

## **GENERAL TERMS AND CONDITIONS FOR ASSEMBLY/DISASSEMBLY/RENTAL OF TOWER CRANES**

**These General Terms and Conditions for Assembly/Disassembly/Rental of tower cranes apply to any Contracts, including those presented as an offer or any Orders, in which Herkules S.A. acts as a Renter and are integral parts thereto.**

### **1. Terms and Conditions of the Rental Service:**

- a) standard assembly/disassembly is performed from a direct distance of 15 metres, not including such obstacles as trees, buildings, traction lines etc.; additional costs may increase with the distance of assembly/disassembly;
- b) agreed configuration and locations of tower cranes are binding to both Parties, and any changes resultant in increased costs will result in an increase in the value of the Agreement;
- c) if there is a necessity to perform assembly/disassembly works at night or during weekends or holidays, the prices increase by 30 %, and by 10 % for work done on Saturdays.
- d) For the assembly to commence, the Site Management must present a statement of readiness of construction at a specified assembly date, including: section 3, items: from c) to k) and from s) to u);
- e) crane operator work in single or double shifts; minimum daily work day is 8 hours per shift on work days, and 6 hours on Saturdays; one shift can be extended by 2 hours maximum; the provided hourly rate of operators does not include work at night, i.e. between 22:00 and 6:00 and on holidays; the night shift lasts 8 hours; if there is a need to introduce a third shift in night hours, the Customer will inform the Renter of this requirement at least 48 hours in advance; a break for the operator - 30 minutes per an 8 hour shift - is included in the price; any hour started is counted as an hour worked; crane rent fees are calculated up to the last day of crane operation, to be specified two weeks in advance;
- f) the offer does not include any additional fees related to the operation of the construction site, use of the road, any warranties and representations, and the necessity to participate in these costs will increase the value of the offer;
- g) The detailed obligations of both Parties, and the final scopes of works and prices shall be set out in the Rent Agreement / Work Order, after the detailed conditions on the construction site are known;
- h) The Renter reserves the right to assemble and provide a different crane of parameters, which are not worse than the parameters of the original crane, provided that the Customer agrees to such action in writing and the Site Manager is informed of this fact, or if such a person is not present, any other authorized persons, about the assembly of another crane at least 5 days

before the planned assembly. The approval of the Customer is treated as a change to the item of Agreement, with the reservation that the assembly of a different crane with equal or better parameters does not change the value of the Agreement, and is made at no additional cost to the Customer;

- i) The Customer may neither, without the written permission of the Renter, sub-rent the item of Agreement to third parties, nor make it available under any legal or actual titles;
- j) the one-time cost payment specified in Agreement is fixed and shall be paid to the Renter regardless of the Agreement validity period, or any Party terminating the Agreement.

## 2. **Payment Terms:**

- a) Prices provided in this offer are net prices; applicable VAT shall be calculated at the date of invoicing;
- b) Payment shall be made upon presentation of a VAT invoice issued by the Renter at the end of each month or immediately upon the completion of the service;
- c) The Customer authorizes the Renter to issue VAT invoices without the recipient's signature and to send said invoices by mail;
- d) The Customer shall pay this amount within 30 days (for rental services) or 14 days (for one-time services) from the invoice issue date;
- e) The date, on which funds are credited to the Renter's bank account, shall be considered as the payment date;
- f) For any delays in payment on the part of the Customer, the Renter shall calculate statutory interest;
- g) The Renter reserves the right to, in case of any delays in payment to the Renter, suspend operation of the equipment until payment is made; the Renter shall be paid remuneration as specified in the Rent Agreement / Work Order for any period, in which the service was suspended;
- h) The Renter may terminate this Agreement immediately if the Customer delays in payment for more than 7 days; Such termination is to be considered a fault of the Customer, and the Renter shall be entitled to remuneration as specified in the Agreement.

## 3. **Responsibilities of the Customer**

- a) confirm readiness for works at least 10 days before the planned assembly/disassembly date;
- b) perform geotechnical studies for crane locations;
- c) prepare the crane locations as specified by the manufacturer;
- d) ensure there are put-off locations and hard-surfaced access roads for transport equipment and auxiliary cranes with an axle weight of 12 tonnes per axle; improper preparation of access roads and assembly/disassembly locations for cranes will result in the imposition of a financial penalty described in section 6.;

