



## GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND/OR SERVICES (VERSION 2017-1)

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 The following terms have the following meanings:

**Affiliate:** any entity, whether incorporated or not, which presently or in the future, directly or indirectly owns, is owned by, or is under common ownership with a Party, by virtue of a controlling interest of fifty (50) % or more of the voting rights or the capital;

**Contract:** a written agreement and/or the Order for the purchase of Goods and/or Services by Customer from Supplier, including any other documents submitted by Customer to form part thereof, such as but without limitation to any specifications;

**Customer:** the party ordering Goods and/or Services from Supplier – DFME Sp. z o.o., Fabryczna 10, 53-609 Wrocław, Poland, registered at the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register under number 0000164337. VAT ID: PL 894-27-57-374. Share capital: 4 000 000 PLN fully paid;

**Customer Data:** any data or information, including data relating to an identified or identifiable natural person, acquired by Supplier in preparation of or during the fulfilment of the Contract, irrespective of whether such data or information relates to Customer, its Affiliates or their respective customers or suppliers;

**Delivery:** delivery of Goods by Supplier in accordance with Clause 5.1;

**DFME GTC:** these DFME General Terms and Conditions for Purchase of Goods and/or Services (Version 2017-1);

**Embedded Software:** software necessary for operation of Goods, and embedded in and delivered as integral part of Goods;

**Goods:** the items to be delivered by Supplier in accordance with the Contract and/or all materials, documents, or other items which are the result of Services provided by Supplier under the Contract in any form or media, including but without limitation to data, diagrams, drawings, reports and specifications;

**Intellectual Property (Rights):** (a) patents, utility models, copyrights, database rights and rights in trademarks, trade names, designs, knowhow, and invention disclosures (whether registered or unregistered); (b) applications, reissues, confirmations, renewals, extensions, divisions or continuations for any of these rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

**Order:** Customer's order issued to Supplier for the purchase of Goods and/or Services;

**Party:** Customer or Supplier;

**Services:** the services to be provided by Supplier in accordance with the Contract;

**Supplier:** the party providing the Goods and/or Services to Customer, and its legal representatives, successors and any assignee in title to the contractor which supply the Goods and/or Services under the Contract.

**Variation Order:** a change to the Order such as to alter, to amend, to omit, to add to, or otherwise to change the Order or any parts thereof.

1.2 References to clauses are references to clauses of the DFME GTC.

1.3 Headings are for convenience only and do not affect the interpretation of the DFME GTC.

1.4 Unless otherwise stated in the Contract all weight and measurement units are recorded and/or expressed acc. to International System of Units (Système international d'unités).

### 2. GENERAL PROVISIONS

2.1 The DFME GTC govern the Contract.

2.2 The Contract is binding if submitted in writing on Customer order form. In this sense Contract shall be binding also when sent by fax or e-mail.

2.3 No terms or conditions delivered with or contained in Supplier's quotations, acknowledgements, acceptances, specifications or similar documents will form part of the Contract, and Supplier waives any right which it might have to rely on such terms or conditions.

2.4 Supplier shall accept the Contract either expressly by written statement or impliedly by fulfilling the Contract in whole or in part. The acceptance of each Contract shall be either confirmed or rejected in writing by the Supplier within seven (7) days of receipt thereof. The confirmation of the Contract shall be understood as a printed document or e-mail sent by the Supplier to the Customer. The Supplier's failure to send the written confirmation by the deadline stipulated in the preceding sentence shall be treated by the Customer as acceptance of the Contract by the Supplier on the terms and conditions stipulated in the Contract and consistent with the DFME GTC.

2.5 Contract number shall be quoted in the Contract confirmation and any other documents related to the transaction.

2.6 If the Contract was placed without a conclusive price than Customer reserves himself the right to accept Supplier's price quoted upon the confirmation of the Contract, or on the Invoice. This implies that Customer may withdraw from the Contract if Supplier's price is not accepted, without the right to claiming costs or damages by the Supplier.

2.7 Any amendments to the Contract must be agreed by both parties and confirmed in writing in order to be binding, yet Customer reserves himself the right to alter the Contract with regard to eg.: the date and place of delivery, quantity, technical



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specifications of the Goods and/or Services and its packaging. In the event of such alteration, Supplier may only change the purchase price to account for the related to this alteration necessary and direct costs.

### 3. SUPPLIER'S RESPONSIBILITIES

3.1 Supplier shall deliver the Goods and provide the Services:

3.1.1 in accordance with the applicable norms, standards, laws and regulations;

3.1.2 in accordance with the Contract and all Customer instructions;

3.1.3 in proof of which Supplier shall provide necessary documents, clearances and certificates along with the delivery of the purchased Goods and/or Services;

3.1.3 free from defects and from any rights of third parties;

3.1.4 fit for any particular purpose specified in the Contract or, in absence thereof, fit for the purposes for which such Goods and/or Services would ordinarily be used.

