

§1
General Provisions

1. These General Terms of Purchase (hereinafter: **GTP**) shall apply to all purchases of production and non-production goods (hereinafter: the **Goods**), made by AKS Precision Ball Polska Sp. z o. o. (hereinafter: **AKS**), from its regular or one-off contractors (hereinafter: the **Supplier**).
2. In relations with any given Supplier, these GTP shall apply to all purchases of Goods made by AKS following the delivery of these GTP to the Supplier. These GTP supersede any other agreements relating to the terms of purchase or supply between AKS and the Supplier, and they exclude any contractual models or templates used by the Supplier.
3. The application of the United Nations Convention on Contracts for the International Sale of Goods in relations with the Supplier is excluded.
4. All of the Supplier's actions must be in compliance with the applicable NSK Code of Corporate Ethics, as adopted by AKS.

§2
Purchase Order and Offer

1. AKS shall purchase goods on the basis of a contract to be entered into between AKS and the Supplier (hereinafter: the **Contract**).
2. The Contract shall be entered into when a person acting for AKS places a purchase order (hereinafter: the **Purchase Order**), and that purchase order is accepted by the Supplier. The acceptance of a purchase order shall be understood to mean the provision of information to AKS about order acceptance in writing or in an electronic format, e.g. by sending back the purchase order form; email notification provided to AKS; or commencement of purchase order fulfilment. Any Purchase Order may be preceded by an offer from the Supplier to AKS.
3. Subject to paragraphs 5-7 below, the Contract shall encompass the Purchase Order and these GTP. In the event of any conflicts or discrepancies between the Purchase Order and the GTP, the Contract shall, as far as the conflicting provisions are concerned, encompass the provisions of the Purchase Order as structured by AKS.
4. Purchase Orders shall contain the essential elements of the Contract, including but not limited to:
 - a) type and quantity of Goods;
 - b) technical specification (i.e. identification of Goods, among other things, in terms of their quality, technical or technological requirements, or intended use), if the nature or intended use of the Goods so requires. The technical specification may be defined by referring to a specific part of the Supplier's offer;
 - c) date of delivery of the Goods;
 - d) price of the Goods (unit price and price for the Purchase Order).
5. In the event that the technical specification is not defined in the Purchase Order sufficiently enough to enable the proper performance of the Contract, the Parties shall, at the Supplier's request, define the technical specification in writing or by email, on pain of nullity.
6. The Supplier shall have the obligation to evaluate (immediately upon receipt of the Purchase Order), whether the technical specification included in the Purchase Order or provided otherwise enables the proper performance of the Contract, and make a notification, if any, to AKS that it is necessary to define the technical specification in accordance with paragraph 5 above.
7. If the Parties define the technical specification in accordance with paragraphs 5 and 6 above, the Contract shall, with respect to the technical specification, also encompass the Parties' agreements in that respect.
8. Purchase Orders shall be placed by AKS in any form whatsoever, including in writing or by email. Any acceptance, rejection, change or cancellation of a Purchase Order, and any modification of the Contract or the method of its performance, shall be either in the form in which the Purchase Order was placed or in writing.
9. Purchase Orders shall be accepted by authorised individuals acting for and on behalf of the Supplier. AKS reserves the right to request the Supplier at any time to produce the relevant documents evidencing the right to represent the Supplier.
10. AKS shall be bound by the Purchase Order placed with the Supplier for 3 working days of the placement thereof.
11. No response from the Supplier within the time limit referred to above shall be deemed as acceptance of the Purchase Order. AKS reserves the right to cancel its Purchase Order within 7 days of its placement, unless it is explicitly stated in the Purchase Order or in the confirmation

- received from the Supplier that the Supplier shall commence the fulfilment of the Purchase Order earlier.
12. Purchase Orders may only be accepted by the Supplier without any reservations. The Supplier's acceptance of a Purchase Order subject to any changes or additions shall be regarded as a rejection of the Purchase Order and submission of an offer from the Supplier to AKS to enter into a Contract on terms and conditions specified in the amended or supplemented Purchase Order. If there is no response from AKS regarding the acceptance or rejection of the offer submitted by the Supplier, the Supplier's offer shall be deemed as rejected.
 13. The application of Article 68² of the Polish Civil Code (implied acceptance of offer) is excluded.

