

# GENERAL SALES CONDITIONS FOR CONTRACTUAL MANUFACTURING BY LUMI TEAM SP. Z O.O.

## 1. General Provisions

- 1.1. General Sales Conditions define the rules of concluding Sales Agreements for contractual manufacturing provided by Lumi Team Sp. z o. o. with its registered office in Kamienica Polska and constitute a model agreement within the meaning of Article 384 of the Civil Code.
- 1.2. GSC shall apply to all transactions of the Sales of contractual manufacturing organized by the Seller.
- 1.3. The provisions of the General Sales Agreement may only be amended by an appropriate provisions included in the Sales Contract. In such a case, Agreement provisions shall prevail over GSC provisions.
- 1.4. GSC constitute an integral part of all Sales Agreements for contractual manufacturing concluded with the Seller and define mutual relations between Seller and Buyer.
- 1.5. General Sales Conditions are published by the Seller on the website [www.lumiteam.eu](http://www.lumiteam.eu) and [www.outsourceyourproduction.com](http://www.outsourceyourproduction.com), which is tantamount to making them available to the Buyer before concluding a contract. The Buyer has the option to copy / download the GCS from the Seller's website, store and restore them.
- 1.6. By placing the Order, the Buyer accepts the provisions of GSC in an implicit manner.
- 1.7. Any correspondence addressed to the Seller shall be sent to the address: Lumi Team Sp. z o.o., Wanaty, ul. Warszawska 2E, 42-260 Kamienica Polska, Poland.
- 1.8. The terms used herein shall have the following meaning:
  - 1.8.1 **Seller** – LUMI TEAM Sp. z o.o. with its registered office at Wanaty, ul. Warszawska 2E, 42-260, Wanaty, Kamienica Polska, entered in the Register of Entrepreneurs maintained by the District Court in Częstochowa, 17th Economic Division of the National Court Register, under KRS no. 0000779424, NIP (TIN): 573-291-05-20, REGON: 382965000;
  - 1.8.2 **Buyer** – a natural or legal person with full legal capacity, conducting business activity and having tax identification number (NIP) or its equivalent in the country where the registered office was located, who wants to purchase Products or Services from the Seller;
  - 1.8.3 **Party / Parties** - Seller or Buyer and acting jointly;
  - 1.8.4 **Sales Agreement** - an agreement ( including any quotation or acknowledgement) concluded between the Seller and the Buyer for the delivery of Products on the basis of these GSC, constituting an integral part thereof;
  - 1.8.5 **Goods** – all or any part of the goods, work, equipment and services to be provided by the Seller under the Sales Agreement;
  - 1.8.6 **In writing** - written form, signed by the Party to the Sales Agreement or persons authorized by the Party to communicate, also in the form of Internet communication, including electronic mail;
  - 1.8.7 **Quotation** - a written quotation, estimate or price given by the Seller to the Buyer in respect of specified Goods or Services;
  - 1.8.8 **Order** - a written document enabling the Buyer to place an order for Products from the Seller;
  - 1.8.9 **Gross negligence** - means any act or omission indicating: a) a lack of due diligence, including foreseeable serious consequences, b) wilful disregard of the consequences of such act or omission;
  - 1.8.10 **GSC** - General Sales Conditions

## 2. Contract Terms

- 2.1. All quotations and offers are made subject to these Conditions. The Buyer shall be deemed to have accepted the Sales Agreement, including these Terms and Conditions, upon communication of its purchase order number to the Seller via telephone, electronic communication or other means, sending its purchase order to the Seller via electronic communication, mail or other means, or performing any other act that indicates acceptance.
- 2.2. Sales Agreement becomes binding for both Parties at the moment of confirming acceptance of the Order by the Seller in writing. Seller shall then be obliged to complete the Order, while the Buyer will be obliged to pay for the ordered Products.
- 2.3. An order placed by the Buyer constitutes an offer within meaning of Article 66 of the Civil Code and the Buyer is bound by placed Order and cannot cancel it after confirming acceptance of the Order by the Seller.
- 2.4. Seller reserves the right to confirm the Order placed by the Buyer via e-mail without the need to sign the Sales Agreement. In such a case, all terms and conditions of the order shall be specified in the Seller's electronic correspondence.
- 2.5. Seller shall confirm accepting the Order or refuse to accept the Order within no more than 5 working days from the date of receiving the Order. After expiry of the period referred to in the previous sentence, the Order shall be deemed rejected (not accepted) by the Seller
- 2.6. Possibility of implied acceptance of the Order by the Seller, referred to in Article 682 of the Civil Code, shall be excluded. If confirmation of accepting the Order by the Seller differs from the content of the Order placed by the Buyer, conclusion of the Sales Agreement shall take place on the terms offered by the Seller, if the Buyer does not object in writing within 5 working days from the date of receiving this confirmation at the latest.

