

## General Terms and Conditions of Sales and Deliveries of PGO S.A., effective as of 1 January 2022

### 1. Scope of application of the General Terms and Conditions of Sales and Deliveries

- 1.1. These General Terms and Conditions of Sales and Deliveries (hereinafter referred to as GTCSD or General Terms and Conditions) regulate the deliveries and sales of goods and the services provided by every company belonging to the PGO S.A. Group, with its registered office in Katowice, hereinafter referred to as the Company, for the recipient of goods and services, hereinafter referred to as the Buyer. A company belonging to the PGO S.A. Group is understood as a company for which PGO S.A. is a parent company within the meaning of the Polish Code of Commercial Companies and Partnerships.
- 1.2. These General Terms and Conditions constitute an integral part of every offer of the Company and every order placed by the Buyer, and are valid for the entire term of commercial cooperation with the Buyer. Placing an order by the Buyer is the Buyer's acknowledgement that they have read and accepted these terms and conditions. The acknowledgement of General Terms and Conditions upon the first order is tantamount to their acknowledgement for subsequent orders until their wording is changed or revoked.
- 1.3. Any change of rules arising from the General Terms and Conditions requires express consent of the Company given in writing or in the form of a document, otherwise being null and void, and applies only to a specific contract.
- 1.4. Any representations of the employees of the Company must be made in writing or via email, otherwise being null and void.
- 1.5. The application of all general terms and conditions of contracts used by the Buyer is excluded, unless the Company gives its express consent in written or document form. The exclusion of application of these GTCSD stipulated in the wording of any general terms and conditions of contract used by the Buyer is invalid and ineffective.
- 1.6. The Client's order is deemed as effectively placed only if the Company confirms the execution of order or otherwise informs the Client about starting the execution of the Order. For the avoidance of doubt, it is assumed that the order not confirmed by the Company within 7 working days is not accepted for execution.
- 1.7. These GTCSD are available at the website of the Company: <https://pgosa.pl/oferta>.

### 2. Preliminary quotation and offer

- 2.1. All offers of the Company are valid for 7 days from the date of drawing them up, unless the wording of the offer clearly says otherwise. After the lapse of such period of time, the offer always loses its validity, unless the Company gives its consent to the execution of order being a response to the offer that is placed after the above-mentioned deadline.
- 2.2. In order to shorten the time of response to the Buyer's request for quotation (until the offer is prepared), the Company

uses preliminary commercial offer. The above-mentioned preliminary commercial offer is only informative in nature, does not constitute an offer to conclude a contract in legal sense and does not result in any obligations of the Company to meet the conditions contained therein.

- 2.3. All commercial offers are valid only on condition that the Company grants the addressee of the offer with trade credit corresponding at least to the value of goods indicated in the offer. If the addressee of the offer places an order within the offer validity period, the Company informs the addressee of the offer about the amount of granted trade credit. If the trade credit is not granted or is granted for a lower amount than the value of goods indicated in the offer of the Company, the goods indicated in the offer may only be delivered upon pre-payment made within the offer validity period. If no pre-payment is made, this offer expires and the Company ceases to be bound by the offer.

### 3. Prices

- 3.1. All prices are quoted as net prices (without tax on goods and services, hereinafter referred to as VAT). However, the Company reserves the right to charge all taxes in line with the applicable provisions of the law, particularly VAT, excise duty and any other potential taxes on sales, at the rate applicable in Poland. The Buyer is obliged to pay the due VAT in accordance with the applicable provisions of the law.
- 3.2. All prices are quoted EXW according to the definition in Incoterms 2020, unless the Parties agree otherwise in written or document form, under the pain of nullity. The only data illustrative for the purposes of determination of the price of goods are those included in documents issued by the Company. The final price of goods and services is determined in the confirmation of acceptance of order for execution, unless the Company points to another way of price calculation in the confirmation of acceptance of order for execution.
- 3.3. In order to apply the right rate of VAT, it is assumed that, in the case of international transactions, the final place of export of goods is the place indicated in the order placed by the Buyer. If the placed order does not indicate the place to which the goods are to be exported, it is assumed that the place of delivery is the address of the registered office of the Buyer.
- 3.4. If the final place of export of goods is situated **in the territory of the European Union** and the sale is executed according to the following trade rules: FCA, FAS, FOB, EXW (ICC Incoterms 2020) or it takes place at the time of releasing the goods at the warehouse, the Buyer is obliged to provide the Company with a copy or photocopy of the drafted transport document (CMR, CIM, B/L, waybill) signed and sealed by the recipient at the place of final export within 21 days from the date of sale.
- 3.5. If the final place of export of goods is situated **outside the territory of the European Union** and the Buyer is obliged to perform export customs clearance, the Buyer is obliged to provide the Company with IE-599 electronic customs document (or its counterpart if the export customs clearance is performed at the customs office in a country other than Poland) within 21 days from the date of sale.

