

## General Sales and Delivery Conditions

### I. GENERAL

1. General Sales and Delivery Conditions (GSDC) define the terms and conditions for concluding sales contracts for goods on offer from Koelner Łańcucka Fabryka Śrub Sp. z o.o., hereinafter called ŁFS Koelner and/or Seller.
2. GSDC constitute an integral part of each quotation offered by ŁFS Koelner, and once the Buyer places an order based on that quotation, they also become an integral part of a sales agreement based on the said quotation and they are in force throughout the entire period the contract remains valid. The Buyer, or a person authorised to act on its behalf, by placing a purchase order certifies that he/she knows and accepts the GSDC. Fulfilment of the above provision is an indispensable condition for the commercial cooperation. Notwithstanding the aforementioned, the receipt of goods by the Buyer constitutes an unconditional acceptance of these GSDC.
3. GSDC are applicable to the deliveries of goods executed by the Seller as well as to services provided by the Seller. Each departure from applying these GSDC requires a written form, and shall otherwise be null and void.
4. A sales contract is concluded after a purchase order is placed in writing by the Buyer with ŁFS Koelner and its acceptance confirmation is issued by ŁFS Koelner. An order placed by the Buyer is not binding for the Seller, and a lack of the latter entity's response does not mean an unspoken acceptance of the purchase order.
5. The Seller makes a reservation that the conditions contained in the order acceptance are binding for both parties, and determine in particular: the type of requested goods, their specifications, prices, delivery dates, special requirements.
6. The Buyer may cancel its purchase order within 3 working days following its placement. The order cancellation by the Buyer requires a written form, and shall otherwise be null and void.
7. If the Buyer fails to accept these General Sales and Delivery Conditions, ŁFS Koelner is entitled to withhold from issuing and delivering the goods until the GSDC are accepted. In case an adequate deadline for the acceptance by the Buyer is defined to no effect the Seller may terminate the contract.
8. In case the Buyer submits its own General Procurement Conditions, the General Sales and Delivery Conditions of ŁFS Koelner have precedence.
9. Besides the provisions set forth in GSDC, the Seller allows for an option to conclude individual contracts and reserves the right to accept purchase orders in part or to reject orders without giving reasons for the decision.
10. These GSDC are available on the company website: [www.lfs.koelner.pl](http://www.lfs.koelner.pl)
10. Definitions of terms used in the General Sales and Delivery Conditions of ŁFS Koelner:
  - a) **GSDC** - General Sales and Delivery Conditions of ŁFS Koelner
  - b) **Order** - a purchase offer on products/goods placed by the Buyer in writing. It may be submitted by letter, courier, facsimile, or e-mail; it must contain at least: the type(s) of ordered products, volume, the Buyer's data necessary for issuing VAT invoice, and data about the company, contact data (telephone, addresses); the manner, timing and place of receipt of the ordered goods.
  - c) **Order acceptance** - a written statement confirming the acceptance of the purchase order submitted to the Buyer, issued by the Seller within:
    - 3 working days for standard goods;
    - 10 working days for goods differing from DIN or ISO standards, special design products based on drawing after it is received, along with the following information: the price of goods, the total value of the ordered goods, timing, place and manner of delivery, as well as terms of payment.
  - d) **Seller** – Koelner Łańcucka Fabryka Śrub Sp. z o.o, ul. Podzwierzyniec 41, 37-100 Łańcut, Poland

- e) **Special delivery** - sale of goods which are not in ŁFS Koelner catalogue at the time of placing the order, and the Seller must acquire the same goods in order to execute the specific order placed by the Buyer.
- f) **Buyer** - each legal entity, natural person as well as organization unit without legal personality which has placed an order with the Seller for goods and/or services on offer from the Seller.
- g) **Products/Goods** - all products, articles, equipment, goods and other items on offer from the Seller,

## II. INFORMATION ABOUT GOODS

1. Any and all technical information concerning goods, types of steel, strength, dimensions, conversion factors, sizes, dimensional and weight tolerances, and quality derived from catalogues, brochures, and other advertising materials provided by the Seller constitutes approximate data and is only binding insofar as it has been accepted by both parties. The Buyer is obliged to know the technical parameters of the goods on order. The Seller is obliged to supply goods in compliance with the Buyer's order and is not responsible for their subsequent use.
2. The Buyer acknowledges the fact that the goods on offer comply with the standards set forth by: ISO 898 part.1 of 2009 and ISO 3269, ISO 16426 of 2005 unless the parties agree otherwise.
3. Announcements, advertisement and catalogues connected with the goods on offer from the Seller are published for information only.