3.2 Supplier shall ensure that the Goods, including goods containing hazardous substances, are properly packed, secured for the transportation, labelled and registered in compliance with the applicable law and regulations and according to industry standards and in a manner adequate to preserve and protect the Goods. If the Contract does not stipulate otherwise, Supplier is obliged to assure packaging that allows its re-processing or multiple-use packaging. Packaging shall be limited to the necessary volume. Customer reserves himself the right to send back to Supplier returnable packaging such as containers, reels, and demand reimbursement of costs according to their established value after their delivery to Supplier. Damage of Goods or quantity discrepancies occurring during the complete shipping route due improper packaging and costs related to this fact shall be borne by Supplier.

3.3 Customer may issue Variation Orders to Supplier, and Supplier shall carry out such Variation Orders. If any Variation Order cause an increase or decrease in the cost of, or the time required for the performance of, any Services or Goods, an equitable adjustment shall be made in the purchase price or Delivery schedule, or both, in writing. Any Supplier claim for adjustment under this Clause will be deemed waived unless asserted within seven (7) calendar days from Supplier's receipt of the Variation Order. Variation Orders requested by Supplier only become effective after written confirmation by Customer.

3.4 Supplier shall reduce the price of the Goods and/or Services if in the course of performance or after receipt of Variation Order it turns out that the Supplier has found a way to reduce manufacturing costs.

3.5 Supplier must not suspend or delay the Delivery of any Goods or the provision of any Services.

3.6 Supplier assumes full and exclusive responsibility for any occupational accident or disease occurred to its employees and its subcontractors in relation to the provision of the Goods and/or Services.

3.7 Supplier is solely and exclusively responsible for any claims and/or lawsuits filed by its employees and/or subcontractors, and shall, with-out any limitations, defend, indemnify and hold Customer harmless from and against any claim, proceeding, action, fine, loss, cost, damages and expenses arising out of or relating to any such claims and/or lawsuits, and any noncompliance with legislation, regulations, codes of practice, guidance and other requirements of any relevant government or governmental agency applicable to Supplier, its employees or subcontractors. Supplier undertakes to appear in court at its own cost if requested by Customer, acknowledging its status as sole and exclusive employer, and to provide Customer with all requested documentation and information necessary to ensure proper legal defence of Customer in court. The preceding sentence does not apply if the liability or damage was caused by Customer's gross negligence or intentional act.

### 4. PAYMENT, INVOICING

4.1 In consideration of the Goods delivered and/or the Services provided by Supplier in accordance with the Contract, Customer shall pay to Supplier the purchase price stated in the Contract provided the invoice fulfils the requirements defined in the Contract.

4.2 The purchase prices stated in the Contract shall be fixed and shall not vary and shall include the costs of transport, risk insurance and of delivery to the specified place of delivery in accordance with the agreed Incoterms 2010. The purchase price shall also include all applicable charges such as export, import fees, taxes, VAT, customs duties, agent fees, bank fees related to currency exchange or any other charges of any type. The purchase price is the full remuneration to Supplier for the total and complete fulfilment of the Contract, includes and contains all the materials, equipment and tools necessary for the fulfilment of the Contract, fees, expenditures, includes Supplier's profit and other costs related to the fulfilment of the Contract. It also covers all expenses associated with the works that are necessary to bring the works covered by the Contract to the state of completion, acceptable for Customer. In the event of any failure to clearly identify the individual components of works, they will fall in the value of the flat-rate Contract value, if they are necessary to achieve the state of completion.

4.3 Supplier shall submit invoices in an auditable form, complying with applicable laws, generally accepted accounting principles and the specific Customer requirements, containing the following minimum information: Supplier name, address and reference person including contact details; invoice date; invoice number; Order number and Supplier number; address of Customer; quantity; specification of Goods and/or Services; price (total amount invoiced); currency; tax or VAT amount; tax or VAT number; Authorized Economic Operator and/or



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Approved Exporter Authorization number and/or other customs identification number, if applicable; payment terms as agreed.

4.4 Invoices must be sent to the billing address specified in the Contract.

4.5 Customer will reimburse expenses only at cost and to the extent agreed in writing.

4.6 Services charged on the basis of hourly rates require written confirmation of Supplier's time sheets by Customer. Supplier shall submit such time sheets to Customer for confirmation as may be instructed by Customer but latest together with any related invoice. Confirmation of time sheets cannot be construed as acknowledgement of any claims. Customer is not obliged to pay invoices based on time sheets which are not confirmed by Customer in writing.

4.7 In consideration of the proper manufacture of the Goods and/or Services and its delivery in compliance with the terms and conditions of the Contract, Customer shall pay the purchase price by crediting Supplier's account indicated in the invoice. Payment shall be conditional on compliance of the Goods and/or Services with the specification and the clauses of the Contract. Customer assumes the standard and generally binding sixty (60) day term of payment to Supplier. Customer effects payments on the thirtieth (30) day of the month when the standard term of payment ends and Supplier accepts that the payment so effected is not in breach of the standard term of payment. The term of payment shall run from the date of acceptance by Customer of the invoice and delivery of goods or rendering of services complete with the full set of the shipment and quality documents, in any case not earlier than from the date of written confirmation of acceptance as referred to in section 6. ACCEPTANCE.

4.8 What shall serve as the basis for the issuance of an invoice is the proof of delivery or waybill signed by representatives of the Parties.

