

PURCHASE TERMS AND CONDITIONS OF
ELECTRICAL COMPONENTS INTERNATIONAL SP. Z O.O. AND ITS AFFILIATES

Except as otherwise agreed by the ECI in writing under pain of nullity (Polish: *forma pisemna pod rygorem nieważności*), these PTC shall apply to all Orders made by the ECI and all Agreements relating to the purchase of goods or services by ECI. These PTC shall apply regardless of the nature of the Agreement, in particular to sell or supply of goods, performance of specific work (Polish: *dzieło*) and provision of services. These PTC are in force from 12 July 2023.

1. DEFINITIONS.

Capitalized terms in this PTC shall have the following meaning:

- 1.1. **“Acceptance”** – means acceptance of the Order, i.e. a statement of acceptance of the offer (Polish: *oświadczenie o przyjęciu oferty*) within the meaning of Article 66 of the Civil Code;
- 1.2. **“Act on the Suppression of Unfair Competition”** – means Polish act on the Suppression of Unfair Competition Act of 13 April 1993 (Journal of Laws of 2022, item 1233 as amended);
- 1.3. **“Affiliate”** – means an entity that directly or indirectly controls the Party, is directly or indirectly controlled by the Party or remains together with the Party under the direct or indirect control of the same entity and, in respect to the Party being a natural person, also any of the following of such person: his/her ascendant, descendant, sibling, sibling’s ascendant and descendant, spouse and de facto spouse (Polish: *osoba pozostająca we wspólnym pożyciu*) and spouse’s and de facto spouse’s ascendant, descendant, sibling and sibling’s ascendant and descendant;
- 1.4. **“Agreement”** – means agreement between the ECI and the Supplier, entered into as a result of placing the Order by the ECI and its Acceptance by the Supplier, subject of which is sell or supply of the Goods, performance of the Specific Work or provision of the Services by the Supplier to the ECI, of which these PTC are an integral part;
- 1.5. **“Business Day”** – means a day which is not a Saturday, a Sunday or a public holiday in Poland or the ECI contracting entity;
- 1.6. **“Civil Code”** means Polish Civil Code of 23 April 1964 (Journal of Laws of 2022, item 1360 as amended);
- 1.7. **“Clause”** – means Clause of these PTC unless otherwise stated;
- 1.8. **“Copyright Act”** means the Act Copyright and Neighbouring Rights of 4 February 1994 (consolidated text: Journal of Laws of 2022, Item 2509, as amended);

- 1.9. “Copyrighted Works”** means any works (Polish: *utwór*) as understood under the Copyright Act including in particular computer programs, documentation, drawings, reports, designs and others.
- 1.10. “ECI”** – means Electrical Components International sp. z o.o., with its registered office in Bielsko-Biała, Poland (address ul. Międzyrzecka 222, 43-382, Bielsko-Biała, Poland) entered into register of entrepreneurs of the National Court Register, maintained by District Court in Bielsko-Biała, VIII Commercial Register of the National Court Register, under no. 0000136732, tax identification number (NIP) 6342471473, BDO number 000021189 share capital PLN 2,132,750.00 or its Affiliate;
- 1.11. “ECI’s Property”** – has the meaning given in the Clause 8;
- 1.12. “Goods”** – means goods, of whatever kind, specified in the Agreement, including also the Specific Work of tangible nature;
- 1.13. “Indemnified Party”** – has the meaning given in the Clause 13.1;
- 1.14. “Indemnify”** – means the obligation to release (Polish: *zwolnić*) the ECI or other Indemnified Party, to the largest extent permissible under the applicable law, from any obligation or liability (including any loss, damage, cost, claim, debt, penalty, interest or otherwise) and if such release is not possible or insufficient to fully redress the damage sustained by, or threatened to, the indemnified person, it should be understood as an obligation to refund to the indemnified person in full (on a PLN-per-PLN basis) the amount equivalent to all the relevant damages, costs (including the costs associated with court or administrative proceedings), professional advisors’ fees, charges, fines, interest, taxes and other payments incurred by such indemnified person.
- 1.15. “Indemnity Event”** – means infringement in any way the rights of third parties, including any patent, trademark, copyright or other property right arising from or connected with entering into or performance of the Agreement as well as arising from any use or further sale of the Goods, the Specific Work or the Services;
- 1.16. “Insolvency Law”** – means Polish Insolvency Law of 28 February 2003 (Journal of Laws of 2022, item 1520 as amended);
- 1.17. “Party”** – means party to the Agreement, i.e. the ECI or the Supplier;
- 1.18. “Price”** – means the remuneration payable to the Supplier by the ECI for - depending on the type of the Agreement – the Goods sold or supplied, the Services provided or the Specific Work performed;
- 1.19. “PTC”** – means these Purchase Order Terms and Conditions;
- 1.20. “Order”** – an offer within the meaning of Article 66 § 1 of the Civil Code to purchase the Goods or order the Services or the Specific Work, made by the ECI to the Supplier;
- 1.21. “Services”** – means services, of whatever kind, specified in the Agreement;

- 1.22. “Specific Work”** – a result of work performed by the Supplier for the ECI on the basis of the specific work agreement (Polish: *umowa o dzieło*), of tangible or intangible nature, including results in particular consisting in manufacture of specified objects or creation of intangible works (*inter alia* know how or copyrighted works);
- 1.23. “Subject of the Agreement”** – means subject matter of the Agreement, i.e. depending on the type of the Agreement, the Goods, the Services and/or the Specific Work;
- 1.24. “Supplier”** – means any entity or person that enter into Agreement with the ECI and undertake to provide the Goods, render the Services or perform the Specific Work for the ECI;
- 1.25. “VAT Act”** – means Polish Act of 11 March 2004. on tax on goods and services (Journal of Laws of 2022, item 931 as amended);

2. GENERAL OBLIGATIONS OF THE SUPPLIER

- 2.1.** The Supplier is obliged to execute the Agreement:
- (a) in accordance with terms of the Agreement, in particular as regards deadlines, quality, specifications and quantities,
 - (b) with the utmost professional care (Polish: *najwyższa staranność*),
 - (c) in accordance with current legislation and the state of the art, in particular using appropriate materials, components or tools with necessary certificates,
 - (d) using qualified personnel.
- 2.2.** In the absence of a specific specification, all Products should be of good quality taking into account comparable products on the market. Article 357 of the Civil Code is excluded and shall not apply.

