

GENERAL TERMS OF ORDER
for operations performed in a mining plant

1. Introductory provisions.

- 1.1. The hereby General Terms of Order constitute an integral part of the Order no dated as of presented to a Contracting Party by ZGH "Bolesław" S.A. in Bukowno.
- 1.2. The Contracting Party by accepting the Order agrees to apply to the hereby General Terms and Conditions.
- 1.3. The subject of the Order has been defined in the content of the Order and/or in the appendix to the Order.
- 1.4. The integral part of the Order consists of:
 - main document of Order
 - hereby General Terms of Order
 - appendix to the Order (defining the order's details)
- 1.5. If there is a conflict between the General Terms of Order and the content of Order, the Order shall prevail. It is agreed that the document of Order and the appendix defining the order's details are equally legally valid and shall be jointly interpreted.
- 1.6. Unless the Order requires otherwise, the Contracting Party is obligated to provide all the materials, workforce, tools and equipment, necessary for the execution of the Order.
- 1.7. While executing the Order, the Contracting Party shall use only those sub-contractors that have been accepted by the Ordering Party.

2. Due dates

- 2.1. The due dates are determined in the Order.
- 2.2. The Contracting Party is entitled to ask for a change of the due dates in the following cases:
 - a) break in works performance due to the fault of the Ordering Party fault – by the time of break
 - b) implementation of additional works if they influence the due date of the basic works
 - c) depending on the type of works, when unfavorable weather conditions or unforeseen worsening of mining and geological conditions prevent the execution of works – by the number of days confirmed by the Ordering Party.

3. Fees and settlements.

- 3.1. The fee shall be fixed and unchangeable in the period of execution of the Order unless the scope of the Order is changed.
- 3.2. If the Order allows partial acceptance of works, the settlement will be carried out on the partial-monthly invoicing basis, proportionally to works executed in a given month, after signing the protocol of a partial acceptance without reservations by the Ordering Party. The final invoice will be issued after signing the final protocol without reservations by the Ordering Party.
- 3.3. If the Order does not allow partial acceptance of works, the total amount of the fee will be paid after the final acceptance without reservations.
- 3.4. The Parties agree that the value of works under the partial acceptances will be determined as a percentage share of a given work in the total scope of works. If the Ordering Party approves the cost estimates, the value of the partial works will be determined on the basis of those estimates. The value of the final acceptance will constitute no less than 10% of the agreed fee. Partial acceptances of works exceeding 90% of the value of Order do not entitle to require a payment of more than 90% of the Order value.
- 3.5. The amount due from the invoices will be paid by a bank transfer from the Ordering Party account to the Contracting Party account indicated on the invoice.

3.6. Unless otherwise indicated, the invoices due date shall not exceed 30 days from the date of receipt of the invoice by the Ordering Party. The date of Ordering Party's account debiting shall constitute a date of payment.

3.7. In case the Ordering Party fails to pay the fee in the due date, the Contracting Party shall be entitled to charge default interest at the statutory rate.

4. Works acceptance.

4.1. If the Order is to be executed within 30 days from the start of works performance, the final acceptance shall apply. In case the Order is to be executed in a longer period of time, the Parties shall use partial acceptances. In both cases the acceptances of works covered by subsequent works shall apply. At the Ordering Party request the final acceptance shall take place.

4.2. The acceptances of "covered works" shall be understood as a final quantity and quality assessment of performed works that in the following stages of the Order completion will be covered by subsequent works. The Ordering Party shall accept covered works during works performance, at least 2 days after the Contracting Party notification.

4.3. The partial acceptances estimate quantity and quality of the works stages(parts) for which due dates have been settled in the Order. The Ordering Party shall accept the part of works being a separate subject of the acceptance within 3 days from the date of receipt of information about works completion and a set of required documents from the Contracting Party.

4.4. The final acceptance estimates completeness and quality of the total Order. The Ordering Party shall process the acceptance within 5 days from the date of receipt of information about works completion and a set of required documents from the Contracting Party.

4.5. The final acceptance estimates works connected with the removal of defects detected in the warranty period. The Ordering Party shall do the final acceptance after the warranty period within 14 days from the date of receipt of a written notification from the Contracting Party about the readiness for the final acceptance.

5. Duties and responsibilities of the Parties in terms of performance and supervision of works with particular reference to the provisions of law contained in the "Geological and Mining Law" dated as of 9 June, 2011 (Journal of Laws No 163 from 2011 position 981).

Duties and responsibilities of the Contracting Party:

5.1. The Contracting Party is obligated to perform works determined in the Order according to the received project documentations, rules of technical knowledge and provisions contained in the Order.