## III. PRICES

1. Prices specified in a quotation are binding in the period defined in the same quotation. In case the period is not defined, the prices are binding for 5 working days from the date of the quotation.
2. The only binding prices are those listed on the purchase order acceptance issued by the Seller.
3. The prices for the Seller's products do not include Value Added Tax, unless explicitly specified otherwise.
4. Costs of delivery to the Buyer, and of other additional services, are determined on a case by case basis at the time of placing the order. If no such arrangements are made, the goods shall be collected at the Seller's premises (EXW in accordance with Incoterms 2000).
5. Any other non-standard charges, which may arise in course of order processing, shall burden the Buyer unless otherwise agreed.
6. Rebates, discounts and bonuses are exclusively granted in writing by means of a note on the invoice or on a correcting invoice.
7. Prices of goods are approximate. The Seller reserves the right to modify the prices due to changes in FX rates, increase in prices of raw materials and power supply, changes in legal acts and other regulations which are outside the Seller's scope of authority.
8. The delivered goods remain to be the property of the seller until full payment of purchase price.

## IV. TERMS OF PAYMENT

1. The invoices issued by the Seller are payable within the period indicated on the invoice counting from the day of its issue.  
Without the Seller's written consent, the Buyer shall not make any deductions from the amount due for the received goods; that applies in particular to: debit notes or other costs incurred in relation to a complaint or delay of delivery. Prompt payment discounts may be deducted only when the Buyer has made the payment by the adequate deadline. In case

of unjustified deduction the Buyer is obliged to pay back the withheld amounts within 3 days from being summoned by the Seller.

2. In case of a delay in paying the price, the Seller is entitled to calculate – if no higher costs are incurred by the Seller – the statutory delay interests starting from the day on which the payment term specified in the invoice elapsed.
3. In case of delayed payment from the Buyer or its other actions being detrimental to the Seller, the Seller reserves the right to suspend the deliveries or provision of the services until the breach impacting the provision of contracted deliveries is remedied.
4. If goods are ordered and the Buyer subsequently fails to collect them, or cancels the order or otherwise withdraws from executing the contract, the Seller is entitled to impose a contractual penalty equal 50% of the value of such uncompleted order.
5. In case an order for special-design goods is cancelled, the value of the contractual penalty equals 100% of the value of such goods. Any prepayments made by the Buyer towards such order shall be credited towards the aforesaid contractual penalty.
6. The Seller is entitled to claiming damages exceeding the value of the contractual penalties.

## **V. VOLUME**

Due to the specific character of the product on offer, the Seller reserves the right for the accuracy margin  $\pm 5\%$  of its deliveries.

## **VI. QUALITY**

1. It is the Buyer's responsibility that the technical data and the material quality and quantity specified in its order or contract be compliant with its needs.
2. If the order does not define the product in terms of its compliance with a specific standard or does not contain a description of its required quality, the delivered goods will be supplied as ordinary commercial goods, with no responsibility for special quality requirements.
3. Appropriate licences, certificates, declarations of compliance or other documents confirming the quality of products shall be attached if the order or contract so requires. It is the Seller's responsibility to ensure that such attached documents apply to the goods actually delivered.
4. The delivery of licences and certificates may be subject to additional charges, and - due to reasons beyond the Seller's control - may take place after the goods are delivered.

## **VII. DELIVERY AND TERM OF DELIVERY**

1. The given terms of deliveries are only for guidance. The Seller's failure to meet the delivery term shall authorise the Buyer to pursue the claims it is entitled to, only if in spite of arranging an additional term with the Buyer, the Seller still fails to execute the delivery or service, including the provisions set forth in point 2.
2. The delivery terms shall be extended by the duration of an obstacle occurring due to circumstances beyond the parties' control, such as delayed supply from the Seller's suppliers, force majeure events, unexpected disturbances in the Seller's operations, e.g. power outages, transport and customs delays, transport damages, including road blocks, time restrictions in truck transport traffic, shortages of electric energy, shortages of components and raw materials, etc.
3. The Buyer is obliged to collect the goods or services immediately after being informed about their availability in the Seller's warehouse. In case of a delay in collecting the goods, the Buyer may be charged with storage costs, without prejudice to other rights the Seller is entitled to.