- 3.6. The Company reserves the right to charge VAT at the currently applicable rate proper for domestic transactions if the Buyer does not provide the following documents within 21 days from the date of sale, in the case the final place of export of goods is situated:
- a. in the territory of the European Union and the sale is executed according to the following trade rules: FCA, FAS, FOB, EXW (ICC Incoterms 2020) or it takes place at the time of releasing the goods at the warehouse: a copy or photocopy of the drafted transport document (CMR, CIM, B/L, waybill) signed and stamped by the recipient at the place of final export in the territory of the European Union;
  - b. outside the territory of the European Union and the Buyer is obliged to perform export customs clearance: IE-599 electronic customs document (or its counterpart).
- 3.7. If the sale is executed in accordance with the following trade rules: EXW, FCA, FAS, FOB (ICC Incoterms 2020) or it takes place at the time of releasing the goods at the warehouse, and the final place of export of goods is indicated as situated outside the territory of Poland, the Buyer represents that:
- a. They shall not resell the goods purchased from the Company in the territory of Poland directly after their purchase (e.g. in accordance with the EXW, FCA rules), and
  - b. They are the entity responsible for the organisation of transport to the final place of export.
- 3.8. If, despite meeting the conditions set forth in point 3.7 above, the Buyer is not the organiser of transport or resells the goods directly after their purchase, for VAT purposes the transaction shall be considered as domestic sale and taxed at the rate proper for such transactions.

#### 4. Quantity

- 4.1. In terms of quantity, the goods are sold in sales units (pieces, kg).
- 4.2. The Buyer should check the delivered quantity of goods at collection and confirm this fact and quantity of received goods in delivery documents issued by the Company or forwarder's documents. All quantitative claims should be reported at the collection of goods, under the pain of losing the right to raise such claims at a later date, and in accordance with the principles described in Title 9. Defects.
- 4.3. The products of the Company (including particularly die forgings and iron castings formed automatically) are subject to quantitative tolerance of +/- 5%, when compared to ordered quantities, which means that the delivery of goods in the quantity smaller or greater than ordered but fitting within these boundaries does not constitute improper performance and does not give right to demand delivery replenishment or refuse payment for goods delivered in excess of the ordered quantity.

## 5. Quality

- 5.1. The requirements concerning technical and quality parameters, attestations and certificates should be specified by the Buyer in their request for quotation. After submitting the offer, any change of these requirements in relation to those listed in request for quotation shall require the approval of the Company in written or document form, otherwise being null and void; if no such consent is given, it is assumed that the order has not been changed and the Company properly performs its obligations when it executes it according to the initially specified principles.
- 5.2. The Buyer is solely liable for the technical, qualitative and quantitative data on the goods and for the required tests and certificates, as set forth in the request for quotation or order, to meet their needs.
- 5.3. All technical information included in advertising materials, brochures or at the website is informative in nature and cannot be the basis for claims towards the Company in case of any discrepancy with the actual state.
- 5.4. If the Buyer demands qualitative test of goods that is not agreed upon at the time of placing the order, the Company may refuse its performance. If the Company agrees to the performance of such test, it only takes place at the Company prior to the release of the goods. The costs of the test are to be borne by the Buyer. If, as a result of such test, the quality of goods is questioned, an expert is appointed and the costs are borne by the party whose statements are supported by the expert.

