

Baltic Spares Service Sp. z o.o.
General Terms of Sale and Delivery
Version 1.0
Applicable from 01.01.2013

1. General Provisions

- 1.1. The following General Terms of Sales and Delivery ("GTSD") shall apply to sale and purchase agreements concluded between the seller - Baltic Spares Service Sp. z o.o. ("**Supplier**") and buyers of Products ("**Buyers**"), irrespectively whether expressly referred to the GTSD in a specific Contract or not.
- 1.2. These GTSD shall apply unless and to the extent the Parties did not expressly stipulated otherwise in relation to the specific Contract.
- 1.3. The rules specified in these GTSD shall not apply to the contracts concluded by the Supplier with consumers (in the meaning of Article 22. of Polish Civil Code). Should the Buyer be a consumer it shall report this fact to the Supplier before the entry into binding Contract.
- 1.4. No Buyer's general terms and conditions of sale shall become part of the Contract, irrespective of whether the Buyer refers to them and irrespective of the time of receipt of such Buyer's terms by the Supplier.

2. Conclusion of Contract

- 2.1. Conclusion of Contract requires Buyer's unconditional acceptance of Supplier's offer. Any amendment of Supplier's offer or conditioned acceptance shall be considered as Buyer's offer and shall be always subject to express Supplier's acceptance.
- 2.2. Placing the order without any reservations and amendments will be considered as a full and unconditional acceptance of Supplier's offer incl. the terms and conditions specified herein and will lead to a valid Contract.
- 2.3. Suppliers offer may be amended or revoked at any time, before conclusion of the Contract.

3. Subject of the Delivery

- 3.1. The subject of the delivery ("**Product**") shall be exclusively determined in Supplier's offer.

4. Remuneration and Terms of Payment

- 4.1. All prices quoted by the Supplier are net values. Applicable VAT may be added.
- 4.2. The Supplier's prices are based on the cost structure (consisting e.g. of the product price, transportation, wages, salaries, taxes, customs duties and other duties) actual at the time of conclusion of the Contract. If the cost structure changes after the conclusion of the Contract by at least 10%, the price in question shall be adjusted respectively.
- 4.3. Invoices issued by the Supplier are payable within 30 days from the date of the issuance by a wire transfer to the Supplier's bank account indicated on the invoice. Supplier shall not cover any bank costs related to the payment.
- 4.4. Shall the Buyer delay the payment, the Supplier may charge a default interest at a statutory rate in accordance to Polish laws.
- 4.5. The Buyer shall not be entitled to withhold any payments due to the Supplier.
- 4.6. The Buyer shall not be entitled to offset any claims against sums due to the Supplier unless such claims have been finally legally ascertained or have been expressly accepted by the Supplier in writing.
- 4.7. Supplier shall be entitled to issue invoices without Buyer's representative signature.

5. Delivery

- 5.1. The Supplier shall deliver the Products on the basis of FCA Gdańsk, in accordance with Incoterms 2010.
- 5.2. Delivery CPT or CIP (Incoterms 2010) shall apply if expressly agreed in the Contract.
- 5.3. Refusal to accept the delivered Product shall not relieve the Buyer from the payment obligation.

5.4. The delivery periods shall be suspended for the time the Supplier has not received all documents and/or information required for the proper performance of the Contract as well as for the time the Buyer fails to fulfill its obligations to cooperate.

5.5. The Buyer shall be responsible for the compliance with and the application of all relevant trade and payments regulations (such as import licenses, exchange transfer etc.) and any other applicable law outside Poland.

6. Industrial Property Rights

6.1. The Supplier shall retain the industrial property rights and copyrights with regard to all documents, especially illustrations, design drawings, calculations and templates and all pieces of information on these documents or made available to the Buyer in any other manner. Even if a supply or service is based on the Buyer's specification or the Buyer contributes to it in any other manner, the rights of use shall be attributed fully and exclusively to the Supplier. Such documents may only be available to third parties with the Supplier's express, prior and written consent and shall be returned to the Supplier, should the order in question not be placed with the Supplier.

6.2. Except for a publicly known information or information that was rightfully obtained from third parties, the Buyer shall keep confidential any of the Supplier's business information and know-how that has been disclosed to the Buyer or has otherwise come to his knowledge, also after termination of the business relationship.

7. Warranties

7.1. Any manufacturer's warranty claims related to the supplied Products shall be handled by the Supplier only. Buyer shall report such claims to the Supplier.

7.2. Supplier's statutory warranty ("rekojmia") is hereby explicitly excluded.

7.3. Supplier does not provide any warranty or representations for any abilities and possible uses not expressly presented in writing.

7.4. The liability under warranty shall require as a precondition the professional installation and operation in accordance with the operating instructions, security instructions or data sheet as well as the appropriate use of the Product.

7.5. If the Supplier has to perform the warranty, it shall at first, at its option, either replace or repair the Product concerned within reasonable time. Replaced Products shall become the Supplier's property and shall be returned to him.