§3

Contract Performance

1. By entering into the Contract, the Supplier transfers the ownership of Goods to AKS and undertakes to perform the Contract in accordance with the content thereof (encompassing in particular the Purchase Order, these GTP and the technical specification, if defined by the Parties), and in accordance with AKS's instructions and guidelines.
2. The Supplier shall deliver the Goods to AKS in accordance with the Contract, in a condition fit for their intended purpose, complete (including the required component parts, user manuals, spare parts, approvals, certificates, manufacturer's warranties, etc.), and compliant with the relevant requirements of the generally applicable laws (in particular those relating to the approval of Goods for use), the Contract and these GTP. Partial deliveries of Goods shall only be allowed, if the Parties have so agreed.
3. The Supplier shall have an obligation to ensure that the Goods are packed in a manner preventing their damage or loss and compliant with the Contract and these GTP or, if there are no provisions in the Contract or GTP relating to such type of Goods, in a manner that is customary for Goods of that type.
4. The Goods shall be delivered within the time limit specified in the Contract.
5. The Goods shall be delivered by the Supplier to AKS's premises, to the place designated by AKS for unloading of Goods, in a manner compliant with internal procedures applicable at AKS's premises and with AKS's guidelines relating to the unloading of Goods, unless other terms and conditions of transportation or unloading of Goods have been defined in the Purchase Order.
6. Any work to be performed by the Supplier at AKS premises must be carried out in accordance with the "18 Steps" procedure put in place by AKS. This procedure will be provided to the Supplier by the AKS's contact person.
7. If any Goods are delivered before the agreed delivery date or in a quantity larger than agreed, AKS shall have no obligation to accept such Goods, nor shall it be liable for their accidental loss or destruction. The Supplier shall reimburse AKS for any costs incurred by AKS in connection with such delivery.
8. Any quantities of Goods other than explicitly stated in the Purchase Order, especially those referred to as forecasts or estimates, shall be non-binding and shall not give rise to any obligation or liability for AKS.
9. The delivery of Goods shall take place when the Goods are accepted by AKS. The acceptance of Goods shall be confirmed by an employee of AKS in writing.
10. AKS shall have the right to refuse to accept any goods which have not been ordered or are in any way inconsistent with the purchase order, or any goods, the packaging of which indicates that the goods may have been damaged or that there might be any quantity shortages.
11. The Contract shall be performed when AKS acknowledges its performance, which shall take place once the Goods are commissioned as per their intended use or implemented in AKS's operations, or at another time indicated by AKS.
12. The acknowledgement of Contract performance or acceptance of Goods by AKS shall not be deemed to constitute recognition that the Contract has been performed properly, nor shall it constitute waiver by AKS of any claims relating thereto.
13. If it is impossible to perform the Contract in accordance with its content (and in particular within the time limit specified therein), the Supplier shall be obliged to notify AKS of that fact immediately, not later than within 1 day of becoming aware thereof. Such notification shall not release the Supplier from its liability for the proper and timely performance of the Contract.
14. Each of the Parties shall be obliged to immediately notify the other Party of all important circumstances or events relating to the performance of the Contract, including in particular those relating to risks that exist or may arise in connection with the performance thereof.
15. If the Supplier violates any provisions of the NSK Code of Corporate Ethics referred to in §1(4) hereof, AKS shall be entitled to withdraw from the Contract with an immediate effect.

