

Terms and Conditions of Sale – Ferrum Windows and Doors Factory limited liability company limited partnership with headquartered 88-100 Inowroclaw Latkowo 37/38

1. General terms and conditions

a) The term "Seller" in this document means Ferrum Windows and Doors Factory limited liability company limited partnership and any business unit being a subsidiary of Ferrum Windows and Doors Factory limited liability company limited partnership.

b) The Buyer is deemed to have given consent to the terms and conditions of sale given below if there is no written objection from the Buyer within 3 days from the date of acceptance of the order, including acceptance of an order made electronically or acceptance of the whole or part of the ordered goods by the Buyer, whichever is delivered earlier. Moreover signature of the Buyer at the VAT invoice or simplified bill for the delivered goods, or signature on a document confirming the receipt of goods is considered as consent to the sale terms and conditions.

c) Single occurrence of any of the events specified in point 1b) is considered as effective notification of the Buyer on the sales terms and conditions and consent of the Buyer to such terms and conditions. As a result the Buyer is also deemed to have given consent to the sale terms and conditions of the Seller for every following order made by the Buyer to the Seller, including orders made electronically.

d) These terms and conditions supersede any previous terms and conditions placed in Seller's catalogues or in any other place and are the only terms and conditions in reference to the sale contract between the Seller and the Buyer. With the stipulation of provisions of law, these terms and conditions with the sale contract and possibly the granted warranty are the sole source of rights and obligations of the parties in issues specified therein.

e) Those terms and conditions may be negotiated before the order of the Buyer is accepted by the Seller. All the prices given, published or given in any other way are calculated on the basis of and according to rules specified in these terms and conditions and may be changed if these terms and conditions change. All sale contracts according to which any of the units specified in point 1a) is the Seller are subject to these terms and conditions or to these terms and conditions changed by a written agreement initiated by the Seller or the Buyer, depending on circumstances.

f) The Provisions Of These Terms and Conditions for goods shall apply appropriately to services.

g) The term "order" means an order made by the Buyer to the Seller for the performance of goods or services based on previously agreed terms. The following are considered as a form of an order:

- written form (request sent by ordinary or registered mail, delivered in person or via fax)
- electronic form (order sent as an electronic file.)

2. Prices, tolerances and methods of calculation

a) prices quoted in price lists do not include VAT.

b) Optical, dimensional and other physical characteristics of goods are subject to tolerances appropriate for the given type of products resulting from the source materials of the product used by the manufacturer. In this respect, specifically defined errors and differences concerning, among others, weight, dimension, thickness, composition, mechanical and optical properties, power transmission, colour, flatness and other tolerances, also due to shortcomings in the practical tests and methods of control.

3. Payment

a) Payments should be made so that money arrives at the bank account of the Seller prior to or at the final maturity date agreed between the Seller and Buyer. If the Buyer fails to comply with payment for any of the deliveries or services, the payment for all goods delivered and/or services performed and not paid, shall become immediately payable and the payments for any goods supplied or services rendered during the period of such neglect shall be payable at the time of delivery/performance of the service.

b) The condition of the granting of any discount for cash payment is complete settlement of other debts.

c) From the date on which payment becomes due, the Seller has right to charge interest at the maximum rate specified in article 359 §2¹ of the Polish Civil Code.

d) All payments shall be first allocated to interest, unless the Seller decides otherwise.

e) In situations where the Seller grants an additional discount in the sales or any other document by way of earlier payment for the goods included in such document and the Buyer contrary to the agreement with the Seller fails to make such earlier payment within the time conditioning such discounts, then the Buyer undertakes to return at the request of the Seller the discount granted in time

specified by the Seller.

f) If, after making an order, the Buyer refuses to accept the ordered goods, at the time when the contract has already been performed by the Seller in full, the Seller shall be entitled to charge the Purchaser the full amount due for the goods covered by the contract at the same time making such goods available to the Buyer. In such situation, delivery of goods by the Seller is deemed to be performed in accordance with the agreement between the parties.

g) If the Buyer cancels the order and refuses to accept goods for reasons beyond the Seller's control prior to the performance of the contract by the Seller, the Seller shall have the right to charge the Buyer with the costs incurred to date concerning the performance of the contract and the Buyer agrees to reimburse the Seller's costs in time set by the Seller

4. Delivery

a) The seller sells the product on the basis of Ex Works (INCOTERMS 2000), unless it was agreed in writing or electronically that the place of delivery should be a regular place of business of the Buyer.

b) Any delivery time given or accepted by the Seller, should be considered only as approximate and the Seller does not agree for any contractual obligations concerning time or date of delivery. Buyers should know that, the performance of contract expected from the Seller does not include delivery time, and if the delivery is not made at some time or date, you should not consider that there has been any loss or damage, or delay in delivery of goods.