4. In case of problems related to executing the order in its entirety the Seller reserves the option of executing partial delivery. In such situation the Buyer is not entitled to make any claims against the Seller.  
Any partial delivery is a separate transaction and may be invoiced separately by the Supplier.
5. In case the Buyer decides to take advantage of the delivery execution by the Seller's means of transport or an entity authorized by the Seller, the following mutual regulations are applicable:
  - The Buyer provides all the necessary means allowing for unloading the truck promptly and efficiently. The Seller may charge the Buyer in accordance with the current price list for any unjustified idle time of the truck at its premises;
  - The Seller reserves the right to change the date and timing of the delivery, in case of disruptions beyond the Seller's control, such as restrictions in the road traffic, weather conditions, road blocks, etc. In case of the aforementioned circumstances the Buyer shall not raise complaints regarding the delivery delay,
  - The Buyer ensures that access roads leading to the unloading area allow for a delivery truck to enter and exit. The Buyer is obliged to inform the Seller at the time of placing an order about potential hindrances, and accepts at the same time possible delivery delays resulting from that.
  - The delivery by the Buyer's means of transport is executed with a timing accuracy up to 1 day, and the Buyer acknowledges that condition.

### **VIII. DELIVERY EXECUTION AND TRANSFER OF RISK**

1. The risk related to delivery of the goods shall pass on to the Buyer once they are handed over to the Buyer's representative authorised to receive the goods, including the shipping agent or carrier.
2. In the absence of detailed arrangements, which shall be confirmed in the specification by the Buyer, the delivery will be carried out as the Seller deems fit and without any guarantee of selecting the quickest or cheapest way of shipment.

### **IX. PACKAGING**

1. The Seller will do its best to ensure adequate packaging of goods.
2. Materials used for packaging are calculated as the Seller's own costs and are non-returnable, except for pallets. The Seller may collect a deposit for the returnable pallets at the level established jointly with the Buyer.
3. The value of pallets is a separate item on the invoice.

### **X. COMPLAINTS AND RESPONSIBILITY FOR DEFECTS**

1. Any complaints shall be submitted in writing to the Seller immediately. The complaint may relate exclusively to a lack of features set forth in the order acceptance.
2. The Buyer is obliged to inspect the delivered goods, in terms of their quantity and quality for visible defects, immediately upon their receipt, not later however than within 4 working days from the date of receiving the goods.
3. If the Buyer, having examined the goods, finds discrepancies with the proof of delivery, it shall immediately notify the Seller about this fact in order to agree on the further course of procedure.
4. Any quality complaints for hidden defects (in particular for corrosion) can be reported by the Buyer within 2 days from the time of revealing the defect, however not later than:
  - black bolts - 6 months after receiving the goods;
  - other bolt products - 12 months after receiving the goods.

The Buyer should attach samples or photographs of the faulty products to the complaint notice (showing the reason for questioning the quality). In order to comply with the

deadlines, notification about defects of goods should be sent before the deadline, by registered mail, facsimile or e-mail.