**§4
Payment Terms**

1. The price of the Goods specified in the Contract is a final lump-sum price, and it includes in particular all amounts due for the proper performance of the Contract by the Supplier, including those resulting from the transfer of intellectual property rights to AKS; proper packaging of the Goods; and all other activities or costs required to properly perform the Contract. The price of the Goods shall also be inclusive of all transportation costs and any other costs, such as taxes, customs duties, any handling fees and all formalities (unless the Contract provides otherwise). The price shall be increased by the goods and services tax (VAT).
2. The Supplier undertakes to make out and deliver VAT invoices in accordance with the requirements arising from the generally applicable laws or the Contract.
3. VAT invoices must show the AKS's Purchase Order number and the type of the Goods ordered.
4. If the Supplier ensures that VAT invoices are issued in an electronic format in accordance with the requirements prescribed by law, AKS may give its consent for invoices to be issued and sent by the Supplier in that format.
5. If no payment terms are defined, AKS shall pay the amount owing to the Supplier, as shown on a VAT invoice, within 45 days of delivery of the VAT invoice to be issued after the date of final acceptance of the Goods ended with AKS's full approval of Contract performance.
6. VAT invoices shall be payable by bank transfer into the account shown on a VAT invoice or provided in the Contract, within the time limits referred to in this Clause to be calculated from the date of delivery of a proper VAT invoice.
7. The day of payment shall be deemed by the Parties to be the day that AKS's bank account is debited.
8. In the event of payments denominated in currencies other than PLN, the Parties shall apply the exchange rate announced by the National Bank of Poland on the day preceding the day of payment.
9. AKS shall have no obligation to pay any amounts due arising from improper VAT invoices. The time limit for payment shall then run from the date that the proper VAT invoice, or correction note, is delivered to AKS.
10. The Supplier shall have no right of set-off against any amounts owing by AKS without a prior consent of AKS which shall only be valid if it is given in writing.

**§5
Defective Goods**

1. The Goods to be delivered under Contracts shall be free from any physical or legal defects.
2. The requirements relating to the quality of Goods are contained in the technical specification of Goods, or in designs, models or other technical specifications provided by AKS to the Supplier in connection with Purchase Orders.
3. Any Goods that are incomplete, fail to conform to the Contract or Supplier's warranties, are encumbered with third-party rights, or have a defect which reduces their value or usability for the purpose defined in the Contract or resulting from the intended use of the Goods are considered as defective goods. (hereinafter: **Defective Goods**).
4. The Supplier shall be liable for Defective Goods for 24 months following the date of performance of the Contract under which AKS has purchased the Goods (warranty period). As part of this liability, the Supplier shall be obliged to replace any Defective Goods with the Goods that are free from any defects or, if AKS considers the defects to be insignificant, to repair the Goods (warranty services), on the understanding in each case that if it is required, the Supplier shall, at its own cost, collect the Defective Goods from AKS and then re-deliver and re-install them at AKS's premises. AKS reserves the right to request a longer warranty period than that referred to in sentence 1 above.
5. If any Defective Goods are found during the warranty period, AKS shall notify the Supplier thereof within 14 days.
6. The Supplier shall be obliged to inspect the Defective Goods immediately, not later however than within 3 days of receipt of the notification referred to in paragraph 5 above. AKS and the Supplier shall, within 3 days, jointly agree upon a time limit for the performance of warranty services, in particular bearing in mind the extent and type of defects and the Goods affected. If no time limit is agreed jointly, AKS shall unilaterally set the relevant time limit, notifying the Supplier thereof.

7. If warranty services are not performed within the time limit set, then, at AKS's option:
 - a) the Supplier shall be obliged to refund the price received for the Defective Goods, while at the same being obligated to collect the Defective Goods within 14 days, or
 - b) AKS shall have the right to have the warranty services performed at the Supplier's cost and risk.
8. Warranty services shall be performed as part of the price paid for the Goods. The Supplier shall have no financial claims against AKS in that respect.