4.9 Customer shall have the right to reject the invoice if Supplier has failed to quote the Contract number or issued the invoice prior to delivery. No extra costs not previously agreed with Customer shall be included in the invoice.

4.10 Customer shall have the right to withhold payment for the invoice in full or in part until the Goods and/or Services are brought to compliance with the Contract.

4.11 Customer is authorized to make any payments due to Supplier's employees and subcontractors performing Services, or providing Goods under the Contract, in order to avoid lawsuits, liens or encumbrances. Such payments may be made through withholding Supplier's credits, offsetting or in any other way. Supplier shall provide any support requested by Customer with regard to such payments and indemnify Customer for any payments made.

## 5. DELIVERY, PERFORMANCE OF SERVICES

5.1 Unless agreed otherwise in the Contract, the Goods shall be delivered in accordance with INCOTERMS 2010 DAP, to the place defined in the Contract or, if no such place has been defined, to Customer's place of business.

5.2 The Services shall be provided at the place specified in the Contract or, if no such place has been specified, at Customer's place of business.

5.3 Every delivery must be pre-advised at least twenty four (24) hours prior to dispatch. The delivery advice should identify the driver, the means of transport and the Goods and/or Services.

5.4 Supplier shall provide no later than at the time of shipment the following minimum information: number of packages and contents, the customs tariff numbers of the country of consignment, and the countries of origin for all Goods. For controlled Goods, the relevant national export control numbers must be indicated. Proofs of preferential origin as well as conformity declarations and marks of the country of consignment or destination are to be submitted without being requested; certificates of origin upon request.

5.5 The Goods shall be delivered, and Services shall be provided during Customer's business hours unless otherwise requested by Customer.

5.6 Upon Delivery, Supplier (or its appointed carrier) shall provide Customer a delivery note and any other required export and import documents not mentioned in Clause 5.3. If Customer has approved partial delivery, such delivery note shall also include the outstanding balance.

5.7 The delivered Goods and/or Services can be accepted by Customer only if they are supplied with the required documents specified in the Contract, confirming the quality and compliance with technical requirements and with trade documents, invoice, shipping specification, required certificates, signed test plans and certificates of origin, if applicable.

5.8 Goods and/or Services delivered to Customer and not accepted due to the absence of applicable documents shall be placed at Customer's deposit store at Supplier's expense and risk until all documents are delivered complete, without errors and accepted by Customer.

5.9 Ownership of the Goods passes to Customer at Delivery. To the extent that the Goods contain Embedded Software, ownership of such Embedded Software will not pass to Customer, but Supplier shall grant, or – as applicable – shall procure that the third party owner grants, Customer and all users a worldwide, irrevocable, perpetual, transferable, nonexclusive, royalty-free right to use the Embedded Software as integral part of such Goods and/or for servicing either of them.

5.10 Customer may take a decision to accept or pick up the Goods and/or Services within thirty (30) days from the delivery date stated in the Contract without any additional charges related to storage costs at the Supplier's.



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5.11 Customer shall be under no obligation to accept any surplus quantity of the Goods and/or Services over the quantity specified in the Contract. Goods and/or Services delivered in a quantity exceeding the value specified in the Contract may be returned to Supplier at his expense and risk or become Customer's property free of charge for Customer – acc. to the decision of Supplier. Customer reserves himself the right to charge Supplier the storage costs related to any surplus quantity of the Goods and/or Services over the quantity specified in the Contract.

5.12 Customer shall be under no obligation to accept any Goods and/or Services delivered before the delivery date specified in the Contract. Goods and/or Services delivered before the delivery date specified in the Contract may be returned to Supplier at his expense and risk – acc. to the decision of Supplier. Customer reserves himself the right to charge Supplier the storage costs related to any Goods and/or Services delivered before the delivery date specified in the Contract.

5.13 If dedicated instrumentation is required to perform the Contract, made by Supplier or provided by Customer, Supplier shall maintain such instrumentation for five (5) years after the completion of the Contract without extra charge for Customer. After that period the instrumentation shall be sent back to Customer or Parties shall negotiate the cost of further storage. Supplier shall maintain the instrumentation in a condition which shall make it possible to resume manufacturing with the use of said instrumentation.

### 6. ACCEPTANCE

6.1 Subject to giving prior notice to Supplier, Customer shall have the right to audit the documentation, check the quality of the materials and the progress of works wherever materials are stored and/or wherever such work is conducted.

6.2 Delivery of Goods and/or Services may not be deemed to be acceptance of such Goods or Services by Customer. Customer shall have reasonable time to inspect or test the Goods and/or Services and to report any defects to Supplier. If a defect in the Goods and/or Services was not reasonably detectable during the inspection, Customer shall have reasonable time to provide notice of such defect after it has become apparent and/or to reject the Goods and/or Services.

6.3 The Parties may agree on a certain acceptance procedure, in which case acceptance will be subject to Customer's written acceptance statement. If the Contract specifies that the Goods and/or Services are to be tested on receipt by Customer, the Contract shall only be deemed complete upon the successful completion of the tests to the satisfaction of Customer.