3. OFFER; ACCEPTANCE; EXCLUSIVE TERMS.

- 3.1.** Each Order constitutes an offer, within the meaning of the Article 66 of the Civil Code, to enter into the Agreement, made by the ECI to the Supplier. The Order together with the PTC are the exclusive documents defining the content of the Agreement. Article 66¹ § 1 – 3 of the Civil Code is excluded and shall not apply.
- 3.2.** The ECI has right to place the Orders but has no obligation to do so. The ECI may send requests for quotations or otherwise obtain information from the Suppliers. For the avoidance of doubt, making requests for quotations and working contacts with the Suppliers does not constitute placing the Orders, which may only be done in accordance with the rules set out in these PTC.

- 3.3.** The entering into of the Agreement is initiated by the ECI by submitting the Order to the Supplier, containing all essential contractual provisions (Polish: *istotne postanowienia umowne*). The ECI may place orders at any time (7 days a week 24 hours a day). The Order and the Acceptance shall be drawn up at least in the documentary form under pain of nullity (Polish: *forma dokumentowa*), e.g. by e-mail, unless otherwise stated in these PTC. In particular, any verbal arrangements shall not be binding.
- 3.4.** The Agreement is entered into upon submission of the Acceptance by the Supplier to the ECI, subject to the Clauses 3.6(a) and 3.6(b) below. These PTC are integral part of the Order regardless of whether there is a direct reference to these PTC in a given Order or not. However, the ECI will make these PTC available to the Supplier at the time of placing the Order at latest. By submitting Acceptance the Supplier accepts these PTC.
- 3.5.** The Supplier shall ensure that, in all material matters relating to the entering into of the Agreement, the ECI is contacted by a person who is authorized to represent the Supplier.
- 3.6.** The Supplier has five (5) Business Days to submit the Acceptance. If the Supplier fails to do so within this deadline:
- (a)** the Agreement is entered into despite lack of the Acceptance if the Supplier has commenced performance of the Agreement prior to the lapse of above deadline (upon commencement);
 - (b)** in the case of the Suppliers with whom the ECI has an established business relationship, the Agreement is entered into despite lack of the Acceptance, even if the Supplier has not commenced performance of the Agreement (upon lapse of the above deadline);
 - (c)** in other cases, the Order expires and the Agreement is not entered into.
- 3.7.** The procedure for contracting by the ECI described in these PTC is exclusive. In particular, the Order does not constitute an acceptance by the ECI of any offer or proposal from the Supplier, whether in Supplier's quotation, acknowledgement, invoice or otherwise. If any Supplier's quotation or proposal is held to be an offer, that offer is expressly rejected upon submission of the Order.
- 3.8.** The Order may only be accepted by the Supplier without any reservations regarding changes or additions in accordance with Article 68¹ § 2 of the Civil Code. Article 68¹ § 1 of the Civil Code is excluded and shall not apply.
- 3.9.** No purported acceptance of any terms and conditions which modify, supersede, supplement or otherwise alter these PTC shall be binding upon the ECI and such terms and conditions shall be deemed rejected and replaced by these PTC unless Supplier's proffered terms or conditions are accepted in a physically signed writing under pain of nullity by the ECI's Chief Procurement Officer or other the ECI's authorized representative, notwithstanding the ECI's acceptance of or payment for any shipment of

goods or similar act of ECI's. In the event of a conflict between the Order or these PTC and any terms or document provided by the Supplier, the Order and these PTC shall prevail.

- 3.10. Article 385⁴ of the Civil Code does not apply in any case. If the content of the Agreement should, for any reason deviate from that agreed in accordance with the Order these PTC, the Agreement shall not be to be considered to have been entered into without the need of any objection from the ECI required under Article 385⁴ § 2 of the Civil Code.
- 3.11. The place of entering into the Agreement is always the address of ECI's registered seat, i.e. ul. Międzyrzecka 222, 43-382, Bielsko-Biała, Poland, unless otherwise stipulated in the Order.
- 3.12. In case of any discrepancies between the Order and these PTC, the Order shall prevail.

4. PRICE AND PAYMENT TERMS.

- 4.1. For the due performance of all obligation arising from the Agreement (including those rising from the PTC), the Supplier shall be entitled to the Price from the ECI.
- 4.2. Price to be paid by the ECI under the Agreement is always specified directly in the Order. ECI is not obliged to make any payments to the Supplier other than directly specified in the Order.
- 4.3. The Price indicated in the Order is always a lump sum (Polish: *wynagrodzenie ryczałtowe*), and not subject to change. The Price includes any costs (including cost of packing, delivery, purchasing material, and external services), taxes, customs, insurance etc. as well as costs of Supplier's subcontractors or employees. In the event that the Agreement includes the transfer of copyrights or the granting of a license to the ECI, the Price also includes the full amount thereof. Where the Agreement also includes the performance of services related to the goods sold, the Price also include those services.
- 4.4. The payment of the Price is contingent upon the delivery by the Supplier of a correctly issued VAT invoice that meets the requirements of applicable law.
- 4.5. The invoice is always a fiscal document and does not specify the commercial terms of the Agreement. In the event of a contradiction between the invoice and the Agreement with regard to payment terms, the Agreement shall prevail.
- 4.6. In the event that the Supplier is a taxpayer within the meaning of Article 15.1 of the VAT Act, payments to such Supplier may only be made to the Supplier's bank account included in the register referred to in Article 96b.1 of the VAT Act. The Supplier is obliged to indicate such bank account in the VAT invoice.

- 4.7.** ECI reserves the right to settle the price under the split payment mechanism provided for in the VAT Act. The Supplier is obliged to ensure that his bank account indicated on the VAT invoice is an account enabling payment under the split payment mechanism.
- 4.8.** In the event that the Supplier fails to meet requirements indicated in the Clauses 4.6 and 4.7, the ECI may withhold any payment under the Agreement, until Supplier meet above requirements, in particular until the Supplier provides a correctly issued VAT invoice indicating a bank account meeting the requirements of this the Clauses 4.6 and 4.7.
- 4.9.** In the event that any withholding tax is due from the Supplier in connection with the Agreement, ECI is entitled to deduct such tax from the Price.
- 4.10.** Supplier shall send VAT invoices to the e-mail address indicated in the Agreement, unless the ECI expressly orders that Invoice shall be sent by other means. ECI agrees to receive invoices in electronic form (PDF format).
- 4.11.** The Price will be paid by the ECI by transfer to the Supplier's bank account indicated on the VAT invoice, within thirty (30) days of the cumulative fulfilment of the following requirements by the Supplier:
- (a)** due and proper delivery of the Subject of the Agreement by the Supplier to the ECI, as well as due and proper performance of any other obligations arising from the Agreement,
 - (b)** in case of Specific Work – acceptance of the Specific Work by the ECI, in accordance with Article 643 of the Civil Code and Clause 6;
 - (c)** delivery by the Supplier to the ECI of an VAT invoice correctly issued in accordance with the applicable law and these PTC.

