

CRIST S.A. GENERAL TERMS AND CONDITIONS OF PURCHASE

§ 1. DEFINITIONS

The following terms used in the text of these General Terms and Conditions of Purchase, hereinafter referred to as 'GTCP', shall mean:

- a) Shipyard - CRIST S.A. with its registered office in Poland, 81-336 Gdynia at 3 Czechoslowacka St.,
- b) Supplier – an entrepreneur being a party to a contract concluded with the Shipyard,
- c) subcontractor – an entrepreneur who fully or partly carries out the production process or service and/or delivers a product or its part produced by the Supplier or service provided by the Supplier for the benefit of the Shipyard,
- d) order – an order placed by the Shipyard for items, rights, deliveries, works and subject of other contract,
- e) subject of the contract or order – items, rights, deliveries, works, and/or other commitments arising from contracts concluded between the Supplier and the Shipyard,
- f) framework contract – a contract which governs conclusion of a particular number or a larger number of contracts between the Shipyard and the Supplier on terms established in the framework contract,
- g) contract value – an amount of the cash benefit which shall be settled by the Shipyard on the basis of the contract concluded with the Supplier,
- h) acceptance test – a test preceding receipt of the subject of the contract by the Shipyard which shall serve to confirm the compliance of the subject of the contract with the contract, as well as its usefulness for the purpose specified in the contract. The way to conduct the acceptance test shall be agreed upon by the parties each time for the subject of the contract which the conduct of an acceptance test refers to.

§ 2. SCOPE AND APPLICABILITY

1. Conclusion and performance of a contract between the Supplier and the Shipyard shall base exclusively on the GTCP.
2. Deviations from application of the GTCP by the Supplier shall be admitted only upon written consent of the Shipyard.
3. The consent of the Shipyard to modify and/or exclude particular provisions of the GTCP in a particular case shall only refer to that contract and shall not be tantamount to waiver of the right of the Shipyard to apply these provisions in the future towards the Supplier.
4.
 - 4.1. The GTCP shall prevail over general contract terms and other similar provisions used by the Supplier in case of any discrepancies between them.
 - 4.2. Application of the general contract terms of the Supplier or some of their provisions may take place only upon written consent of the Shipyard.
 - 4.3. Lack of objection of the Shipyard towards the general contract terms of the Supplier shall not exclude the priority of application of the GTCP.
5. The GTCP shall be applied to each contract performed in accordance with the framework contract concluded between the Supplier and the Shipyard with no need to stipulate their application each time.

§ 3. OBLIGATIONS OF THE SUPPLIER

1. The Supplier shall notify the Shipyard without delay about every obstacle endangering and/or making impossible a timely performance of the contract. Such notification shall name the reason and estimated time of delay.
2. The Supplier undertakes to deliver or perform the subject of the contract in a way corresponding with the description and/or specification stipulated in the contract.
3. The Supplier shall obtain a written consent of the Shipyard to engage a subcontractor or subcontractors in the completion of the contract.
4. The Supplier shall document upon request of the Shipyard, at a date specified by the Shipyard, the country of origin and the manufacturer of the subject of the contract as well as materials and devices used for its completion.
5. 5.1. Where the Supplier performs works fully or partly on the premises in possession of or owned by the Shipyard, the Supplier

shall observe the rules of conduct binding on the premises in possession of or owned by the Shipyard, in particular 'Code of Good Conduct in CRIST S.A. in the field of employment and respect for the rights of employees' and 'Code of Ethics and Good Conduct in Business' available for download at www.crist.com.pl. By signing the order the Supplier declares that he has read the aforementioned regulations and undertakes to apply them.

5.2. The rules of conduct binding on the premises in possession of or owned by the Shipyard, as set forth in § 3 section 5.1. of hereby GTCP, shall also bind the subcontractors of the Supplier.