8. Notice of Defects

8.1. The Buyer shall inspect all Products delivered immediately upon delivery for identity, quantity or quality deviations. Notice of any defects shall be given in writing within 30 (thirty) days after the receipt of the Product in the final destination as specified in the Contract. However, notice of any hidden defects shall be given in writing immediately after the discovery of the deviations, but not later than (thirty) days after the discovery. Should notice of defects not be given in due time, the Product shall be deemed finally accepted by the Buyer and Buyer shall be deemed to waive its warranty claims.

8.2. In the event of partial or successive deliveries, any defects in individual deliveries shall be notified separately.

8.3. From the time of detection of the deficiency, any sale, treatment or processing of the Product without the Supplier's written consent is forbidden, otherwise all claims shall be void.

8.4. Defects of the Product in order to give cause for a claims, shall require more than just a minor deviations from the contractual quality or fitness for usage, according to one's best judgment, which result from the circumstances antecedent to the passing of risk, as there are in particular faulty design, materials or workmanship.

8.5. If the Buyer does not return the part concerned with notice of defects to the Supplier at his own cost and risk, the Supplier shall be entitled to verify the alleged contract infringements on site. The Buyer shall cooperate in the verification and removal of the defects to the extent such cooperation may be reasonably expected from him and shall in particular give relevant information. If after verification the Supplier does not accept the defects notified, the Buyer shall indemnify the Supplier for all costs connected with the verification.

8.6. Only in urgent cases of danger to the operating safety, if disproportionately high damages need to be avoided or if the Supplier should be delayed with remedying the defect, the Buyer may, if he gives the Supplier an advance notice of such circumstances and such intention without delay, remedy the defect himself or have it remedied by third party.

9. Liability

9.1. The Supplier's liability towards the Buyer shall be limited to the cases of intentional or grossly negligent actions or omissions.

9.2. The Supplier shall not be liable towards the Buyer for any consequential damages, financial losses, especially loss of profit, and third party liquidated damages imposed on the the Buyer.

9.3. The limitation shall not be applicable to personal injuries.

10. Retention of title

10.1. Ownership of the Products delivered, consisting of title in and right of disposal of, shall remain with the Supplier until the execution of full payment of all Buyer's open accounts within the framework of the business relationship with the Supplier.

10.2. In the event of a default in payment by the Buyer, the Supplier shall be entitled to request the Product to be returned and to terminate the contract. The request for the Product to be returned shall only be deemed a termination of the contract if so expressly stated by the Supplier in writing.

11. Force Majeure

Neither Supplier nor the Buyer shall be liable for damages or otherwise for any failure or delay in performance of any obligation other than those to make payment, where such failure or delay is caused by force majeure being any event, occurrence or circumstances reasonably beyond the control of that party, including without prejudice to the generality of the foregoing, failure or delay caused by or resulting from acts of God, strikes, floods, wars (declared or undeclared), riots destruction of the material, delay of carriers due to breakdown or adverse weather, road blockades. The time for Supplier to make or Buyer to receive the delivery hereunder shall be extended during any of the such causes, up to the total of 60 (sixty) days. After this period of time, either party may terminate the contract with respect to the affected delivery upon written notice delivered to the other party.

12. Supplier's Right of Termination

12.1. If the Buyer fails to fulfill any essential obligations resulting from the contract, including but not limited to the payment of the purchase price, or fails to fulfill the cooperative actions required from the Buyer to enable the Supplier to properly perform the Contract, the Supplier shall be entitled to terminate the Contract upon expiry of the reasonable grace period (in any case, not exceeding two weeks period) given to the Buyer for remedy.

12.2. If after concluding the contract, it becomes evident that the payment claim of the Supplier is jeopardized because the Buyer lacks the appropriate means of performance, especially due to his poor financial situation, the Supplier may refuse to provide the service and fix a reasonable time limit for the Buyer to provide securities. If the Buyer declines it or the time limit expires without avail, the Supplier shall be entitled to terminate the contract and claim damages.

13. Severability Clause

Should any provisions of these GTSD or any other term within the framework of other contracts between the Parties be or become invalid, the validity of all other provisions and contracts remain unaffected. The Parties shall agree to replace such invalid provisions or terms by a valid one reflecting the originally intended economic aim as closely as possible.

14. Place of Performance, Jurisdiction and Venue, Applicable Law

14.1. Contractual place of performance regarding all and any deliveries shall be the Supplier's registered seat in Gdańsk, Poland.

14.2. The exclusive legal venue for all and any disputes arising from or in connection with the performance of the contract, including its conclusion and validity, shall be the court of the general jurisdiction appropriate for the Supplier's registered office. The Supplier shall be entitled, though, at its discretion to bring legal actions against the Buyer at the courts having jurisdiction over the Buyer under the laws applicable at the seat of the Buyer.

14.3. The contract shall be subject to the Polish law. United Nations Convention on Contracts for the International Sale of Goods shall not apply.