5. If no complaints are made in the aforementioned time frames the Buyer loses its right to lodge complaints.
6. If parties have not established the acceptable PPM in the contract, order/acceptance of order, complaints are processed in accordance with the standards set forth by ISO 3269.
7. The Buyer delivers the goods related to the complaint to the Seller's premises at its own cost and risk. The Seller shall reimburse such costs provided that the complaint is found to be justified. In case the complaint is considered unjustified the Buyer bears all costs of return transport as well as additional costs incurred by the Seller including costs of selection or possible laboratory tests.
8. The Seller may supply the Buyer with replacement products, identical in kind and volume with the goods for which the complaint was lodged, and the costs of delivery of such replacement goods will be borne by the Buyer. If the complaint is recognized as justified the Seller will reimburse the Buyer for the above costs. In case the complaint is found by the Seller to be unjustified after the replacement goods are sent, the Buyer is obliged to collect the goods for which the complaint was lodged and pay for them. If the complaint is recognized as unjustified and the Buyer is not interested in reaccepting the goods for which the complaint was lodged - it will bear the costs of disposing of them. The above does not exempt the Buyer from an obligation to pay for such goods.
9. The product whose quality is questioned should be submitted in the original packaging and protected against damage during transport. In case the goods are repackaged at the Buyer's premises, there should be adequate, testable procedures in place preventing contamination of the batch and ensuring that all original characteristics of the fasteners delivered by the Seller are retained. Each case of repackaging performed by the Buyer transfers responsibility for those qualities which may be impacted by such operation from the Seller to the Buyer.
10. In justified situations the Seller may send its representative to the premises of the Buyer or to the actual storage location of the goods whose quality is questioned in order to assess the legitimacy of the complaint. The necessity for such procedure is established jointly with the Buyer on a case by case basis. All documented costs of the procedure are incurred by the Seller, yet in a situation the complaint is found to be unjustified the Seller charges the Buyer with them.
11. The Seller processes the complaint within 14 days from receiving the samples or photographs of the goods whose quality is questioned. While processing the complaint its legitimacy is assessed taking into consideration the legally binding technical standards and the industry's good practice.
12. In case a complaint is deemed to be unjustified the Seller may charge the Buyer with the costs of processing the complaint (administrative costs) amounting to 25 EUR.
13. In case the complaint is recognized as justified the Seller may, at its own discretion, either remove the defect or replace the goods with new products which are free of defects, or agree on an adequate price reduction. If the complaint is settled in the aforementioned manner, all and any options of claiming further compensation by the Buyer are excluded.
14. If the goods whose quality is questioned are not sent back to the Seller, the Buyer is obliged to store them in an adequate manner preventing their possible damage or development of new defects until the final settlement of the complaint.
15. The Seller's responsibility for any damages occurring as a result of defects, in case of executing the rights under warranty, is excluded on basis of art. 558 of the Civil Code. Additionally, the Seller shall not be held responsible for any damages caused by products manufactured by the Buyer using the goods supplied by the Seller. The Seller shall not be held responsible by the Buyer or any third parties for losses in production, loss of profits, or loss in use, loss of contracts or any other secondary or indirect loss of any type.
16. The Seller shall not be held responsible for goods used in a manner which does not comply with their purpose and technical parameters, or for goods damaged due to

manufacturing and design errors made by third parties, or as a result of a failure to comply with the manufacturer's instructions and recommendations.

17. The goods whose quality is questioned by the Buyer and accepted by the Seller may be returned only if they are free of damage, unprocessed in the Buyer's manufacturing processes and identifiable as to their parameters stated in licences.
18. Lodging a complaint related to the quantity and/or quality of the goods delivered does not authorize the Buyer to withhold payment for the deliveries received or to make any deductions from the amounts due for the goods.
19. The Seller has the right to withhold the settlement of the Buyer's complaint until the Buyer makes all overdue payments to the Seller.

## **XI. APPLICABLE LAW, OBLIGATION EXECUTION PLACE, JURISDICTION**

1. Legal relations with the Buyer are governed by Polish law only. The location for the execution of any and all obligations resulting from the GSDC is the town of Łańcut.
2. A Polish court having jurisdiction over the Seller's seat shall be competent with regard to any disputes which might directly or indirectly arise hereof.

## **XII. OTHER PROVISIONS**

1. No rights resulting from a contract signed with or order submitted to the Seller shall be transferred to any third parties without the Seller's written consent.
2. In case any of the provisions of these GSDC turn out to be legally ineffective, it shall have no influence on the validity of the other provisions and order execution based on them. The parties shall agree on an effective provision to replace the invalid clause, that will reflect the original provision's meaning and intent as closely as possible.
3. By accepting the GSDC the Buyer gives consent for its personal data to be processed by the Seller in order to execute the order, as well as for marketing purposes related to the Seller's activity
4. Any matters not covered by the provisions of these GSDC shall be governed by provisions of the Civil Code and the Act of 12 June 2003 on Payment Terms in Business Transactions (Dz. U. – *The Journal of Laws* – No. 139, Item 1323)