

General Terms and Conditions of Business (GTCB)

These terms and conditions are an integral part of all our offers and contracts for deliveries and services, and they form the basis for our current and future business relations. Regarding all the offers and contracts, only our General Terms and Conditions of Business are binding; other terms and conditions shall not be subject to contracts, even if we do not expressly object to them.

1 Offer – Offer documents – Conclusion of contract –

- 1.1 Our offers and cost estimations are non-binding.
- 1.2 Contract conclusion shall be only settled with the written acceptance of commissions / orders, notice of acceptance acknowledgement in writing or with the delivery or render of goods or services ordered by the customer. This shall be considered as valid also for contract supplements or modifications.
- 1.3 Information and suggestions are basically non-binding. In case we make technical resolution suggestions about any offer work out is merely according to our best knowledge. We shall not be obliged to anything more than to find a professionally reasonable solution.
- 1.4 Any documentation sent to the client (ex. Technical descriptions, drawings, pictures, color-,dimension- and weight indications) are containing only customary approximate values and are not representing any gratification of guarantee of condition. We reserve the right of modification of these documentation, indications and item itself – ex. construction or form modification, color deviation etc. The admissible tolerances shall apply to any communicated norm value. If we provide marks or number for order identification or mark the ordered item, it shall not constitute a valid basis for the derivation of any rights.
- 1.5 We reserve the property right and the copyright of all these above mentioned documentation types. The documents shall not be reproduced, utilized or forwarded to third parties without our prior written notice. Upon explicit request, they shall be returned to us without delay.
- 1.6 (Purchasing) Conditions are only valid if they have been prior accepted and acknowledged by us in writing.

2 Order accomplishment

- 2.1 We reserve the right of construction and work out modification of the products even after contract acceptance, if these modifications in consideration of our interests are reasonable for the customer.
- 2.2 If for the purpose of contract execution the client is providing vehicles, vehicle components or any other materials, so shall these be free of defects and for the execution of the contract completely fitted.
- 2.3 The client shall be considered as our sub-supplier. Therefore we are allowed to demand from our customer in time, free of defect deliveries (supply). Disadvantages deriving from the non-performance of the obligation shall be completely borne by the customer. In case the customer is not in the position to fulfill its supply obligations on time and free of defect, so shall we set a period of grace. After the period of grace we are entitled to withdraw from and / or claim damages. The claim of damage amount shall be in this case 15% of the total contract amount, whereas the evidence of higher loss could be proved by us and the lower loss could be proved by the customer.

3 Withdrawal from Contract

- 3.1 We reserve the right of withdrawal from contract if the producing performance shall not be available. We engage ourselves to immediately inform about the non-availability of performance of our partner and – if applicable – to return the service of our customer without delay.

4 Delivery periods

- 4.1 Delivery time and period specified by us begins with the date of written acceptance of orders or confirmation, but not before the customer's document receipt (eg. financial agreement etc.) furthermore not before creating all other necessary conditions, prior to receipt of payments due, and – in case of repairs – prior to assignment of any insurance claims from customer if so agreed.
- 4.2 The delivery period shall be proportionally prolonged if the contract needs rectification or any modification and/or supplement on the part of the customer. This applies also if the client is not fulfilling their obligation of chassis or vehicle delivery on time.
- 4.3 Contractual periods and fixed dates are only binding if expressly agreed in writing. Force Majeure and other abnormal circumstances such as, in particular labor disputes, government acts and transport disruptions –irrespective of whether they occur within our own company or at any of our vendor's – will relieve us from our obligation to supply / render services either for the duration of their effects or altogether if it becomes impossible to render the services at all. Under these circumstances, any penalty possibly agreed upon shall be considered not forfeited.
- 4.4 By delay of over 6 weeks from the non-binding delivery time the customer is entitled to set us a period of grace. We shall be in delay only from the end of the grace period. Delivery date or period shall be agreed bindingly right in the delay period. If the customer is allowed to title a damage caused by delay, it shall be limited to the 5% of the complete purchase amount. In case the customer withdraws from the contract and requires compensation of any damage or loss occurred instead the supply/ render of services, the entitlement shall be considered in 25% of the total purchase value. Compensation claims in case of slight negligence shall be not considered at all. If, while we are in default and it becomes impossible to supply by accident, we shall consequently be liable in accordance with the liability restrictions agreed above.
- 4.5 If the customer with the supply is supposed to fulfill any of his obligations, it shall be indicated when contacting. Compensation claims in this subject will be only considered if previously fix date has been agreed on the basis of the customer's prior notice. Otherwise such claims will be explicitly declined.

