



## General Terms and Conditions of Sale (GTCS) Wheels Dept. Pronar Sp. z o. o.

### § 1. General Statements

1.1 These General Terms and Conditions of Sale, hereinafter referred as OWS, apply to all supplies of goods offered by the Wheels Department of Pronar Sp. z o.o., ul. Mickiewicza 101A, 17-210 Narew, Poland, registered in the District Court of Białystok, XII Commercial Division of the National Register under the number 0000139188; NIP 543-02-00-939, REGON P-008002850, registered share capital in the amount of 51,000.00PLN paid in full, hereinafter referred as "Supplier".

1.2 Any natural or legal person purchasing goods available in Supplier's offer is referred as "Purchaser".

1.3 All goods purchased from the Supplier, are ordered under the terms of these General Terms and Conditions of Sale, unless "Supplier" and "Purchaser" agree differently between them in the contract or in a separate provision, concluded in the written form to be valid.

1.4 OWS is an integral part of any order placed by Purchaser to Supplier and is valid for the duration of commercial cooperation. "Purchaser" or a person authorized to act on behalf of him certifies that knows and accepts the General Terms and Conditions of Sale. The fulfillment of the above is a prerequisite for commercial cooperation.

1.5 Purchaser, before placing the first order, must provide the copies (certified as the true copies by a person authorized to represent Purchaser) of his current registration documents. Purchaser is obliged to provide bank account number.

### § 2. Commodity information.

2.1 Purchaser is obliged to know the technical parameters of the ordered goods.

2.2 Supplier reserves the right to make design changes.

### § 3. Confidentiality.

3.1 Purchaser is obliged to, unless specified otherwise on the basis of the separate agreement, consider all the information received during mutual cooperation as confidential and never share it with any other third parties.

3.2 Supplier reserves the property right and copyrights in reference to the quotations, drawings, schemes and other technical documents. Purchaser should not make them available to any other third parties without Supplier's written consent.

### § 4. Purchase Orders.

4.1. Supplier delivers goods to Purchaser on the basis of order schedules agreed in the written form.

4.2. In order to implement the agreed schedules of orders, Purchaser will submit to Supplier a written order.

4.3. Supplier confirms in writing acceptance of the order for execution. Written confirmation of the order by Supplier, delivered by mail, fax or an electronic form to Purchaser, is equivalent to signing a contract by the parties.

4.4. Written confirmation of the order includes:

- a) The name of the product, together with additional technical parameters,
- b) the quantity,
- c) the unit price net,
- d) the term of the contract,
- e) form of payment, term of payment,
- f) the amount of the discount percentage if was applied,
- g) the delivery terms (expressed as per Incoterms 2010: the place of delivery, the payer of freight costs



and possible insurance)

h) the name of the person handling the case.

4.5. If confirmation of the order do not require any additional arrangements between the parties, it will be issued within 5 working days from the date of order.

4.6. It is not allowed to assign the rights resulting from the order to third parties without the written consent of Supplier.

4.7. After informing Purchaser, Supplier reserves the right to refrain from performing the contract - if it has reasonable grounds to suppose that Purchaser fails to pay on time, in particular, if such assumption is justified by Purchaser's economical condition.

4.8. Purchaser bears the costs of order cancellation in case of precedent confirmation of the order acceptance by the Supplier.

### **§ 5. Special orders.**

5.1 By special orders Parties understand the order for goods not found in the current Supplier's offer. This also applies to the color of the standard model not available in the current offer.

5.2 Due to the nature of special orders, the price and the date of execution should be agreed each time with Supplier in writing.

### **§ 6. Dates of delivery.**

6.1. The reported dates of delivery are informative. Failure to meet the deadline for delivery by Supplier entitles Purchaser to assert his statutory rights only if Supplier despite an additional period fixed in written still fails to deliver.

6.2. Supplier reserves the right to change the terms, in particular in case of:

a) force majeure understood as: strike, war, epidemic, lock-outs, difficulties in the supply of energy or materials, administrative and local authorities decisions, fire, flood and other natural disasters,

b) the interruption or delay in the supply of raw materials, energy, components from subcontractors, and other unforeseen events, on which Supplier has no influence.

c) failures, transport and customs delays, transport disturbances including roadblocks, time constraints, traffic transport trucks.

6.3. The occurrence of the above circumstances causes the suspension or move the date of execution of orders (as Supplier shall promptly notify Purchaser in writing), and relieve Supplier of the responsibility for changing delivery dates. In justified cases, Supplier is also entitled to withdraw from the contract or its part.

6.4. If the postponement of the contract exceeds 45 days Supplier reserves the right to calculate the new prices in line with any change in pricing, and/or material, personal costs, and other. Offered prices are only valid for the respective order unit.

6.5 the term of delivery is met if at the time of its expiry the goods left the Supplier's factory or its readiness for shipment was reported.

