in Bydgoszcz, hereinafter referred to as the "Contracting Authority" and refer to acquisition, i.e. respectively purchase or delivery of materials, raw materials, parts, prefabricated products, products or devices, hereinafter referred to as the "goods", by an entity hereinafter referred to as the "Deliverer".
- 1.2. The order number shall be quoted in an order for delivery, invoice, Stock Issue Confirmation [WZ document], acceptance protocol and all other transaction documents.
- 1.3. In the case of an Order placed by the Deliverer who remains with the Contracting Authority in permanent business relations, a lack of Deliverer's reply to the Order within 24 business hours shall mean acceptance of the order on the terms laid down in the Order. The permanent business relations shall mean either duration of performance of another order of one of the parties or repeatability of business contacts of the Parties, consisting in performance by one of the parties of the order of the other party at least two times within the period of 12 calendar months preceding submission of the Order.
- 1.4. A Deliverer not remaining with the Contracting Authority in permanent business relations shall be obliged to confirm acceptance of the Order, within 2 business days, unless agreed by and between the Parties otherwise. After expiry of the foregoing deadline, the Order shall cease being binding on the Contracting Authority.
- 1.5. The written confirmation shall be considered a paper document, fax or email sent by the Deliverer to the Contracting Authority. The confirmation in the form of email shall be sent to the address of the person sending the order or to the following address [zakupy@bkte.pl](mailto:zakupy@bkte.pl)
- 1.6. The confirmation or acceptance of the order shall mean the acceptance of the present General Terms and Conditions of Purchase which, upon this moment, shall be binding on the Deliverer, and a declaration of the Deliverer that the present General Terms and Conditions of Purchase shall have priority over the General Terms and Conditions of Sale if they are applicable at the Deliverer.
- 1.7. The General Terms and Conditions of Purchase are available on the following website: [www.bkte.pl](http://www.bkte.pl)

### 2. DELIVERY PERIOD

- 2.1. The delivery dates are the dates specified in the order and shall mean the date of delivery of goods to the place of delivery indicated in the order. These dates shall be strictly met.
- 2.2. In the case of a risk of failure to meet the delivery date, the Deliverer has an obligation to provide in writing the estimated period of delay and reasons for the delay at least 5 days before the planned delivery. A lack of the aforementioned information or provision of information which shows that the delivery will not be able to be executed on time may be a basis for the Contracting Authority to withdraw from the order, with the consequences arising from point 3.10. hereof.
- 2.3. The Contracting Authority reserves the right to withdraw from whole or part of the order not executed within the time limit specified in the order without the obligation to pay any compensations whatsoever. At the same time, the Contracting Authority reserves the right to seek a compensation from the Deliverer on account of improper execution of the order on the general terms laid down in the Civil Code and reimbursement of costs incurred on account of substitute execution of the order regardless of other consequences stipulated herein.