- 2.7. Amendment of the agreement conditions or separate oral agreements shall be valid at the moment of confirmation by e-mail or in writing by the Seller and shall apply only to the specific commercial transaction.
- 2.8. If nature of the Order is non-standard, Buyer shall be solely liable for the accuracy of any Order specifications provided to Seller on the basis of which the Products were ordered. Buyer shall also be liable for providing the Seller with all necessary information concerning the Product immediately after placing the Order.
- 2.9. Change or cancellation of the Order confirmed by the Seller shall be possible only after obtaining the consent of the Seller. In the event of cancellation of the Order, the Buyer shall be liable for damages regarding any costs, losses or expenses incurred by the Seller as a result of the above cancellation.
- 2.10. Buyer shall be responsible for providing all information concerning the correct execution of the Order, in particular concerning: quantity, range of products, colours, technical conditions of the ordered goods, as well as the Buyer's exact name, address and place of delivery. If the Order does not include necessary information, the Seller shall request the Buyer to complete it and it may not be deemed as a confirmation referred to in item 2.6. Only the complete Order shall result in effects referred to in item 2.3.

### **3. Order**

- 3.1. All orders are subject to acceptance and approval by Seller's sales department.
- 3.2. All orders must show definite prices, delivery dates, exact quantities, product name and description, and when acknowledged by Seller in writing, are considered full commitments.
- 3.3. All variations to an order requested by Buyer shall be in writing and must be accepted by the Seller. The price shall be agreed prior to performance of any additional work by Seller. If Seller agrees to make any variations in accordance with this condition, then any dates quoted for delivery or completion shall be up-dated appropriately.

### **4. Price**

- 4.1. All prices quoted are subject to change, without notice, at any time prior to Buyer's Acceptance. In the event that: (i) the cost of raw materials and/or components increases due to unanticipated circumstances or otherwise and/or (ii) a vendor raises its prices or imposes a surcharge on Seller, Seller reserves the right to increase prices and/or surcharge Buyer, and Buyer agrees to accept such price increase or surcharge until the term of such price increase or surcharge ends or until the termination of the Sales Agreement. Such prices and surcharges may be adjusted by the Seller to reflect a change in underlying costs.
- 4.2. If there is a delay in completion of shipment of any order due to any change requested by Buyer or as a result of any delay on Buyer's part in furnishing information required for completion of the order, the price agreed upon at the time of Acceptance is subject to change. Unless otherwise agreed in writing by the parties, prices are Ex Works and exclusive of all taxes – State or Local (including, without limitation, sales, use, excise, manufacturing, receipts, gross income, occupation, value-added and similar taxes). There will be added to the quoted price any sales or other tax or duty Seller may be required to collect or pay upon the sale of Goods quoted. If such amount is not included in the invoice for the Goods, it may be invoiced separately later.

### **5. Terms of Payment**

- 5.1. Unless otherwise agreed in writing by the parties, all invoices are payable within fourteen (14) calendar days from the invoice date. Where Goods are delivered by instalments, Seller may invoice each partial delivery separately and Buyer shall pay such invoices in accordance herewith.
- 5.2. If there is first transaction between Buyer and Seller without sales history, the Seller may decide to cooperate on the basis of a prepayment.
- 5.3. If the Buyer fails to meet the payment terms, the Seller shall have the right to charge statutory interest for late payment of commercial payments and to charge recovery costs in the amount specified in the Act of 8 March 2013 on the prevention of excessive delays in commercial transactions up to the date of payment.
- 5.4. No dispute arising under the Sales Agreement nor delays beyond the reasonable control of Seller shall interfere with Buyer's prompt payment in full of any invoice. Time and terms of payment are essential hereto, and if any default therein be made by Buyer, or if the financial responsibility of Buyer shall at any time become impaired or unsatisfactory to Seller, Seller will have the right to terminate without notice or to defer or discontinue further shipments hereunder until past due payments are settled or satisfactory assurance of Buyer's financial responsibility is received by Seller (without prejudice, however, to any claims or rights which Seller may have hereunder). Such right will continue irrespective of any prior failure on the part of Seller to exercise such right.
- 5.5. Buyer shall not be entitled to withhold any payments or make any deduction without the written consent of the Seller.
- 5.6. The goods delivered to the Buyer remain the property of the Seller until the Buyer has paid the entire sales price.
- 5.7. If the Buyer is in arrears with payment for the goods, the Buyer is obliged, at the Seller's request, to immediately and unconditionally return the delivered goods to the Seller in full. The receipt of the goods by the Seller does not - unless the Parties have agreed otherwise - result in the Seller withdrawing from the concluded contract, but only constitutes security for the Buyer's fulfillment of its obligations towards the Seller. The costs of delivering (returning) the Product to the Seller are borne by the Buyer.
- 5.8. In the event of a delay in payment of the price, the Seller has the right to suspend the shipment of the Product in any case, and will not accept or fulfill further orders until the arrears are settled by the Buyer, and after a prior request for