6.6 If the shipment is delayed through the fault of Purchaser, it is one month after notification of readiness for shipment, Supplier may charge storage in the amount of 2% of the total order for each initiated week, unless documented higher costs.

### **§ 7. Pick-up and delivery terms.**

7.1. Terms of delivery in relation to the costs of shipping and any risks are terms EXW Narew (in case of absence of any other agreement). Transport and insurance in the transport of ordered goods is at the expense and risk of Purchaser. From the moment of delivery of the goods to Purchaser or the carrier, i.e. at the time of signing loading documents, Supplier shall not be liable for damage and defects in the same commodity and its packaging.



- 7.2. Purchaser is obliged to pick up the ordered goods at the place and time agreed and accepted by Supplier in the order confirmation.
- 7.3. If Purchaser do not indicate the place of delivery, he is obliged to pick up the goods at Supplier's warehouse.
- 7.4. The deadline is considered met if the goods are issued to Purchaser or the carrier from the Supplier's warehouse on a fixed date. If Purchaser did not indicate the delivery date, the term shall be deemed met if the goods are prepared to release within the period specified in the written confirmation of the order.
- 7.5. Supplier shall specify the date of loading and technical conditions, to which must comply the means of transport accordingly to the ordered product.
- 7.6. Purchaser may substitute its own means of transport or send his own carrier who has a mandate to pick up the goods confirmed by Purchaser or send a written instruction to PRONAR pick-up the goods by the carrier.
- 7.7. In case of improper means of transport (not in accordance with the technology of loading developed by Supplier) the goods cannot be loaded at all or on time.
- 7.8. Supplier can feel free to choose, with due diligence, the carrier and the transport conditions at the expense of Purchaser, if Purchaser does not specify it in the carrier's contract.
- 7.9. Partial deliveries are allowed.
- 7.10. Purchaser is obliged to carefully examine the completeness of the shipment immediately upon receipt and determine any shortcomings or damage caused during transportation and describe them in the protocol drawn up jointly with the carrier and confirmed by him in writing - this applies to deliveries under the terms of DAP (Delivered at Place). Any subsequent applications will not be considered by Supplier.
- 7.11. Notification of complaint concerning the quantity of goods can take place only during the unloading of goods, or on the day of discharge or receipt from the carrier.
- 7.12. Complaints regarding the completion of delivered products should be reported in writing within 3 business days from the receipt of the delivery, indicated on the Bill of Lading.
- 7.13. Release of goods to Purchaser or the carrier provides the basis for issue the invoice on this day, in which the goods were released.
- 7.14. Supplier reserves the right to suspend the shipment without notice if Purchaser does not meet the financial obligations related to previous deliveries.
- 7.15. Supplier is obliged to deliver the goods on time and in accordance with technical specifications, drawings, the technical conditions agreed.
- 7.16. Purchaser is obliged to make the reception quality, i.e. compliance of the quantity and range of products, the evaluation of aesthetics and technical state in terms of defects that can be detected without movement tests within 14 days of delivery. After this period, Supplier does not accept claims for the reception quality.
- 7.17. If Purchaser suspect defects, in the goods, caused in transport, is obliged to draw up a protocol with the representative of the shipping company and send it to Supplier.

## **§ 8. Rates and pricing.**

- 8.1. The prices of goods offered by Supplier are included in the price list available in the Sales of Wheels Department .
- 8.2. All prices in the price list are net prices (excluding VAT).
- 8.3. Supplier reserves the right to revise the price list in terms of assortment and prices.
- 8.4. The time of entry into force of the new pricing will invalid the previously valid price list.
- 8.5. The prices shown in the price list include the standard way of packaging products. Each Purchase Order regarding packaging other than standard will impose additional costs on Purchaser.



- 8.6. Prices on the overall Supplier's range of goods and his services are non-binding and subject to change.
- 8.7. Granted by Supplier additional discounts require individual negotiations and confirmation in writing.
- 8.8. The final price of the goods and the terms of payment shall be determined individually for each order through negotiations and the price is increased by VAT in case of domestic sales in accordance with applicable regulations in this regard in Poland. Unless otherwise agreed, apply the payment terms included in the order confirmation.
- 8.9. Supplier reserves the right to change the price indicated in the order confirmation in case of a change of customs duties affecting the cost of the contract.

### **§ 9. Terms of payment.**

- 9.1. Supplier will receive the payment for the goods after invoicing under the conditions defined in the order confirmation. The deadline for payment in each case is determined on and from the date of invoice.
- 9.2. The date of execution by Purchaser is the date of the receipt of payment to the Supplier's bank account indicated on the order confirmation or invoice.
- 9.3. Ownership of the goods passes to Purchaser after the receipt of payment to the Supplier's bank account.
- 9.4. Until the expiry of the deadlines, or occurrence of events referred in paragraph 2, the goods are owned by Supplier and can be reclaimed by him, if Purchaser is in arrears with payment of debts despite a written request for payment within the given an additional period of time.
- 9.5. In case of a sale to prepay, Supplier shall issue an pro-forma invoice, which determine the amount of the prepayment necessary to perform a contract.
- 9.6. In case of delay in payment Supplier may charge interest at the statutory amount starting on the date of expiry of the period for payment fixed in the invoice.
- 9.7. Purchaser's delay in payment causes acceleration of payment without deduction of any open claims from other supplies and services, even if they were previously postponed.
- 9.8. In case of Purchaser's arrears, Supplier reserves the right to choose which liability will be covered first from the money transferred to his bank account.
- 9.9. In case of outstanding payment Supplier reserves the right to suspend shipment until the clearance of the debt by Purchaser.