§ 4. OFFER AND CONTRACT CONCLUSION

1. The Shipyard's requests for quotation are not binding.
2. Request for quotation, offer, order confirmation shall be places in writing, by fax or e-mail.
3. Lack of answer of the Shipyard to the offer of the Supplier shall not be considered tantamount to its tacit acceptance, even if the Shipyard and the Supplier maintain permanent business relations.
4.
 - 4.1. Acceptance of the offer by the Shipyard with stipulations of its change or amendment shall not constitute a new offer unless the proposal of change or amendment significantly modifies the terms of the original offer.
 - 4.2. The terms of the offer shall be deemed to have been changes significantly if the change and/or amendment contained in the accepted offer regards in particular the price, payment conditions, quality of the subject of the contract, place and time of completion of the contract, scope of liability of one party towards the other and manner of dispute resolution.
5. The prices in the offer may be quoted in Polish zloty or other foreign currency agreed upon by the parties. The equivalent of a foreign currency in Polish zloty shall be determined on the basis of an average exchange rate of the National Bank of Poland of the day the offer was submitted.
6.
 - 6.1. The Supplier is obliged to confirm the order by signing it and sending it back to the Shipyard within two working days from its receipt, according to the Shipyard's choice – in writing, by fax or e-mail.
 - 6.2. The order confirmation shall be tantamount to the consent of the Supplier to apply the GTCP to the contract concluded with the Shipyard and all other activities preceding and related to its conclusion.
 - 6.3. In case of lack of order confirmation within the time frame specified in § 4 section 6.1 of the GTCP, the Supplier shall obtain a written consent of the Shipyard that the order he submitted is still binding.
7. Enclosures to the order shall constitute an integral part of the contract.
8. The contract shall be deemed to have been concluded at the registered office of the Shipyard.

§ 5. PERFORMANCE OF THE CONTRACT

1. The contract shall be deemed to have been performer if the subject of the contract fully conforms with the agreement of the parties upon quality, properties, quantity, description and/or specification in the contract and the deadline for its delivery and/or performance reserved in the contract is met.
2. The cost of delivery and/or performance of the subject of the contract shall be borne by the Supplier.
3.
 - 3.1. In cases justified by applicable law or the specificity of the subject of the contract, the Supplier upon request of the Shipyard shall submit, within a date specified by the Shipyard, certificates and/or attestations which confirm the conformity of the subject of the contract with the contract.
 - 3.2. In the case that the Supplier fails to perform its obligation specified in § 5 section 3.1. of the GTCP the Shipyard may, at its choice, refuse to accept the subject of the contract. Send it back to the Supplier at his expense as well as withdraw from the contract within 14 days from the expiry of the date determined according to § 5 section 3.1. of the GTCP.
4. In the case that it is found that the subject of the contract is not in compliance with the contract, the Shipyard is entitled to refuse its receipt and demand delivery in accordance with the contract or to withdraw from the contract.
5. 5.1. In the event that the subject of the contract shall undergo acceptance test, all related costs shall be borne by the Supplier.

5.2. The Supplier shall inform the Shipyard about the time and place of performance of acceptance test at least two weeks before the planned test.

§ 6. PAYMENTS

1. Prices quoted in an order and accepted by the Shipyard are binding. Its increase requires written consent of the Shipyard.
2. In the event of concluding a specific task contract, the Supplier shall be entitled to a flat-rate remuneration, unless the parties agree otherwise in the text of the contract.
3. Payment of the advance payment by the Shipyard, or even the entire price/remuneration shall not be tantamount of the acceptance of price/remuneration and/or other terms of the contract.
4. Payments shall be made by transfer to the account indicated by the Supplier.
5. The moment of payment to the Supplier is considered to be the moment when the Shipyard's account is debited.
6. The Shipyard shall make the payment within the time limit specified in the contract, after the contract was properly performed by the Supplier without any reservations or after the details have been agreed with the Supplier regarding the recognition of claims arising from improper performance of the contract or defects in the subject of the contract. The payment due date is extended accordingly if the Supplier needs to issue a corrective invoice.
7. In the event of non-performance or improper performance of the contract by the Supplier or defects of the subject of the contract, the Shipyard may withhold the payment of all or the remaining part of the payment until the Supplier satisfies or secures the claims of the Shipyard.