For the avoidance of doubt, in the event that the above requirements are not duly fulfilled, the aforementioned payment term shall not commence and will commence only after their fulfilment.

The Agreement may specify a different payment term. In such a case, such a term will be binding, however, it will always commence from the cumulative fulfilment of the above requirements .

- 4.12.** The Supplier may receive an advance payment only if this is expressly stated in the Order and only up to the amount stated therein, unless the ECI decides otherwise in writing under pain of nullity. ECI may condition the granting of an advance payment upon the Supplier providing at its expense an advance payment bank guarantee, issued in Polish or English in accordance with Polish law, by Polish Bank accepted by the ECI, unconditional, irrevocable, payable on first demand, valid until the date of payment of the entire Price. All advance payments under Agreement shall be interpreted as advance payment (Polish: *zaliczka*) and not earnest payment (Polish: *zadatek*).

- 4.13. Payment of the Price always occurs upon debiting the ECI's bank account.
- 4.14. Any price reduction made in any items covered by the Order subsequent to the placement of the Order will be applicable to the Order.
- 4.15. Unless otherwise specified in the Order, if the Price is specified in a currency other than PLN, the ECI may make the payment at its choice in the currency indicated in the Order or in PLN. In the case of payment in PLN, the Price shall be converted into PLN according to the average exchange rate of the currency in question to PLN as published by the President of the National Bank of Poland on the day the VAT invoice is issued. In case the rate is not published on that day, the last published rate shall apply.
- 4.16. The ECI has the status of large entrepreneur pursuant to the provisions of the Act on counteracting excessive payment delays in commercial transactions.

5. DELIVERY.

- 5.1. This Clause 5 shall apply to all Subjects of the Agreement which are subject to delivery.
- 5.2. Place of delivery in the meaning of the Article 454 of the Civil Code is address of registered seat of the ECI (i.e. ul. Międzyrzeczka 222, 43-382, Bielsko-Biała, Poland) unless otherwise specified in the Order.
- 5.3. The Supplier shall deliver the Subject of the Agreement to the ECI in accordance with the terms indicated in the Order, in particular as regards the specification, quantity, quality, Delivery Date and place of delivery.
- 5.4. To each delivery, the Supplier shall attach:
 - (a) shipping documents allowing precise identification of the Order number, quantity and type of Subject of the Agreement, as well as
 - (b) all other documents required for the correct acceptance and use of the Subject of the Agreement or required by the applicable law.
- 5.5. The Supplier is obliged to deliver the Subject of the Agreement in packaging appropriate to type of the Subject of the Agreement, method of transport and storage so as to deliver it undamaged. The packaging shall be labelled in accordance with the applicable law as well as contain any instructions regarding special storage conditions. Packaging is not returnable unless otherwise stated in the Order.
- 5.6. Subject to Clause 5.13, the date of delivery is the date on which all Subjects of the Agreement covered by the Order and meeting the all requirements stipulated in the Agreement, are delivered to the ECI at the place of delivery ("**Delivery Date**").
- 5.7. The Supplier may only perform partial deliveries if the Order so stipulates or if the ECI agrees to this in writing on pain of nullity. In the case of partial deliveries, the Delivery Date shall be the date of delivery of the last batch.

- 5.8.** The Supplier is obliged to notify ECI of any situation that may affect the timely delivery. The aforementioned notice will not, however, relieve the Supplier of the obligations set out in the Agreement. The change of the delivery date indicated in the Order must be agreed by the ECI in writing under pain of nullity.
- 5.9.** All deliveries shall be made during the working hours of the ECI, i.e. between 9am and 5pm, unless ECI specifies other times in the Order.
- 5.10.** In the case of products imported from outside the European Union, the Supplier is responsible for marketing authorization (Polish: *dopuszczenie do obrotu*) in the territory of the European Union in accordance with the legislation in force in the EU.
- 5.11.** Title to and the risk of any loss of or damage to the Goods shall pass from the Supplier to the ECI upon delivery of the Goods meeting the requirements set out in the Agreement, notwithstanding the performance by ECI of any of its contractual obligations. Passing of title upon such delivery shall not constitute acceptance of the Goods by the ECI or relieve the Supplier of any of its obligations hereunder. Without prejudice to the foregoing, all deliveries shall be made in accordance with the DAP Incoterms® 2020 principle.
- 5.12.** The Supplier may not withhold the delivery of any of the Goods, unless otherwise stipulated in the Agreement.
- 5.13.** ECI will inspect delivered Subject of the Agreement at delivery and may refuse to accept them from the Supplier (or shipping company acting for the Supplier) in particular if:
- (a)** due to the incompleteness of the documents required by the Agreement or applicable law, it is impossible or considerably difficult to assign the delivery to a specific Agreement, or if
 - (b)** the Subject of the Agreement does not correspond in any way to the specifications in the Agreement, or if
 - (c)** the Subject of the Agreement or its packaging is visibly damaged, or if
 - (d)** the Subject of the Agreement are in any other way not compliant with the Agreement.

In such an event, delivery shall be deemed not to have been completed with all consequences resulting from the Agreement. Lack of ECI's refusal mentioned above shall not deprive the ECI of any right under the Agreement or applicable law, in particular as regards guarantee or statutory warranty (Polish: *rękojmia*). ECI's refusal shall be at the Supplier's expense and risk.

- 5.14.** If the non-conformity with Agreement concerns part of the Goods covered by the same delivery, the ECI may, at its choice, refuse to accept all of the Goods covered by the

same delivery or only the part of the Goods directly affected by the non-conformity with Agreement.

