

GENERAL PURCHASE CONDITIONS – TEMPLATE.Z.01 (CATALOGUE DATA)

I. GENERAL PROVISIONS.

1. General Purchase Conditions (hereinafter referred to as the General Purchase Conditions GPC) define rules for the purchase of goods by Flytronic S.A. (hereinafter: the Buyer or B) from suppliers (hereinafter: the Supplier or S). The purchase of goods by B may only take place in a manner consistent with the provisions of the General Purchase Conditions.
2. The General Purchase Conditions may be modified, changed or some of them excluded from application by B in orders submitted to Suppliers (including annexes to orders) or in contracts concluded by B and S. Derogations from the application of the General Purchase Conditions by S may only occur with the consent of B expressed in writing; it is permitted to send the document in the form of a scan by e-mail.
3. B's withdrawal from the application of the General Purchase Conditions in special cases is binding only for a specific order and in no case can be treated by S as having been made in relation to other or subsequent orders placed by B.
4. In the event of any conflicts between the provisions of GPC B and the General Sales Conditions of S - if any - only the provisions contained in GPC B shall apply.
5. B declares the status of a Large Entrepreneur within the meaning of Art. 4c of the Act of March 8, 2013, on counteracting excessive delays in commercial transactions and Annex No. 1 to Commission Regulation (EU) No. 651/2014 of June 17, 2014 declaring certain types of aid compatible with the internal market in application of Art. 107 and art. 108 of the Treaty.

II. ORDERS.

1. S will each time deliver on the basis of B's accepted orders in writing or sent via e-mail, under the conditions resulting from both its content (detailed conditions) and the provisions of these General Purchase Conditions.
2. Any change to the general and specific terms of purchase/delivery made by S without agreement with the Buyer shall not be binding on B and may result in the cancellation of the previously placed order without the right to compensation to S and without the right to reimbursement of costs (both direct and indirect) incurred by S in connection with the execution of the order. Any changes to the specific terms and conditions of the order or to the general terms and conditions are only possible on the terms set out in this document.
3. S is obliged to confirm (accept) or refuse to confirm B's Order in writing, via fax or electronically (e-mail) within 10 days. Any other arrangements made between S and B in this regard are binding on the parties only if they are confirmed in the manner described above.

III. PRICING.

1. For mutual settlements between the parties, order specified by B accepted by S are treated as binding.
2. The net price indicated in the Order includes all costs S incurred in order to fully and correctly perform the activities indicated therein, in particular packaging costs, insurance, transport costs to the destination, as well as public levies, such as, among others, taxes and customs duties. S will add VAT to the net price in accordance with applicable VAT regulations.
3. Each of S's invoices must contain prices that are identical to those shown in B's order. Invoices with prices specified in a different way will not be accepted by B unless B gives its written consent and forwards it to S as an attachment to the previous order.

IV. DELIVERIES.

1. Ordered goods must be delivered in a manner consistent with the provisions of the specific conditions specified in order B and these General Purchase Conditions, must be free from overt and hidden defects, meet the requirements referred to in Section V, and must be accompanied by a delivery document.
2. The delivery document should include name of S, complete number, date and subject of the B order, description of the assortment and quantity of products delivered, date of shipment. A copy of this document should be sent to B or the final recipient if it is an entity other than B, with confirmation of receipt by the warehouse department of B or the final recipient.
3. Delivery costs are in each case borne by S unless the order states otherwise. Delivery may be made at B's expense only with its prior written consent and only through the shipping company indicated by B, to which the Recipient will provide the customer number.
4. The delivered goods should be appropriately packaged and marked in a way that allows for quick identification.
5. Deadlines:
 - a) The delivery dates of goods resulting from the confirmed order B are binding. These dates mean the date of delivery by S to place indicated in the order.
 - b) If S is in delay with the delivery or performance of the ordered services for more than 21 calendar days, B has the right to withdraw from the order without setting an additional deadline for S. The decision in this respect will be communicated to S by B in writing and will have immediate effect. It is possible to send the decision by e-mail.
 - c) Any delivery of products before the agreed date may only take place with B's consent.
6. Ownership of the products as well as the benefits and burdens related to the item and risk of accidental loss or damage to the item are transferred to B upon delivery of the item (i.e. receipt of the goods by B or an end recipient other than B), in accordance with section 7 below.
7. It is assumed the order has been properly completed upon acceptance of the goods upon receipt (quantitative and qualitative), at the place of destination and at the same time when the S. delivers material certificates, warranty cards or other documents (COQ, COC, FAT) regarding a given product, specified as to the type and delivery dates in B's order. The quality acceptance criteria will be established by the Parties during the fulfilment of the Order and may constitute an attachment to the Order.
8. The place of delivery will be indicated in the order, delivery is possible from Monday to Friday between 8.00 a.m. and 3.00 p.m., excluding public holidays.
9. Confirmation of the order fulfilment is made in writing.

