

GENERAL TERMS AND CONDITIONS OF COOPERATION

SMB HYDRO-MAR MARCIN MOSTOWIK

I.SCOPE

1. This document establishes the General Terms and Conditions of Cooperation (**hereinafter referred to as: the GTCC**) and constitutes an integral part of all offers submitted or received via **SMB HYDRO-MAR MARCIN**, Spokojna 60, 34-115 Ryczów (**hereinafter referred to as: Supplier**)
2. According to these GTCC, **the Customer** is an entity submitting an offer to the Supplier or receiving an offer from the Supplier, as well as a person signing up the the Contract in terms described below (no. I.3)
3. If the Contract is concluded after negotiations, these GTCC constitute its integral part, unless otherwise expressly agreed by the Parties.
4. Registered office is in Ryczów (34-115), ul. Spokojna 60

II.OFFER

1. For the purpose of the GTCC, an **offer** should be understood as an offer within the meaning of Article 66 of the Civil Code to Article 70 of the Civil Code. For the purpose of GTCC, the term *offer* and *order* can be used interchangeably. An offer should be understood as a valuation of the service provided by the service and repair department or a commercial offer.
2. The offer does not include the verification (expert assessment) of components. If the repair is not continued, the verification of the spare parts to be repaired - disassembly of the subassembly- is subject to the payment as agreed by the Supplier. The Supplier is not obliged to essemble the spare parts into a whole unit.
3. The offer is sent to the Customer via email or in writing by post or fax.
4. The Customer places the order in writing and sends it by fax or email.
5. While placing an order to repair a component or to purchase goods, the Customer, at its own risk, confirms the compliance of an offered spare part or an unit with its own expectations and guidelines.
6. The Customer's order and its acceptance by the Supplier starts the performance of a certain repair or the delivery of the purchased supplies/services by the Supplier.
7. All the offer documents are the property of the Supplier if they were submitted by it.
8. The offer does not include disassembly and assembly of components from the machine as the only serviced performed.
9. The offer does not include the shipping costs to the Contractor and from the Contractor to the Customer.

III. HYDRAULIC COMPONENTS REPAIR

1. Repairing hydraulic components can be either partial or complete and its scope is described in the offer.
2. A repair of hydraulic componets is carried out according to the data and guidelines included in the service and repair documentation.
3. After repair, the components are checked on the test bench.
4. After performing the bench test, the scope of repair may need to be extended beyond what is included in the offer in accordance to the inability to assess the wear of some components while submitting or accepting the repair offer. The Customer is informed about the increase in the scope of works and in the additional costs of repair by email or by phone.
5. After repair, the components are pre-adjusted but additional adjustments are required to be made on the machine. The service of the adjustment on the machine is not included in the costs of repair and needs to be provided by the Customer.
6. We highly recommend the assembly of the unit in the machine by the specialised service.

IV.CONSTRUCTION MACHINERY SERVICE

1. Construction machinery service is performed at the Customer's premises or stationary at the Supplier's premises.
2. After construction machinery service is finished, the Supplier provides the Customer with the service performance report that includes on the scope of works performed and materials and/or components used. The report is a confirmation of the service performance.

V. PRICES AND PAYMENT TERMS

1. All prices should be understood as net values that are surcharged by the Value Added Tax (VAT) of the amount as specified in legal regulations in force.
2. The prices stated in the offer are for the terms of payment specified in that offer.
3. The first payment and the payment for services performed up to 3 /three/ times in each subsequent calendar year are settled by the Customer in cash (provided that the amount indicated in the applicable regulations on non-cash transactions is not exceeded, if the Customer is an entrepreneur) or via a transfer to a bank account indicated by the Supplier prior to the issue of components / items to be repaired. If payment is not made within the agreed payment deadline, the Customer is entitled to withhold the issue of components/ items until the debit sums are duly paid by the Customer. In case of the payment via a transfer to a bank, the payment date is the date of crediting the Supplier's bank account.
4. If the Customer fails to comply with its payment obligation for the service rendered and the materials/components used for repair, the Supplier is entitled to charge interest for late fee in the amount of the maximum statutory interest for delays in commercial transactions for each day of payment delays.
5. The delivered goods remain the Supplier's property until the Customer pays the Supplier all the due receivables.
6. In case of payment delays exceeding the agreed terms, the Supplier is entitled to withhold further deliveries until the debited sums are duly paid by the Customer.
7. After repair, the components are kept on the Supplier's premises. The storage costs of the repaired components/ items for up to 10 /ten/ days from the date of completed repair are included in the repair price. The Supplier may charge an additional storage fee of 3 /three/ PLN net for every day if the Customer fails to

pick up its goods within the first 10 /ten/ days after repair or due to non-payment in the case indicated in point V.6 of these GTCC.