c) If the delivery of goods is made partially each delivery should be the subject of a separate order, including orders placed electronically, and that any negligence on the part of Seller in connection to such a single-supply shall not entitle the Buyer to cancel the contract or refuse to accept any other part to be delivered.

d) If for any reason the Buyer cannot accept the delivery of the goods at the time when the goods are ready for delivery, the Seller may store the goods, if allowed by the state of its warehouses, until the real time of delivery, and the Buyer shall be obliged to reimburse the Seller's costs of storage, including all costs of additional handling and transport. This fee is in addition and does not replace any other fees or damages, with which Buyer may be charged as a result of his failure to receive goods in a timely manner.

e) All risks associated with the goods pass to the Buyer upon delivery of the goods at the agreed place of delivery. If the situation described in point 4d) arises the risk passes to the Buyer at the time when the goods are ready for delivery.

5. Property Law

a) Notwithstanding the delivery and passing of risk associated with the goods and any other reservations of these terms and conditions, the ownership right to the goods shall not pass to the Buyer until the Seller has received in cash or other agreed form of payment the full price of the goods and all other outstanding liabilities connected with that delivery. During that time, the Buyer may not sell the goods.

b) Until ownership passes to the Buyer, he shall keep the goods as a depository for goods (articles 835-845 of the Polish Civil Code). The Buyer shall not be entitled to any compensation or reimbursement of expenses for storage of the goods. The Buyer shall incur any liabilities associated with storing of the goods only in its own name and on its own account. The buyer shall hold the delivered goods properly stored separately from the Buyer's and Third Parties' goods, protected, insured and marked as Seller's goods.

c) Until the ownership right passes to the Buyer (and assuming that the product still exists and has not been resold), the Seller may cancel the contract and submit a request for the Buyer to deliver the goods to the Seller, and if the Buyer does not comply with the request, the Seller shall be entitled to enter any location of the Buyer, where the goods are stored in order to retrieve it according to the prevailing law.

d) The Buyer is not entitled to pledge or otherwise charge the goods owned by the Seller to secure any debts. If Buyer violates the provision above, any dues related to the goods become immediately due, without prejudice to any other rights of the Seller.

6. Transport

a) If the Seller is required to deliver the goods to the Buyer, the Seller reserves the right to choose the form of transport and method of goods dispatch.

b) If the Buyer finds out that all the goods or part thereof have been damaged during transport, or differs from the ordered product in type, size (subject to Clause 2 (b) or amount, the Seller may replace the product or part thereof, make an additional delivery, or return the price paid by the Buyer, provided that the Buyer makes a written notification-claim in respect to the damage or non-compliance on the receipt document at the delivery of goods. The Seller shall

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have the opportunity to check each consignment to which the Buyer's claim in writing refers in accordance with Clause 6 (b).

c) Except for liability under clause 6 (b) the Seller shall not be liable towards the Buyer for the damages incurred by the Buyer in connection to delivery of goods, which differs from the ordered goods in type and/or size and/or amount, unless the damage was intentionally caused by the Seller or persons through which the Seller performs its duties.

d) In accordance with clause 6 (b) if the goods are not picked up by the Buyer from the Seller's warehouse, transportation will be considered to have ended when the product is ready for unloading at the place of delivery. The goods will be deemed to be ready to be unloaded after the removal of all tarpaulins, ropes, chains and other fastening means. The overall responsibility for unloading the goods shall be borne by the Buyer.

e) Before the arrival of the goods, and the latest after the arrival of goods at the place of delivery the Buyer shall secure unloading equipment in good working order, and shall immediately unload the goods as soon as they are ready for unloading. The Seller shall be entitled to recover from Buyer all the expenses and costs incurred as a result of failure to comply by the Buyer with the above obligation. Without prejudice to the above, the goods may immediately be regarded as not unloaded if the buyer does not unload them completely within 1 hour from the arrival of goods at the place of unloading.

f) If the delivery is done with the use of the Seller's car, any claims concerning mechanical defects shall be accepted only if the destruction or damage is marked by the Buyer on the receipt document.

g) If the Buyer receives the goods from the Seller at the warehouse of the Seller, the Buyer must check whether the goods are properly packed and loaded before leaving the warehouse. Seller shall not accept any responsibility for any loss or damage to goods, after it is accepted by the Buyer.

7. Packing

a) Pallets, crates, racks and all other distribution facilities are owned by the Seller and must be returned to it on demand. Any re-use of such equipment by the Buyer is done entirely at Buyer's own risk.

b) The Buyer is obliged to return the equipment specified in clause 7a no later than within 7 days from the date of delivery.

c) In case of exceeding the above deadline, the Buyer pays a penalty of 5% of the value of not returned equipment per each day of delay.

d) After 20 days from the date specified in clause 2 or if the Buyer avoids the obligation to return the equipment, the Buyer shall be charged with a penalty in the amount of the value of the equipment, including the penalty for late payment set out in clause 7c.