V. S' RESPONSIBILITY.

1. As part of mutual commercial contacts, B treats S as a specialist unit, fully prepared to achieve goals and tasks arising from the order. Acting in the above role, S is liable to B for any defects, including hidden ones, of the products or services it provides.
2. S is liable to B for untimely deliveries and for any damage resulting from defects and contamination of the goods, caused by improper packaging or lack of protection during transport.
3. All technical, construction, technological, industrial and commercial data, as well as all types of plans and designs, descriptions, specifications, reports, etc. provided to S by B for the purpose of executing the order constitute B's business secret and are confidential. S may use them only for the purpose of executing the order, and access to them may only be available to employees for whom it is necessary for the proper performance of the order after informing them about the confidentiality of this data. S has no right to make them available in any way, publish them or transmit them to any other entity without B's written consent.
4. S ensures and guarantees that the products sold to B are new, carefully made, checked, and

manufactured in such a way that they are suitable for use in accordance with their intended use and the conditions arising from B's order.

5. S confirms that these products meet the safety requirements required by B, meet all specifications and standards specified in B's order, and are approved for marketing in the area where they are to be used.
6. S is not liable for any consequences, functional deficiencies, or legal defects of the delivered devices if they were made in accordance with B's documentation.
7. S is fully liable to B for failure to comply with the above provisions.
8. S is liable for any damage resulting from failure to meet the delivery deadline, unless the delay in delivery is due to B's fault or force majeure, subject to section 9.
9. In case of an obstacle to the execution of the order caused by Force Majeure, the Party is obliged to immediately, but no later than within seven (7) days from the occurrence of the said circumstances, notify the other Party of the obstacle in writing and then within fourteen (14) days to document the occurrence of Force Majeure.
10. In the absence of notification or failure to present a document confirming the occurrence of Force Majeure issued by the appropriate institution in the period indicated in section 7 within fourteen (14) days or within another period agreed in writing by the Parties, the Party invoking the occurrence of Force Majeure shall lose the right to invoke its occurrence in order to avoid or limit liability.

VI. CONTRACTUAL PENALTY.

1. S is obliged to pay B the following contractual penalties:
 - a) For delay in the delivery in the amount of 0.1% of the net price of goods not delivered within the time specified in the order, calculated for each day of delay,
 - b) in the event of withdrawal from the order by either Party for reasons for which S is responsible, in the amount of 20% of the net price of the entire subject of the order,
 - c) in the amount of 0.1% of the net price of goods whose defects have not been removed within the deadline specified for their removal, calculated for each day of delay in removing the defect.
2. B may deduct the due contractual penalties from the amount due to S.
3. The documentary basis for calculating contractual penalties will be the debit note B delivered to S. Contractual penalties will be payable within 14 days from the date of receipt of the debit note S, subject to point. 2.
4. The sum of contractual penalties may not exceed 20% of the net price of the entire subject of the order.
5. At the same time, B has the right to claim compensation in an amount exceeding the amount of reserved contractual penalties on general terms.

VII. DELIVERY ACCEPTANCE, WARRANTY.

1. B, or if the final recipient is not B, an entity other than B, will perform qualitative and quantitative control of the delivered products.
2. Within 3 business days from the date of notification of the refusal to accept the product, S will respond to B's decision. Products not accepted by B, unless the parties decide otherwise (e.g. price discount for this product as it is of inferior value but can be used in accordance with its intended use) will be collected by S within 10 working days from the date of refusal to accept them by B, and products free from any defects will be delivered in their place. All related costs are borne by S.

VIII. PAYMENTS

1. All S's invoices must contain data in accordance with applicable regulations and delivered to B. They should include the number and date of B's order, as well as the unit of measurement consistent with the order.
2. B can pay S:
 - a) an advance payment of up to 20% of the net order value plus the applicable VAT within 7 days from the receipt of the proforma,
 - b) the advance payment will be made on the basis of a pro forma invoice issued by S. The payment deadline for the pro forma invoice is 7 business days from the date of its delivery.
3. After receiving the order, S will issue a VAT invoice for the remaining part of the payment amount for a given order resulting from the delivery schedule. The invoice will be accompanied by a delivery receipt report, which will also constitute the basis for its issuance.
4. The maximum value of the advance payment for an order will not exceed 20% of the net value of the order.
5. B is obliged to pay the required payment to S for the proper execution of the order within 30 days from the date of receipt of the invoice. Detection of defects during acceptance entitles B to withhold payment for the defective elements unless the defect is insignificant. A different payment term specified in the order is allowed.
6. B has the right to set off his pecuniary claims against S from S's pecuniary claims against B.

