

GENERAL CONDITIONS FOR SUPPLY CONTRACTS

Valid since 01.09.2015

I. General Provisions

1. These terms and conditions of supply agreements are the general conditions of contracts within the meaning of Art. 384 of the Civil Code and apply to all contracts for the supply of goods concluded by Extral Sp. z o. o as a supplier.

2. The terms used in the rest of these general conditions of supply agreements shall mean:

a) **The Recipient, the contractor** - an entity which is the other side of the supply agreement (the counterparty of Extral Sp. z o. o);

b) **The General Conditions, (GC)**- these "General conditions of supply agreements made by Extral Sp. z o.o headquartered in Żory";

c) **Technical Documentation** - all designs, drawings, parameters passed by the Recipient, on the basis of which the Supplier will produce Goods covered by the Agreement.

d) **Supplier** - Extral Sp. z o.o headquartered in Żory;

e) **The Parties** - Supplier and Recipient;

f) **The basic raw material** - the raw material whose participation in the production of the Goods exceed 50% of the costs of raw materials,

g) **Goods** - goods and products manufactured and / or sold by Extral Sp. z o.o under contract with the counterparty, or under order of counterparty,

h) **Contract** - supply agreement entered into between the Parties through the adoption and confirmed by the Supplier by order placed by the Customer.

3. Entering into a separate written Supply Agreement precludes the application of these General Conditions only to the extent it regulated in a different way.

4. General Conditions are announced and accepted by the recipient on the supplier website : www.extral.com.pl in a form allowing to download and restore by the Recipient.

II Conclusion of the agreement

1. Any representations, warranties, promises and guarantees made orally by employees or representatives of the Supplier in connection with the conclusion of the contract, bid or order confirmation is not binding and can not be the basis for any claim against the supplier.

2. The contract may be submitted or confirmed in writing only, by fax or by e-mail -. Statements made in any other form are invalid.

3. The delivery contract is concluded upon acceptance and return by the Customer Order Confirmation issued by the Supplier on the basis of Buyer's order. In the absence of acceptance / rejection by the Receiver Order Confirmation within 3 days of delivery, it is considered that the supply contract was concluded on the terms contained in the Confirmation of order.

4. Where the product is to be made by the Supplier on the basis of the Technical Documentation, an integral part of the contract is the Technical Documentation.

5. In the case where for reasons independent of the Supplier. Supplier will not be able to perform the Contract or Order in whole or in part, he will be entitled to the right to withdraw, in whole or in part. So entitled to the agreed by the Parties on delivery / receipt of the Goods. Supplier shall not be liable for any damage caused to recipients and / or business partners or contractors of recipients. Withdrawal by the Supplier of the contract may not be the basis for any claim against the supplier.

III. Risk transfer

Risk of loss or damage to the Goods passes from the Supplier to the Recipient once the Goods are issued to the Recipient, and in the case of entrusting the Goods to professional carrier provided by the Recipient, once the Goods are passed to the carrier.

IV. Price

1. The price for delivered goods will be determined in each case in the Confirmation of Order, whereby the Metallurgical minimum of the Supplier is 500 kg.

2. The recipient agrees to pay the price within the period specified in the Order Confirmation, and if the time limit has been specified, the date indicated in the VAT invoice issued by the Supplier .

3. Payments shall be deemed to have been made at the moment of transfer of the amount on the Supplier's bank account.

4. If, after the conclusion of the agreement circumstances justify an increase in the price of goods, ie. Increase of pricing of elements, the Supplier has the right to, unilaterally increase the price of the Goods indicating the reasons for the increase. The increase cannot be higher than the actual increase in pricing elements. Pricing elements are:

a) LME aluminum;

b) foreign exchange rates (USD, EUR).

5. Prices quoted by the Supplier are net prices which shall be increased by value-added tax at the rates in force at the date of issuing the VAT invoice.

V. Secure of payment

1. The supplier has the right to make the execution of the agreement from the award by the Recipient provide for the present or future claims of the Supplier in the form approved by the Supplier, for example in the form of: blank promissory note, blank promissory note with a guarantee, bank guarantees, letters of credit, to pay in advance or advance payment, lien, cession transfer of ownership.

2. The supplier has the right to make the execution of an agreement on the allocation for the Recipient limit of trade credit insurance with its debts insurance provider.