8. Faulty goods

a) In connection with the granting of a warranty for the goods by the Seller any other guarantees are excluded. For product warranty details please see the warranty card attached by the Seller to a very lot of goods.

b) The Buyer is obliged to immediately examine the goods and the notify the Seller in writing about any faults and no later than within 7 days from the date of goods hand over. The notice should clearly identify all the defects of the goods identified by the Buyer.

c) The Seller's liability does not include any obligations concerning remedying any damages (direct or indirect) incurred by Buyer as a result of the existence of the defect.

d) If the sale included a consignment of several items, and the defect affects only one or several items covered by that consignment, the rights of the Buyer under the warranty may not be extended to items not affected by the defect.

e) If there is a defect, for which the Seller is responsible, the Seller's obligations are limited to refund of the price (if it was already paid and subject to return of goods) or a free supply of defect-free goods in exchange for the defective goods without incurring liability for any additional costs associated with above (manpower, joining, glazing, replacement of scaffolding, construction works etc.). No claims arising from this from the Buyer or a Third Party shall be accepted.

f) If, as a result of checking of the goods, it turned out that the alleged defects are defects in the meaning of clause 2 (b) of the terms and conditions, any costs associated with the return of the goods, as well as with any damages ensued during the return - are born by the Buyer.

g) The Seller does not guarantee to the Buyer that the delivered goods will be fit for use for specific purposes or under specific conditions, despite the fact that such purpose or conditions may be known or disclosed to the Seller, unless and

except in the Seller grants a special warranty. After granting such a special written guarantee its terms shall be incorporated into these terms and conditions and shall form a part thereof and shall be so treated for all purposes.

h) The Buyer is not entitled to any claims in respect of defects of the goods in case of improper use of the goods, that is a use that does not comply with professional standards and Seller's instructions. The Buyer is obliged to obtain information about the appropriate use of the goods and to abide by them.

i) If the service performed by the Seller is processing of goods, the Seller shall not be liable for any damages to the goods, also caused by the processing, if they result from properties and/or defects of the items given for processing by the Buyer. As a result the Seller is not responsible for damage to goods accepted to the Seller's plant for processing, notwithstanding if the damage appears during or following the processing, cutting, laminating of profiles, hardening, coating, etc. The Seller is not responsible for any defects of the material, or the product taken from the Buyer for processing.

9. Force majeure

a) If the contract or the execution of individual obligations is prevented by force majeure, the Seller shall not be liable for any failure of performance or improper performance of the contract, provided that he will do his utmost to remedy the reason(s) of such failure to perform or improper performance and shall continue the performance of the contract without delay as soon as the cause ceases to exist. The same applies to orders placed electronically.

b) For the purpose of these terms and conditions, the term "Force Majeure" includes accidents, strikes, closures and other industrial activities, fires, accidents, storms, earthquakes, floods, explosion, war and other circumstances similar or not, beyond the Seller's control, as well as electrical failures and other accidents that prevent the acceptance of orders placed electronically.

10. Termination of the contract

If the Buyer fails to comply with payment or commits a breach of the terms and conditions of the contract, or becomes bankrupt, applies for liquidation, commences the liquidation procedure, enters settlement proceedings or allows for seizure of assets, or enters any agreement or arrangement with its creditors, or enters or remains in liquidation (other than the sole purpose of a merger or reconstruction) or, if a liquidator is appointed to all or part of the Buyer's business, the Seller may (without prejudice to its other rights), at its discretion - demand payment in advance for all the previous deliveries, or for any future delivery, or suspend all further deliveries until such non-payment or breach, if it is suitable for compensation, is compensated.

11. Miscellaneous

a) None of the Seller's representatives have authority to accept an order or a contract binding for the Seller without the Seller's written power of attorney.

b) The Buyer shall not, without the express prior written consent of the Seller, transfer its liabilities under the contract with the Seller or allow a take-over of debts resulting from this contract by a Third Party without such a consent.

c) Unless expressly agreed otherwise in writing:

- (1) the Seller has the right to transfer its claims under the contract to the entities referred to in clause 1a, as well as enable the acquisitions its liabilities under the contract with the Buyer by these entities and/or

- (2) the seller can produce the goods in any of its plants and/or plants of its subordinate companies referred to in clause 1 and/or

- (3) may enter subcontract for production and/or delivery of goods. Regarding this clause the subordinate company of the Seller means a company, which is a subsidiary of Ferrum.

12. The law and language of the contract

a) These terms and conditions of sale and any contract to which they apply should be in all respects in accordance with the Polish law.

b) All disputes and claims shall be settled according to the Polish law.

c) In the event of disagreement as to the contents of the contract or these terms and conditions of sale the Polish version shall be deemed as the correct version.

13. General terms

Termination or expiration of the contract shall not affect the rights and obligations of the parties arising from clauses 5, 7 and 12 above.