## 6. Payment

- 6.1. The payment for the goods should take place at the time and on conditions set forth in the invoice issued by the Company. The payment date is calculated as from the date of issuing the invoice. The payment date is considered to be stipulated only in favour of the Company.
- 6.2. Any settlements should be made via bank transfer, and the date of crediting the account indicated in the invoice is considered as the date of payment.
- 6.3. The Company is authorised to demand immediate payment of all amounts due, including those arising from invoices that are not due yet and to demand upfront payment for deliveries and services, if the Buyer is in arrears with a part or whole of any payment.
- 6.4. Regardless of the provisions of section 6.3, if the Company has reasonable doubts as to the financial situation of the Buyer or the Buyer is in arrears with the payment for any delivered goods, the Company has the right to suspend further deliveries of goods, to demand relevant security for the payment for all orders accepted for execution within 7 days and, after the ineffective lapse of this period, to withdraw from the contract within a period not longer than the next 30 days, without the Buyer being entitled to any claims based on suspending the deliveries.
- 6.5. In the written confirmation of acceptance of order for execution, the Company reserves the right to determine individual debt limit for every Buyer that is comprised of the value of the balance of receivables, warehouse inventory

and orders accepted for execution. If the above-mentioned individual debt limit is exceeded, the Company suspends the execution of accepted orders that have not been referred for production yet. The Company shall inform the Buyer about exceeding the individual debt limit. The Company shall make the decision to resume the execution of orders when the Buyer's liabilities decrease below the individual debt limit and the Buyer passes their verification by the Company. The information about resuming production shall be provided to the Buyer in writing.

- 6.6. The Company reserves the right to settle every payment made by the Buyer according to the order of maturity of payments, regardless of any contrary indications of the Buyer; the application of Article 451 of the Civil Code is excluded. The Company may exercise this right not later than within 30 days from the date of making the payment.
- 6.7. The Buyer waives the right to set off their receivables against the receivables of the Company and the right of retention.

## 7. Delivery date

- 7.1. The date of delivery of goods is set forth in response to the Buyer's request for quotation, contract or written confirmation by the Company of accepting the order for execution. If there are several different dates, the latest date shall apply. The date is considered to be stipulated only in favour of the Company.
- 7.2. The delivery date is considered as met also if:
  - a) the goods are sent to the Buyer before its lapse (transport handled by the Company),
  - b) the Buyer is informed that the goods are ready for collection (transport handled by the Buyer), even if the actual collection of goods does not take place at the indicated date for reasons not attributable to the Company.
- 7.3. The Company is entitled to execute partial deliveries listed in separate invoices.
- 7.4. A delay in the collection of goods, despite the notification of their readiness for collection from the Company, does not release the Buyer from the obligation to pay for the goods on time. In such cases the payment period starts with the date of the Company's notification of the readiness of goods for collection.
- 7.5. The Company reserves the right to charge additional remuneration for the Buyer's delay in the collection of goods (storage) lasting more than 7 days from the date of notification of the Buyer about the readiness for collection, in the amount of 0.1% of the gross price of the goods for every commenced storage day, but not more than 5% of the gross price of the goods.
- 7.6. The Company shall not be liable for the delays in the execution of deliveries if they are caused by circumstances beyond their control, force majeure operation, including natural disasters such as fire, flood, etc.; strike, lockout, stoppages at national borders or during transport, as well as downtimes and delays occurring at the Buyer's, sudden machine failures, utility supply interruptions (power, water, gas) or government acts.

- 7.7. In the event of the Company's delay in the delivery of the goods, the Buyer shall be entitled to charge a contractual penalty of 0.01% of the net value of the undelivered goods for each day of delay, but not more than 5% of the net value of the delayed goods. The Buyer shall not be entitled to claim supplementary damages in excess of the value of the contractual penalties charged.
- 7.8. A delay of delivery does not entitle the Buyer to withdraw from the contract or demand compensation. In the event of considerable delay in the delivery date, that is by more than 90 days, the Buyer has the right to withdraw from the contract, but without the right to compensation, unless the delay is caused exclusively through the fault of the Company. The compensation only covers actual damage and does not cover lost income.
- 7.9. The delivery date may be moved in the event of changes in the documentation and other circumstances affecting the execution of the order and beyond the control of the Company for the time necessary to introduce such changes.
- 7.10. In the event of change of any technical conditions of performance or collection of the product during the execution of the order, the Buyer is obliged to purchase all products made according to the previously agreed conditions. The Company reserves the right to change the price and deadline of execution for the previously ordered products, with consideration given to the introduced changes or technical conditions of performance.
- 7.11. If the Company is late with the delivery of goods by more than 90 days, the Buyer may only withdraw from the non-completed part of the order and charge liquidated damages of up to 5% of the net value on the non-completed part of the order. The Buyer is not entitled to claim supplementary compensation exceeding the value of liquidated damages charged.
- 7.12. The Parties hereby confirm that, if the Buyer's order is accepted for execution at the time of occurrence of state of epidemic in Poland due to COVID-19 risk, the date of completion of the order may be extended. Therefore, the Company shall not be liable, also liable for compensation and for liquidated damages, for the non-performance or improper performance of deliveries (including particularly the breach of the delivery date, the date of defect removal, etc.), provided that such non-performance or improper performance results from the state of COVID-19 epidemic, including particularly restrictions concerning the trade in goods, restrictions in the work of administrative bodies and offices, including customs offices, etc. In the event of any problems in the execution of deliveries of goods due to the above-mentioned causes, the Company shall promptly inform the Buyer about this fact. In such case the parties shall enter into negotiations in order to move contractual deadlines and/or determine further execution of deliveries.**