6.4 If the Contract provides for the testing of the Goods and/or Services by Customer or a person engaged by Customer (eg. tests, inspections, control points) prior to shipment, Supplier must notify Customer about the expected date of readiness of the Goods and/or Services for testing giving it a fourteen (14) day prior notice. Measurements and testing included in the scope of delivery of Supplier are carried out at the premises of

Supplier by authorised personnel and at his expense. Supplier at his own expense will ensure personnel, materials, necessary media, tools, equipment and instruments that may be required for the effective conduct of the measurements and testing. Representatives of Customer, including representatives of the end customer to Customer or investor, with the help of Supplier's personnel, may participate in the tests and measurements on their own cost.

6.5 Supplier is required to provide Customer with all the results of the measurements and testing. If the results of test or measurement will prove to be negative Supplier shall be obliged to repeat tests at his own expense. If in a test or measurement mentioned above, was participated by representatives of Customer, Supplier is required to bear the direct costs of the participation of these representatives in the repeated test. This also applies to the costs of re-participation of representative of a classification society.

6.6 In case of discrepancy Supplier shall be notified by means of a complaint report drawn up by Customer of any non-conformances, which will be the basis of the complaint. Parties shall deem the date on which this letter is received to be the date of formal lodging of the complaint. At Customer's request, Supplier must present corrective action plan and remedy plan.

6.7 Acceptance by Customer of the results of tests and measurements does not exempt Supplier from his obligations arising from the rest of the Contract.

6.8 Customer may enforce any remedy defined in the Contract for any rejected Goods and/or Services.

### 7. ON-TIME DELIVERY AND INSPECTIONS

7.1 On Customer's request, Supplier shall, within seven (7) calendar days, submit a preliminary work schedule for approval.

7.2 During the Contract processing, Supplier shall, if requested by Customer, immediately present a written progress report on the work covered by the Contract compared with the work schedule.

7.3. If the delivery date stipulated in the Contract is at risk of not being met, Supplier must provide a written statement indicating an expected length of the delay, its causes and an action plan to mitigate the consequences and extent of the delay. Failure to provide such information or the submission of a statement indicating that the delivery cannot take place on the agreed date may serve as the basis for Customer to cancel the Contract.

7.4 If the Delivery of Goods or the provision of Services does not comply with the agreed date(s), Customer may:

7.4.1 terminate the Contract in whole or in part;

7.4.2 refuse any subsequent delivery of the Goods or provision of the Services;



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7.4.3 recover from Supplier any expenses reasonably incurred by Customer in obtaining the Goods and/or Services in substitution from another supplier;

7.4.4 claim damages for any cost, loss, expenses and liquidated damages incurred by Customer which are attributable to Supplier's delay; and

7.4.5 claim liquidated damages as agreed in the Contract.

7.5 At all times during the performance of Contract, Customer shall have the right to inspect the place where the Contract is performed in order to determine the actual advancement of works and Supplier must enable Customer to conduct such an inspection.

### 8. WARRANTY AND REMEDIES

8.1 Supplier warrants that the Goods and/or Services comply with the Contract, including but without limitation to Supplier's responsibilities as defined in Clause 3.1.

8.2 Supplier warrants that the Goods are new and unused at the date of Delivery and remain free from defects during the warranty period.

8.3 The warranty period is thirty six (36) months from Delivery.

8.4 Supplier obliges himself to remove on his own cost defects in the delivered Goods and/or Services, which occurred during the warranty period for reasons beyond the control of Customer, after notification by Customer. Any damage and/or defects in delivered Goods and/or Services Customer shall notify Supplier immediately within not more than fourteen (14) calendar days by fax or electronic mail by submitting a written complaint.

8.5 Supplier is not responsible for the damage related to the ordinary wear of the subject of the Contract or resulting from improper use, incorrect repairs or lack of maintenance from the user.

8.6 Supplier obliges himself to remove damages and/or defects discovered during the warranty period as soon as technologically possible, within date agreed by the Parties in writing, while Supplier is required to communicate the way, method and schedule of removing damages and/or defects within seven (7) calendar days after receipt of the notification from Customer.

8.7 If the defect or damage is of such a nature that cannot be fixed at the place of its statement, then Supplier must repair the damaged or defective Goods and/or Services outside the place of its statements, and in this case shall bear all the costs associated with disassembly, transportation and reassembly of a damaged or defective Goods and/or Services.

8.8 In case of breach of any warranty which is not remedied as soon as technologically possible, within date agreed by the Parties in writing, or in case of any other breach of the Contract,

Customer is entitled to enforce any or more of the following remedies at its discretion and at Supplier's expense:

8.8.1 to give Supplier another opportunity to carry out any additional work necessary to ensure that the Contract is fulfilled, and/or to obtain prompt repair or replacement of the defective Goods and/or Services;

8.8.2 to carry out (or to instruct a third party to carry out) any additional work necessary to make the Goods and/or Services comply with the Contract;

8.8.3 to refuse any further Goods and/or Services;

8.8.4 to claim such damages as may have been sustained by Customer as a result of Supplier's breach of the Contract;

8.8.5 to terminate the Contract; in such event Customer has no obligation to compensate Supplier, and, at Customer's option, Supplier shall pay back to Customer any remuneration received from Customer for the Goods and/or Services and take back the Goods at Supplier's own cost and risk.