§ 7. DELIVERY AND PERFORMANCE OF THE SUBJECT OF THE CONTRACT

1. Terms of delivery and/or performance of the subject of the contract agreed by the parties are binding.
2. The method of delivering the subject of the contract will be agreed by the parties in the contract/order. Unless the parties agree otherwise, the cost of delivering the subject of the contract shall be borne by the Supplier.
3. The delivery or performance of the subject of the contract shall be executed in a place determined by the Shipyard.
4.
 - 4.1. The subject of the contract shall be properly labeled and secured for the transport.
 - 4.2. The Supplier shall be held liable for any damages resulting from improper securing of the subject of the contract for the transport. In such case the Shipyard is entitled, at its choice, to refuse to accept the subject of the contract, demand that the defect is removed within a specified time period, deliver a new subject of the contract as well as withdraw from the contract within 14 days from the delivery date. The costs related to the execution of the above mentioned claims shall be borne by the Supplier.
5. The Supplier is to provide the Shipyard with a set of documents relating to the subject of the contract at the latest upon acceptance hand-over or earlier, or attach it to the shipment.
6. The Shipyard may refuse to accept the subject of the contract if its assignment to a particular order is impossible or considerably hindered due to the lack of or deficiency in the documentation. The costs arising in such situation shall be borne by the Supplier.
7. The Shipyard may refuse to accept the subject of the contract after the deadline specified in the contract, if the performance after that date would be meaningless for the Shipyard due to the nature of obligation and/or the intended purpose of the contract, and withdraw from the contract within 14 days from the date on which the delivery was to take place.
8. The Shipyard reserves the right to charge liquidated damages in the amount of 1% of the gross contract value for each day of delay in the event of failure by the Supplier to perform the contract on time. The total amount of the liquidated damages shall not exceed 20% of the gross contract value.

§ 8. PASSING OF THE RISK

The Supplier shall bear the risk of accidental loss or damage to the subject of the contract until it is accepted by the Shipyard.

§ 9. SECURITY

1. Where an advance payment or payment in installments is made by the Shipyard, the Shipyard may require the Supplier to secure the payment in the form of an unconditional bank guarantee, insurance guarantee, letter of credit, surety.
2. If it is justified by the value of the subject of the contract and the parties in the contract did not agree otherwise, the Supplier is obliged to submit upon the Shipyard's request, within the time limit set by the Shipyard, security of claims under the warranty and/or guarantee in the form of an unconditional bank guarantee, insurance guarantee, letter of credit, sureties, etc. The Shipyard is entitled, at its option, to withhold a part of the payment on these claims in the amount of 10% of the gross contract value for the duration of the warranty and/or guarantee, whichever is later.
3. In the case that the Supplier fails to submit a security within the time limit in the situations defined in § 9 section 1 and 2 of the GTCP, the Shipyard may withhold the performance of the contract or withdraw from it within 14 days from the expiry of the deadline for submission of the security set by the Shipyard in accordance with § 9 section 1 and 2 of the GTCP.

§ 10. INSURANCE

1. The Supplier undertakes to conclude a third party liability insurance contract in the scope of its business activity. The Supplier will remain insured throughout the whole time period of cooperation with the Shipyard. The Shipyard may require the Supplier to submit the original or a copy of this insurance policy together with detailed terms and conditions of the insurance.
2. Unless the parties agree otherwise, the Supplier shall insure the subject of the contract against theft, fire and other random events, including transportation for the time period preceding its acceptance by the Shipyard, and at his own expense.

§ 11. FORCE MAJEURE

1. The parties shall not be held liable for non-performance or delay in performance of their obligations under the contract if they are caused by an extraordinary event beyond the control of either party and which is not due to the fault or neglect of either of them, in particular events such as flood, fire, earthquake, typhoon, hostilities, terrorism, epidemic, riots, transport embargo.
2. The party which experienced obstacles in the performance of the contract due to an event described in § 11 section 1 of the GTCP shall inform the other party about it without delay.
3. In the event that, as a result of force majeure, the performance of the contract becomes impossible or pointless for the Shipyard, the Shipyard may withdraw from the contract, at its own discretion, in whole or in part in which it has not yet been performed, with effect on the day of the Supplier's submission with declaration about withdrawal.