VI. REPAIR DEADLINE

1. The repair period is counted from the date the Customer places the order for the repair of the subassembly/ item delivered to the Supplier's premises in terms submitted in the repair offer. In case of the construction machinery service, the date is agreed between the Parties.
2. The Customer is provided with the repair deadline specified in working days excluding Saturdays, Sundays and other statutory holidays in terms of submitted offer.
3. The deadline for the repair may be extended in case of any unpredictable hindrances resulted from force majeure or implied by delays in delivery of spare parts, preventing the Supplier from performing the repair. The Supplier notifies the Customer about the new date of repair, indicating the reason for its change and providing a new date for the repair.
4. In the event of extending the repair period, the Supplier shall not be held responsible for any damages borne by the Customer due to downtime of the hydraulic circuit and/or the machine, the subassembly of which has been submitted for repair.

VII. GUARANTEE

1. The period of guarantee for the replaced components/ parts is 6 months or for 600 engine hours, depending on whichever is first, counted from the date of the handover the goods or when service is completed. The guarantee for a new unit is 12 /twelve/ months counted from the date of issue of the invoice for goods supplied, subject to all specified terms resulting from the offer. In case of choosing the option repair-removal of the fault or buying goods sign "UZ", the guarantee is limited. The warranty period is each time specified in the offer or in the documentary form and on the invoice. The guarantee does not consider the repair in the form of removing the defect in a pump. In case of repair with standard period of guarantee during the re-repair the guarantee does not run anew.
2. In order to keep the the guarantee of the hydraulic products is their proper installation in the machine and checking the hydraulic system by a specialized service!!!!
3. The warranty covers the replaced components/parts specified in the offer provided that the Customer indicates a report of the unit assembly and its start in the hydraulic circuit.
4. The Customer is charged for transport costs related to the delivery of components/parts.
5. The Customer is obliged to deliver the components/parts to the Supplier's premises.
6. No guarantee is given if the defects result from:
 - Usage of the items inconsistently with their intended purpose.
 - Mechanical damages or improper installation of the components
 - Damages caused by hydraulic system contaminations!!! The guarantee is void in the case of using oil of inappropriate purity and viscosity.
 - Normal wear and tear of such parts as: seals, fuses, lamps, and accessories of the products subject to periodic replacement e.g. filter
 - Damages caused by overloading the component due to work with parameters exceeding the values contained in the service documentation.
 - Damages caused by equipment operation in inappropriate conditions (excessive dust, too high / low temperature, excessive moisture)
 - Damages caused by faulty operation of cooperating systems.
 - Damages caused by the modification or repairs of a component or circuit performed by the Customer's or by a third parties.
7. In terms of guarantee and/or warranty, the Supplier is absolved from responsibility for any indirect damages borne by the Customer due to the inability to run its own business activity for the duration of the repair period, or due to the inability to use the componets/ parts, a machine in which these components/parts are installed.
8. The Customer is charged for the costs of disassembly and reassembly of the components/parts related to the guarantee repair terms.
9. The Customer loses its rights in accordance with the guarantee and/or warranty in the event of attempts to remove the Supplier's brand signs on the repair component/part, or if the product has been operated with unrepaired defects and in the cases indicated in point VII.5 of these GTCC.
10. The Supplier may undertake the additional services of post-warranty maintenance services which may be subject to additional terms and conditions agreed between the Parties.
11. In case if the Supplier's service staff is called in under the guarantee claim and the claim proves to be unjustified, the Supplier shall charge the Customer for costs borne by the Supplier.

VIII. LOCATION OF APPROPRIATE COURTS AND GOVERNING LAW

1. All the disputes that may arise between the Supplier and the Customer shall be resolved exclusively at the court of jurisdiction over the Supplier's place of establishment.
2. All the disputes shall be resolved on the basis of Polish Law.

IX. THE FINAL ARRANGEMENTS

1. The supplier is obliged to protect personal data in accordance with the Act of 29 August 1997. on the protection of personal details (Journal of Laws 02.010.926) THE CUSTOMER STATES THAT HE RECEIVED, READ THE GTCC AND ACCEPTED ALL THE TERMS.