5 Prices

- 5.1 All prices are to be intended in Euro (€) ex works, plus freight, package, and other related costs such as value added tax in the respectively applicable amount.
- 5.2 If agreed with the customer that the supply / render of service will be invoiced according the expenses with no regard or no prior agreement about the calculation of expenses, this will be invoiced based on the costs of our repair department valid at the time the contract has been closed.
- 5.3 We are entitled for reasonable price rectification at the time of delivery if the delivery date agreed overlaps with more than four months from contract closure and in the meantime any cost increase occurred (raw material, labor etc.)

6 Payments

- 6.1 All payments shall be effectuated at the takeover of the supply / render of service or within a period of maximum eight days from receipt of our readiness report and / or from invoice receipt without deduction – depending on which condition arises first.
- 6.2 The rest amount will be immediately due if installment payment has been agreed and the customer fails to fulfill its obligation of payment two consecutive times completely or partially.
- 6.3 We only accept bills of exchange after prior, written agreement, and then only on the proviso of their discountability. All discount expenses and other auxiliary costs are borne by the customer and must be remunerated to us immediately. Bills of exchange or cheques are first credited when the amount is available to us without reservation.
- 6.4 We shall offset the customer's claims assigned to us from its insurer against the sums invoiced by us, insofar as we have received the insurer's payments without reservation.
- 6.5 In case of default, we are entitled to charge interest at the legal rate. In the case of merchants, default interest can be charged immediately after the due date. The pursuit of further-going damages is reserved.
- 6.6 If circumstances become known to us after the contract has been concluded which cast doubt on the customer's ability to pay or its creditworthiness (e.g. default of payment, bills of exchange or cheques not encashed on time, unsatisfactory credit information, etc.), we are entitled to refuse to perform the delivery or provide the service until the customer has arranged for counter-performance and our due claims – including from any other transactions in the running business relationship – have been fulfilled or securities submitted to these.

7 Acceptance

- 7.1 In case the customer is not taking over the supply / render of service so we are entitled to settle period of grace that once due, penalty shall be applied. The damages in this case fixed at 15% of the agreed purchase price, unless we prove a higher damage amount or the customer proves lower costs.
- 7.2 The customer shall accept the delivery/service without delay, although at the latest within eight work days after this is demanded by us.
- 7.3 If the customer does not accept the delivery/service within this period, we are entitled to set it a reasonable period of grace. After this has expired fruitlessly, we can refuse to fulfill the contract and demand damages. In such a case, the damages are a flat-rate 15% of the agreed purchase price, unless we can demonstrate higher damages or the customer is able to prove lower damages.
- 7.4 If the customer is in default of acceptance of the purchase item, we are entitled – without prejudice to further-going claims – to charge standing fees of 20 EUR per day and vehicle.
- 7.5 If the purchase item is driven before its acceptance by the customer or one of its representatives under the auspices of a test drive, the customer is then liable for any damages incurred for which it is culpable.

8 Transfer/retention/offsetting

- 8.1 The customer is not entitled to transfer claims due to us to third parties without our written approval.
- 8.2 The customer may only offset claims that are undisputed or which have been established by a court of law.
- 8.3 The customer is not entitled to exercise rights of retention against us due to any counter-claims from other transactions; item 6.1 applies accordingly.

9 Place of fulfillment/transfer of risk

- 9.1 The place of fulfillment for deliveries and services is always the manufacturer's works, provided individual circumstances do not result in another place.
- 9.2 Part deliveries and services are admissible. Item 10 applies to these accordingly.
- 9.3 The risk for deliveries made and services provided by us is transferred to the customer upon acceptance, although at the latest on leaving our works. The same applies to part deliveries/services, even if we have undertaken to provide other services (such as transport or conveyance).
- 9.4 If there is a delay in acceptance or in leaving the works for reasons which the customer is responsible, risk is transferred to the customer at the latest on the 9th work day after our demand in accordance with item 7.2.

10 Reservation of title

- 10.1 We reserve ownership to the objects delivered and/or installed by us (reserved goods) until complete redemption of all the claims which accrue to us from this contract and from the business relationship with the customer now and in the future, regardless of their legal reason, at the time at which the contract is concluded or which already exist. This applies in particular to fittings we make on a chassis supplied by a third party likewise under reservation of title etc.
- 10.2 Our claims to the purchase price or working wages have not been satisfied if the customer pays by cheque (or by some other method) whilst arranging for a bill of exchange to cover the amount of the cheque (and any extra expenses) for us (a so-called cheque-bill exchange procedure).
- 10.3 The customer is entitled to re-sell, to further-process, to mix or combine and to subsequently re-sell items under the extended reservation of title, insofar as this is done in the context of regular business transactions. In particular, the customer is not allowed to pledge or transfer the title to the reserved goods. The customer may not transfer ownership of the reserved goods until all our claims related to these have been fully redeemed.