IX. SECURING THE ADVANCE PAYMENT RESTITUTION.

1. S, at B's request, will provide security for the advance payment in blank promissory note, in particular if the expected value of advance payments is 20% of the net value of the order.
2. Securing the return of the advance payment is intended to secure B's claims for the return of the advance payment that was not settled in S's remuneration due.
3. If it is necessary to secure the advance payment, parties will agree on blank promissory note agreement in an appendix to the order, and in particular specify the obligation to secure the advance payment, the amount of the security, as well as the method of its payment and return.

X. PROPERTIES OWNERSHIP

1. S ensures and guarantees the use of the delivered products, except for those made in accordance with B's documentation, does not constitute an infringement of a patent, trademark, registered utility model, Polish or foreign symbol or other rights arising from industrial and intellectual property, and furthermore undertakes to repair any damage caused to B, directly or indirectly, as a result of the violation of these rights.
2. Additionally, if the delivered goods constitute a work within the meaning of the Act of February 4, 1994 on copyright and related rights, S, upon receipt by B, transfers to B the copyrights and derivative rights to the transferred work, without any time limits and territorial, in the fields of exploitation indicated in point 3 below.
3. The transfer of economic copyrights takes place in particular (but not exclusively) in the following fields of exploitation: in the scope of recording and reproduction, trading in the original or copies on which the work was recorded, placing on the market, lending or renting the original or copies in the scope of disseminating the work in a manner other than that specified above, the right to modify, sublicense, record and reproduce the work, and to produce copies of the work using any technique, including printing, reprographic, magnetic recording and digital techniques; the right to use and obtain benefits from the work, its development, translation, modification and adaptation.
4. No additional declaration is required to transfer the copyright. S.
5. If any claims or demands for financial compensation arise against B from a third party due to a possible infringement of proprietary copyrights and derivative rights to the work, including an infringement

consisting solely in the use of the third party's know-how, S will protect B and take over assumes all obligations in this respect and will cover any resulting costs or losses.

XI. ORDER CANCELATION.

1. B has the right to cancel the placed order or withdraw in whole or in part from the concluded contract with notice to S and without calling again to fulfill the obligation in the following cases:
 - a) S declares bankruptcy or submits an application in this regard, liquidation or cessation of further business activity,
 - b) S divides his enterprise, merges it with another enterprise or sells it,
2. If S delays the commencement of the production of the delivery item or its individual parts to such an extent that it is unlikely to deliver at the agreed time, B may request S to authenticate the execution of the order within a deadline of 5 business days. If S does not verify the feasibility of completing the order within the deadline set by B, B may withdraw from the contract.
3. If, in the course of manufacturing the item of delivery, it turns out that S is performing the item in a defective manner or in a manner inconsistent with the contract, B may request S to change the method of performance, setting an appropriate deadline for B, and after the ineffective expiry of the specified period, withdraw from the contract.
4. S undertakes to immediately inform B about any circumstances that may affect the quality of deliveries or the delivery deadline, and in particular about any events that threaten S's financial situation.
5. The Parties have the right to withdraw from the Agreement or its part in all cases provided for by law and on their terms. Partial withdrawal from the order does not deprive B of the rights of B under the guarantee and warranty granted by S for the goods delivered up to the moment of withdrawal.

XII. BUYER'S RESPONSIBILITY.

B is not liable for failure to fulfill obligations arising from General Purchase Conditions if it is the result of a reason beyond its control.

XIII. WARRANTY.

Unless the order states otherwise, the warranty is at least 24 months. If defects are found in the delivered product during the warranty period, S is obliged to:

1. Considering the complaint report within 5 business days from the date of receipt of the complaint report (by post, fax or e-mail),
2. Improvement of defective products within 15 business days from the date of receipt of the report, including:
 - a) Remove defects in the delivered product where they were discovered, or at one's own expense, deliver them to headquarters in order to improve them, incurring the costs of improvement and delivery – according to B's choice – back to the place from which they were taken or to B's premises,
 - b) extension of the warranty period by the time during which N was unable to use them due to the defects.
3. Replace the product with a new one within 30 days from the date of the complaint protocol if the provisions of point 2 have not been met.

XIV. TRANSFERS.

S will not be able to transfer rights and obligations arising from the sale of goods under the terms and conditions arising from B's order and these General Purchase Conditions without B's prior written consent.

XV. DISPUTES.

1. Any contract or legal act concluded between S and B under these General Purchase Conditions is subject to Polish law.
2. Any disputes arising from this Contract shall be resolved by the court in Gliwice, Poland. General Purchase Conditions is governed by the laws of Poland. The applicable/propter law for the order concluded between the Parties is the Polish law. Language to be used in proceedings shall be Polish