

## GENERAL PURCHASING TERMS

INSTEEL SP. O.O.

OF 30/11/2022

### § 1. GENERAL PROVISIONS

1. These General Terms and Conditions of Purchase apply to purchases or deliveries of materials, raw materials, parts, prefabricated products, products or equipment, services and any other items offered or provided by a third party executed by INSTEEL Sp. z o. o. with its headquarters in Mikołów.
2. The following terms used in these General Purchasing Conditions mean:
  - 1) **GPC** – regulated by this document, the General Purchasing Conditions applicable in INSTEEL Sp. z o. o. based in Mikołów;
  - 2) **INSTEEL** – INSTEEL Sp. z o. o. with its registered office in Mikołów (43-190) at ul. Żwirki i Wigury 6, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court in Rzeszów, XII Commercial Division of the National Court Register under KRS number: 0000931220, NIP: 7941832009,
  - 3) **Supplier** – an external entity that provides services, deals with delivery, sales, etc. as part of its business or professional activity.
  - 4) **Parties** – jointly INSTEEL and the Supplier,
  - 5) **Subject Matter of the Object** – depending on the context - materials, raw materials, parts, prefabricated components, products or equipment, services and any other items offered or delivered by Suppliers,
  - 6) **Order** – a document sent by INSTEEL to the Supplier, specifying INSTEEL's needs and terms, and constituting the basis for purchase, delivery or provision of services, confirming the acceptance of the Supplier's offer.
  - 7) **Written** – by means of a letter signed by both Parties or in the form of a letter, e-mail or in another form agreed by the Parties, subject to the principle of proper representation of the Parties.
3. The present GPC shall apply unless other provisions are agreed in writing between INSTEEL and the Supplier. The provisions of the Order and detailed conditions agreed in writing with the Supplier shall take precedence over the provisions of the GPC.

4. In the event that the general terms of sale or other contractual templates provided by the Supplier in part or in full conflict with the present GPC, then the GPC shall be binding unless the Parties mutually agree otherwise.
5. By executing the order, the Supplier assumes all obligations arising from the GPC.

## **§ 2. ORDERS**

1. The order will be placed in writing by persons authorised (in writing and by name) by INSTEEL.
2. The Order must be confirmed by the Supplier within 3 working days from the date of the Order. A document or an e-mail sent by the Supplier to INSTEEL is considered a confirmation, from which it is clear when, under what conditions and for which order this confirmation is made, and when the delivery and shipment of the material is to take place, with an accuracy of a calendar week.
3. If the implementation of the Order in accordance with the specification proves impossible, then the Supplier shall immediately inform INSTEEL about it in writing.
4. Failure to confirm the Order by the Supplier within the time limit specified in Section 2, shall be treated by INSTEEL as tacit confirmation of the Order by the Supplier for execution under the conditions specified in the Order and the GPC.
5. Any changes to the Order require written confirmation by INSTEEL.

## **§3. DELIVERY TERMS AND DATES**

1. The subject of the order must be performed in accordance with the content of the Order, applicable standards and legal regulations.
2. The Subject Matter of the Order shall be delivered by the Supplier to the location indicated by INSTEEL in the Order.
3. The cost of delivery shall be borne by the Supplier in each case unless otherwise agreed. The delivery may be made at the cost of INSTEEL only with its prior written consent and only through the entity indicated by INSTEEL.
4. The delivered subject matter of the Order should be accompanied by: a correctly issued VAT invoice (sent via e-mail to the following address: [invoices@insteel-piw.com](mailto:invoices@insteel-piw.com)) a set of delivery documents along with the specification, material certificates of the Subject Matter of the Order, quality certificates, warranty cards, technical documentation and all documents given in the content of the Order as required documentation (should be delivered to the following address: [attest@insteel-piw.com](mailto:attest@insteel-piw.com)). The documents should contain the Order number.
5. All documentation sent by e-mail should contain the Order number in the title, the lack of such a designation will be treated as a failure to comply with the obligation to provide documents.
6. INSTEEL may refuse to accept the delivery if, due to incomplete documentation, it is impossible or excessively difficult to assign the delivery to the Order.