- 5.15.** If the ECI refuse to accept delivered Goods as stipulated in Clause 5.13 the Supplier shall collect at his cost the defective Goods directly from the place of delivery.
- 5.16.** ECI has the right to inspect the Supplier's premises at its own expense in order to check the progress of the Supplier's performance of the Agreement, giving the Supplier five (5) Business Days' notice of the date of such inspection. The Supplier shall allow ECI to carry out the inspection during the Supplier's working hours. All Goods may be subject to inspection and test by Buyer at place of manufacture or at destination or at both.

6. ACCEPTANCE OF THE SPECIFIC WORK.

- 6.1.** Every Specific Work carried out by the Supplier for the ECI is subject to the following acceptance procedure, unless otherwise specified in the Order:
- (a)** acceptance shall take place after the Supplier completes the Specific Work and notifies ECI that it is ready for acceptance; along with notifying ECI the Supplier shall submit to the ECI all technical documentation related to the completion of the Specific Work, including in particular as-built documentation, technical documentation, instructions for use, etc,
 - (b)** acceptance of the Specific Work will be carried out by persons designated by ECI who will be inspect the Specific Work to confirm it's conformity with the Agreement within a period not exceeding (30) Business Days from the Supplier's notification mentioned in Clause 6.1.(a);
 - (c)** the ECI may require the Supplier to carry out, at its expense, tests and measurements necessary to confirm that the Specific Work has been properly completed,
 - (d)** the acceptance shall be confirmed with a relevant acceptance protocol signed by the ECI in writing under pain of nullity;
 - (e)** ECI may refuse acceptance if the Specific Work is performed defectively or does not function properly or if the Supplier has failed to fulfil any of the obligations set out in the Agreement; if the ECI refuses acceptance due to the aforementioned circumstances, the Supplier shall rectify the defects or deficiencies identified within a period set by ECI of not less than (7) Business Days, after which acceptance shall be resumed; however, if the defects or deficiencies are not rectified within the aforementioned period the ECI shall be entitled as it choice, to:

- (i) rescind (Polish: *odstąpić*) the Agreement within thirty (30) Business Days of the ineffective expiry of the deadline for rectifying the defects or deficiencies,
- (ii) proportionally reduce the remuneration payable to the Supplier under the Agreement.

7. PROVISION OF THE SERVICES

- 7.1. Unless otherwise specified in the Agreement, the Services will be performed on ECI's premises located in Bielsko-Biała (ul. Międzyrzecka 222, 43-382, Bielsko-Biała, Poland) and the exact place of performance will be specified by the ECI.
- 7.2. Unless the Service Agreement does not provide otherwise, it is entered into for an indefinite period. Either party may terminate (Polish: *wypowiedzieć*) such Agreement by serving one month's notice commencing at the end of the month in which the notice is served.
- 7.3. The ECI may always terminate the Service Agreement with immediate effect on the basis stipulated in the Clause 21.6.
- 7.4. ECI may terminate any Service Agreement without notice (whether for a definite or indefinite period) if the Supplier breaches its obligations arising from such Agreement including these PTC.

8. ECI'S PROPERTY.

- 8.1. Unless otherwise agreed to in writing under pain of nullity, layouts, models, all tools, gauges, designs, sketches, drawings, blueprints, patterns, dies, specifications, engineering data or other technical or proprietary information, special appliances, and other equipment or materials of every description furnished to the Supplier by ECI, or any materials affixed or attached thereto, shall remain the property of the ECI ("ECI's Property"). Such property (and whenever practical, each individual item thereof), shall be plainly marked or otherwise adequately identified by the Supplier as "property of Electrical Components International" and shall be safely stored separate and apart from Supplier's property and shall be subject to examination by ECI. Supplier may not substitute any property for ECI's Property and may not use such except in performing Agreement. ECI's Property, while in Supplier's custody or control, shall be maintained in good condition at Supplier's expense, shall be held at Supplier's risk and shall be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with loss payable to the ECI. ECI's Property shall be subject to removal at ECI's request, in which event Supplier shall prepare ECI's Property for shipment and shall deliver the same to ECI in the same condition as originally received by Supplier, reasonable wear and tear excepted. Any special tooling, the full cost, or a substantial portion of the cost

of which is included in the Price, shall upon delivery of the Goods become property of ECI. Supplier shall return the same to ECI or make such other disposition thereof as may be directed or approved by ECI.

9. COPYRIGHTED WORKS

- 9.1.** If the Copyrighted Works are delivered to the ECI in connection with the performance of the Agreement, the Supplier shall transfer to the ECI the entire economic copyrights to these Copyrighted Works without any limitation, unless it is expressly stated in the Agreement that only a licence to use the Copyrighted Works is to be granted to the ECI. For the avoidance of doubt, it is confirmed that if the Agreement does not expressly state that a licence is granted to the ECI, including if the Agreement does not contain any provisions on copyright, and the performance of such Agreement involves the delivery of the Copyrighted Works to the ECI, then entire economic copyrights in the Works shall be transferred to the ECI under the Agreement.
- 9.2.** The transfer to ECI of the entire economic copyrights in the Works shall take place in accordance with the following rules:
- (a)** if the Copyrighted Works consist in computer programs the transfer of economic copyrights shall occur in all fields of use (Polish: *pola eksploatacji*) referred to in the Article 74.4 of the Copyright Act, i.e. in the fields of use including:
 - (i)** permanent or temporary multiplication of the computer program in whole or in part by any means and in any form,
 - (ii)** translation, adaptation, modifications of form or any other modifications to the computer program,
 - (iii)** making the computer program or copies thereof available to others, in particular by lending for a fee or free of charge,
 - (b)** if the Copyrighted Works are not computer programs the transfer of economic copyrights shall occur in all fields of use referred to in Article 50 of the Copyright Act, i.e.:
 - (i)** as regards fixation and multiplication: creating copies of the work by any means, in particular by print, reprography or in magnetic or digital form,
 - (ii)** as regards marketing of the original work or copies thereof: putting into market, lending or leasing the original work or copies thereof,
 - (iii)** as regards making the work available to others in other ways than described above: public performance, display, projection, reenactment, broadcasting or rebroadcasting, as well as making the work publicly available in such a way that anyone can have access to it in the place and time of his/her choosing,