5.2. The Parties jointly agree that the Contracting Party is an entity performing works according to his business profile concerning mining plant operations.

5.3. The detailed principles of cooperation between the Parties, resulting from the operational needs, shall be determined in the "Organisational arrangement of the Manager of Mining Plant Operations of the "Olkusz-Pomorzany" mine".

5.4. To meet the primary condition of works startup, the Contracting Party shall submit approved by the Manager of Mining Plant Operations of the "Olkusz-Pomorzany" mine, schedule and technology of works performance.

5.5. The approval and startup of works shall be done on the basis of the "Organisational arrangements of the Manager of Mining Plant Operations of the "Olkusz-Pomorzany" mine" as well as a protocol of operations. In the protocol the Parties shall determine the region of the mining plant under the Contracting Party liability.

5.6. According to article 112 of the "Geological and Mining Law", the Contracting Party shall provide qualified staff for management, supervision and monitoring of works at the mining plant area during

works performance and after it as long as the Ordering Party finds it necessary for proper completion of the Order.

5.7. The Contracting Party's employees shall obey the plan of mining plant operations and Ordering Party's technologies and documents as well as apply to the decisions of the following: Manager of Mining Plant Operations, Management Board, mining supervising authorities, National Labour Authority and other proper institutions.

5.8. The Contracting Party shall submit the Ordering Party the following:

- a) organisation chart of Department of Works
- b) names of employees responsible for management, supervision and monitoring of the operations recognized on the organisation chart with their functions and qualifications
- c) personal scope of duties and responsibilities for the above mentioned people

5.9. The documents mentioned in the above point, letter a) c) shall require the approval of the Manager of Mining Plant Operations of "Olkusz-Pomorzany" mine.

5.10. The employees designated by the Contracting Party for management, supervision and monitoring of the mining operations according to the organisation chart shall manage, supervise and monitor mining operations and shall be subordinated to the Manager of Mining Plant Operations of "Olkusz-Pomorzany" mine. In order to maintain appropriate mining operations performance, the above mentioned people shall follow the instructions and comply with regulations and ordinances of the Manager of Mining Plant Operations of "Olkusz-Pomorzany" mine.

5.11. In case of personal changes during the period of works performance among the Contracting Party's managers, supervisors and people monitoring mining operations recognized in the organisation chart, the Contracting Party shall agree in writing a way of dismissing and appointing of employees with the Ordering Party.

5.12. The Contracting Party shall provide to the Ordering Party a list of all the people intended for employment in ZGH "Bolesław" S.A., stating the following:

- a) name of a company
- b) name and surname
- c) date and place of birth
- e) ID number, issuing authority
- d) position
- f) copy of permissions, approvals, certificates of professional qualifications
- g) apart from the above documents the Contracting Party shall submit a statement that the employees:

- have valid medical examinations for the period of the performance of the commissioned works
- have valid training certificates required by the Regulation of Ministry of Economy and Labour, dated as of 27 July, 2004 concerning safety and health (Law Journal No 180, position 1860 with changes)
- have read the safety document
- have read the Mining Operations Plan

5.13. The Contracting Party is obligated to keep the reporting book of the performed works, record number of people working at the mining plant area - according to article 117 of the "Geological and Mining Law" as well as inform the Ordering Party on a daily basis about the quantitative status of the staff according to the Ordinance no 11/2011 of the Manager of Mining Plant Operations of ZGH "Bolesław", dated as of 11 February, 2011.

5.14. The Contracting Party shall bear responsibility and fulfill duties and permissions for the performed works and employed people under the safety and health regulations, fire regulations, "Geological and Mining Law" and for the effects arising from the negligence in that area.

5.15. The Contracting Party shall apply to the provisions of article 120 of the "Geological and Mining Law" in the scope they concern works performed at the mining plant, e.g.

- a) health and safety and operations executed in ZGH "Bolesław" S.A.
- b) special fire protection applying to the operations executed in ZGH "Bolesław" S.A.

5.16. The Contracting Party bears responsibility under article 181, 184, 185 of the “Geological and Mining Law”. Adjudication under those articles shall be performed on the basis determined in article 189 of the Act.

5.17. The Contracting Party is obligated to:

a) advise all his employees performing mining operations about the responsibilities arising from article 119, paragraph 1, 2 and 3 of the “Geological and Mining Law”.

b) provide staff and management training according to the requirements of the current regulations

5.18. The Contracting Party is obligated to have valid documentation concerning employees trainings in terms of health, safety and fire provisions under the Regulation of Ministry of Economy and Labour, dated as of 27 July, 2004 (Law Journal No 180, position 1860 with changes) as well as article 121, paragraph 2 point 3 of the Geological and Mining Law and Ordinance no 30 of the Manager of Mining Plant Operations, dated as of 19 May, 2010.