- 10.4 If the customer further-processes, mixes or combines the reserved goods with other goods which do not belong to us, we acquire co-ownership to the new object; the co-ownership is in the ratio of the value of the reserved goods to the value of the new object. In such cases, the customer shall provide us with written confirmation - in particular for a third party if this acquires ownership to the reserved goods due to the transformation – granting us the appropriate co-ownership to the new object. The new object created by further-processing, mixing or combining is likewise regarded as reserved goods in the sense of these provisions.

- 10.5 The customer assigns all the claims together with auxiliary rights it accrues in the context of such a re-sale, as well as any claims against its insurer, in advance as security. In case the object is exported, the customer hereby furthermore assigns all claims to us which accrue to it against domestic or foreign banks in the context of the export now or in the future, in particular claims from letters of transmittal, from letters of credit and confirmations of such, and from bonds and guarantees. If the reserved goods are sold by the customer together with other goods which do not belong to us, either with or without further-processing, the claims to the amount of the value invoiced for the reserved goods are assigned to us.

- 10.6 The customer is entitled, and obliged, to collect the claims from re-sales despite the assignment, as long as we do not revoke this authorisation. It shall transmit the amounts collected to us immediately to the amount of the claims due to us.
- 10.7 The customer is obliged to apply in writing to the licensing office that the vehicle registration certificate be handed out to us. The vehicle registration certificate remains in our possession for the duration of the reservation of title.

- 10.8 Insofar as agreed, the customer shall take out fully comprehensive insurance coverage for the duration of the reservation of title with a reasonable level of own-risk, under the proviso that the rights under the insurance policy are due to us. Should the customer not comply with this obligation, we can arrange for appropriate insurance ourselves at its expense, pass on the premium payments and pursue these, as claims under the contract. Insofar as nothing else has been agreed, payments from the insurance policy shall be used to the full extent to repair the purchase item / secured goods. If, in the case of a total write-off, repair work is dispensed with, the insurance payment is used to redeem the purchase price, the prices of auxiliary services and any other expenses we occur, any amount remaining is due to the customer.
- 10.9 The customer is obliged to keep the reserved goods in a proper state, and to arrange for all servicing work foreseen by the manufacturer and any necessary repair work to be performed without delay – emergencies excepted – by ourselves or a workshop recognised by ourselves or the manufacturer.

- 10.10 At the customer's request, we shall release our ownership to the reserved goods and transfer back the claims assigned to us insofar as their tangible value exceeds the total claims due to us against the customer by more than 10%.
- 10.11 In case the customer is in default of payment, we can set a reasonable period of grace. Once this expires fruitlessly, we are entitled – without prejudice to the pursuit of further-going rights – to withdraw from the purchase contract. If we have further-going claims to damages instead of the payment and we re-possess the purchase item, the customer and ourselves agree that we shall remunerate the usual sales value to the customer at the point in time of re-possession. We determine this to the best of our faith and belief. At the customer's request, which can only be lodged immediately following receipt of our estimate, a publicly appointed, duly licensed, certified appraiser of our choice shall be commissioned to determine the usual sales price. The customer shall bear all the costs for re-possessing and marketing the purchase item, and any costs of appraisal incurred. The marketing costs are a flat-rate 5% of the usual sales value without any further evidence. This rate is raised or lowered if we can demonstrate higher or the customer lower costs.

11 Lien

- 11.1 The customer grants us a contractual lien to objects which come into our possession for all claims from the business relationship.
- 11.2 The contractual lien can also be pursued due to claims from work, replacement deliveries and other services performed at an earlier date.

12 Warrant and Warranty

- 12.1 We shall grant 24 months warranty for our objects of purchase, which are detailed in Sommer Polska warranty book. The warranty applies in case the customer receives a warranty book at the time of delivery or receipt of the objects of purchase. The warranty book is signed by our company and by the customer. Signing the warranty book by the customer shall be interpreted as their full acceptance of exclusion of any warrant rights. In case the customer does not sign the warranty book, they shall be entitled to claims by way of warrant.

