

General sales conditions

DEFINITIONS

In the General Sales Conditions the below stated definitions have following meaning::

Seller – Metalwit;

Buyer – an entity who is the other side of trade (the contractor of Metalwit company);

Sides – Seller and Buyer;

General Conditions – the general conditions of sales made by Metalwit;

Goods – commercial goods that are sold by Metalwit in accordance with an agreement with a contractor.

1. GENERAL CONDITIONS

The below General Conditions are applied to all contracts of sale of goods made by Metalwit as Seller.

The below General Conditions are the complete and exclusive regulation of contract binding Sides in terms of sale of goods. Thus sides exclude using any other contractual provisions. Any other regulations (general terms etc.) used by Buyer are not applicable.

The resolutions of the below General Conditions can be changed only in a written form, on pain of invalidity. Concluding a separate sales agreement excludes the application of the below General Conditions only in the scope regulated in a disparate way.

2. CONCLUSION OF AGREEMENT

The foundation of sales agreement is an order made by Buyer as a reply for Seller's offer. In the case of any change of offer or the introduction of objections regarding the offer in Buyer's order the agreement will be concluded only when Seller accepts the order with the changes or the objections. The lack of confirmation of such an order means that the agreement has not been concluded. Sides exclude any law predicted possibilities of conclusion of tacit (implicit) agreement.

In the case of making an order by Buyer without a prior obtainment of written offer (for instance, on the grounds of invitation to negotiations etc.) a written approval of order receipt is necessary to conclude the agreement. The provisions of section 1 are applied to sentences 3 and 4 accordingly.

Any agreements, assurances, promises and guarantees made verbally by Seller's employees in regards to the conclusion of agreement or an offer introduction are not binding.

All declarations exchanged between Sides in terms of the conclusion of agreement or its change should be delivered to the other side in writing by post, fax or e-mail, otherwise invalid. This rule, in particular, applies to offers, orders and order receipts. If Seller is not able to implement the agreement entirely or partially for reasons beyond Seller's control but related to the manufacturer of

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goods, Seller has a right to recede from the agreement entirely or partially within 3 month from the conclusion of agreement. Seller is not liable for a possible damage caused by it.

The quantity in the sales agreement is approximate. If otherwise agreed, a variation can be up to 10%.

3. PROPERTY RIGHT

Seller conditions that property right to the sold goods is transferred to Buyer only after paying Seller a full price. In the case of combining or mixing the goods Sides become co-owners of entirety. Provisions of the Article 196 Paragraph 2 of the Civil Code are not applicable.

The risk of losing or damaging goods is transferred from Seller to Buyer at the time of release of goods and when the goods are handed over to a carrier at the time of their release, regardless who bares the transportation costs.

4. PRICE

Price for the goods is indicated in an offer or a sales agreement each time.

The price is established on the grounds of agreement applicable at the day of the written confirmation of order.

Offers presented by telephone, post, fax or e-mail will not constitute a basis for concluding an agreement. The agreement is concluded after receiving a written order from receiver as well as sending the written confirmation of the order by supplier and the final written acceptance of conditions made by receiver in the order confirmation.

If a price is indicated in a different currency than Polish zloty, it is assumed that sides has agreed the price in Polish zloty by converting it into Polish zloty in accordance with the average selling rate of given currency in of invoice day.

Buyer is obligated to pay the price in a term indicated in an offer or, if the term has not been indicated, in a VAT invoice issued by Seller. A payment is considered as accomplished at the moment of crediting Seller's account.

If certain circumstances such as duty increase, the introduction of additional duty or other regulatory liabilities occur after the conclusion of agreement, Seller has a right to the adequate unilateral increase of price with introducing the reason of its raise. The raise cannot be higher than the actual increase of price-setting elements.

Seller is also entitled to a privilege defined in a preceding section in the case of the increase of production costs or purchase of given goods proportionally to prices from the time of conclusion of agreement.

If changes in material (cutting, bending etc.) are to happen, Seller has a right to make it for rate agreed in the conclusion of agreement.

Seller conditions that sales of the goods according to so-called theoretical weight, in which weight of the goods is established due to its volume, is made on the basis of theoretical weight according to norms describing material.

Prices given by Seller are net prices and they will be increased by value added tax according to current rate.