7. The Supplier is responsible for damage resulting from loss or damage in the delivery of products caused by improper labelling, packaging or identification of the shipment.
8. The transfer of the risk of accidental loss or damage to the Subject Matter of the Order from the Supplier to INSTEEL takes place at the moment of faultless (without qualitative and quantitative defects) and documented acceptance of the Subject Matter of the Order by INSTEEL.
9. The Supplier guarantees that the Subject Matter of the Order delivered by him is carefully made, checked and manufactured in such a way that it is suitable for use in accordance with its intended purpose and the Order, is free from any physical and legal defects, does not infringe any intellectual property rights of third parties, including in particular any proprietary copyrights, trademark protection rights, patents, rights in registration of industrial or utility designs and meets the standards and specifications set out in the Order. The Supplier shall undertake, at his own expense, to secure INSTEEL or to cover all damage related to the delivery of the defective Subject Matter of the Order.
10. During the implementation of the Order, the Supplier shall inform INSTEEL of any circumstances that may affect the date of its implementation, as well as its course and quality.
11. Any deviations from the conditions of the Order execution regarding the price, quantity, specifications, drawings, designs, construction, type, method of packaging, and the quality of the Subject Matter of the Order, as well as the method and place of delivery, require the prior written consent of INSTEEL before the commencement of the delivery.
12. If the Subject Matter of the Order or a part thereof does not conform to the agreed specification, INSTEEL may return the Subject Matter of the Order or a part thereof to the Supplier at the Supplier's cost and risk or may notify the Supplier that the Subject Matter of the Order or a part thereof has been rejected and is stored at the risk and Supplier's cost.
13. The date of delivery of the Subject Matter of the Order is the date specified in the Order and means the date of delivery of the Subject Matter of the Order to the place of delivery indicated in the Order.
14. The Supplier is obliged to keep the delivery date of the Subject Matter of the Order indicated in the Order and shall be liable for damage resulting from the delay in delivery.
15. If the delivery date agreed by the Parties cannot be met, the Supplier is obliged to immediately notify INSTEEL in writing and indicate a new delivery date. If INSTEEL accepts a new date in writing or sets another date, the Supplier should make the delivery in accordance with these arrangements. Failure to inform about the delay in delivery, failure to accept the new date by INSTEEL or failure to complete the delivery within the time limit set by INSTEEL results in INSTEEL having the right to withdraw from part or all of the uncompleted Order, without the obligation to pay any compensation to the Supplier. At the same time, INSTEEL reserves the right to claim damages from the Supplier for improper performance of the Order on the general terms set out in the Act of 23 April 1964 - Civil Code (i.e. Journal of Laws of 2022, Item 1360 as amended), referred to here as the Civil Code and reimbursement of any costs incurred for the substitute performance of the Order.
16. It is assumed that the Order has been completed once the Subject Matter of the Order has been received and accepted without quantitative and qualitative defects, at the agreed place of delivery, together with

all documents specified in the Order, as well as in the GPC. Confirmation of the execution of the Order shall be made in writing.

