

# GENERAL TERMS OF SALE Masters sp. z o.o.

21<sup>st</sup> of November 2018

## I. Application

- The following "General Sales Conditions," hereinafter referred to as the "GSC," shall apply to transactions conducted between the parties, the subject matter of which shall be the sales of goods by "MASTERS" Sp. z o.o. [Ltd.] with its registered office in Straszyn, ul. Objazdowa 5B, NIP [Tax Identification Number]: 584-244-96-48, KRS [National Court Register Number]: 000090128, District Court for Gdańsk-North in Gdańsk, VII Commercial Department of the National Court Register], share capital: PLN 1,096,000.00 hereinafter referred to in the content of these GSC as "the Seller," to the benefit of any entity which makes a purchase for the purposes connected with their business activity – hereinafter referred to in the GSC as "the Purchaser."
- The following GSC take precedence over any other template agreements (i.e. general terms of sales, purchases etc.).

## II. Orders

- Unless the Seller reserved otherwise, the proposal of sales made to the Purchaser by the Seller shall be valid for the period of 3 days from the date of its sending by the Seller. No such proposal, including offers, is valid for the Seller within the meaning of the Polish Civil Code. It shall only constitute a proposal for the submission of the order by the potential Purchaser.  
In the case of the Seller's claims for additional certificates, approvals, tests or packaging of goods, the costs of such possible certificates, approvals, tests or packaging shall be added to the price of goods, unless the parties agree otherwise.
- The order sent to the Seller by the Purchaser must include the Purchaser's data, detailed information concerning the ordered product within the scope necessary for its identification as well as data concerning the conditions of contract implementation required by the Purchaser.
- Placing an order shall not be binding to the Seller, whereas the lack of any response shall not mean the acceptance of the order. The acceptance of an order for implementation by the Seller requires a written confirmation issued by the Seller. In the case of the acceptance of the order by the Seller with reservations, the Purchaser shall be bound by the content of these reservations, unless Purchaser present remarks within 2 business days. Immediate notification of such remarks shall be regarded as a placement of a new order, whereby the provisions of the preceding sentences shall be applied accordingly.
- The fact of receipt of an order shall not be binding to the Seller in the case when, for reasons beyond their control, in particular due to force majeure or the acts of the Purchaser or third parties, including the Seller's suppliers, the delivery and sale of goods in dates and prizes set in the order is impossible or excessively difficult.
- The fact of receipt of an order shall not be binding to the Seller also in the case when, the total liabilities of the Purchaser to the Seller exceed the amount of trade credit granted to the Purchaser by the Seller, or if the Purchaser is delayed with the payment of any amounts due to the Seller.
- In the case of ordering custom goods by the Purchaser, i.e. goods not offered for current sales by the Seller or packaged, the Purchaser shall be required to make an advance payment in the amount of 30% of the gross value of the ordered goods, unless the parties agree otherwise. The advance payment shall be settled upon the receipt of goods or the last batch by crediting it to the liabilities of the Purchaser, whereas in the case of the failure to collect the goods by the Purchaser, it shall be retained by the Seller on account of a contractual penalty.

## III. Prices and Payment Conditions

- The Purchaser shall pay for the goods the price determined by the Seller in the order confirmation.
- If the price needs to be recalculated to different currency (e.g. if an invoice is settled in a different currency than the currency of the accepted order) the currency sell rate (or buy and sell rate if not within PLN) of the last valid currency rate sheet of Raiffeisen Bank Polska S.A. is being used, unless the parties agree otherwise
- If, after the conclusion of the contract, any import fee or a fee connected with the intra-Community purchase of goods, a tax or any other public law burden, or any changes in the amounts of such fees ensue, taxes or charges are imposed, or a change in the prices of raw materials by more than 3% (three percent), a change in the Seller's prices of purchase of goods or a change in the exchange rates takes place, the Purchaser may change the price accordingly by the value of the current rates, even if it has not been included in the contract between the Parties.
- In the case when it is not clearly indicated in the arrangements of the parties whether the rates or prices are net or gross rates or prices, they are always considered to be net prices to which the tax will be added (in particular the VAT) in the amount applicable at a given time.
- If the Purchaser fails to conduct the receipt of goods on time, not due to the fault of the Seller, the price and other benefits shall still be paid as if the delivery of goods took place in accordance with the order.
- If the Purchaser fails to fulfil any of their obligations within 30 days from the end of a specified date, the Seller shall have the right to withdraw from the contract in writing without prior sending of any additional demands to the Purchaser.
- In the case of such withdrawal from the contract, the Purchaser shall be charged with a contractual penalty in relation to the Seller in the amount calculated as the equivalent of 100% (one hundred percent) of the gross price of the goods encompassed with the order not executed by the Purchaser.
- After the expiry of the deadline specified in the preceding item, the Seller may also store the goods anywhere, at the expense and risk of the Purchaser, retaining the right to withdraw from the contract at any time, and claim the execution of the contract by the Purchaser and additionally the payment of those storage costs and the contractual penalty, similarly to the case of withdrawal from the contract (100% of the gross price of the goods). The storage cost is 1% of goods value per day, not less than 20 PLN net.
- Notwithstanding the foregoing, the Seller may claim compensation in so far as the damage suffered by them exceeds the value of the proprietary contractual penalties.
- The date of payment shall be the date of crediting the amount on the bank account of the Seller. In the case of a failure to comply with the payment deadline, the Seller shall be entitled to a claim for the payment of interest 0,1% per day for every day of delay.
- If there is a reasonable basis to suspect that the Purchaser will default on their payment obligation, the Seller shall have the right to demand the payment of the whole amount due in cash or to be granted certain guarantees or collateral before the goods are delivered, regardless of the previously determined deadline of payment.
- Notification of possible objections, comments or complaints submitted by the Purchaser, as well as their processing shall not suspend the payment deadline.