§6 Liability

1. The Supplier shall be liable for the proper performance of the Contract.
2. AKS shall have the right to charge contractual penalty for each consecutive day of delay in the proper performance of the Contract past the time limits set therein (in particular past the Goods' delivery dates), or for each consecutive day when the Goods, or any parts thereof, are excluded from use due to the defect found, in the amount equivalent to 1% of the gross price of all Goods covered by the Contract, but not exceeding in total the amount equivalent to 10% of the gross price of all Goods covered by the Contract.
3. When pursuing its claims based on the Supplier's liability, AKS shall in particular have the right to withhold payment of the price or set off its own claims against it.
4. Irrespective of the foregoing terms of liability, the Supplier shall indemnify and hold harmless AKS from and against any third-party claims relating to the Contract or the Goods. The Supplier shall also indemnify and hold harmless AKS from and against any claims by AKS's contractors relating to improper performance by AKS of its obligations caused by the improper performance of the Contract. The Supplier shall be obliged in particular to pay compensation directly to the third party which lodged its claims against AKS, and to join court proceedings and reimburse the costs that AKS has incurred as a result of, or in connection with, the lodging of such claims (including compensation, if any, paid by AKS to the third party).
5. No provisions of these GTP shall exclude or limit any rights that AKS may have under the generally applicable laws (including those under statutory warranty for defects in the Goods), or under any additional quality warranty provided by the Supplier.
6. The stipulation of contractual penalties in the Contract or in these GTP shall not exclude the possibility for AKS to claim compensation in excess of the value thereof.

§7 Force Majeure

1. Neither Party shall be liable for any damage suffered by the other Party as a result of Force Majeure events, including in particular strikes (except for strikes taking place at the Party's premises), riots, fires, floods, armed conflicts that prevent the fulfilment of obligations arising under the Contract (hereinafter: **Force Majeure Events**). Each Force Majeure Event must be notified to the other Party without delay.
2. The Parties shall be obliged to take all relevant measures to minimise the consequences of Force Majeure Events.
3. If a Force Majeure Event which prevents one of the Parties from performing the Contract lasts longer than 30 calendar days, the other Party shall have the right to withdraw, with an immediate effect, from the Contract to which that event relates, either in full or in such part, in which the Contract has not yet been performed.
4. The Parties acknowledge and confirm that the COVID-19 pandemic does not constitute a Force Majeure Event.

§8 Insurance

1. AKS may obligate the Supplier to hold insurance against burglary, fire and other similar risks, with such insurance to also cover any documentation or property stored at the Supplier's premises which is owned by AKS or which is to be delivered to AKS (including the Goods), with the sum guaranteed as defined in the Purchase Order.
2. AKS shall have the right to obligate the Supplier to hold third-party liability insurance covering liability for damage caused by the Supplier, its employees, associates or subcontractors, in

particular in the case of Defective Goods or another improper performance of the Contract. The sum guaranteed shall be defined in the Purchase Order.

3. At AKS's request, the Supplier shall be obliged to make documents evidencing the fulfilment of insurance-related obligations available to AKS for review.

§9

Intellectual Property Rights

1. If the proper performance of the Contract requires preparation of a design, study or any other work which gives rise to intellectual property rights, the Supplier, by entering into the Contract, undertakes to notify AKS thereof and, irrespective of whether or not it has provided such notification, transfer to AKS, under a separate agreement to be executed in writing on pain of nullity, all such rights (including author's economic rights), or cause them to be transferred by third parties within the scope to be identified by AKS, in particular that which is required for AKS to use the Goods in accordance with their purpose specified in the Contract (or resulting from the intended use of the thing), in these GTP or in other detailed technical specifications. Author's economic rights shall be transferred in all known fields of exploitation, including but not limited to the following fields of exploitation:
 - a) Fixation and reproduction of the work in full or in part;
 - b) Using the work to perform goods production services based thereon as part of AKS's operations;
 - c) Translation, adaptation, rearrangement or any other modification of the work;
 - d) Loading the work onto the computer or uploading it on IT networks, including the Internet;
 - e) Using the work during public shows;
 - f) Making modifications of the work independently or through a third party;
 - g) Using the work in the future.
2. On entering into the agreement referred to in paragraph 1 above, AKS shall also be entitled to identify fields of exploitation other than those specified above.
3. The Parties agree that the agreement referred to in paragraph 1 above shall be entered into without any additional fee. The Supplier warrants that neither the Goods supplied nor the use thereof shall infringe any third-party intellectual property rights. Should the Goods infringe third-party intellectual property rights, the Supplier shall, irrespective of any liability for damage, be obliged to replace such Goods with their equivalents which do not infringe any third-party rights or obtain all consents required for such Goods to be used by AKS.