## 8. Delivery conditions

- 8.1. The conditions of specific delivery of goods are determined, from time to time, in the offer of the Company, contract or confirmation of acceptance of order for execution.

- 8.2. Basically, deliveries are made according to the EXW (Ex Works) rule (Incoterms 2020). The cost of transport is borne by the Buyer, unless otherwise agreed in writing or in document form under the pain of nullity. Potential costs of insurance of goods during transport are borne by the Buyer.
- 8.3. The liability for damage or loss of goods passes onto the Buyer upon making the goods available to them or onto the carrier indicated by them. In the case of delivery to the registered office of the Buyer through the efforts of the Company, such liability passes onto the Buyer when the means of transport reaches the place of delivery.
- 8.4. In the case of storage of the Buyer's goods by the Company for any reasons (wait for the Buyer's own collection, failure to collect the goods on time, etc.), the liability for damage or loss of goods passes onto the Buyer upon the notification of the readiness of goods for collection.
- 8.5. Unless it is separately agreed upon with the Buyer, the Company determines the type and manner of shipment and packaging of goods.
- 8.6. The goods are generally sent without anti-corrosion packaging, unless the Parties agree otherwise.
- 8.7. If the goods are sent with the agency of a carrier, the Buyer who finds the goods or packaging of goods to be defective or damaged during transport is obliged to undertake all actions necessary to determine the liability of the carrier and document the established facts in writing in forwarding documents (waybill).
- 8.8. If they refuse to accept the goods, the Buyer bears all the costs of transport and storage, regardless of their payment obligations.

## 9. Defects

- 9.1. The Buyer should examine the accepted goods promptly after receiving the delivery in terms of potential defects and compliance with the order. The Buyer should examine the goods and inform the Company about defect within 5 days from the date of delivery. This does not apply to hidden defects that should be reported within 5 days from their detection.
- 9.2. Upon the completion of all actions related to inspecting the goods, as agreed by the parties, the possibility of notification of defects that should be detected during such inspection is excluded. This also applies in the situation when the Client received certificates of acceptance tests and waived the right to perform inspections.
- 9.3. The Company is not liable for the defects of goods marked as substandard and for the defects the Buyer was aware of at the time of concluding the contract.
- 9.4. In the case of hidden defects of goods and services, the Company is obliged, at its own discretion, to repair or replace the defective goods on its own cost within three months from reporting the defect. If the repair or replacement delivery fails, the Buyer is entitled, at their own discretion, to demand the reduction of the purchase price or withdraw from the

contract.

- 9.5. Any deviations from the quality, form, colour, weight or equipment that are customary in the industry or are slight or impossible to avoid from the technical perspective, e.g. repair of castings through welding, shall not be considered as defects and cannot be the subject of claims. This also applies to delivery in accordance with samples and patterns.
- 9.6. Defect reports should be detailed (if possible, with photographic documentation) **and submitted within 5 days from their detection**. The rules for reporting defects are determined in the Rules of reporting and considering claims enclosed to these GTCSD.
- 9.7. Defective goods should be secured and left for the Company's inspection in the state in which they were at the time of delivery.
- 9.8. The obligations of the Company related to defects and arisen due to improper storage, use, further processing interfering with the properties of goods, lack of maintenance or improper maintenance, non-standard impact of the environment or damage resulting from transport shall be excluded.
- 9.9. The Company is not liable for consequential damage or loss caused by the defect of goods or services or for the loss of benefits of the Buyer related to the defect of goods or services of the Company. The exclusion of liability also applies to the services provided by the Company.
- 9.10. Pursuant to Article 558 of the Civil Code, the Company represents that its liability under statutory warranty is excluded, and the Buyer agrees to this when making purchases in accordance with these terms and conditions.
- 9.11. Unless the Company states otherwise in the offer, confirmation of order or another document, the guarantee period is 12 months from the date of releasing the goods to the Buyer and, in the case of non-collection of the goods by the Buyer, such period starts at the time when the goods should be collected by the Buyer.