### 3. TERMS OF DELIVERY

- 3.1. Ordered goods shall be delivered by the Deliverer to the place indicated in the order. The delivery may be rejected if it is not accompanied by a delivery document issued by the Deliverer, containing an order number, specification of the dispatched goods, quantity, details concerning packaging, weight and place of receipt, as well as attestations, certificates and warranty cards.
- 3.2. The Deliverer undertakes to deliver the quality of goods specified in the order. The Deliverer is obliged to deliver missing goods within a time limit agreed in writing with the Contracting Authority's purchasing department. After the Deliverer is informed beforehand, surplus of goods delivered to the Contracting Authority shall be returned or stored at the expense of the Deliverer in our company or in the case of a shortage of room in the Contracting Authority's warehouse, in an external warehouse rented at the expense of the Deliverer. Costs of the external storage shall be covered in whole by the Deliverer.
- 3.3. The goods shall be delivered in accordance with specifications and terms and conditions contained in recommendations or orders. Unless the parties decide otherwise in the order, deliveries shall be executed on the DAP (Delivered At Place) terms - Incoterms 2010.
- 3.4. Each and every delivery shall be accompanied by a complete set of correctly filled out delivery documents and waybill. Such documents shall obligatorily include, e.g. an order/commission number, date of order/commission, and each item shall contain a material number of the Contracting Authority, quantity and unit.
- 3.5. The Contracting Authority may refuse to accept if, due to incompleteness of delivery documents / waybill, it is impossible or excessively difficult to assign a delivery to the Contracting Authority's order/commission.
- 3.6. The Deliverer is responsible and liable for damage/losses arising from each and every delay, loss or damage caused by incorrect marking, packaging or identification of dispatched goods.
- 3.7. Delivery of ordered goods shall be deemed completed with regard to fulfilment of the delivery terms and transfer of the risk of accidental loss of or damage to the goods from the Deliverer to the Contracting Authority at the moment of faultless documented acceptance of the object of delivery by the Contracting Authority in the agreed place.
- 3.8. The Contracting Authority is authorised to return to the Deliverer at its expense and risk each and every dispatched good delivered before the delivery date or to encumber the Deliverer with respective costs of storage. The risk of damage or loss shall be incurred by the Deliverer.
- 3.9. Responsibility and liability for failure to execute or improper execution of the order is hereby established in the form of contractual penalties in the following cases and amounts to be paid by the Deliverer to the Contracting Authority:
  - a) for withdrawal from execution of the order by the Contracting Authority for reasons dependent on the Deliverer or by the Deliverer for reasons independent of the Contracting Authority - in the amount of 10% of the value of the object of the order;
  - b) for exceeding the delivery deadline in the amount of 0.6% of the value of the order, for each and every day of exceedance, this also applies to interim completion dates;
  - c) for delay in removal of defects found during acceptance of the object of the order or in the period of guarantee and warranty for defects in the amount of 0.4% of the value of the order, for each and every day of delay, calculated from the expiry of time limit indicated by the Contracting Authority for removal of defects.
- 3.10. The Contracting Authority has the right to deduct unilaterally charged penalties from the Deliverer's remuneration.
- 3.11. If the Deliverer is late with performance of the object of the order or if the Deliverer fails to fulfil the obligation laid down in point 2.2. of the General Terms and Conditions of Purchase, the Contracting Authority may - not resigning from the rights to charge the contractual penalty and supplementary compensation - benefit from one or more of the following rights:
  - a) demand that the order be executed in whole or in part;
  - b) make a purchase from another deliverer, at the expense and risk of the Deliverer;
  - c) withdraw from the order for reasons attributable to the Deliverer without indicating an additional time limit, after informing the Deliverer in writing;
  - d) if the contractual penalty does not cover the damage / loss suffered, the Contracting Authority may claim additional compensation on general terms.
- 3.12. Deliveries of the Goods, material, parts shall be collected/accepted in the Contracting Authority's registered office from 06.00 a.m. to

02.00 p.m. The Contracting Authority allows the possibility of accepting/collecting a delivery outside of the opening hours of warehouse provided that this is agreed earlier by and between the Contracting Authority and the Deliverer.

#### **4. GUARANTEE AND WARRANTY**

- 4.1. Completion of the order shall result in granting a guarantee and warranty by the Deliverer for the delivered goods for the period indicated in the order.
- 4.2. The Deliverer guarantees that the technical and performance parameters of the Goods, material are consistent with requirements of the Contracting Authority specified in the Order and that in the period of the guarantee or in the period of the warranty, the Goods shall be free of defects which would make their correct and failure-free exploitation or use impossible.
- 4.3. The Deliverer bears full civil law and financial liability for effects and consequences of defects of the Goods, material disclosed or arisen in the period of the guarantee or warranty, due to improper quality of the delivered Goods, material.
- 4.4. The period of the guarantee and warranty shall run for the time and from the date indicated in the order, and if the order does not make such information precise - from the date of delivery for the period of 24 months. The liability arising out of the guarantee is consistent with provisions of the Civil Code.
- 4.5. The Contracting Authority shall notify the Deliverer of identified defects of delivered goods.
- 4.6. Defects found during collection/acceptance and in the period of the guarantee shall be removed by the Deliverer within a time limit determined by the Contracting Authority. The Contracting Authority, at its discretion, reserves the right to return all defective goods at the expense of the Deliverer with demand to return the payment made for them, demand to replace them, sort or repair them. The Deliverer shall take any and all necessary steps to ensure replacement, sorting in order to separate defective goods or repair defective goods at its expense with due diligence. If the Deliverer fails to remove a reported defect within a particular time limit, the Contracting Authority may remove the defect in lieu of the Deliverer, at its expense, after informing the Deliverer in writing beforehand. The above shall not infringe the Contracting Authority's rights concerning the contractual penalties, supplementary compensation and suspension of payment of the Deliverer's invoices, as well as shall not relieve the Deliverer from the liability arising from the guarantee.
- 4.7. Regardless of the rights arising from the guarantee the Deliverer shall bear liability towards the Contracting Authority arising from the warranty in accordance with provisions of the Civil Code.