3. The granting of protection should take place prior to the date of the first release of the goods to the Recipient. If the Recipient does not give a guarantee within this period the Supplier has the right to refrain with the issuing of Goods.

VI. Implementation of the Agreement

1. The supplier reserves the right to postpone the execution of the contract or cancellation of confirmed orders in case of accident, cancellation or delay of delivery by the manufacturer or sub-supplier of the main Supplier or other unforeseen mishap, which Supplier could not overcome, and which also did not foresee or could not have foreseen.
2. The Supplier shall not be liable for force majeure. Through the concept of force majeure must be understood an event which could not be foreseen while maintaining the care required in trade relations, which is external to the Supplier and which he could not withstand with due diligence. Events of force majeure are in particular: a general strike, internal strife in the country or abroad, blockade of border crossing points ports or other commonly used places of entry or exit, export or import bans, earthquakes, floods, epidemics and other events elemental forces of nature, that Supplier could not overcome, and which also did not foresee and could not foresee.
3. The supplier reserves the right to excess or shortage of goods in relation to the contract of up to 15% of the contractual quantity. In this case, the recipient is required to make the payment for the delivered quantity of goods, in accordance with a fixed price.
4. In the case of the performance of services by the Supplier for the material entrusted by the Customer, due to technological-production reasons supplier reserves the possibility of losing up to 5% of entrusted material.
5. The weight of Goods, indicated on the drawings in kilograms per meter is indicative and is not binding to the supplier. Supplier as a tonnage of goods covered by an invoice adopts actual weight of Goods.
6. Supplier applies factory tolerances for dimensions and shape of products, based on European standards, unless other sizes are agreed.

VII. Receipt of goods

1. The Recipient is obliged to examine the goods in the manner specified in the CFT and the accompanying documentation of Goods (GM, CMR).
2. The Parties agree that the cost of loading of Goods on means of transport lies with the Supplier and the cost of unloading at the Recipient.
3. Ordered Goods must be picked up within 7 working days from the date specified in the Order Confirmation.
4. The place of receipt of the Goods is the headquarters of the Supplier.
5. Lack of receipt by the Recipient within the period specified in section 3 results in by choice of Supplier:
 - a) transfer the Goods to store of goods waiting for shipment and charging of storage in the amount of 0.5% of the orders for each day of delay and charge from Recipient the possible costs incurred,
 - b) withdrawal and charge Recipient all resulting costs.

VIII. Defects of Goods

1. The supplier grants the Recipient the warranty for a period of 12 months from the date of delivery (warranty period). The Supplier's liability under the warranty is excluded.
2. Warranty for goods is granted on the Statement of Warranty of Extral constituting Appendix 1 to the GCT.
3. During the warranty period recipient must notify the Supplier of:
 - a) visible damage of packages and quantitative discrepancies of packets or shipping documentation no later than on receipt of the Goods;
 - b) Visible defects of Goods (especially corrosion) - immediately after their detection, but not later than within 7 days from the date of delivery;
 - c) hidden defects - within 5 days from the date of detection of defects and before attempting any defective interfering with the Goods, under pain of loss of warranty, the right to compensation (Art. 471 of the Civil Code), and the formulation of any other claims against the Supplier.
4. A notice of a defect in the Goods should be submitted in writing, by fax or via e-mail and contain at least:
 - a. The description of the defect / non-compliance;
 - b. The number of parcel (damaged or from which comes claimed Goods) or No. Goods Issued Note of delivery.Complaints filed in another form or incomplete will be deemed void.
5. The Recipient is obliged under pain of rejection and failure to take account the complaint give at the request of the Supplier all the parameters of the Goods, the circumstances of the purchase, transport-here, stockpiling, production, processing of the Goods as well as other measures to complaint documents, pictures or information.
6. In the event of damage to the parcel recipient, under penalty of loss of rights of the warranty, is obliged to:
 - a) create an appropriate document of harm and damage and show the damages in the document of Goods Issued Note;
 - b) leave the damaged parcel until the arrival of the representative of the Supplier and a common inspection of the contents of the package.
7. Consideration of the complaint shall be made within 14 days of receipt of the complaint to Supplier exclusively in writing, by fax or via e-mail. Supplier may extend the period for dealing with complaints if it will be necessary to conduct additional explanatory actions, including in particular the implementation of research.
8. If the complain is accepted by the Supplier, according to his choice he will:
 - a) replace the defective product free from defects or
 - b) will replace the Recipient part of the price.
9. The Supplier is exempted from liability under the warranty and due to improper performance of the contract if the defects in the goods:
 - a) are caused by internal storage or transport of the Recipient which do not comply with the requirements indicated on the label or in Paragraph 13 below and relevant for the type of goods;
 - b) result from the Technical Documentation.