#### **§ 4. LIABILITY FOR NON-PERFORMANCE OR IMPROPER PERFORMANCE OF THE ORDER**

1. The parties reserve liability for non-performance or improper performance of the Order in the form of contractual penalties. INSTEEL may demand contractual penalties from the Supplier:
  - 1) for withdrawal from the Order by INSTEEL for reasons attributable to the Supplier or by the Supplier for reasons not attributable to INSTEEL - in the amount of 15% of the net value of the Subject Matter of the Order,
  - 2) for not meeting the delivery date in the amount of 0.5% of the net value of the Subject Matter of the Order for each day after the delivery date.
2. For a delay in removing defects found upon receipt of the Subject Matter of the Order or during the guarantee and warranty period in the amount of 0.5% of the net value of the order for each day of delay. The delay is counted from the expiry of the deadline set by INSTEEL for the removal of defects.
3. INSTEEL has the right to deduct the accrued contractual penalties from the Supplier's remuneration.
4. The basis for calculating the contractual penalty is the INSTEEL debit note delivered to the Supplier. The contractual penalty shall be payable by the Supplier within 30 days of receiving the note.
5. In the event of the Supplier's delay in the delivery of the Subject Matter of the Order for more than 5 working days or the Supplier's failure to fulfil the obligation specified in §3, Section 13, INSTEEL may exercise one or more rights:
  - 1) demand completion of the order in whole or in part,
  - 2) make a purchase from another supplier, at the risk and expense of the Supplier,
  - 3) withdraw from the order for reasons attributable to the Supplier without setting an additional deadline, with a written notification sent to the Supplier.
6. The exercise of the rights referred to in Section 5 by INSTEEL, in no way means INSTEEL resigning from the possibility of exercising the right to charge a contractual penalty and any supplementary compensation that INSTEEL is fully entitled to.
7. If the contractual penalty does not cover the damage suffered, INSTEEL may claim supplementary compensation on general terms.

#### **§ 5. LIABILITY FOR GOODS DEFECTS**

1. INSTEEL treats the Supplier as a professional entity, fully prepared to complete the Order successfully. The Supplier is liable to INSTEEL for any defects of the Subject Matter of the Order.
2. Completion of the Order results in the Supplier granting a guarantee for the delivered Subject Matter of the Order (or the correctness of the service performed) for the period indicated in the Order, in accordance with the provisions of the Civil Code. The guarantee period equals the statutory warranty period. In the absence of this reservation in the content of the Order, the following conditions apply.

3. The guarantee and statutory warranty period is 24 months and runs from the date indicated in the Order, or from the date acceptance of the Subject of the Order by INSTEEL as conformant. Liability under the guarantee is in accordance with the Civil Code.
4. INSTEEL shall notify the Supplier of any defects found in the Subject Matter of the Order delivered immediately after they are discovered.
5. In the event of founding defects in the Subject Matter of the Order at the time of its delivery, INSTEEL is entitled to refuse to accept the Subject Matter of the Order and withdraw from the Order.
6. The defects found upon receipt and during the warranty period shall be removed by the Supplier within the time limit set by INSTEEL. INSTEEL reserves the right to return, at Supplier's expense, the defective products or to request a replacement. Supplier shall promptly, but no later than 5 business days after being notified of the defect, take all necessary steps to ensure that defective products are replaced or repaired at Supplier's cost with due diligence. If the Supplier fails to remove the reported defect within the prescribed period, INSTEEL may remove the defect in place of the Supplier, at his cost and risk, after notifying the Supplier in advance.
7. The above does not affect INSTEEL's rights in the field of contractual penalties, supplementary damage and suspension of payment of the Supplier's invoices, and does not release the Supplier from liability under the guarantee.
8. A complaint submitted under the warranty shall suspend the warranty period until the defect is removed. In such a situation, the warranty period is extended by the time until the defect is removed.
9. If, as part of removing the defect, the Supplier replaces the defective products with new defect-free products or performs a significant repair of the delivered products, the guarantee period runs from the beginning, from the moment of delivery of new or repaired products to INSTEEL. The first sentence shall also apply accordingly to a part of the delivered Subject Matter of the Order if the Supplier has replaced or repaired the part of the Subject Matter of the Order.
10. The Supplier shall deliver to INSTEEL a warranty card no later than on the day of the Subject Matter of the Order delivery. The content of the card must not violate the GPC and the Order conditions.
11. Irrespective of the guarantee rights, the Supplier shall be liable to INSTEEL under the statutory warranty in accordance with the provisions of the Civil Code.
12. The Supplier is obliged to have appropriate insurance against all risks and liabilities resulting from the execution of the Subject Matter of the Order.

#### **§ 6. PRICE, INVOICE AND PAYMENT TERMS**

1. The prices specified in the Order accepted by the Supplier are binding for the Parties. Unless otherwise indicated, the prices specified in the Order are net prices and will be increased by the applicable VAT rate.
2. The prices indicated in the Order include the Subject Matter of the Order delivered to the agreed place of delivery at the Supplier's expense unless otherwise agreed.