## IV. Deliveries and failure to meet deadlines

- In the case when the arrangements do not contain detailed information on the scope of quality and packaging of goods, it will be presumed that the supplied goods need to be of quality corresponding to the average requirements for a given type of goods, and that the goods need to be packed or delivered without packaging – in accordance with the applicable regulations and standards applicable in relation to the given goods.
- The cost of packaging other than the one specified above in item V.1., in the case when the Purchaser demanded this particular packaging, shall be incurred by the Purchaser at the price amounting to the Seller's own costs. The Purchaser may be charged with the costs of the demanded security or insurance of the goods for transport.
- The Purchaser is obliged in particular to inspect the condition of the consignment (cargo) and the quality, quantity and assortment of the delivered goods immediately after the delivery (release) and make an appropriate annotation on the bill of lading or other proof of release, and immediately report possible reservations within this scope to the carrier (in accordance with the relevant freight provisions) and the Seller, in writing and enable the representative of the Seller to immediately inspect the intact goods. Conducting an acceptance of the goods without the examination or a failure to notify the objections immediately after the inspection of the goods shall be regarded as a confirmation that the goods were delivered correctly, in the appropriate quantity and have correct characteristics and properties.
- The Seller and Purchaser agree that it is assumed that the goods were delivered in quantity and quality corresponding with the order, if no reservations we sent to the dedicated email address niezgodnosci@master.com.pl within 5 working days.
- In the case of any defects of the goods, disclosed by the Purchaser upon the receipt, the aforementioned goods cannot be used by the Purchaser in any way, including resale, until obtaining the consent of the Seller for the use, including resale, of the aforementioned goods.
- If due to the type of packaging or any other reason it is not objectively possible to make an immediate inspection of the delivered goods, inspection upon the receipt should include at least the bill of lading, the amount and condition of the packaging, data concerning the marking of the goods on the package and damage visible from the outside. A detailed, full inspection of the goods should be conducted immediately but not later than within 5 days after delivery.
- Under the sanction of losing the right to claim from the Seller for the defects of goods or non-compliance of the delivery with the order or its confirmation, the Purchaser shall be obliged to fulfil all the formalities stipulated above, and in particular, inform the Seller of any disclosed irregularities immediately after their disclosure, but not later than at the time when the disclosure of potential irregularities was possible in accordance with the provisions above.

- The Seller shall not be liable for any failure to comply with any deadlines resulting from the conclusion or execution of the concluded agreement, unless these failures are due to their exclusive fault.
- In the case when it becomes evident that any of the parties will not be able to comply with the deadline determined in the contract, this party shall notify the other party immediately about this fact, stating at the same time the expected deadline of fulfilment of the obligations which the delay concerns.
- If the delivery date is postponed due to the circumstances for which the Seller is not responsible, in particular circumstances provided for in the following General Sales Conditions, the Seller may postpone further deliveries and shall not be liable for the consequences of such a postponement.
- If the delay of the Seller concerns custom goods, the Purchaser may withdraw from the contract exclusively when the delay is more than 60 days. If the Purchaser fails to use their right to immediately withdraw from the contract, the delivery date indicated in the notice submitted by the Seller concerning the delay should be regarded as a new delivery date binding for the parties
- Deliveries can be suspended if the Buyer's payables are past due or there is no valid credit line.

## V. Guaranties and Complaints

- Guarantee of quality of goods is granted by their producer according to producer's conditions. Seller shares the warranty conditions and mediates in any issues regarding guarantee. The guarantee for production services is valid for 6 months.
- The Seller shall be charged with the costs of return of defective goods by the Purchaser.
- If, during the use of the goods, it occurs that there are certain defects, in respect of which the Purchaser shall claim compensation, the Purchaser must refrain from further use of these goods. The Purchaser shall be obliged to secure the defective goods and return them in original packaging. Consumption of over 30% of the goods delivered within particular batches, in relation to which the occurrence of a defect was reported, shall be tantamount to the acceptance by the Purchaser of the quality of the whole batch and a waiver of any claims for compensation connected with it.
- Notification of a defect to the Seller shall ensue within the period not longer than 3 days from the date on which the Purchaser found the defect or on which they could disclose the defect at the earliest, exercising the highest level of professional due diligence in this respect. Deadlines form V.4 apply.
- In the case of a disclosure of defects in the goods during the use, the Purchaser shall provide the Seller upon his request and at his expense, the samples of the defective goods, necessary to conduct expert examinations, allow onsite examination of the goods during use, as well as provide the necessary information concerning the technologies or conditions in which the goods were used.
- In particular, in relation to granting the aforementioned guarantee to the Purchaser, no provisions on the warranty for the defects in sold goods shall be applied.