#### **5. QUALITY AND DOCUMENTATION**

- 5.1. The Deliverer is obliged to achieve the TARGET OF ZERO SHORTAGES. If the ZERO SHORTAGES target is not achieved on a short-term basis, the deliverer is obliged to submit to the Contracting Authority specific plans of action to attain that goal. The Contracting Authority shall make arrangements with the deliverer concerning the PPM level for assessment of achievement of the target. If no additional arrangements are made, the level of 100 PPM shall be assumed as applicable. If achievement of the determined objective is not ensured, the deliverer has an obligation to notify this fact.
- 5.2. Arrangements concerning the PPM level shall not violate the deliverer's responsibility and liability arising from claims such as complaints, guarantee and compensation due to defective details.
- 5.3. The Contracting Authority reserves the right to carry out a quality control of goods delivered by the Deliverer. The basis for the quality acceptance shall be the requirements laid down in the standard and/or drawing and/or arrangements with the Deliverer.
- 5.4. The Contracting Authority shall carry out a periodic assessment of the deliverer as part of the quality system possessed. The Deliverer shall be informed about results of the assessment minimum once a year.
- 5.5. If delivered goods are found to be defective, the Recipient shall notify the Deliverer of the delivery subject to the complaint. The Deliverer has an obligation, after receiving information about the complaint for the goods, to remove defects or immediately deliver a new batch of goods free of defects within a time limit determined by the Recipient. The actions taken by the Deliverer cannot cause production downtimes at the Recipient.
- 5.6. The Deliverer is obliged to take immediate (to submit the 8D Report within 24 hours), documented corrective and preventive actions within 5 business days and the complete 8D report.
- 5.7. If the Deliverer rejects the quality complaint in whole or in part, the Recipient has the right to carry out an expert appraisal by an entitled expert. If the Recipient's complaint proves to be justified, costs related to conducting the expert appraisal shall be incurred by the Deliverer.
- 5.8. The Deliverer shall incur the following costs connected with a complaint for defective delivery:
  - administrative costs, costs of sorting, alteration, repairing, scrapping, additional packing or transporting of the defective delivery,
  - costs of production downtime/stoppage caused by the defective or late delivery.
- 5.9. Packaging must be consistent with the arrangements, standards and applicable provisions, with the indication whether it is returnable or non-returnable packaging. Moreover, it must also guarantee safety of the dispatch for the duration of transport and storage in the guarantee period. It is the deliverer that is responsible and liable for damage / losses arising from the use of incorrect packaging.
- 5.10. The Deliverer undertakes to submit and send, free of charge, a protocol from control of the first templates along with templates to the Contracting Authority, after prior establishment of the form of documentation and number of the templates, prior to the first delivery of the serial products to the Contracting Authority.
- 5.11. The Deliverer is obliged to exhaustively document actions concerning management of quality and results for all parts, goods, materials delivered to the Contracting Authority.
- 5.12. The foregoing documents and entries shall be stored by the Deliverer for the period of 3 years from the last delivery of parts.  
The Deliverer shall submit the documents and entries each and every time upon request of the Contracting Authority for evidentiary purposes (DIN EN ISO 9001, chapter 4.1.6).

#### **6. PRICE**

- 6.1. The prices determined by the Parties are binding and invariable, they include goods delivered to the particular place of delivery at the expense of the Deliverer.
- 6.2. VAT shall be specified in an invoice.
- 6.3. The invoice must contain the following information:
  - number and date of the Contracting Authority's order or
  - agreement number if there is no order number, or first name and last name of the Contracting Authority,
  - number of the Contracting Authority's material if indicated in the order/commission,
  - delivered quantity and unit for each item,
  - unit price and value for each item.

#### **7. OBJECT OF DELIVERY**

- 7.1. The object of delivery must be executed in line with the content of the order, applicable standards and provisions, in witness whereof the Deliverer shall provide necessary documents, attestations and certificates together with delivery of purchased goods.
- 7.2. The Deliverer shall provide the Contracting Authority, within agreed deadlines but at the latest upon delivery of goods, with technical documentation related to the goods, such as instruction manuals and maintenance instructions, training instructions, drawings, technical data sheets, product safety cards, plant control certificates, certificates of conformity and other necessary documentation. Unless the order specifies otherwise, the delivery of software or goods containing the software shall include, for maintenance and/or adaptation purposes, any and all related source and object codes. Such technical documentation or any and all special instruments in connection with orders shall remain the property of the Contracting Authority and shall be deemed an integral part of the goods within the meaning hereof.

## **8. PAYMENT TERMS**

8.1. Provided that delivered goods and invoices are in compliance with the specification and order clauses, payments shall be made by the Contracting Authority in the form of a transfer to the Deliverer's account indicated in an invoice within 90 days from the date of delivery to the Contracting Authority's registered office of the invoice along with a protocol from faultless acceptance of the goods, unless otherwise agreed in writing.