5.19. The Contracting Party is obligated to perform works determined in the hereby Order in places and sequences determined by the Ordering Party.

5.20. All the materials provided by the Contracting Party shall comply with the requirements of the current standards and provisions as well have proper certificates and approvals.

5.21. In case of performing special works as well as those requiring machines and equipment, the Contracting Party is obligated to employ properly qualified people. The employees shall have the documents with them and be ready to present the certificates when requested.

5.22. The Contracting Party is obligated to use his own as well as assigned machines and equipment in a proper and consistent with the exploitation regulations way. In case of any improper usage of the machines or equipment, the Contracting Party bears responsibility for the effects and threats. The Contracting Party shall use equipment and materials approved for usage in mining plants.

5.23. The following steps shall be undertaken at the working area:

a) in case of threat requiring intervention of the mine rescue team, the Ordering Party shall organize the rescue action according to the Rescue Plan of the “Olkusz-Pomorzany” mine and current standards

b) in case of threats to employees health or life or safety of mining plant operations, the Contracting Party shall immediately stop works at the risky area, move the working staff in the safe place, inform the Ordering Party’s threatened staff and notify the mining plant dispatcher, Health and Safety Department, Investments and Repairs Department and the Manager of the Department in which works have been performed.

5.24. The Contracting Party is obligated to have the following:

a) his own health and safety service responsible for the issues connected with the safety of staff working at the mining plant area

b) a person trained in first aid – paramedic, on each shift

c) sanitary unit equipped with stretcher and first aid kit

5.25. In case the Contracting Party’s employer has an accident, the Contracting Party shall inform the Ordering Party and secure the place of accident.

5.26. The Contracting Party shall be charged with the costs that the Ordering Party has paid in connection to the accident.

5.27. The Contracting Party shall do an inspection of the place of accident and prepare proper documents.

5.28. The Contracting Party is obligated not to employ ZGH “Bolesław” S.A. employees for performing works determined in the hereby agreement. The Parties shall understand an employment as entering into employment contract or other service agreements, particularly mandate contracts or specific task contracts.

Duties and responsibilities of the Ordering Party:

5.29. The Ordering Party is obligated to submit the Contracting Party a set of works within 5 days from the written notification from the Contracting Party, according to the rules determined in point 5.5.

5.30. The Ordering Party shall allow the Contracting Party to use (for a charge) a mining lamps room, bathrooms and media necessary for performance of the subject of the agreement, taking into account current daily charge per person, reported in the reporting book.

5.31. The charge for the media used directly by the Contracting Party for the purpose of works performance is settled in the amount of 0,15% of the value of works performed in terms of each order.

5.32. The Ordering Party shall designate for supervising and monitoring of works:

- a) investment supervision staff from a proper branch
- b) managing and monitoring staff for the performed operations

5.33. On the basis of the lists prepared according to point 5.12 the Ordering Party shall train the Contracting Party's employees in the scope consistent with point 5.34.

5.34. Under the provisions of paragraph 14.2. point 2 and 3 of the Ordinance of the Minister of Economy, dated as of 28 June, 2002 (Law Journal No 139 from 2002, position 1169) concerning safety and health of work, operations management and special fire protection in the underground mining plants and according to point 2 of the Decision No 42/WS/05, dated as of 19 July, 2005 of the Director of District Mining Office in Kraków, the Ordering Party shall:

a) provide to the Contracting Party's employees 4 hours training in terms of the provisions regulating safety of works performance, described in the Safety Document, and in particular:

- work order and discipline
- safety and health provisions
- operations management and fire safety
- natural and technical threats appearing at the mining plant (or in the region)
- rules of communication and alarms
- working area investigation
- accidents and threats notification

b) inform managers and/or supervisors employed by the Contracting Party about working conditions at the place or in the region of operations, regarding:

- type and place of works, including elements influencing working conditions (such as lightning, ventilation and technical, protective, warning, alarming and signaling equipment, tools, etc.)
- natural and technical threats and use of energy equipment and mechanical equipment
- threats prevention (mentioned above), including individual protection minimizing a professional risk
- methods of safe works performance
- rules of behavior in case of accident or breakdown (danger)
- emergency exits

5.35. Managers and supervisors employed by the Contracting Party, familiar with particular regions of the mining plant operations of ZGH "Bolesław" S.A., shall provide 8 hours job trainings to the subordinate employees before allowing them for the performance of the ordered works – under the safety and health training provisions.