## VI. Scope of Liability

- Any liability of the Seller connected with the conclusion of the contract or the sale of goods, regardless of the resulting obligations, shall not encompass the compensation for damages suffered by the Purchaser but the ones concerning lost profits, production loss, loss of market reputation, etc.
- Any liability of the Seller connected with the conclusion of this agreement or conducting a sale of goods, regardless of the resulting obligations, may not exceed the total of 10% (ten percent) of the net price for the goods under the circumstances concerning the basis of the Seller's liability.
- Liability for the possession of certain characteristics by the goods or for the suitability of the delivered goods for the purposes desired by the Purchaser shall be assumed by the Seller only under the condition that he has given a written assurance to the Purchaser that the goods have particular characteristics or that it is suitable for such purposes.
- The Purchaser shall have no right to claim compensation for any damage caused by the goods (including a dangerous product) or in connection with its possession or use – except for the liability arising from the mandatory provisions of law.
- If a third party takes action against the Purchaser with any claims which may be in connection with the goods or products sold by the Seller to the Purchaser, for the production of which the goods sold by the Seller to the Purchaser were used, the Purchaser shall immediately notify the Seller allowing them to participate in the proceedings related to the claims from this person, under the pain of exclusion of any liability of the Seller, connected with these claims.

## VII. Intellectual Property Right

- Due to the level of complexity of the electronic components production technology and intellectual property rights connected with it, the Seller may not tell whether their products infringe on the intellectual property right of third parties.
- In the case of filing a claim by a third party that the products delivered to the Purchaser's breach their intellectual property rights, the Seller shall seek to reach a compromise or shall undertake defence against the claim; in the case of a court decision which is unfavourable to the Seller, and enforceable, the Seller may buy the licence from the aforementioned third party or modify the product in such a way to avoid the infringement. If such a solution proves to be impractical for economic and/or technical reasons, the Seller shall take the products back and return to the Purchaser an amount not exceeding the amount paid by the Purchaser for the products which caused a violation of third party rights.
- The aforementioned procedure shall be applicable only if the Purchaser notifies the Seller immediately in writing of filing a claim concerning the infringement on the rights and lets the Seller conduct an inspection and shall cooperate with them during the procedure connected with the aforementioned claim and other actions connected with it, which attempt to settle the dispute.
- This procedure shall not be applicable to claims concerning the products manufactured, delivered or modified in accordance with the requirements or specification of the Purchaser in the case of the merger or use of the delivered product with any other product, even if such a product has no other essential application than a part of such a merger, or if there has been a modification in the programming of products manufactured by a person other than the Seller.
- The above provisions shall be the total obligation of the Seller in relation to the Purchaser in the case of an infringement on the Intellectual Property Law of third parties and filing a claim by these persons in relation to the products delivered by the Seller.

## VIII. Settlement of Disputes and Applicable Law

- Any disputes between the parties which may arise from the concluded contracts to which the following General Sales Conditions shall apply, shall be settled by the Common court with jurisdiction over the registered office of the Seller.
- The following General Sales Conditions shall be applicable to every sales agreement under which the Seller shall sell any goods to the Purchaser, along with the relevant provisions of the Civil Code and other commonly binding legal acts, within the scope of contents not regulated in the following GSC – unless the parties agree otherwise.
- Regardless of the content of the following General Sales Conditions, the contract between the Parties may be subject to changes in the case of an introduction of generally applicable legal acts, the content of which results in additional obligations for the parties. In particular, the Seller may refer to any changes of regulations and circumstances which may entail a change in the operating costs or burdens relating to the public law, and thus a change in the conditions of the offer submitted by the Seller or an agreement already concluded between the parties but not yet performed.

## IX. Other Provisions

- Unless the parties agree otherwise in writing, it is understood that the Seller's liability shall include no other benefits apart from the release of the goods constituting the subject matter of the parties' agreement to the Purchaser and the transfer of ownership rights to the goods on the Purchaser after the receipt of payment of the purchase price from the Purchaser.
- Except for situations differently regulated in the content of the concluded contract, the following circumstances may constitute the basis for withdrawal from the contract without any consequences for the parties, provided that these consequences arose after the conclusion of the contract and significantly hindered its execution: force majeure, such as among others: staff conflict, fire, war, mobilisation or unforeseen call for military service, other events of similar scale or significance, seizure, currency restrictions, insurrections and riots, insufficient means of transport, general shortage of goods, cassation of a part of production or fixed assets or current assets, defects, delays or failures on the part of carriers, manufacturers or sub-suppliers of goods constituting the subject matter of sales or other third parties on which the party has no influence.
- The party shall also assume no liability for any consequences resulting from the actions or failures to act of the other party or third parties, for which the party bears no responsibility under the provisions of the law. If the contract cannot be performed timely, each party shall have the right to withdraw in relation to the part, the performance of which was hindered for the reasons listed above.