- 12.2 The customer's warrant claims from material defects to new purchase items and work services expire by limitation of time in one year from delivery or acceptance. In the case of used and generally overhauled purchase items, all liability for material defects is excluded. Complaints must be lodged in writing within 8 days from acceptance – in the case of concealed defects within 8 days from their discovery. If acceptance has not been issued on time, this period starts 8 days after receipt of the notification of readiness to delivery or to collect.

- 12.3 All the customer's claims under law remain unaffected in case of malicious concealment of defects or if a guarantee of quality has been given.

- 12.4 The warrant for material defects is limited in the first instance to reworking the defective purchase item or to subsequently delivering a faultless purchase item at our discretion. The costs incurred for rectifying a material defect, for disassembly/reassembly, materials, transport and dispatch of any parts shall not be charged to the customer. Additional costs incurred because parts removed during repair work cannot be remounted due to wear and tear shall be borne by the customer. The costs of towing away and transporting the vehicle are not borne by us.

- 12.5 If rework within warrant right fails after a reasonable period of grace has expired, the customer can demand a reduction of price or cancellation of the contract at their discretion. Claims to damages and compensation for painless expenditure are regulated exclusively in accordance with item 13.

- 12.6 A warrant obligation does not exist if the objects delivered or the services provided are changed, treated improperly, processed or were installed, repaired, serviced or maintained by a firm not recognised by us for servicing and the defect was caused by this.

- 12.7 The customer has no claims with regard to wear and tear on parts subject to such – in particular during the warrant period – this applies in particular to blemishes, storage damage and corrosion caused by improper treatment.

- 12.8 The following conditions apply to the rectification of defects: The customer can pursue claims to rectify defects solely against us and to be performed by us, unless we inform the customer in writing that the necessary work can be performed by another firm to be nominated by ourselves. A prerequisite for performing all warrant work is that the operating data recorder (ODR) can be read, if such a unit is installed. On request, the customer is obliged to notify any password required. If the purchase item is inoperable due to a material defect, the customer – after prior consultation with us – shall commission the firm recognised by us for servicing the purchase item which is closest to the location of the inoperable purchase item, prepared for the repair and accepted by us as appropriate for making the repair. We acquire the right of ownership to the replaced parts. On the grounds of a sales - purchase contract with respect to the parts assembled with intention of rectifying a defect, the customer may claim their rights by way of physical defects of the objects of purchase until the period of warrant is over. The warrant period shall be two months from the date of assembly if it took place within the last two months of the warrant period.

13 Liability

- 13.1 According to the regulations, depending on the cause, we shall be liable for:
 - a. a threat to life, bodily damage, detriment to health,
 - b. infringement of the major contractual liabilities,
 - c. malicious reticence of a defect, taking over the warranty,
 - d. infringement of regulations of the law on liability for the product,
 - e. gross negligence or a deliberate action.

The rules of liability by way of delay are finally regulated by pt 4 hereof.

- 13.2 In case of negligence with respect to incidental liabilities being a result of slight negligence, compensation claim shall be excluded.

- 13.3 In each case of a failure to meet additional liabilities or in case of damages caused by the lack of delivery object, the scope of compensation shall be subject to restriction, if the customer concluded a contract of insurance including compensation for the type of damage (excluding insurance covering a sum specified in advance). Our compensation duty shall then be restricted to charges related to this type of insurance, e.g. higher insurance contributions or interest until the damage is liquidated by the insurer.

- 13.4 Making our statutory representatives, individuals involved in liability performance or company staff personally liable for the damages resulting from slight negligence shall be excluded.

14 Place of jurisdiction/Applicable law

- 14.1 The sole place of jurisdiction for both parties for all disputes arising directly or indirectly from the contractual relationship – including deeds, bills of exchange and cheques – is the court of Zapolje jurisdiction.

- 14.2 The same place of jurisdiction applies if the customer does not have a general place of jurisdiction in Poland, relocates its base/business offices or normal place of residence abroad after conclusion of contract, or its base/business offices or normal place of residence is unknown at the time legal action is initiated.

- 14.3 Law of the Republic of Poland shall prevail exclusively. The application of the Uniform Law concerning the international sales of movable objects and the United Nations Treaty concerning contracts of international sale of goods of 11/04/1980 is excluded.

15 Partial unworkability

- 15.1 Should individual provisions in these conditions or the respective contracts be or become unworkable, this shall not affect the workability of the remaining provisions.

16 Final provisions

- 16.1 In case of any discrepancies in the Polish and English versions of these General Terms and Conditions of Business, Polish version shall be binding.