payment, he also has the right to withdraw from the Sales Agreement due to fault of the Buyer. In the event of withdrawal from the Sales Agreement, the Buyer will be charged with all costs incurred by the Seller in connection with the implementation of the Sales Agreement, including the costs of purchasing non-standard components, administrative costs, costs of storing the Products or returning them to the manufacturer.

- 5.9. Failure to make payment within 30 days after the due date will result in the case being brought to court and a complete suspension of further deliveries, and will also result in reporting the Buyer to the National Debt Register.

## **6. Shipment and delivery**

- 6.1. Unless otherwise agreed in writing by the parties, all Goods will be shipped on Ex Works PL42-260 Wanaty basis and Buyer undertakes all other shipping regulatory responsibilities of transporting goods from the Seller's point of origin, whether Seller prepays freight or not. Seller reserves the right to prepay the freight and invoice Buyer for costs of transport and packaging costs.
- 6.2. If Buyer does not specify a carrier, then Seller shall select the method of transportation.
- 6.3. All shipping dates are estimates and Seller shall not be responsible for any delays whatsoever. The date of delivery shall in every case be dependent upon prompt receipt of all necessary information, final instructions or approvals from Buyer.
- 6.4. Seller will endeavour to comply with reasonable requests of Buyer to postpone delivery, but shall be under no obligation to do so. Where delivery is postponed other than due to default of Seller, or in the case of Buyer's refusal or inability to accept any shipment in accordance with the terms of any order, Buyer shall be liable for freight, express, storage, extra cost of handling and all other applicable expenses incurred by Seller as a result of such postponement, refusal or inability.

## **7. Inspection**

- 7.1. All Goods which have been altered or damaged are not returnable except with Seller's prior written consent.
- 7.2. Immediately after receiving the Product, the Buyer is obliged to examine it in terms of quantity and quality and immediately report all defects and shortcomings not later than within 3 calendar days under pain of losing rights due to quantitative and qualitative deviations. Failure to provide the Seller with information about the above-mentioned shortcomings shall not release the Buyer from the obligation to pay the full price for the Product.
- 7.3. The Buyer's acceptance of the Goods without examination or failure to raise objections immediately after examination of the Goods shall be deemed to be an acknowledgement of proper delivery.
- 7.4. Before accepting or rejecting a claim, Seller shall have the opportunity to inspect at Buyer's facility or in Seller's own facility. Defects that do not affect the quality of service do not constitute grounds for rejection. Seller shall have the right to repair or replace Products that, in Seller's opinion, do not conform to the order within a reasonable time.
- 7.5. No claim will be allowed for any Goods damaged by Buyer or damaged in transit.
- 7.6. Expenses incurred in connection with claims for which Seller is not liable, will be charged to Buyer.
- 7.7. Seller will not be responsible for any work done to correct errors unless such work is authorized by the written consent of Seller.

## **8. Tooling**

- 8.1. Any equipment (including all jigs, dies, tools, fixtures and moulds) which Seller constructs and manufactures for use in the production of materials for Buyer shall be and remain Seller's property and in Seller's possession and control.
- 8.2. Tooling (including all jigs, dies, tools, fixtures and moulds) required for the manufacture of Buyer's designs to be quoted separately and charged separately to Buyer remains Buyer's property. Charges will be invoiced upon the order.
- 8.3. Seller will use commercially reasonable efforts to handle and store carefully while in its possession any materials or equipment owned or furnished by Buyer, but Seller shall not be liable for damage or loss thereof. In the event of damage to or loss of Buyer's equipment, Seller shall immediately notify Buyer and take possible action to resume production. When for two (2) consecutive years no orders have been received requiring the use of any equipment or materials referred to in this paragraph, the Seller shall return them to the Buyer at the Buyer's expense, provided written notice is submitted thirty (30) calendar days in advance.
- 8.4. In case the tooling (patterns, moulds, templates, machining or inspection equipment) is provided by the Buyer, it must bear obligatory marking to identify clearly the material/equipment. Assembly references or usage references of the material/equipment must be supplied free of charge to the Seller.