8.9 In case of a breach of any warranty, the entire warranty period shall be restarted for the defective Goods/Services from the date the remediation is completed to Customer's satisfaction.

8.10 In case of a breach of any warranty Supplier shall be responsible for costs due to the application of the faulty product or putting it into production, according to the calculation of arising costs prepared by Customer. Parties agree that the costs related to the breach of any warranty be invoiced on Supplier on the following terms:

8.10.1 all external costs, including penalties from the external parties, acc. to the documents provided by Customer + ten (10) % handling costs + respective VAT,

8.10.2 all internal costs, acc. to the documents provided by Customer understood as the multiplication of number of manufacturing and quality assurance working hours and fifty (50) EUR + respective VAT,

8.10.3 warranty breach handling fee of one hundred (100) EUR + respective VAT,

8.10.4 the costs shall be invoiced on Supplier with thirty (30) calendar days terms of payment, but can be net out with any payment to Supplier.

8.11 The rights and remedies available to Customer under the Contract are cumulative and are not exclusive of any rights or remedies available at law or in equity. This shall be without prejudice to the Customer's remedy of contractual penalties or supplementary damages. In the event of complaint the Customer shall have the right to withhold payments for all the Supplier's unsettled invoices and reserves himself the right to pay with deferral equal to the duration of the repair or replacement of the Goods and/or Services.



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### 9. INTELLECTUAL PROPERTY

9.1 Subject to Clause 9.2, Supplier hereby grants Customer, or undertakes to procure that Customer is granted, a worldwide, irrevocable, transferable, nonexclusive, royalty-free license to use the Intellectual Property Rights in the Goods, including Embedded Software, if any.

9.2 Supplier herewith assigns to Customer full ownership rights in any Intellectual Property in Goods resulting from the Services. Supplier further agrees, upon Customer's request and at its cost, to take all further steps necessary to perfect Customer's ownership to the Intellectual Property.

9.3 Intellectual Property Rights in any Goods created by or licensed to Supplier prior or outside a Contract (PreExisting IPR) will remain vested in Supplier (or the third party owner). To the extent that PreExisting IPR are embedded in any Goods resulting from the Services, Supplier grants, or undertakes to procure that the third party owner grants, Customer and its Affiliates a worldwide, irrevocable, transferable, nonexclusive, royalty-free license to use the PreExisting IPR as part of such Goods, including the right to improve, develop, market, distribute, sublicense or otherwise use such PreExisting IPR.

9.4 Supplier must specify in writing and prior to Delivery all open source software contained in or used by Embedded Software, if any, and request Customer's written approval. Supplier agrees to replace at its own cost any open source software components rejected by Customer with software of at least the same quality and functionality.

9.5 If any claim is made against Customer that Supplier's Goods and/or Services infringe a third party's Intellectual Property Rights, Supplier shall at its cost, but at Customer's discretion (i) procure for Customer and Customer's clients, as the case may be, the right to continue using the Goods and/or Services; (ii) modify the Goods and/or Services so they cease to be infringing; or (iii) replace the Goods and/or Services by non-infringing equivalents. Otherwise, Customer is entitled to terminate the Contract and to reclaim all sums which it has paid to Supplier thereunder.

### 10. COMPLIANCE, INTEGRITY

10.1 Supplier shall ensure human rights and fair labour conditions, in particular: (i) respect the personal dignity, privacy and rights of each individual; (ii) refuse to make any person work against his or her will; (iii) prohibit behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative; (iv) refrain from employment discrimination based on gender, age, ethnicity, nationality, religion, disability, union membership, political affiliation or sexual orientation; (v) respect the rights of employees to freely associate and bargain collectively; (vi) not tolerate or use child labour in any stage of your activities other than in accordance with all applicable laws and regulations; (vii) not use any forced labour, including but not limited to involuntary prison labour, victims of slavery and human trafficking and allow all employees the choice to leave their

employment freely upon reasonable notice; (viii) compensate employees fairly and follow local wage regulations and/or collective agreements, and where these do not exist, compensate employees so at the minimum they can meet their basic needs; (ix) ensure that working hours, including overtime, do not exceed applicable legal requirements; (x) ensure that employees are allowed at least one uninterrupted day off per week.

10.2 Supplier shall ensure safe and healthy workplace for all of your employees, shall conduct your business in an environmentally sustainable way and security, in particular: (i) formally appoint a competent person to manage health, safety and environmental programs and improvements; (ii) establish appropriate organizational structures and procedures for the effective management of health, safety and environmental risks; (iii) ensure that all workers are sufficiently aware of these risks and appropriately trained on the implementation of control measures; (iv) implement reasonable measures for minimizing exposure of Customer to security threats such as terrorism, crime, pandemics and natural disasters; (v) when visiting or working at Customer locations, abide by Customer's security procedures and report any security concerns to the appropriate reporting channels.

10.3 Supplier shall provide the Goods and/or Services in compliance with all relevant laws, regulations, and codes of practice.