10. The Recipient cannot rely on the defects of the Goods for their use of improper manufacturing process, wrong choice of material and its purchase in relation to the processes requirements in Technical Documentation. The Supplier's liability under the warranty is also canceled when the recipient has made repair of the Goods without the written consent of the Supplier, as well as prior to the inspection and examination of complaints has sold, remade himself or with its partner all or part of the purchased Goods, having knowledge of its deficiencies, damage or incorrect parameters.

11. The Supplier shall deliver the Goods having the characteristics and parameters set out in the offer of Supplier or Technical Documentation. Supplier does not guarantee the suitability of the Goods for a particular purpose. Risk of purpose and use of the Goods covered by the contract lies solely with the Recipient. All possible information provided in this regard by the Supplier are polite and reference only and should not be treated as the basis for a specific use.

12. The initiation of proceedings of the complaint does not exempt Recipient from having to pay for the delivered Goods. The issues of settlements, discounts will be agreed upon after considering the complaint.

13. In the event of defects, discoloration or corrosion on products Supplier shall be released from liability for warranty and due to improper performance of the contract in the case of storing or transporting goods not in accordance with these guidelines in terms of transportation, unloading and storage:

a) aluminum profiles must be loaded, unloaded, transported and stored under conditions which prevent contact with moisture;

b) when carrying aluminum profiles must be strictly prevented from moving or getting wet;

c) outdoor car transportation is unacceptable especially under varying weather conditions (rain, snow). Loading and unloading should be carried out with extreme caution because of the ease of damage to the goods;

d) aluminum profiles should be stored in dry and ventilated and protected against sudden changes in temperature;

e) the aluminum products must be stored in area protecting against rainfall in order to avoid corrosion and mechanical damage. You should not keep aluminum products in the open air;

f) Special attention should be paid to unloading in winter conditions and storage in heated warehouses. Due to the large temperature difference between the profiles water is precipitated which leads to the occurrence of corrosion;

g) storage of aluminum products in places where they are exposed to extreme changes in humidity and air temperature is prohibited because it can lead to water vapor condensation between the profiles, which can be a cause of corrosion in the form of black spots;

h) in the case of aluminum getting wet during transport, handling or storage, it is essential to dry all profiles and intersperse them with relevant, dry spacers to allow air to circulate freely. Storage of wet profiles can lead to damage to the formation of coating or corrosion;

i) in the case of receiving the car transport carrier should properly secure aluminum profiles that they have no mechanical damage and do not get wet;

j) during unloading, loading, or interspersing of aluminum profiles must be especially careful not to scratch the surface and avoid moving of profiles, as this may damage them;

k) for storing profiles that are protected with a protective film, be sure to tear the film and depressurise the package. This will allow the ventilation air from the lower and upper side of the profiles eliminating the occurrence of water vapor condensation between the profiles. Longer storage of profiles with protective film can damage the surface;

l) Avoid contact of aluminum profiles with copper, as this can cause corrosion.

IX. Delays in payments, responsibility.

1. In case of Recipient's delay of paying the price of any delivery contracted between the parties, the Supplier has the right to refrain from implementation of all agreements (including the release of the Goods) until payment by the Recipient of all the amounts due with interest. If the delay of any payment towards the Supplier exceeds 7 days Supplier may terminate the contract without setting an additional deadline for delivery the Supplier shall not be liable for any resulting determinants from these causes. Withdrawal by the Supplier from the contract may not be the basis for any claim against the Supplier.

2. In any case, of Recipient's delay in payment of the VAT invoice. Supplier will obtain maximum interest permitted by law for arrears in payments in commercial transactions.

3. In the event that the Supplier has granted trade credit to Recipient, due to Recipient's delay in payment the price of any delivery contract between the parties exceeding 14 days, the Supplier is entitled to terminate Recipient's trade credit with immediate effect. In the event of termination of trade credit, all receivables of Suppliers shall become immediately due and payable.