- (c) in the case of Copyrighted Works being computer programs the Supplier shall provide the ECI with the source code, which should enable its interpretation by the ECI as well as modification and development of the computer program by the ECI or third parties instructed thereby; together with the source code the Supplier shall provide to the ECI a complete set of programming tools, libraries and other elements required to translate the software code into executable form; furthermore, the Supplier shall at the ECI's request provide additional information necessary in this respect;
- (d) the transfer of all economic copyrights to Copyrighted Works on ECI occurs without any restrictions, including territorial or time restrictions, upon the establishment of each Copyrighted Work,
- (e) Along with the transfer of all economic copyrights to the Copyrighted Works on the ECI and within the same fields of use as specified above, ECI acquires:
 - (i) the exclusive derivative copyrights to the Copyrighted Works and the right to authorize third parties to use and dispose of derivative works of the Copyrighted Works,
 - (ii) the ownership right to carriers on which the Copyrighted Works are recorded;
- (f) To the extent the Supplier is the author of Copyrighted Works, the Supplier is obliged not to exercise his moral copyrights to the Copyrighted Works and further irrevocably and exclusively authorizes ECI (and its legal successors as well as future owners of copyrights to the Copyrighted Works) to exercise any and all his moral copyrights to the Copyrighted Works, in particular within the following scope:
 - (i) to sign the Copyrighted Works with the name and surname of its author / author authors or to make them available anonymously;
 - (ii) introducing any modifications to the Copyrighted Works in the scope of its content and form, including with respect to the integrity of the works;
 - (iii) exercise the right to communicate the Copyrighted Works to the public for the first time;
 - (iv) exercise the right to monitor the use of the Copyrighted Works.

To the extent the Supplier is not the author of the Copyrighted Works, the Supplier is obliged to obtain the statement of the authors of the Copyrighted Works in which they obliged themselves not to exercise their moral copyrights to the Copyrighted Works and further irrevocably and exclusively authorize the ECI (and its legal successors as well as future owners of copyrights to the Copyrighted Works) to exercise any and all their moral copyrights to the Copyrighted Works to the same extent as described above.

- (g) the transfer to the ECI of all of the rights indicated in this Clause 9.2, including in particular the whole copyrights to the Copyrighted Works on all fields of use specified above shall occur in consideration for the Price specified in a given Agreement; the Supplier shall not claim any additional remuneration from the ECI in this respect.

9.3. If the Agreement expressly provides that only a license to use the Copyrighted Works is to be granted to the ECI and the Parties have not specified the license terms in the said Agreement, then the following license terms apply:

- (a) the license is of non-exclusive character,
- (b) the license is granted on the fields of use referred to in section 9.2(a) above (if the Copyrighted Works are computer programs) or in section 9.2(b) above (if the Copyrighted Works are not computer programs),
- (c) the license is granted as at the time the Copyrighted Works are taken over by the ECI and the license is granted without territorial or any other restrictions,
- (d) the license is granted for indefinite period,
- (e) the license cannot be terminated; the possibility of terminating the license based on the Article 68.1 of Copyright Act is excluded; the intention is to make the license resemble — to the furthest extent possible — a one-off sale of rights,
- (f) if the provisions on the exclusion of the possibility to terminate the license turn out to be invalid or ineffective and the Supplier would be entitled to terminate the license, then termination shall require a termination period of 10 (in words: ten) years as at the end of a calendar year, subject to letter Clause 9.2(g) below; The Supplier may not exercise his termination rights described in this Clause 9.3(f) within first five years of the license term;
- (g) if the ECO violates license terms and does not stop such violations despite a demand issued by the Supplier in writing (under the pain of nullity) to cease violations in a set deadline, not shorter however than 30 days, the Supplier shall be entitled to terminate the license with a termination period of 1 year, effective as at the end of the calendar year; the said demand shall contain a clear indication of the alleged violations and a clear information that in case the ECI does not react appropriately, the Supplier shall be entitled to terminate the license (if the demand does not meet the abovementioned criteria, the Supplier shall not be entitled to terminate the license);
- (h) the ECI may sublicense the use of the Copyrighted Works, without restrictions,
- (i) the granting of the license to the ECI in the abovementioned scope shall occur in consideration for Price; the Supplier hereby may not claim any additional remuneration from the ECI in this respect.

- 9.4.** If in the course of performance of the Agreement any data base (as defined in the provisions of the Polish act of 27 July 2001 on the protection of data bases) is created, the ECI shall be deemed the producer of such data base and all economic rights to such data base, including the right referred to in the Article 6.1 of the abovementioned act shall be vested in the ECI. However, if in reality — notwithstanding the Agreement — the right to the data base referred to in article 6.1 of the act would belong in whole or in part to the Supplier, then the Supplier shall — in consideration for the Price — transfer this right to the ECI, free from any legal defects, restrictions or third party claims. In the abovementioned situation the transfer of the right to the data base shall occur as at the time of handing over the data base to the ECI.
- 9.5.** All discoveries, patents, know-how, utility models, inventions, topography of integrated circuits and designs, created, registered or otherwise obtained by Supplier, its employees or contractors during or in connection with the performance of the Agreement, of any item as to which the ECI furnishes the specifications, shall be promptly disclosed to the ECI, and shall become the sole property of the ECI. The Supplier, its employees and subcontractors shall, upon request, execute all papers necessary to assign such rights to the ECI and to cause at ECI's expense applications (e.g. for patent protection) to be filed thereon in favor of the ECI. The decision as to whether to file applications and to prosecute same shall be made solely by the ECI.
- 9.6.** The transfer of rights specified in Clause 9.5 on ECI is covered by the Price and the Supplier, its employees and subcontractors shall have no claims against ECI for any additional compensation therefor.
- 9.7.** The Supplier shall ensure that he has the full right to dispose (or grant license) of the Copyrighted Works, data bases as well as contents and information referred to in the Clauses 9.1 - 9.6 above and that no third parties' rights will be violated as a result of the performance of the Supplier's obligations thereunder.
- 9.8.** In case of breach of Clause 9.7 Supplier shall Indemnify the ECI or other Indemnified Party against any claims in this respect (including any loss, damage, cost, claim, debt, penalty, interest or otherwise), including all the relevant damages, costs (including the costs associated with court or administrative proceedings), professional advisors' fees, charges, fines, interest, taxes and other payments incurred by such Indemnified Party.
- 9.9.** In connection with performance of the Agreement, the ECI may make available to the Supplier various types of contents, including in particular Copyrighted Works, patents, industrial designs, utility patterns, trademarks or databases that are owned by the ECI and are subject to protection under intellectual or industrial property rights. The above is a right and not an obligation of the ECI, unless a given Agreement explicitly states otherwise. In order to avoid doubts, the Supplier shall not be entitled to justify nonperformance or improper performance of the Agreement by the fact that the abovementioned contents were not made available to it, except for cases where the Agreement clearly states that the ECI was obliged to make such contents available to the Supplier.