10.4 Supplier and his subcontractors must comply with the Lists of Prohibited and Restricted Substances and exclusions of Conflict Minerals acc. to current regulations of Customer. Any statement made by Supplier to Customer (whether directly or indirectly) with regard to materials used for or in connection with the Goods and/or Services will be deemed to be a representation under the Contract.

10.5 Supplier represents and warrants that it is and will remain fully compliant with all applicable trade and customs laws, regulations, instructions, and policies, including, but not limited to, satisfying all necessary clearance requirements, proofs of origin, export and import licenses and exemptions from, and making all proper filings with appropriate governmental bodies and/or disclosures relating to the provision of services, the release or transfer of goods, hardware, software and technology.

10.6 No material or equipment included in or used for the Goods and/or Services must originate from any company or country listed in any relevant embargo issued by the authority in the country where the Goods and/or Services will be used or an authority otherwise having influence over the equipment and material forming part of the Goods and/or Services. If any of the Goods and/or Services are or will be subject to export restrictions, it is Supplier's responsibility to promptly inform Customer in writing of the particulars of such restrictions.

10.7 Both Parties warrant that each will not, directly or indirectly, and that each has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to



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agents, directors and employees of each Party, or any other party in a manner contrary to applicable laws and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption. Nothing in the Contract will render either Party or any of its Affiliates liable to reimburse the other for any such consideration given or promised.

10.8 Customer has established reporting channel where Supplier and his employees may report suspected violations of applicable laws, policies or standards of conduct: [office@dfme.pl](mailto:office@dfme.pl)

10.9 Any violation of an obligation contained in this Clause 10 is a material breach of the Contract and entitles Customer to terminate the Contract with immediate effect and without prejudice to any further rights or remedies available thereunder or at law. Notwithstanding anything to the contrary in the Contract, Supplier shall, without any limitations, indemnify and hold harmless Customer for all liabilities, damages, cost or expenses incurred as a result of any such violation and termination of the Contract, or arising from export restrictions concealed by Supplier.

### 11. CONFIDENTIALITY, DATA SECURITY, DATA PROTECTION

11.1 Supplier shall keep in strict confidence all Customer Data and any other information concerning Customer's or its Affiliates' business, their products and/or their technologies which Supplier obtains in connection with the Goods and/or Services to be provided (whether before or after acceptance of the Contract). All information acquired by the Supplier in connection with the fulfilment of the Contract, including in particular any information of organizational, commercial and technical nature pertaining to the Customer not disclosed to the general public shall be regarded by the Parties as confidential information and as such, they shall not be disclosed to any third party. The Supplier shall protect the Customer's proprietary information, while protection applies to in particular economic, commercial, organizational and technological information, methods of operation, the contents of contracts, purchase orders, details of contractors, employees and partners, know-how, intellectual property and proprietary industrial information, the Customer's intentions and strategic plans, business plans, investment analyses, e-mail messages, fax messages, electronic copies of documents, diagrams, recordings, reports, forecasts, data or databases, drafts, market or financial analyses, prototypes and other information acquired in connection with the performance of this Contract.

11.2 Supplier shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors or other third parties as need to know the same for the purpose of the provision of the Goods and/or Services to Customer. Supplier shall ensure that such employees, agents, subcontractors or other third parties are subject to and comply with the same obligations of confidentiality as applicable to Supplier and will be liable for any unauthorized disclosures.

11.3 Supplier shall apply appropriate safeguards, adequate to the type of Customer Data to be protected, against the unauthorised access or disclosure of Customer Data and protect such Customer Data in accordance with the generally accepted standards of protection in the related industry, or in the same manner and to the same degree that it protects its own confidential and proprietary information – whichever standard is higher. Supplier may disclose confidential information to Permitted Additional Recipients (which means Supplier's authorised representatives, including auditors, counsels, consultants and advisors) provided always that (i) such information is disclosed on a strict need-to-know basis, and (ii) such Permitted Additional Recipients sign with Supplier a confidentiality agreement with terms substantially similar hereto or, where applicable, are required to comply with codes of professional conduct ensuring confidentiality of such information.

11.4 Supplier must not (i) use Customer Data for any other purposes than for providing the Goods and/or Services, or (ii) reproduce the Customer Data in whole or in part in any form except as may be required by the respective contractual documents, or (iii) disclose Customer Data to any third party, except to Permitted Additional Recipients or with the prior written consent of Customer.

11.5 Supplier shall install and update at its own cost required adequate virus protection software and operating system security patches for all computers and software utilized in connection with providing the Goods and/or Services.

11.6 Supplier shall inform Customer without delay about suspicion of breaches of data security or other serious incidents or irregularities regarding any Customer Data.

11.7 Supplier agrees that Customer is allowed to provide any information received from Supplier to any Affiliate of Customer. Supplier shall obtain in advance all necessary approval or consent for Customer to provide such information to Customer's Affiliates if such information is confidential for any reason or subject to applicable data protection or privacy laws and regulations.