8.2. The payment deadline for erroneously issued invoices shall be counted from the moment of receipt of the corrective invoices or corrective notes. Payment of receivables shall not be a confirmation of fulfilment of the obligations arising from the agreement by the Deliverer.

8.3. Each and every time, the basis for issuing an invoice is the faultless acceptance protocol, proof of issue or waybill signed by representatives of the Parties.

8.4. All payments shall be made subject to the provision of the guarantee for any possible damage/losses and shortages to be found at a later time. In the case of a quality complaint, the Contracting Authority has the right to retain, partially or completely, the payment by the time of removal of the reason for the complaint, with the reservation that the agreed discounts and allowances deadlines shall be binding from the moment of removing the reason for the complaint.

## **9. CUSTOMS AND ORIGIN**

9.1. If there are required documents for import or export to determine the intended purpose of the object of dispatch, the Deliverer is obliged to organise and provide them to the buyer at its own expense.

9.2. The Deliverer is obliged to establish and document the origin of goods. The Deliverer is obliged to notify the Contracting Authority in writing of a change of the origin. If the Deliverer delivers goods which, in the country of import, require customs procedures to be conducted, it shall be obliged to provide a certificate of origin. That certificate shall be required for each and every dispatch.

9.3. The Deliverer bears responsibility and liability for all damage/losses suffered by the Contracting Authority, which will arise from non-fulfilment of such conditions. The Deliverer is obliged to support the Contracting Authority so that it will bear as low customs costs as possible.

9.4. The Deliverer is obliged to explain all questions and doubts to relevant offices, concerning the origin of goods. Unless agreed otherwise, customs clearance shall be carried out by the Deliverer.

## **10. FORCE MAJEURE**

10.1. Each of the parties may withdraw from fulfilment of the agreement only and exclusively in the case of a delay non-culpable by both parties. The non-culpable delay shall mean a delay caused by the so-called force majeure, i.e. a fortuitous event which could not have been prevented or with exercise of due diligence - could not have been forecast, i.e. in particular: fire, flood, typhoon, earthquake, epidemics, war, prohibitions or state allocations, restrictions/limitations, extraordinary, rapid weather phenomena, delays for similar natural or state reasons.

A party affected by the event beyond its control and by such which could not have been predicted or avoided shall immediately inform the other party in writing about the given event and shall provide the other party with any and all information and evidence related thereto, especially concerning the period in which the given event may delay the implementation of the agreement on time.

10.2. The Contracting Authority may, during a break in the implementation of the agreement due to the force majeure, acquire goods from other sources and by such quantities

reduce the quantities stipulated in the contract with the Deliverer if the Deliverer has been unable to deliver the goods within the extended time limit established for and communicated to it. Determination of an additional extended time limit is not necessary if it is obvious that the extended time limit will not be met. Furthermore, the Deliverer is obliged to provide exhaustive information on delays, insurance, emergency plans for each and every query of the Contracting Authority. The Deliverer is obliged to immediately and exhaustively inform the Contracting Authority about all disputes concerning the labour law, which may delay the delivery.

## **11. CONFIDENTIALITY**

11.1. Any and all information directly arising herefrom, as well as information acquired by the Deliverer in connection with the execution of the order, including in particular any and all organisational, commercial and technical information regarding the Contracting Authority and not made public shall be considered by the Deliverer to be confidential information and, as such, shall not be disclosed to third persons. This obligation does not refer to situations when the obligation to provide the information arises from mandatory provisions of law.

11.2. In particular, the Deliverer undertakes to treat information concerning the size of commercial exchanges, applied prices, discounts, product specifications, logistics agreements, technological data as confidential, otherwise the Contracting Authority may withdraw from the order for reasons dependent on the Deliverer.

11.3. The Deliverer hereby declares not to use the confidential information for purposes other than the execution of the order and to provide such information with proper protection adequate to the confidential nature thereof.

11.4. The obligation to keep the information secret shall remain in force after completion of the order and may be repealed only and exclusively upon written, otherwise null and void, consent of the Contracting Authority.

## **12. DELIVERER'S RESPONSIBILITY AND LIABILITY**

12.1. The Deliverer undertakes to guarantee a delivery of materials consistent with all the points hereof and with the plans and standards specified in the purchase order.

12.2. The Deliverer guarantees that the materials delivered by it meet the standards of use, as well as safety and security standards, required in the territory of the European Union and undertakes to comply with the European Directive 2002/95/CE (RoHS).