9.10. To avoid doubts, if any contents referred to in the Clause 9.9 above are made available to the Supplier as part of their mutual cooperation, neither any rights to such contents are transferred to the Supplier nor any license to use the contents is granted to the Supplier, unless the provisions of the relevant Agreement provide otherwise. Any contents of that type shall remain the exclusive property of the ECI.

10. CHANGES.

ECI's shall have the right to make changes in the Agreement by giving notice to the Supplier. If such changes cause an increase or decrease in the amount due under the Agreement or in the time required for its performance, an equitable adjustment may be made, and the Agreement shall be modified accordingly. If any quantity ordered in the Agreement or is decreased or cancelled by the Supplier, it shall be Supplier's responsibility to minimize the effects/costs, including diverting material for other uses. Any claim for adjustment must be asserted by the Supplier in writing within five (5) Business Days from the date the change is ordered. Nothing contained in this Clause shall relieve the Supplier from proceeding without delay in the performance of the Agreement as changed. Supplier may not make changes in specifications, physical composition of, or processes used to manufacture goods hereunder without ECI's prior written consent under pain of nullity.

11. ASSIGNMENT. SET-OFF

11.1. The Supplier may not assign or encumber any rights under the Agreement, whether in whole or in part, to any third party, without the prior consent of the ECI granted in writing under pain of nullity.

11.2. The ECI may, without the consent of the Supplier, assign any rights under this Agreement in whole or in part, to the Affiliate or other third party.

11.3. Without consent of the ECI, granted in writing under pain of nullity, the Supplier may not set-off (Polish: *potrącić*) any receivables (Polish: *wierzytelności*) arising from or in connection with the Agreement owed against the ECI, with any receivables owed by ECI against the Supplier.

11.4. ECI may always set-off any receivables owed against the Supplier, without the need for consent from the Supplier.

12. SUPPLIER'S PERSONEL. SUBCONTRACTING.

12.1. Without consent of the ECI, granted in writing under pain of nullit, The Supplier may not use subcontractors in the performance of the Agreement.

12.2. All members of the Supplier's staff and Supplier's subcontractors and their personnel who are on ECI's premises must comply with the internal rules and procedures in force there and with ECI's instructions. The Supplier is obliged to ensure the above.

13. INDEMNIFICATIONS.

13.1. Supplier guarantees (Polish: *gwarantuje*) that the entering into and performance of the Agreement as well as any use or further sale of the Goods, Specific Work or Services by ECI, its Affiliates, successors, assigns, customers, and the users of its products (“**Indemnified Party**”), does not constitute the Indemnity Event.

13.2. The Supplier shall Indemnify the Indemnified Party against any obligation or liability arising from the Indemnity Event (including any loss, damage, cost, claim, debt, penalty, interest or otherwise), including all the relevant damages, costs (including the costs associated with court or administrative proceedings), professional advisors’ fees, charges, fines, interest, taxes and other payments incurred by such Indemnified Party.

13.3. Supplier shall upon request, provide product liability insurance, naming Buyer as an additional insured, in limits acceptable to Buyer.

14. GUARANTEE.

14.1. The Supplier grants ECI the guarantee on the Goods for a period of thirty-six (36) months commencing from the Delivery Date. In case of Specific Work guarantee period commence from acceptance date in accordance with Clause 6.

14.2. Within the scope of the granted guarantee, the Supplier guarantees to the ECI that the Goods will:

- (a) comply with the specifications, drawings and any other requirements contained in the Agreement, and
- (b) be new, unused, of good quality and free from defects and deficiencies,
- (c) be carefully made of the appropriate material, inspected, and
- (d) meet all technological requirements necessary for their proper use in accordance with the Agreement or the state of technical knowledge or applicable law, and
- (e) be manufactured in accordance with applicable law, standards and other regulations and will bear all the required certificates, and
- (f) be free from all encumbrances and rights of third parties.

14.3. Should the Goods prove not to be compliant with the granted guarantee, the ECI may demand:

- (a) rectification of the Goods to a condition compliant with the guarantee,
- (b) replacement of The Goods with Goods compliant with the guarantee,
- (c) proportionate reduction in the Price for the Goods not compliant with the guarantee.

14.4. The ECI will notify the Supplier about detection of the non-conformity of the Goods with the guarantee within a reasonable period (guarantee notice). The Supplier shall:

- (a) react to the guarantee notice within forty-eight (48) hours,
- (b) fulfil the guarantee obligations within seven (7) Business Days.

14.5. The guarantee shall be extended by the period of performance of the Supplier's guarantee obligations.

14.6. Goods replaced or repaired under the guarantee are subject to a new guarantee period of twenty-four (24) months.

14.7. In the event of non-performance or improper performance by the Supplier of the guarantee obligations set out in this Clause 14, the ECI may rescind (Polish: *odstąpić*) the Agreement, within 6 months from lapse of deadline stipulated in the Clause 14.4(b).

14.8. Combining of the Goods (Polish: *połączenie lub pomieszczenie*) with other things or processing of them (Polish: *przetworzenie*) for their intended purpose does not in any way affect the guarantee.

14.9. Guarantee granted under this Clause 14 does not affect the ECI's right under the statutory warranty (Polish: *rękojmia*).

15. LIABILITY

15.1. The Supplier shall be held fully liable for non-performance or improper performance of the Agreement, including for the ECI's losses (Polish: *strata*) as well as ECI's lost profits (Polish: *utraczone korzyści*).

15.2. The Supplier is fully responsible for his staff, including employees (irrespective of employment basis), representatives as well as subcontractors.

15.3. Neither the Supplier nor any of the persons furnishing materials or performing work or services, which are required by the Agreement, are employees of the ECI within the meaning any applicable law affecting employment. The Supplier is obliged at its own expense to comply with such laws and to be responsible for all liabilities or obligations imposed by any one or more of such laws and/or ordinances and regulations with respect to this agreement and to indemnify the ECI therefrom.