3. VAT invoice, subject to § 3 and § 4, will be sent to the e-mail address: [invoices@insteel-piw.com](mailto:invoices@insteel-piw.com).
4. INSTEEL undertakes to pay the agreed price to the Supplier within the time limit indicated in the content of a correctly issued VAT invoice, counted from the date of receiving the VAT invoice or defect-free (without quantitative and qualitative defects) delivery of the Subject Matter of the Order, whichever comes later.
5. VAT invoices in addition to the data required by the Act of 11 March 2004 on tax on goods and services Journal of Laws Laws of 2022, Item 931 as amended) and its executive acts, shall each time contain additional information agreed by the Parties. If the VAT invoice does not contain such information, it may be sent back to the Supplier. In this case, the invoice is considered undelivered.
6. If a VAT invoice is issued incorrectly, the Supplier shall immediately issue a correction.
7. Waiting for the correction shall suspend the payment deadline. The payment deadline is counted anew, from the date of delivery of the correction VAT invoice.
8. Payments shall be made by INSTEEL in a non-cash form, i.e. by bank transfer to the Supplier's bank account indicated in the given VAT invoice.
9. If the payment date falls on a Saturday or a holiday, the payment date is the first working day after the due date.
10. The Parties consider the day of debiting INSTEEL's bank account as the moment of payment.
11. The deadline for payment for the Subject Matter of the Order is suspended in the following cases:
  - 1) initiation of the complaint procedure by INSTEEL until it is processed by the Supplier,
  - 2) failure to deliver any of the documents listed in the content of the GPC and the content of the Order or documents required by law until they are supplemented by the Supplier.

## **§ 7. RESERVATIONS OF OWNERSHIP**

1. The Supplier guarantees that the Subject Matter of the Order and its sale to INSTEEL will not infringe any rights to trademarks, patents, copyrights and other intellectual property rights of third parties.
2. The Supplier shall secure and indemnify INSTEEL and third parties to whom INSTEEL has transferred these rights, from liability for any actions, damage, complaints, costs, etc. of entities whose intellectual property rights have been infringed, as well as from expenses and fees of their representatives or proxies and the costs of proceedings (judicial and extrajudicial).
3. By selling the Subject Matter of the Order, the Supplier transfers to INSTEEL all copyrights and related rights to the sale of the Subject of the order in the fields of use specified in the order or contract.

## **§ 8. OBLIGATION OF CONFIDENTIALITY**

1. It is the Supplier's duty to keep secret any information, the disclosure of which could expose INSTEEL to damage. Therefore, the Supplier undertakes to maintain the confidentiality of the information provided to him, regardless of how it is provided.

2. The phrase "confidential information" means any information related in any way to INSTEEL's activities, known or disclosed to the Supplier in connection with the execution of the order, which includes organisational, technical or other information about services, processes, programs, knowledge, forms, commercial methods, data, any financial and accounting data, marketing data, customer data, customer lists, as well as other INSTEEL information acquired by the Supplier.
3. In particular, the Supplier undertakes to treat as confidential information regarding the volume of trade, prices, discounts, product specifications, logistic contracts, and technological data, under the pain of INSTEEL withdrawing from the Order for reasons attributable to the Supplier.
4. The supplier declares that they will not use confidential information for purposes other than for the execution of the Order and that they will provide such information with adequate protection appropriate to its confidential nature. The obligation to keep the information confidential remains in force after the Order has been completed and may be waived only with the written consent of INSTEEL.

### **§ 9. FINAL PROVISIONS**

1. Each legal act made between the Parties under these GPC is subject to Polish law.
2. In the event of a dispute regarding the interpretation or performance of the Order and these GPC, which the Parties are unable to resolve amicably, the court competent for the registered office of INSTEEL shall be the deciding body.
3. The invalidity, in whole or in part, of any provision of the GPC or the Order, shall not affect the validity of their remaining provisions or any agreement arising therefrom.
4. The GPC constitute an integral part of the Order placed with the Supplier by INSTEEL. In the event of discrepancies, contradictions or doubts, the content of the Order shall prevail.
5. Any changes and additions to the GPC require a written form under pain of nullity.