§ 12. LIABILITY OF THE SUPPLIER

1. The Shipyard, at its choice, is entitled to exercise its rights arising from warranty and guarantee under hereby GTCP. Exercise of one type of rights does not exclude the Shipyard from exercising the others.
2. The Supplier is obliged to remove defects which are revealed after expiry of the warranty and/or guarantee period, resulting from reasons inherent in the subject of the contract at the time of its acceptance.
3. The Shipyard shall inform the Supplier in writing, by fax or e-mail of any defects found in the subject of the contract within 24 hours from their discovery.
4.
 - 4.1. If the subject of the contract is defective, the Shipyard may demand, at its own discretion, that the Supplier removes the defect at his own expense and if that is not possible, replaces the defective subject of the contract with a defect-free one.
 - 4.2. In the event that the Supplier does not fulfill their obligation specified in § 12 section 4.1 of the GTCP, the Shipyard may set an additional deadline for the Supplier to rectify the defect. Provided that the Supplier fails to meet the additional deadline, the Shipyard may entrust the performance of the obligation specified in § 12 section 4.1 of the GTCP to a third party at the expense and risk of the Supplier or withdraw from the contract within 14 days from the expiry of additional deadline set in accordance with § 12 section 4.2 of the GTCP.

- 4.3. The deadlines set for the Supplier pursuant to § 12 section 4.1 and 4.2 of the GTCP may be extended only with the consent of the Shipyard.
5. The Shipyard shall be entitled to liquidated damages for each day of delay of the Supplier in performance of any of claims to which the Shipyard is entitled in connection with the defects of the subject of the contract in the amount of 1% of the gross contract value for each day of delay but no more than 20% of the gross contract value.
 6. The Shipyard may also demand a reduction of the price/remuneration of the Supplier proportionally to the impact of the defect in the subject of the contract on its value and functionality.
 7.
 - 7.1. Unless the parties agree otherwise, the Supplier shall provide the Shipyard with a contract performance quality warranty for a period of at least 24 months.
 - 7.2. The warranty period runs from the date of acceptance of the subject of the contract by the Shipyard.
 - 7.3. The warranty period shall be prolonged by the time when the Shipyard exercises its rights under the guarantee.
 8. The Supplier shall be held liable for damages suffered by the Shipyard and/or its client resulting from non-delivery or non-performance of the subject of the contract on time if this led to a delay in production, as well as for damages suffered by the Shipyard and/or its client in connection with the commenced production for which a defective subject of the contract delivered or performed by the Supplier was used.
 9. The Supplier shall be responsible for conformity of the subject of the contract with quality standards and binding provisions of law.
 10.
 - 10.1. The Supplier affirms that the rights of third parties will not be violated as a result of the conclusion and/or performance of the contract with the Shipyard.
 - 10.2. The Supplier shall indemnify the Shipyard from any liability for violation of third party rights in the event of their reporting to the Shipyard and shall cover the related costs and losses incurred by the Shipyard.
 - 10.3. In the event of arising claims against the Shipyard by third parties, until the dispute is resolved also in court, the Supplier will provide the Shipyard with the possibility of further use of the goods and/or exercising the right being the subject of the contract in a way which shall not violate the rights of third party, and if it is not possible, the Supplier will reimburse the Shipyard for the contract price paid. The subject of the contract shall be returned by the Shipyard at the Supplier's expense.
 11. The Supplier shall be liable towards the Shipyard.
 12. The Shipyard will also be entitled to claim compensation in the event of exercising its contractual right to withdraw from the contract concluded with the Supplier. This right shall not exclude the right of the Shipyard to claim liquidated damages.
 13. The Shipyard may, in any case stipulated in hereby GTCP and/or the contract, claim compensation from the Supplier in an amount exceeding liquidated damages determined in the GTCP and/or the contract if the damage suffered by the Shipyard exceeds the amount of the liquidated damages to which it is entitled.