- 15.4.** The ECI liability under the Agreement is always limited to the losses (Polish: *strata*). Lost profits (Polish: *utraczone korzyści*) are excluded. The ECI is liable only for losses arising from fraud, wilful misconduct or gross negligence by the ECI, without prejudice to liability for personal injury (Polish: *szkoda na osobie*).
- 15.5.** In the event that ECI terminates (Polish: *wypowiedzieć*) or rescinds (Polish: *odstąpić*) the Agreement through the reasons for which the Supplier is responsible (Polish: *przyczyny, za które Dostawca ponosi odpowiedzialność*), in particular in the cases indicated in Clauses 7.4 or 17.1 or resulting from applicable law, the Supplier shall pay ECI a contractual penalty (Polish: *kara umowna*) equal to 25% of the gross Agreement value. ECI may claim damages exceeding the amount of the contractual penalty.
- 15.6.** Where there is more than one entity on the Seller's side, the liability of such entities for all obligations under the Agreement is joint and several (Polish: *odpowiedzialność solidarna*).
- 15.7.** All deadlines arising from the Agreement including these PTC are reserved for the benefit of the ECI within the meaning of Article 457 of the Civil Code.

16. FORCE MAJEURE

- 16.1.** The Parties shall not be liable for failure to perform contractual obligations arising from the Agreement caused by a force majeure events.
- 16.2.** Force majeure event means all external and sudden events, beyond the control of the Parties, which could not have been foreseen at the time of entering into the Agreement and whose consequences could not have been prevented and which make it impossible to perform the Agreement, in particular:
- (a)** acts of war (whether declared or not) and other armed operations and terrorist acts,
 - (b)** riots or protests,
 - (c)** government acts or legislation,
 - (d)** natural disasters such as earthquake, earthquake, flooding, fires,
 - (e)** epidemics, pandemics, quarantine restrictions, state of emergency (Polish: *stan nadzwyczajny*).
- 16.3.** For the avoidance of doubt, the consequences of the epidemic state or the epidemic threat state in Poland related to the Sars-Cov-2 does not constitute a force majeure event.
- 16.4.** The Party whose performance of the Agreement has become impossible due to a force majeure event shall notify the other Party in writing of the occurrence of force majeure immediately (within seven (7) Business Days of its occurrence at the latest). The cessation of the force majeure event shall also be immediately notified to the other Party.

17. TERMINATION

17.1. Notwithstanding any other provisions of these PTC and any rights under applicable law, the ECI may rescind (Polish: *odstąpić*) the Agreement in whole or in part by serving Supplier a rescission notice, for the following reasons attributable to the Supplier:

- (a)** a material breach of the Agreement by the Supplier, in particular:
 - (i)** any defects in the Goods delivered or the Service provided,
 - (ii)** using a subcontractor to perform the Agreement without the prior consent of the ECI,
 - (iii)** assignment or encumber of any rights or obligations, whether in whole or in part, under the Agreement to any third party,
 - (iv)** failure to provide the documents required,
 - (v)** other Supplier's breach, threatened breach, or repudiation of any obligation, representation, warranty, covenant, or other term of the Agreement;
- (b)** in case stipulated in Clauses 6.1(e)(i), 14.7, 21.6;
- (c)** if the Supplier winds up its business, in particular enters into liquidation;
- (d)** if the Supplier becomes insolvent within the meaning of Article 11.1 or 11.2 of the Insolvency Law; or make a general assignment for the benefit of creditors, or if Supplier admits in writing its inability to pay its debts as they become due, or
- (e)** if the delay in performance any obligation under the Agreement by the Supplier exceeds thirty (30) days;
- (f)** if the Supplier enters or offers to enter into one or more transactions effecting a sale of a substantial portion of Supplier's assets or business or any merger, sales or exchange of equity interests that would result in a change of control of the Supplier.

In each case ECI may rescind the Agreement within 6 months from occurrence circumstances being basis for rescission.

17.2. ECI may also rescind (Polish: *odstąpić*) the Agreement in whole or in part for the following reasons:

- (a)** a change of circumstances making the performance of the Agreement not in the interest of ECI, which could not have been foreseen at the moment of entering into the Agreement, e.g. business decisions of ECI's customer; in such a case the ECI may rescind the Agreement within thirty (30) Business Days of becoming aware of such circumstances, but in any event not later than the day before the delivery date specified in the Agreement,

- (b) where a state of Force Majeure preventing the performance of the Agreement has lasted for an uninterrupted period of longer than two (2) months – within 1 month form lapse of above period.

17.3. Rescission under of the Agreement Clause 17.1 or 17.2 shall have the following effect at the option of the ECI (indicated in the rescission notice):

- (a) *ex tunc* – i.e. the Agreement shall be deemed not to have been entered into, or
- (b) *ex nunc* – i.e. the Agreement shall be rescinded to the extent that it has not been performed, and the Supplier shall transfer title and deliver to the ECI any satisfactorily completed Subject of the Agreement and Subject of the Agreement in process and all associated raw materials as the Supplier has specifically produced or specifically acquired for the performance of such part of the Agreement as has been rescinded, and the ECI shall pay proportionate part of the Price.

17.4. Rescission notice shall have immediate effect, unless otherwise stipulated therein.

18. CONFIDENTIALITY

18.1. Supplier is obliged to keep confidential the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, completed production parts or other technical or proprietary information furnished by the ECI ("**Proprietary Information**") and use such items only in the production of items under the Agreement and not otherwise unless ECI's written consent (under pain of nullity) is first obtained. Upon completion or expiry of the Agreement, or sooner if requested by the ECI, Supplier shall return all Proprietary Information to the ECI or make such other disposition thereof as may be directed or approved by the ECI.

18.2. "**Confidential Information**" shall mean Proprietary Information as well as any information:

- (a) regarding existence and the provisions of the Agreement and of any agreement entered into pursuant to the Agreement,
- (b) regarding the negotiations relating to the Agreement (and any such other agreements),
- (c) received as a result of entering into the Agreement in particular certain information, including but not limited to, product information, product designs, customer information, business processes, forecasts, samples, and financial information, whether disclosed in writing, orally, or in any other tangible or intangible form from a Party to another Party, which may or may not constitute enterprise secret in the meaning of the Act on the Suppression of Unfair Competition.