## 10. Final Provisions

- 10.1. The Buyer is obliged to secure the Company against any claims that might result from the execution of the Buyer's order in the case when, as a result of following the Buyer's instructions related to specific quality and other features and on the basis of provided drawings, models, tools, etc., such order violates domestic or international intellectual property rights of third parties, including, for example, copyrights, patent rights, rights to trademarks and design copyrights.
- 10.2. In the event of any disputes the court competent for solving them shall be the Court of geographic and subject-matter jurisdiction competent for the registered office of the Company, that is the court of subject-matter jurisdiction for the City of Katowice.





- 10.3. The assignment of rights under the concluded contract, including claims, their encumbrance with any right or authorisation to pursue them, with the exception of granting a power of attorney to a professional attorney, may only take place with the consent of the Company expressed in writing or in a documentary form, otherwise null and void. In the event of a breach of this obligation, the Buyer shall be obliged to pay the Company a contractual penalty in the amount of 10% of the gross amount of the breached claim. The Parties exclude the possibility of setting off the claims arising in connection with the orders to which these GTCS apply. In addition, the Parties exclude the statutory right of set-off referred to in Article 498 of the Civil Code and the subsequent provisions regarding the set-off.
- 10.4. With the exception of wilful misconduct, the overall total liability of the Company towards the Buyer for any claims, obligations, damage, compensation, costs or expenses related to the sale and delivery of goods and services, if found, shall be limited to actual damage and amount to the maximum of 25% of the value of non-delivered or defective goods to which the Buyer's claim pertains.
- 10.5. The place of obligation performance shall be, from time to time, the registered office of the Company belonging to the PGO S.A. Group which performs a given obligation.
- 10.6. The Company represents that, within the meaning of Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, with regard to personal data of natural persons representing the Buyer that the Buyer provides to the Company, the data controller is a given company from the PGO Group that executes the order. The Buyer shall receive from the Company relevant information on this subject that they are obliged to provide to data subjects whose data are processed.
- 10.7. Personal data of persons representing the Buyer (first name, last name, position, phone number, email address) are processed only for the purpose and within the scope necessary to perform the tasks of the controller of data related to the execution of contract concluded between the Company and the Buyer.
- 10.8. A person representing the Buyer has the right to access their personal data and supplement, update, clarify personal data, temporarily or permanently stop their processing or delete them if they are incomplete, outdated, untrue or have been collected in violation of the law, or are no longer necessary to complete the purpose for which they have been collected.
- 10.9. For matters not provided for in GTCSD, the provisions of the Polish law shall apply.
- 10.10. If any provisions of these General Terms and Conditions of Sales and Deliveries become invalid in full or in part, the remaining provisions shall remain effective. The parties to the contract agree that such invalid provision shall be considered as amended so that they could achieve the economic effect as similar to the original provision as possible.
- 10.11. Following the obligation arising from Article 4c of the Act of 8 March 2013 on combating excessive delays in commercial transactions (uniform text: Dz.U. [Journal of Laws] 2019, item 118), the Company represents that they have the status of a large enterprise within the meaning of Annex I to Commission Regulation (EU) No. 651/2014 of 17 June

2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Official Journal of the EU L 187 of 26 June 2014). Should the status of the enterprise change, the Company shall inform the Buyer about this fact within 14 days from the date of status change.

10.12. These GTCSD do not apply to Buyers who are natural persons running business activities for whom the delivery of goods executed by the Company is not related to their core business, as set forth in the Central Registration and Information on Business.

10.13. In the event of any differences or discrepancies between the provisions of the Company documents comprising the contract with the Buyer, the Parties shall be bound by the provisions of the document being higher in the hierarchy of documents comprising the contract. The hierarchy of documents is as follows:

- a. Confirmation of order
- b. Commercial contract
- c. Offer of the Company
- d. These GTCSD
- e. Buyer's order