5.36. The Contracting Party's employee training shall be confirmed by the employee signature in the External Units Performing Works at the Mining Plant Area of ZGH "Bolesław" S.A Training Book. The book is simultaneously a register of issued certificates.

5.37. The job trainings, referred to in point 5.35. do not apply to the newly employed Contracting Party's workers and simultaneously those starting work at the mining plant of ZGH "Bolesław" S.A. In these cases job trainings shall be done as for the new employees of ZGH "Bolesław" S.A.

5.38. The job training shall be notified in the Contracting Party's "Job trainings book". Apart from that according to the current safety and health provisions, the Contracting Party's supervisor conducting the job training shall issue for the trained employees so called "Preliminary safety and health training ticket – job training", that shall constitute a part of the Contracting Party's job-training documentation.

5.39. A specimen of the safety training certificates as well as a specimen of a ticket of preliminary safety and health training shall be consistent with those enclosed in the Ordinance No 30 of the Manager of Mining Plant Operations, dated as of 19 May, 2010.

5.40. Other Contracting Party's employees trainings required by the current provisions of law in terms of safety and health shall be provided by the employer.

5.41. The Ordering Party shall help to give the first aid to a patient according to the rules applicable to the employees of the mining plant. The Ordering Party shall notify the District Mining Office about the accident in a way consistent with the current mining provisions.

5.42. The Ordering Party is obligated to submit to the Contracting Party the following:

- a) labour regulations currently applicable in the Ordering Party plant
- b) information regarding possible threats
- c) information regarding rules of communication and alarming in the Ordering Party plant as well as information regarding notification about accidents and threats, that shall be confirmed by the Contracting Party in the job training ticket and on the Contracting Party's workers list.

6. Warranty of quality

6.1. The Contracting Party shall provide a quality warranty to the Ordering Party and guarantee that the subject of Order has been performed according to the received Order, current provisions and technical conditions of performance and acceptance of works.

6.2. Unless otherwise agreed in the Order or in the appendix to the Order (defining the order's details), the warranty period expires after 12 months.

6.3. The warranty period starts on the date of the final protocol acceptance without reservation.

6.4. The Contracting Party shall be liable under the warranty for:

- a) physical defects that reduce the utility, technical and esthetic value of the performed works
- b) removal of defects detected during the warranty period

6.5. The Contracting Party shall remove the defects detected during the warranty period free of charge.

6.6. The Contracting Party shall remove the defects within 14 days from the date of receipt of the written notification about the defect or in other period agreed with the Ordering Party.

6.7. In case the Contracting Party has not removed the defect in the period determined above, the Ordering Party shall, independently from a contractual penalty under point 7, ask a third person for removal of the defect and charge the Contracting Party with the costs he bears in this situation.

6.8. The Ordering Party shall not be deprived of rights resulting from the warranty in case of removal of the defect determined in point 6.7.

7. Warranty and compensation

7.1. The Contracting Party shall be liable to the Ordering Party if the subject of Order has defects reducing its value or utility in terms of its purpose determined in the Order.

7.2. The Contracting Party shall be liable under the warranty for the physical defects detected while the acceptance of works as well as for the defects arose after the acceptance but existing at the time of acceptance.

7.3. The Contracting Party shall be released from the liability under the warranty for the physical defects because of the defects of machines, equipment, constructions or materials provided by the Ordering Party or because of instructions and particularly project documentations of the Ordering Party. The release from the liability shall take place if the Contracting Party informs the Ordering Party about the existing possibility of defects.

7.4. If during the acceptance of works the detected defects are:

- a) possible to remove – the Ordering Party shall refuse to accept works until their removal
- b) impossible to remove – the Ordering Party uses the right determined in point 7.5.

7.5. If during the acceptance of works or in the warranty period the defects impossible to be removed are detected, the Ordering Party shall:

- a) if the defects allow the usage of the subject of the agreement according to its purpose – decrease the fee for this subject accordingly to the reduced utility value, esthetical and technical value
- b) if the defects do not allow the usage of the subject of the agreement according to its purpose:
 - terminate the agreement and notify proper supervising and inspection authority
 - request from the Contracting Party reperformance of works for the second time, keeping the right for removal of the defects because of delay

7.6. In case the defects possible to remove are detected and the agreement is accepted with reservations either during acceptance or during the warranty period, the Ordering Party shall:

- a) request removal of the defects and determine deadline for the Contracting Party
- b) decrease the fee for the Contracting Party accordingly to the reduced utility value, technical and esthetical value

7.7. The Ordering Party shall notify the Contracting Party about the defect within 7 days from the date of detection.

7.8. If the Ordering Party does not notify about the defect detection within 7 days and the delay extends the defects of the subject of the agreement, the Ordering Party shall bear the costs of the removal of the extended defects.