18.3. Subject to Clauses 18.4 each of the Parties shall treat as strictly confidential and not disclose or use any Confidential Information.

18.4. Clause 1.1 shall not prohibit disclosure or use of any information if and to the extent:

- (a) the disclosure or use is required by law, any governmental or regulatory body or
- (b) the disclosure or use is required for the purpose of any arbitral or judicial proceedings arising out of the Agreement;
- (c) the disclosure is made to a tax authority in connection with the tax affairs of the disclosing party;

provided that prior to disclosure or use of any information pursuant to above, the party concerned shall, where not prohibited by law, promptly notify the other party of such requirement with a view to providing the other party with the opportunity to consent to such disclosure or use or otherwise to agree the timing and content of such disclosure or use

- (d) the disclosure is made to a party to whom assignment is permitted under the Agreement on terms that such assignee undertakes to comply with the provisions of Clause 18 in respect of such information as if it were a party to the Agreement;
- (e) the disclosure is made to professional advisers of any party on a need to know basis and on terms that such professional advisers undertake to comply with the provisions of Clause 18 in respect of such information as if they were a party to this Agreement;
- (f) the information is or becomes publicly available other than by a breach of the Agreement;
- (g) the other Party has given prior written consent to the disclosure or use.

18.5. The confidentiality obligation stipulated herein shall in any case apply for the duration of the Agreement and 10 years after its expiry for any reason.

19. VERIFICATION.

The ECI has the right at any reasonable time and upon reasonable request to verify any data that the Supplier has submitted under the Agreement.

20. SURVIVAL

Supplier's obligations under Clause 11, 13, 14, 15.5, and 18. hereinabove shall not be deemed to be exclusive, and together with any service warranties and guarantees, if any, shall survive acceptance, of the Goods, payment therefore and/or expiry (Polish: *wygaśnięcie*) of the Agreement despite the reason.

21. COMPLIANCE

- 21.1.** Supplier is obliged to comply with all laws, rules and regulations that may be applicable to his operations related to the Agreement. In particular, the Supplier shall comply with all applicable laws, regulations, instructions and policies regarding trade and customs, including but not limited to ensuring the implementation of all necessary requirements for customs clearance, certificates of origin, import and export licences and exemptions from their application, as well as the submission of appropriate documents with the relevant government authorities.
- 21.2.** The Supplier shall ensure that none of the Subject of the Agreement, nor the materials, parts, components or technology contained therein, originate from any state or region subject to an embargo maintained by the European Union or government of a member state of the European Union or the OECD.
- 21.3.** The Supplier shall ensure that Supplier, its Affiliates, their ultimate beneficial owners or key personnel of any of the above is not a person subject to any legal, economic or financial sanctions imposed by the European Union or a government of a member state of the European Union or the OECD, including, in particular, being on any sanctions list maintained by above entities.
- 21.4.** The Supplier agrees to comply with all international trade regulations arising from its contractual obligation and provide ECI, through its appointed customs specialist, all documentation required for country of origin validation of goods, object and subject of this transaction, including (but not limited to): Statement of Origin, NAFTA (North American Free Trade Agreement) Certificate of Origin current and valid, and/or Manufacturer's Affidavit; as applicable, either in case of requirement from ECI or any of its subsidiaries, or when such documentation is required by customs authorities.
- 21.5.** The Supplier agrees to comply with all international trade regulations arising from its contractual obligation and provide ECI, through its International Trade Compliance specialist, documentation for validation of participation on the CTPAT or AEO programs, Supply Chain Security Assessment Survey, or a statement of minimum supply chain security criteria compliance from a company authorized officer, as applicable.
- 21.6.** Any Supplier's breach of the obligations contained in this Clause 21 shall constitute a material breach of the Agreement which shall entitle the ECI to terminate (Polish: *wypowiedzieć*) or rescind (Polish: *odstąpić*) any Agreement entered into with the Supplier and without prejudice to any other rights and remedies under these PTC or applicable law. In any event, ECI may exercise its right to terminate or rescind within 6 months of becoming aware of the breach by the Supplier of this Clause 21.

22. NO WAIVER OF TERMS AND CONDITIONS.

22.1. The failure of the ECI in any one or more instances to insist upon performance of any terms or conditions of the Agreement, or to exercise any right arising from the Agreement shall not be construed as thereafter waiving any rights by the ECI and the same such rights shall continue and remain in force and effect as if no failure or waiver had occurred.

22.2. ECI's rights and remedies under the Agreement are cumulative and do not preclude the exercise of other rights and remedies under the Agreement or applicable law.

23. NOTICES.

23.1. Unless otherwise stipulated in the Agreement including these PTC, any notice required or permitted herein shall be in writing under pain of nullity and sent to the other Party at such Party's address indicated in the Agreement or to such other address as such Party shall designate by notice and shall be sent by certified mail or by overnight courier.

23.2. Any correspondence sent in accordance with point 23.1 above shall be deemed to have been received: (i) upon actual delivery to the addressee or (ii) upon the expiry of 14 days after the first unsuccessful attempt of delivery by post or courier.

24. GOVERNING LAW

These PTC and any Agreement shall be governed by and interpreted in accordance with the laws of the Republic of Poland excluding the conflict of laws rules and excluding the United Nations Convention on Contracts for the on the International Sale of Goods.

25. ARBITRATION.

Any disputes arising out of or related to this agreement shall be finally settled under the Arbitration Rules of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw in force on the date of commencement of the proceeding by an arbitrator or arbitrators appointed in accordance with the said Rules.

26. ENTIRE AGREEMENT.

The sole and exclusive provisions of the Agreement are these PTC and the Order, which shall control over any conflicting provisions in Supplier's documents or otherwise. Such Agreement and these PTC can be modified by the Parties only by understanding in writing under pain of nullity. Such Agreement constitutes the entire agreement between ECI and Supplier with respect to the Subject of the Agreement.

27. SEVERABILITY



If any provision of the Agreement or these PTC shall be or become invalid, ineffective or unenforceable in whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be affected. Any such invalid, ineffective or unenforceable provision shall, to the extent permitted by law, be replaced by the ECI with a valid and enforceable provision whose intention and purpose in economic terms is most similar to the invalid, ineffective or unenforceable provision in question.