### 12. LIABILITY AND INDEMNITY

12.1 Without prejudice to applicable mandatory law, Supplier shall, without any limitations, indemnify and hold harmless Customer for all liabilities, damages, cost, losses or expenses incurred by Customer as a result of Supplier's breach of the Contract. Supplier shall, without any limitations, indemnify and hold harmless Customer for any claim made by a third party against Customer in connection with the Goods and/or Services, including but without limitation to claims that such Goods and/or Services infringe a third party's Intellectual Property Rights. Upon Customer's request Supplier shall defend Customer against any third party claims.

12.2 Supplier is responsible for the control and management of all of its employees, suppliers and/or subcontractors, and it is



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responsible for their acts or omissions as if they were the acts or omissions of Supplier.

12.3 Supplier shall maintain in force, and upon request provide evidence of, adequate liability insurance and statutory worker's compensation/employer's liability insurance with reputable and financially sound insurers, which however will not relieve Supplier from any liability towards Customer. The insured amount cannot be considered as limitation of liability.

12.4 Supplier warrants that he is not aware of any risks to his going concern and his financial standing allows him to fulfil the Contract in accordance with the Customer's requirements. If in the course of fulfilment of the Contract an event or events occur posing a threat to his going concern, including a risk of loss of liquidity, or if there is a change of the Supplier's ownership structure, the Supplier must inform the Customer about that.

12.5 Parties agree on liability for contractual penalties in the following events and amounts: Supplier shall pay Customer contractual penalties:

12.5.1 for the withdrawal from the Contract by Customer for reasons attributable to Supplier – at the rate of thirty (30) % of the Contract value plus the coverage of any and all costs resulting from the delay or penalties claimed by the end client.

12.5.2 for the overrun of the delivery date at the rate of half (0.50) % of the Contract value for every day of the delay compared with the agreed delivery date, but in total not more than ten (10) % of the Contract value.

12.5.3 for any delay in the fixing of defects in the Goods and/or Services – at the rate of one (1) % the Contract value for every day of the delay calculated from the lapse of the deadline set by Customer for the fixing of defects, both determined on delivery, and ones identified during the warranty period.

12.6 If the amount of the contractual penalties does not cover the loss incurred by Customer, he shall be entitled to supplementary damages as provided for in the Civil Code (compensation for actual losses and opportunity costs). If Customer exercises the remedy of contractual penalties for the period of delay, this shall not waive Customer's right to other remedies, damages or options specified in the Contract or otherwise conferred by law, other than contractual penalties resulting from the period of delay, inclusive of the right of Customer to withdraw from the Contract due to the failed delivery.

12.7 Customer reserves himself the right to set off any claims under a Contract against any amounts owed to Supplier.

### 13. SUSPENSION AND TERMINATION OF CONTRACT

13.1 The Customer may from time to time and for a period which he deems necessary – but not more than twelve (12) months in total, suspend the performance of the Contract in whole or in part. In case when the suspension of works is for

reasons not attributable to Supplier, the schedule of works will be extended for the period necessary to tackle the delays resulting from the suspension of works. Decision of Customer to suspend works must be handed over to Supplier in writing. Decision of Customer to resume works must be handed over to Supplier in writing. If the suspension of the Contract lasts longer than twelve (12) months, Supplier may withdraw from the Contract. In such an event for settlement of accounts point 13.4 applies.

13.2 Upon receipt of the decision to suspend the works, Supplier shall immediately stop works in the scope defined by Customer and secure the status of works for future use. For the suspension period Supplier is required to make the best efforts in the manner and in order to minimise the costs arising from the suspension, including the cost of supply of materials, services and components from subcontractors. Costs related to suspension – such as securing of the object of the Contract and its storage – shall be agreed between the Parties and shall be added to the value of the Contract.

13.3 After the receipt of the Customer's decision, Supplier is obliged to immediately resume suspended works in the scope defined by Customer.

13.4 Customer may terminate the Contract for convenience in whole or in part by giving Supplier a written notice. In such an event, Customer shall only reimburse Supplier for the actual costs of manufacture incurred till the day of Contract termination. Such costs shall only comprise reasonable, direct expenses irrevocably incurred by Supplier in order to fulfil the Contract and shall not include any indirect costs, opportunity costs nor any costs related to the ordering of materials which Supplier could have cancelled or returned. In the event of cancellation of the Contract, Supplier shall, within 15 days of the date of cancellation by Customer, deliver a written calculation of the costs incurred, failing which it shall be understood that Supplier has incurred no costs. Customer shall pay to Supplier the value of the delivered but unpaid Goods and/or Services and proven direct cost reasonably incurred by Supplier for the undelivered Goods and/or Services, however in no event more than the price for the Goods and/or Services agreed under the Contract. No further compensation will be due to Supplier.

13.5 In the event of Supplier's breach of the Contract, Customer is entitled to terminate the Contract in accordance with Clause 8.8.