## **9. Limited Warranty and Limitation of Liability**

- 9.1. The Seller warrants that the Goods will be free from defects in material and workmanship. Seller's limited warranty excludes damage or defect caused by: improper use; failure to resist corrosion or erosion from any corrosive agent or fluid, or due to deposits of foreign material; modifications not executed by Seller; improper installation or operation; improper maintenance, neglect, misuse, accident, defects or failures arising out of, in any way related to, or as a result, either direct or indirect, of the Buyer's failure to properly advise the Seller of all standard and special operating conditions, known to the Buyer, when the Seller is manufacturing the Product for a specific operation; or normal wear and tear under normal usage.
- 9.2. The Seller makes no other warranty with respect to the goods delivered hereunder and expressly disclaims all other warranties, express or implied, including warranties of merchantability and of fitness for a particular purpose, arising by operation of law or otherwise.

- 9.3. If nonconformity is discovered, the defective Goods must be delivered to Seller's factory, along with evidence that the Goods have been properly installed, maintained and operated in accordance with Seller's instructions.
- 9.4. If the Seller determines that any returned Goods are defective (exhibit defects in material or workmanship), then the Seller shall, at its option and expense, repair them or supply replacement Products.
- 9.5. Seller must be notified in writing of any defect in the Goods within ten (10) calendar days after discovery and the defective Goods must be delivered within the warranty period specified above, prepaid, to Seller's factory, with evidence that the Goods have been properly installed, maintained and operated in accordance with Seller's instructions. If the Seller determines that any returned Goods are not in conformity with the warranty settings forth herein, then Seller shall, at its sole option and expense, either repair the same or supply replacement Goods.
- 9.6. The remedies of Buyer set forth herein are exclusive, and the total liability of Seller hereunder, whether based on Sales Agreement, warranty, negligence, indemnity, strict liability or otherwise, and shall not exceed the purchase price of the Goods giving rise to any such claim for liability.
- 9.7. In no event shall Seller or its suppliers be liable to Buyer, any successors in interest, or any beneficiary of this Sales Agreement for consequential, indirect, incidental, or special damages or losses, or for any secondary charges or administrative or punitive damages, fines, penalties, fees, expenses and other charges, arising out of the Sales Agreement or any breach thereof, whether based upon loss of use, loss of production, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of other goods, loss by reason of shutdown or non-operation, increased expenses of operation or claims of customers of buyer for service interruption, or any other type of economic loss or damage, whether or not such loss or damage is based on Sales Agreement, warranty, negligence, indemnity, strict liability or otherwise.

## **10. Third Party Rights**

- 10.1. Buyer shall bind subsequent buyers or lessees of the Goods to the terms of the Sales Agreement such that said third parties shall have no further rights against Seller than does Buyer.
- 10.2. Buyer agrees to notify third parties of this provision and makes this a condition of any Sales Agreement concerning the Goods. In the event Seller is subject to any claims, losses, damages or expenses (including attorneys' fees) as a result of Buyer's failure to comply with this paragraph, Buyer shall indemnify and hold harmless Seller from all such claims, losses, damages or expenses (including attorneys' fees).

## **11. Proprietary information and Confidentiality**

- 11.1. All drawings, models, documents, confidential records, software and other information supplied by Seller are supplied on the express understanding that all copyright and design rights are reserved to Seller and that Buyer will not, without the written consent of Seller, either give away, loan, exhibit, or sell such drawings, models, documents, confidential records, computer software or other information or extracts therefrom or copies thereof or use them in any way except in connection with the Goods in respect of which they are issued.
- 11.2. Buyer shall consider all information furnished by Seller, which was not previously publicly disclosed by Seller, to be confidential and shall not copy nor disclose any such information to any other person, nor use any such information for commercial purposes, nor make copies of such information without written permission from Seller.
- 11.3. Buyer shall not disclose any information relating to any order without Seller's written permission. Unless otherwise agreed in writing by the parties, no commercial, financial or technical information disclosed in any manner or at any time by Buyer to Seller shall be deemed secret or confidential and Buyer shall have no rights against Seller with respect thereto.
- 11.4. In the event of disclosure of Proprietary and Confidential Information contrary to the provisions of GSC, the party that has made the disclosure shall pay the other party a contractual penalty of EUR 10,000.00 net for each instance of disclosure. This shall not limit the right of the Seller to seek additional compensation.