7.9. The existence of defects shall be confirmed by protocol. Unless Parties agree otherwise, the Contracting Party shall be informed in writing about the exact date and place 7 days before the inspection. The Ordering Party shall set a deadline for the defects removal taking into account technical and organisational capabilities of the Contracting Party.

7.10. The Parties may agree that the defects are removed by the Ordering Party instead of the Contracting Party but at his expense.

7.11. The removal of defects shall be confirmed by protocol.

7.12. The Contracting Party shall not refuse to remove the defect regardless of the costs scale. If the cost of defects removal is incomparable to the effects obtained as a result of the removal of the defects, the defects shall be treated as impossible to remove. In that case provision 7.5.a) applies.

7.13. The Ordering Party may remove the defects that have not been removed in a designated time instead of the Contracting Party and at his expense.

7.14. The warranty for the physical defects expires:

- a) after 3 years – in terms of the construction works, and if the utility period or its part is shorter than 3 year – after half of the period
- b) after 1 year – in terms of repairs, and if the repair concerns replacement of the load-bearing structure – after 3 years in relation to whole repair
- c) after 1 year – in terms of machines, equipment and industrial installations, electrical installations (equipment), gas and sanitary installations, unless the supplier's warranty is longer
- d) the warranty period for the physical defects cannot expire quicker than 3 months before the guarantee period

7.15. If the period of a preventive repair of a given investment or its part is shorter than the warranty period, the warranty rights expire on a date when the repair shall start.

7.16. The start of the period after which the warranty rights expire shall apply to the Contracting Party on a date when the Ordering Party finally accepts the investment or its part. If the Ordering Party used the subject of Order before the acceptance, the start of the period after which the warranty rights expire shall take place on a date when the Ordering Party took the subject of Order for exploitation.

7.17. If the Ordering Party detects the defects during the performance of works, he shall request the Contracting Party to remove the defects as well as the causes of their appearance in a determined period of time. The Contracting Party may require the subcontracting Party to remove the defects detected even after works have already been taken over.

7.18. The Ordering Party shall assert claims under the warranty also after expiry of the periods defined in point 7.14., if he notifies the defects before expiry of the periods. In this case the Ordering Party claims expire within one year from a date of the defects detection.

7.19. The hereby provisions shall not apply to the liability for the defects in experimental and prototypic works, if the experimental or prototypic character is settled in the agreement with the indication of reasons for qualification of works as experimental or prototypic.

7.20. The Parties agree that for non-performance and improper performance of works, the contractual penalties shall be enforced in situations and amounts referred to in points 7.21 and 7.22.

7.21. It is agreed that:

a) the Contracting Party shall pay the contractual penalty to the Ordering Party:

- for a delay in completion of works due to the fault of the Contracting Party – in the amount of 0,3% of the agreed net fee for each day of the delay

- for a delay in removal of the defects detected during acceptance of works or in the warranty period - in the amount of 0,3% of the agreed net fee for each day of the delay from the date designated as the defect removal day.

b) the Ordering Party shall pay the Contracting Party the contractual penalty:

- for a delay in providing the construction area for use (startup of works) or a break in the performance of works due to the fault of the Ordering Party - in the amount of 0,3% of the agreed net fee for each day of the delay

- for a delay in the acceptance of works - in the amount of 0,3% of the agreed net fee for each day of the delay from the date following the date when the acceptance shall be completed

c) for a delay in the removal of the defects – in the additional period the penalty increases by 50% from the date of expiry of the additional period

7.22. In case one of the Parties terminates the agreement due to the fault of the other Party, the Party terminating the agreement shall enforce the penalty in the amount of 10% of the net fee of the part of the agreement which has been terminated.

7.23. The claim under the contractual penalty enforcement, settled for each day of delay, becomes due:

a) for a first started day of delay – on this day

b) for a following day of delay – respectively on each of these days

7.24. If the contractual penalty does not cover the sustained defects the Parties shall claim additional compensation.

8. Final provisions

8.1. To all matter not settled herein the proper provisions of the Civil Code and Geological and Mining Law shall apply.

8.2. Any disputes failed to be amicably settled shall be settled by the proper Commercial Court.

8.3. The content of the General Terms of Order is available on the Ordering Party website:

zghboleslaw.org

zghboleslaw.org