13.6 Customer may terminate the Contract with immediate effect by notice in writing in the event that (i) an interim order is applied for or made, or a voluntary arrangement approved, or a petition for a bankruptcy order is presented or a bankruptcy order is made against Supplier; or (ii) any circumstances arise which entitle the court or a creditor to appoint a receiver or administrator or to make a winding-up order; or (iii) other similar action is taken against or by Supplier by reason of its insolvency or in consequence of debt; or (iv) there is a change of control of Supplier; or (v) value of accrued, in accordance with 12.5.2, contractual penalties reaches the maximum value or the state of progress of the works or the expected dates of





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completion of the works declared by Supplier indicate that the maximum value resulting from 12.5.2 can be reached; or (vi) Supplier refuses to perform the Contract in part or in whole or in written form applied for withdrawal from the Contract.

13.7 Upon termination Supplier shall immediately and at Supplier's expense return to Customer all respective Customer property (including any Customer Data, documentation, and transfer of Intellectual Property) then under Supplier's control and provide Customer with the complete documentation about the delivered Goods and/or Services.

### 14. FORCE MAJEURE

14.1 Neither Party will be liable for any delay or failure to perform its obligations under a Contract if the delay or failure results from an event of Force Majeure. Force Majeure means an event that was not foreseeable by the affected Party at the time of execution of the Contract, is unavoidable and outside the reasonable control of the affected Party, provided that it cannot overcome such event despite all reasonable efforts, and that it provides notice to the other Party within five (5) calendar days from occurrence of the Force Majeure event.

14.2 If a Force Majeure event exceeds thirty (30) calendar days, either Party may terminate the Contract forthwith by written notice without liability. Each Party shall use reasonable efforts to minimise the effects of the Force Majeure event.

### 15. ASSIGNMENT AND SUBCONTRACTING

15.1 Supplier may neither assign, nor transfer, encumber nor subcontract the Contract, nor any parts thereof (including any monetary receivables from Customer) without prior written approval of Customer.

15.2 Supplier shall advise Customer if he intends to engage a subcontractor in the performance of the Contract and wishes to obtain Customer's approval, while Supplier does not have to ask for consent of Customer in case of purchase of materials, services or standard components normally bought by Supplier at a given subcontractor. In such an event Customer shall have the right to verify the credibility and reliability of the subcontractor, in particular in view of provisions set in Clause 10. Supplier agrees not to subcontract the performance of the Contract without the consent of Customer or to work with subcontractors not compliant with provisions set in Clause 10.

15.3 In every case Supplier shall be fully liable for all actions, errors or omissions of his subcontractors, their agents or employees, just like for all actions, errors, omissions of Supplier, his agents or employees.

15.4 Customer may assign, transfer, encumber, subcontract or deal in any other manner with the Contract or parts thereof to its Affiliates.

### 16. NOTICES

Any notice must be given duly signed by registered mail, courier, fax or by email to the address of the relevant Party as stated in the Contract or to such other address as such Party may have notified in writing. Email and fax require written confirmation of the receiving Party. Supplier's reply, correspondence, information or documentation related to the Contract must be provided in the language used in the Contract.

### 17. WAIVERS

Failure to enforce or exercise any term of the Contract does not constitute a waiver of such term and does not affect the right later to enforce such or any other term therein contained.

### 18. GOVERNING LAW AND DISPUTE SETTLEMENT

18.1 Any matter not provided for in DFME GTC shall be governed by the Civil Code. In the event of a dispute concerning the interpretation or fulfilment of the Contract and DFME GTC, which the Parties are unable to settle amicably, the dispute shall be resolved by the court of competent jurisdiction over the Customer.

18.2 If Customer and Supplier are registered in different countries, any dispute arising in connection with the Contract which cannot be settled amicably shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance therewith. Place of arbitration shall be Customer's place of registration. The language of the proceedings and of the award shall be English. The decision of the arbitrator is final and binding upon both Parties, and neither Party may appeal for revision.

### 19. SEVERABILITY

The invalidity or unenforceability of any term of the Contract will not adversely affect the validity or enforceability of the remaining terms. The Contract will be given effect as if the invalid or unenforceable term had been replaced by a term with a similar economic effect.

### 20. SURVIVAL

20.1 Provisions of the Contract which either are expressed to survive its termination or from their nature or context it is contemplated that they are to survive such termination will remain in full force and effect notwithstanding such termination.

20.2 The obligations set forth in Clauses 8 (Warranty and Remedies), 9 (Intellectual Property), 11 (Confidentiality, Data Security, Data Protection) and 12 (Liability and Indemnity) exist



DOLNOŚLĄSKA FABRYKA MASZYN ELEKTRYCZNYCH Sp. z o.o.

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for an indefinite period of time and survive expiration or termination of the Contract for any reason.

### 21. ENTIRETY

The Contract constitutes the entire agreement between the Parties and replaces any prior agreement between them with regard to its subject.

### 22. RELATIONSHIP OF PARTIES

22.1 The relationship of the Parties is that of independent parties dealing at arm's length and nothing in the Contract may be construed to constitute Supplier as an agent or employee of Customer or so as to have any kind of partnership with Customer, and Supplier must not represent itself as or act on behalf of Customer.

22.2 The Contract does not imply any employment relationship between Customer and Supplier, or between Customer and Supplier's employees assigned to the execution of the Contract. Customer remains free of any responsibility or liability for labour, social security or taxes with respect to Supplier and its employees assigned to the execution of the Contract.