§ 13. BUSINESS SECRET

1. The Parties shall keep a business secret within the meaning of Art. 11 section 4 of the Act of April 16, 1993 on Combating Unfair Competition, all information about the other party and documents provided in the process of concluding and performing the contract.
2. The Supplier shall be liable towards the Shipyard for keeping the business secret by subcontractors.
3. The obligation to keep business secret shall also continue after the performance of the contract.

§ 14. COPYRIGHTS AND INDUSTRIAL PROPERTY RIGHTS

1.
 - 1.1 The Shipyard retains all rights in relation to the designs and other documents made available to the Supplier in the course of or in connection with the performance of the contract. These documents are subject to return immediately after termination of a given legal relationship or each time at the request of the Shipyard.
 - 1.2. The Supplier may not use the above stipulated documents for any purpose other than the performance of the contract with the Shipyard or make them available to third parties without written consent of the Shipyard.

2. The Supplier bears all the costs of obtaining copyrights and license fees necessary for the proper performance of the contract concluded with the Shipyard.
3.
 - 3.1. The Supplier, at the choice of the Shipyard, will transfer to the Shipyard the copyrights arising in connection with the performance of the contract concluded with the Shipyard necessary to use the subject of the contract and/or will provide, at the Shipyard's request, a license to use the work for the period specified by the Shipyard.
 - 3.2. The Shipyard will be entitled to transfer the acquired copyrights to third parties
 - 3.3. The Supplier will provide the Shipyard with access to updates necessary to use the work for the duration of the license and the possibility of transferring the license along with the right to download updates on the terms applicable to the Shipyard to third parties.
4. The Supplier will provide the Shipyard with complete documentation related to the copyrights and/or licenses obtained by the Shipyard at the latest upon the transfer of copyrights and/or licenses.
5. The Supplier's breach of any of the provisions of § 14 of the GTCP entitles the Shipyard to withdraw from the contract within 14 days from the date of finding the breach.

§ 15. MISCELLANEOUS PROVISIONS

1. Disputes arising from the contract concluded between the Shipyard and the Supplier will be settled by common courts in Gdańsk, Poland.
2.
 - 2.1. The Supplier may not assign its rights under the contract with the Shipyard without the written consent of the Shipyard.
 - 2.2. The Shipyard may withdraw from the contract within 14 days of the assignment of rights by the Supplier without the consent of the Shipyard.
3. In the event of invalidity or ineffectiveness of any of the provisions of the GTCP, the remaining provisions shall remain in force.
4. The Supplier may withdraw from the contract with the Supplier within one month from the date it acquired knowledge on the submission of an application to declare bankruptcy of the Supplier.
5. The Supplier is not entitled to set off its accounts receivable with the accounts receivable of the Shipyard.
6. The Supplier is not entitled to transfer accounts receivable entitled to him from the Shipyard to third parties without the prior written consent of the Shipyard.
7. Whenever the GTCP require the Shipyard's consent in the written form, this form shall be deemed as reserved or otherwise null and void.
8. The Supplier shall inform the Shipyard of any change in its address, telephone or fax number and e-mail address. In the absence of information about the change, any letters and/or information sent by the Shipyard to the current address, telephone or fax number, e-mail address will be deemed effectively delivered to the Supplier.
9. Hereby GTCP have the following attachments:
 - Instruction – Provisions of OHS for external Suppliers fhjskfn
 - Code of Ethics and Good Conduct in Business at CRIST S.A. Group
 - Procedure – Verification of Subcontractors prior to commencing and during cooperation with CRIST S.A.,
 - Procedure – Penalty Regulations,
 - Procedure on Non-discrimination in CRIST S.A.

available for download at www.crist.com.pl. By signing the order/contract the Supplier declares that he has read the aforementioned regulations and undertakes to apply them.