4. The Supplier is free from any liability related to the untimely release of the Goods, when the reason for this is the fact that its subcontractor failed to fulfill delivery on time.

5. The Supplier shall not be liable for delay in delivery resulting from causes attributable to the carrier through which delivers Goods.

6. Compensation for damages to the Recipient in connection with the non-performance or improper performance of the contract is limited in each case to the value of the non-executed or improperly executed delivery, but in any case, Supplier shall not be liable for any lost of benefits by the Recipient

7. In the case of execution of contract by the Supplier only in part. The Recipient does not have the right (if to such law he will be entitled to) to withdraw from the contract in part made.

X. Dispatch confirmation, value-added tax

1. If the Recipient or his agent, established outside the territory of the Republic of Poland receives Goods and transports or sends it to the country not included in the European Union is obliged to submit the required tax laws to Supplier in copy of the document in which the customs office, specified in the customs rules, confirmed export of goods outside the territory of the European Union and which indicates the identity of the Goods supplied by the Supplier of the Goods exported outside the European Union. If the document is not submitted by the Recipient until the 25th day of the month following the calendar month of receiving the goods, the supplier will charge the Recipient the amount of tax on goods and services at the rate appropriate for a domestic supply of goods supplied, together with accrued interest. If the document will then be presented by the Customer, Supplier will correct the previous tax charge on goods and services.

2. In the case of supply from Polish territory to another country of the European Union, the Recipient is obliged to provide their valid identification number for intra-Community transactions, under which conducts its business in a different European Union country than Poland, and provide documents clearly proving that the goods provided by the Supplier were exported from Poland and delivered to the buyer in the territory of another Member State of the European Union, in particular, signed and stamped by the Recipient shipping documents and invoice. If these documents are not submitted by Recipient until the 25th day of the month following the calendar month of reception of goods, the supplier will charge the Recipient the amount of tax on goods and services at the rate appropriate for a domestic supply for goods supplied, together with accrued interest. If the document will then be presented by the Recipient, Supplier will correct the previous tax charge on goods and services.

3. If the Recipient from the EU receive the Goods by own means of transport - it requires adequate statement made by the Recipient no later than 3 days prior to the date of delivery.

4. Supplier may at its own discretion make a delivery outside Polish territory with the charge of VAT, and after sending by the Recipient of documents confirming leaving Polish territory and reaching the destination, adjust accordingly the invoice and make an appropriate refund of the amount from the original invoice or make an appropriate compensation from receivables payable to him from the Recipient.

XI. Patent protection and confidentiality of trade arrangements.

1. In each case when the production of the Goods shall be based on the Technical Documentation for violating the rights of third parties, in particular copyrights and industrial property, through the Technical Documentation or Goods to the extent that it results from a violation of the Technical Documentation Recipient is solely responsible, and therefore he will be obliged to repair the damage suffered in this respect by the supplier correctly.

2. Dies made by the supplier based on Technical Documentation are its property as an asset, subject to the Point-3 and 4.

3. Supplier shall not produce or sell directly or through another entity goods made on the basis of the Technical Documentation to other recipients, unless otherwise stated in the Agreement.

4. In case of not carrying out deliveries / sales to recipients for a period of 4 (four) years from the last delivery, the Supplier has the right to scrap tools, dies and other tooling used for the production. In case of renewal of delivery Receiver incur additional costs of implementation (restart) production.

5. All information contained in the Technical Documentation are covered by commercial confidentiality and each party undertakes to preserve the confidentiality of it during the term of the Agreement and for a period of 5 years from its termination .

XII. Jurisdiction of the court, legal matters.

1. The court competent to resolve any disputes shall be a competent court common to the headquarters of the Supplier.

2. The agreement shall be governed solely by Polish law.

XIII. Final provisions

1. Claims of the Customer towards the Supplier shall not be subject to any legal actions (including bank transfer to third parties) without the written consent of the Supplier.

2. The possibility of making any deductions by the Recipient liabilities from the liabilities payable to the Supplier toward the Recipient on account of trade cooperation is excluded .

3. If any provision of these Terms and Conditions prove to be invalid or unenforceable, it will not affect the validity and enforceability of the remaining provisions. In such a case, the parties agree to adopt such provisions, which will reflect the previous provisions in an effective way.

The Management Board of Extral Sp. z o.o headquartered in Zory