§10

Confidential Information

1. The Parties undertake to keep secret and, without the other Party's written consent, not to provide, disclose or use any information obtained from the placing of Purchase Orders or conclusion of the Contract and its performance, including in particular any trade secrets or secrets relating to the business of the other Party, any customers related thereto or other entities related by equity or organisational structure with the Party, the content of Purchase Orders, Supplier's Offers or contracts fixed or saved in any form whatsoever on any media (hereinafter: **Confidential Information**).
2. The Supplier may only use Confidential Information to the extent required to properly perform the Contract and, at AKS's request, shall be obliged to immediately return all media containing Confidential Information, including any copies thereof.
3. The obligation for AKS to keep Confidential Information secret shall not apply to such Confidential Information that AKS is obligated to provide to its related entities forming part of AKS's group of companies as part of AKS's reporting obligations stemming from its membership of that group.
4. In the event that the Supplier violates any of the obligations referred to in this Clause, the Supplier shall pay AKS a contractual penalty of PLN 20,000.00 for each violation. Moreover, AKS shall have the right to withdraw from the Contract (in full or in part) to which the violation relates with an immediate effect.
5. The rights and obligations referred to in this Clause shall be unlimited in time and shall survive the termination of the Parties' cooperation.

§11
Health and Safety Requirements

1. Under the Contract, the Supplier undertakes to comply with the laws and regulations, technical standards and other provisions in force at the time of Contract conclusion. If the Supplier has its registered office outside of the Republic of Poland, the Supplier should meet the requirements of the Labour Code and the general health and safety regulations applicable in its state.
2. If the Goods covered by the Contract include a machine or device, they should be accompanied by the EC Declaration of Conformity issued by the Supplier, as required by law, and have the CE mark affixed to them.
3. The Goods should be accompanied by a user manual in Polish (in the case of machines and devices in accordance with the requirements of the applicable Machinery Directive).
4. The Supplier shall be obliged to rectify immediately and free of charge any faults found, or objections raised upon delivery of the Goods by the State Labour Inspectorate, Technical Supervision Office, Health and Safety Specialists or Environmental Protection Specialists.
5. Any work carried out at AKS's premises must be performed based on the '18 Steps' procedure. This procedure will be provided to the Supplier by the AKS's contact person.

§12
Environmental Protection Requirements

1. The Supplier represents that:
 - a) It applies the principle of basic waste separation,
 - b) Its operations do not pose any threats to the environment,
 - c) It uses, as far as possible, returnable packaging,
 - d) It undertakes actions aimed at improving the environmental protection system to reduce the risk of environmental accidents,
 - e) It is aware of AKS's expectations as to the implementation of an effective environmental management system by holding an ISO 14001 or ISO 45001 certificate.
2. Any Goods, the improper use of which might pose a threat to the environment must be accompanied by instructions as to the method of their use and handling in view of the environmental protection requirements.
3. The Supplier shall have the obligation to fit any Goods in which environmental protection cannot be structurally ensured with the relevant reduction devices or devices which protect the environment.

§13
Final Provisions

1. Contracts with Suppliers for the delivery of Goods shall be governed exclusively by the Polish law.
2. Should one or more provisions of the Contracts or these GTP be or become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions.
3. In the event of any doubts as to the interpretation, the Polish language version of these GTP shall prevail.
4. The Supplier may use the AKS's logo and/or include references to its business relations with AKS in the Supplier's commercial information and/or documents and/or advertising materials only upon an explicit consent of AKS which shall only be valid if it is given in writing. AKS's consent may be revoked.
5. The Parties shall endeavour to resolve any disputes that may arise in relation to the performance of provisions of these GTP (or the Contract) amicably through negotiations.
6. The competent court for the settlement of any disputes arising from the application of these GTP or the Contract which are not resolved between the Parties shall be the Polish common court having jurisdiction over the registered office of AKS.