## **12. Documentation**

- 12.1. Seller reserves the ownership rights and copyrights to illustrations, drawings, calculations, designs, manuals and other documents and designs sent independently of the Buyer's company.
- 12.2. Preparing the Product documentation by the Seller and sending it to the Buyer does not mean that the Seller transfers ownership rights and copyrights to such documents, unless the Parties sign a separate agreement which shall specify the conditions for the transfer of such rights in writing.
- 12.3. Copying, reproduction or making documentation available to third parties without the consent given in writing by the Seller is prohibited under threat of civil liability for incurred damage.
- 12.4. Any Buyer's violation of the aforementioned provisions related to copyright shall be associated with the obligation to pay the Seller a contractual penalty of 10'000 EUR. Contractual penalty does not preclude the Seller from claiming compensation for damage and lost profits for copyright infringement on general terms.

## **13. Termination/Cancellation**

- 13.1. Cancellation of orders once placed with or accepted by Seller can be made only with Seller's consent. Should Buyer, due to good cause, desire to affect the cancellation of an accepted order, Seller will accept such cancellation on the following basis:

- a. For all made-to-order Goods: Buyer shall pay the purchase price in full for all items completed and ready for delivery; Buyer shall pay a percentage of the purchase price on such items as shall not be completed, equivalent to the percentage of completion; and Buyer shall pay in full the cost of all raw materials, consumable materials, manufacturing dies, tools, patterns and fixtures, labour, administrative costs acquired exclusively for the order, and will take ownership and possession of all such items and will be responsible for labour or other documenting expenses incurred in connection therewith.
- b. For all made-to-stock Goods: Buyer shall pay (i) all costs and expenses of placing the cancelled Goods in a saleable condition (restocking charge), (ii) any outgoing and incoming freight charges incurred by Seller in connection with the delivery and return of such Goods, if applicable, and (iii) all reasonable and necessary expenses incurred by Seller directly incident to the order up to the date of cancellation.

**13.2.** Invoices covering said costs shall be due and payable immediately upon Seller's acceptance of Order cancellation.

#### **14. Force Majeure**

**14.1.** Seller shall not be liable for failure to deliver or delays in delivery or production caused by causes beyond the reasonable control of Seller including, but not limited to: pandemics, strikes, labour slowdowns, lockdowns, fires, floods, riots, thefts, accidents, embargoes, import or export limitations, war or other outbreak of hostilities, terrorist activity, sabotage, riots, insurrection, civil disobedience or disturbance, fortuitous events, acts of the public enemy, unusually severe weather conditions, inability to obtain shipping space, machinery breakdowns, carriers delay, interruptions or failures of transportation, utilities, computers or communications, delay in obtaining or inability to obtain sufficient labour, materials, supplies or services, and any action taken by law or regulation of any government, quasi-governmental or supranational body or agency.

**14.2.** In the event of any such delay, (1) the time for performance shall be extended accordingly, (2) Seller and Buyer shall take appropriate steps to up-date the timetable set out in the Sales Agreement. If the Force Majeure event results in Sales Agreement termination, Buyer shall reimburse Seller for the applicable costs set forth in Section 13 above.

#### **15. Final Provisions**

**15.1.** Any disputes arising from the performance of agreements bound by General Sales Conditions shall be resolved in amicable manner. Should the Parties fail to resolve any disputes hereunder amicably, disputes shall be settled by the Common Court having jurisdiction over the Seller's registered office and will be governed exclusively by Polish law. However, the Seller reserves the right to appeal against the Buyer in the court having jurisdiction over the Buyer's registered office.

#### **16. Compliance with Laws**

**16.1.** Buyer agrees to comply with all applicable federal, state, local and foreign laws, statutes, ordinances, regulations, rules or orders or other requirements of any governmental, regulatory or administrative agency or authority or court or other tribunal to which Buyer may be subject as a result of the activities contemplated by these Terms and Conditions.

#### **17. Printers, Stenographic and Clerical Errors**

**17.1.** Seller is not responsible for printers' errors made in any of its publications and other forms of printed matter, or for any stenographic and clerical errors. All such errors are subject to correction.