### **§ 10. Warranty and complaints.**

- 10.1. Warranty granted by Supplier is valid for Purchaser only.
- 10.2. The standard warranty period is 24 months from date of sale.
- 10.3. Warranty covers manufacturing defects showed up at the time of purchase or usage due to manufacturing and/or structural and material faults. Other claims of Purchaser resulting from product's defects are excluded.
- 10.4. Purchaser is obliged to respect the standards and conditions defined by Supplier and related to sold products, in particular exploitation standards.
- 10.5. Warranty will be invalid in case of misuse of the products.
- 10.6. Supplier's liability under the statutory warranty for physical defects of goods shall be precluded.
- 10.7. Supplier shall be relieved from any liability under the warranty, if Purchaser knew about the defect in the date of contracting the agreement, placement of the purchase order, submission of the offer, receipt of a delivery document and in other cases specified in the applicable provisions of law.
- 10.8. Supplier is responsible for products damages but is not responsible for lost profits or other material damages of Purchaser



10.9. Complete wheels which Purchaser manufactured under its own brand, using its own technology, its own components or components purchased from Supplier are not covered under warranty.

10.10. Warranty becomes null and void in case of:

- a) any repair or remanufacturing of purchased product;
- b) exceeding the technical data indicated in the specification sheet; c) removal of markings enabling the identification;
- d) storing the products in inappropriate conditions;
- e) use for which the product is not intended;
- f) breach of the obligations derived for Purchaser from the present warranty;
- g) the expiry of the warranty period.

10.11. Purchaser has to draw up written declaration of product defects within 14 days from the date of delivery or occurred during use. All claims shall contain a product's part number, purchase order number, date of delivery, description and enclosed photographic documentation.

10.12. All complaints shall be submitted to the following company address using valid form.

Email: [claims@pronar.pl](mailto:claims@pronar.pl)

Fax: +48 85 873 35 22 with note: „Wheels Claim”

Postal address: Pronar Sp. z o.o.; 17-210 Narew; ul. Mickiewicza 101A; with note: „Pronar Wheels”

10.13. Supplier has the right to fail to review the complaint in case of the incomplete claim notification.

10.14. Exceeding the period of the notification of defects empowers Supplier to withdraw the warranty rights of Purchaser.

10.15. Supplier informs Purchaser within 5 business days from the date of claim if the photographic documentation is insufficient to start complaint proceeding. In that case, Purchaser shall ship all defective goods or defective parts at its own expense within 7 days from the day when information has been received.

10.16. Supplier chooses the method for settling a complaint within 14 days from the day of receiving a complete complaint form. Supplier may:

- a) replace the purchased product with defect-free one,
- b) remove defect,
- c) refund the Purchaser the costs of the repair of the Product
- d) refund the Purchaser the costs of the Product

10. 17. In case of an unjustified complaint of defects, Supplier issues an invoice with incurred costs.

## § 11. Limitation of liability

11.1 Supplier shall not be liable for any indirect and consequential damages.

11.2 Supplier's maximum aggregate liability in claims and obligations, including liability for any direct damages, regardless of whether they are covered by an insurance or not, does not exceed the equivalent of the defective product's price.

11.3 Supplier is not entitled to any compensation claims concerning the purchase order of Purchaser if damages were caused by any illicit activities on the Purchaser's part.

11.4 Supplier shall not be liable for any damages and losses resulting from faulty work carried out by Purchaser's service or caused by use of non-original parts.

11.5 Supplier shall not be liable for improper handling of products.

## § 12. Place of jurisdiction.

12.1. Any disputes between the parties in connection with the execution of the contract, terms which are described by the provisions of these OWS, will, as far as possible, be settled amicably, and ultimately to the courts.



12.2. Legal relations with Purchaser are governed exclusively by Polish law and competent court is the Court of the place where Supplier is established.

**§ 13. Final Provisions.**

13.1 In case of exclusion from OWS any of the provisions on the basis of a separate agreement referred to in §1.3, others remain in full force.

13.2 Supplier reserves the right to make changes to the OWS. Amendments of the provisions start to involve the other party from the moment were delivered in the manner customary in trade relations between Parties.

13.3 In matters not regulated by the provisions of these OWS, the relevant provisions of the Civil Code and other laws of Republic of Poland apply.