- e) provide power to the cranes and a switch-box with an external on/off switch located at most 2 metres from the crane foundations, and to provide earthing to the cranes, with a resistance no lower than 5  $\Omega$ ;
- f) provide weights for testing (for maximum crane capacities) for technical acceptance of the Office of Technical Inspection;
- g) obtain any permits for the movement of equipment necessary for assembly/disassembly works and passes for the assembly team;
- h) before the execution of the Agreement, the Customer shall provide a terrain development plan with the marked location and configuration of cranes, collisions with any objects outside the construction site, such as power lines, buildings, trees, airports, etc.;
- i) check for collisions between tower cranes with neighbouring objects, and if such collisions may occur, obtain approvals (if necessary) for the operation of cranes;
- j) should the tower cranes be located closer to traction networks than allowed by regulations, the Customer shall obtain approval from the line owner to install the cranes on those sites and specify operational conditions for said cranes;
- k) specify the conditions for crane locations, including the regulations of the Civil Aviation Office, and obtain the necessary approvals;
- l) obtain any required permits to reorganize the traffic system for assembly/disassembly of cranes and implement any requirements;
- m) appoint appropriately trained and qualified riggers, who will be responsible for hanging the loads on tower crane harness hooks; ensure communication between operators and riggers during crane operation;
- n) fix damage to safeguards of harness hooks caused by improper operation on the construction site; either on his own or by commissioning the Renter to perform such repair, at an additional cost;
- o) use the tower cranes as specified in the regulations of the State Labour Inspectorate, Technical Office of Technical Inspection, Workplace Health and Safety, Fire Safety Regulations and the operation and maintenance manuals; the Customer states that they have acquainted themselves with crane technical parameters and working conditions;
- p) to appropriately secure tower cranes from theft and devastation, and to guard the cranes throughout the entire period of their presence on the construction site;
- q) sign every day, in a legible manner, with a first and second name, daily work reports coherent with the actual state, which is equal to the confirmation of service performance;
- r) ensure free access to social and sanitary facilities for the operators and service-persons;
- s) to present to the Renter current registration documents of the company, i.e. KRS No, NIP (TIN), REGON or entry in the Register of Entrepreneurs relevant to the activity, as well as any powers of attorney; lack of the aforementioned documents will prevent the installation of the cranes;

- t) send a statement informing that there are no bankruptcy (liability) proceedings against the Customer, and that no such proceedings, according to the Customer's best knowledge, are planned to be made; lack of such statement will prevent the assembly of cranes;
- u) send a verified copy of current civil liability insurance appropriate for the Customer's economic activity within three days from the date of renting tower cranes, along with a written obligation to maintain such insurance throughout the entire rental period; lack of such policy will prevent the assembly of cranes;
- v) timely payment of remuneration.

#### 4. Responsibilities of the Renter:

- a) Provide the cranes in a good technical condition, fit for the performance of service;
- b) prepare a crane operation manual;
- c) transport the cranes to the construction site;
- d) Assemble the cranes;
- e) Provide the operation and service manual as specified by the Office of Technical Inspection;
- f) to equip the cranes in standard, certified chain hoists along with hooks;
- g) provide qualified operators;
- h) should any of the cranes fail, commence service activity as soon as possible, removing small faults within 24 hours, or larger faults within 48 hours;
- i) in case of operator's absence, the Renter may provide a replacement within 48 hours;
- j) disassembly and transport of equipment from the construction site

#### 5. Insurance

- a) the Customer shall cover the costs of repairing any damage, which is not a result of the Renter's or third parties' actions, or the effects of Force Majeure in connection with the Renter's equipment, which cannot be otherwise remedied through the insurance policy owned by the Customer;
- b) Parties state that they own current civil liability insurance appropriate for their economic activity and shall maintain such insurance throughout the entire renting period;

#### 6. Penalties and damage

The parties set forth the following penalties for the improper performance or the failure to perform the obligations set herein:

- a) The Renter shall pay the Customer contractual penalties:
  - aa) for terminating the Agreement immediately for reasons where the Renter is at fault, a penalty of 10,000 PLN;
  - bb) for pauses in the operation of cranes longer than specified in section 4(h) and the period allowed to find a replacement operator as specified in section 4(i), double the flat rate for each hour, but not more than 5 % of the total Agreement value (monthly remuneration);

- cc) periods of bad weather preventing the use of cranes shall not be counted as pauses in operations. These include:
- wind with a speed of over 15 min/s;
  - temperatures below -15°C;
  - intensive rain or snow;
- b) The Customer shall pay the Renter contractual penalties:
- aa) for terminating the Agreement immediately for reasons where the Customer is at fault, a penalty of 10,000 PLN;
  - bb) for the failure to prepare an access road or an assembly/disassembly site for the cranes, a penalty equal to 50 % of the crane assembly/disassembly service price;
  - cc) for cancelling the assembly/disassembly works less than five days before the planned work date, a penalty equal to 50 % of the crane assembly/disassembly service price;
- c) the costs of repairing any failures caused by the Customer and pauses in crane operation resultant from these failures shall be borne by the Customer; the Renter shall not suffer additional costs for any absence of operator, for which the Customer is at fault;
- d) these contractual penalties do not exhaust the Renter's right to seek further damages exceeding these penalties in the court of law.

#### 7. Other Provisions:

- a) in matters not regulated by this offer, the regulations of the Civil Code shall apply;
- b) The Renter is not liable for late or improper performance of the service for reasons beyond the Renter's control;
- c) if a Customer placing the order is married, the Customer shall attach to the Work Order the spouse's statement of approval for the execution of the Agreement;
- d) the Parties shall attempt to resolve amicably any disputes resultant from this Work Order; if the Parties fail to find an amicable solution, the court appropriate for the dispute will be the District Court for the Capital City of Warsaw in Warsaw, and if the dispute required a Regional Court, the Regional Court in Warsaw appropriate for the seat of Herkules S.A.