12.3. The Deliverer has an obligation to inform the Contracting Authority about any and all defects to be detected by it in its materials to reduce the qualitative, financial consequences and to prevent potential delays in production.

12.4. The Contracting Authority reserves the right to control materials in all stages of the ordering process.

12.5. The Deliverer has an obligation to carry out a permanent control of its services and provisions. It is responsible and liable for all potential defects of the delivered material, including hidden defects. Non-conforming products or defective products shall be returned at the expense and risk of the Deliverer.

12.6. In each case, the control of quality carried out by the Contracting Authority before, during or after delivery, shall not relieve the Deliverer from the responsibility and liability for quality of the delivered goods.

12.7. All technical, technological data (plans, projects/designs, drawings, technical trials/tests, prototypes, samples, etc.) shall be treated as confidential information and shall be provided to the Deliverer by the Contracting Authority only and exclusively for the purpose of executing the order. The Deliverer undertakes to keep it/them secret and has no right to:

- disseminate or make available under any pretences and in any way whatsoever information, data and projects/designs without earlier written consent of the Contracting Authority

- copy, in whole or in part, samples, models, plans or any other document provided to it by the Contracting Authority

- The Deliverer undertakes to keep the information confidential and to protect it, as well as to guard the secret thereof as its own.

12.8. The Deliverer shall be fully accountable to the Contracting Authority for failure to comply with the foregoing provisions.

12.9. The Deliverer undertakes to provide the Contracting Authority with full documentation of its company: name, type of legal entity, its complete address together with banking information and tax number.

12.10. The Deliverer shall provide the Contracting Authority with a packing card, informing about the way of packing the goods on a form agreed upon with the Contracting Authority. The form to be downloaded from the following website: [www.bkte.pl](http://www.bkte.pl)

### **13. RIGHT TO AN AUDIT**

13.1. The Contracting Authority or an entitled representative of the Contracting Authority has the right to audit its deliverers in terms of the quality system and manufacturing process, as well as to bring the Deliverer to BKT Elektronik in the case of deterioration of the quality of its deliveries. The right to carry out the audit at BKT Elektronik's deliverers shall also be held by recipients of BKT Elektronik's products. No audit will relieve the deliverer from the responsibility and liability for the quality of goods delivered to the Contracting Authority.

### **14. ADDITIONAL PROVISIONS**

14.1. If the scope of the order is extended, the Deliverer shall deliver additional goods or replacement goods on the commercial terms applicable to the execution of a given order (unit prices, discount).

The Contracting Authority reserves the right to return part of the object of the order and to reduce/limit its scope. Any possible return of part of the object of the order or reduction/limitation of the scope thereof shall take place with application of unit prices adopted for the execution of a given order.

14.2. The Deliverer shall relieve the Contracting Authority from any responsibility and liability whatsoever for any possible claims of this persons in connection with goods, parts and materials delivered on the basis of a patent, licence or registered designs/models. In the case of a proceeding carried out with reference to such claims, the Deliverer shall ensure direct protection of the Contracting Authority at its own expense.

### **15. DISPUTES**

In the event of a dispute concerning the interpretation or execution of the order and the present General Terms and Conditions of Purchase, which cannot be resolved by the parties amicably, a competent determining authority shall be the common court of law having jurisdiction over the registered office of the Contracting Authority.

### **16. FINAL PROVISIONS**

16.1. Without prior written consent of the Contracting Authority the Deliverer is not entitled to transfer onto another person or to encumber the rights arising from the execution of the order.

16.2. The present General Terms and Conditions of Purchase form an integral part of the order placed with the Deliverer by the Contracting Authority. In the case of contradiction or discrepancy, the content of the order shall be decisive.

16.3. If the Parties have concluded, between them, an agreement including regulation of the rules on placing and executing orders, in the event of contradiction of the provisions of the agreement with the General Terms and Conditions of Purchase, the provisions of that agreement shall be applied. If the Deliverer grants to the Contracting Authority the guarantee for goods, for a period exceeding the period of the guarantee arising herefrom, in the part concerning the duration of the guarantee, the provisions of the guarantee document shall be applied, unless otherwise expressly stipulated in writing.

16.4. No rules and terms and conditions other than the General Terms and Condition of Purchase, Order and any and all other documents

incorporated by reference shall not be binding on the Contracting Authority, unless this is expressly agreed in writing. No rules and terms and conditions contained in confirmations of orders, earlier offers and other documents issued by the Deliverer shall be binding on the Contracting Authority even if they have not been rejected expressly.

16.5. Any and all amendments and additions hereto shall be made in writing, otherwise null and void.

16.6. To matters not regulated herein, provisions of Polish law shall be applied.