If Buyer delays with payment for any sales agreement that links sides, Seller has a right to stem the realization of all concluded agreements (including release of goods) until the time of Buyer's payment of all required bills with interest.

If a delay of any payment towards Seller exceeds 30 days, Seller can withdraw from the sales agreement without indicating an additional date. Seller is not liable for damage that has occurred because of the above mentioned reasons.

In the case of deterioration of Buyer's financial situation, Seller has a right to use the entitlements mentioned in the preceding section unless Buyer establishes collateral for Seller and accepted by them. The assessment of Buyer's financial situation and the acceptance or non-acceptance of collateral depend on Seller only.

Buyer is not allowed to deduct their liabilities towards Seller with the Seller's liability that come from agreements for the sale of goods.

If Seller grants Buyer a trade credit (a payment with a postponed payment date), Seller can limit or cancel it any time. This legitimation does not apply to already occurred liability.

5. PROTECTION

In order to protect the payment of all claims related to the sale of goods, Buyer issues and delivers Seller a blank bill.

The delivery of the blank bill should take place before the date of the first release of goods to Buyer. If Buyer does not deliver the blank bill in the given date, Seller has a right to refrain from the goods release.

The blank bill will be returned to Buyer in 14 days after the Sides fulfill the agreement.

Seller can exempt Buyer from the requirement of issuing and delivering the blank bill. For its validation, the exemption has to be in a written form.

6. RECEIPT OF GOODS AND ITS QUALITIES

Buyer commits to verify the goods carefully at the moment of its receipt in terms of quantity, conformity with a technical specification described in an agreement and possible visible faults. Attached technical documentation of goods shall also be verified. A document of release is signed after the verification of goods. The signing of release document equals with confirming the accordance of parameters with the order and the lack of faults that could be found during very careful examination of goods at the moment of their receipt. Buyer cannot waive the obligations

indicated in this section and cannot waive effects of obligations failure referring to the standard practice of trading and reception.

Sides agree that Seller covers the cost of goods loading and Buyer regulates the cost of unloading, independently of Side that bears the costs of transport.

All possible certificates, approvals, certificates of conformity or other documents, that indicate quality of goods, its parameters and technical qualities, passed by Seller with goods do not constitute the confirmation of data and at the same time do not constitute confirmation that goods fulfill indicated criteria. Each time passed documents are only Seller's information that, according to manufacturer's statement, goods have been made in accordance with indications included in the documents.

Goods of the second sort quality once sold cannot be returned.

If Seller commits themselves to issue the documents, that are in question of the third section, it is assumed that it can be done during the first day from the goods release.

7. DEFECTS OF SOLD ITEM

Buyer is obligated to immediately (no longer than in term of 3 days) inform Seller about defects that despite careful examination could not be found at the reception, after their detection under the pain of deprivation of warranty rights.

For its validation, a notification about the defect of goods has to be submitted in a written form with acknowledgement of receipt while Buyer commits himself to make faulty goods available to Seller in response to any Seller's request. If goods are processed, Seller's responsibility for goods is cancelled.

If, according to Seller, conducting technical expertise is necessary to detect defects, Seller will express an opinion after receiving appropriate expertise.

A complaint will be considered in a written form under pain of cancellation after the Seller's examination of the batch of goods, alternatively after conducting expertise. In the case of acceptance of complaint Seller commits themselves to replace defective goods at their costs with goods free from defects during a term agreed by Sides. If the goods replacement is not possible or is related to additional costs, Seller has a right to reject the goods replacement and to return Buyer the appropriate part of price.

Seller is released from responsibility for non-execution or inadequate execution of agreement if it is caused by the goods' defects related to its incorrect manufacturing. Sides exclude also Seller's liability under warranty. Seller's liability under warranty is cancelled when Buyer has repaired goods without Seller's written approval.

In other cases the rights under warranty expire after half a year from the date of goods release.

Seller does not guarantee that the given goods will suit a particular purpose. The risk of intended use of goods covered by the agreement remains with Buyer. All possible pieces of information given by Seller are polite and cannot be treated as a basis of concrete use.

The initiation of complaint proceedings does not release Buyer from the responsibility of paying a price for released goods.

8. DELAYS IN PAYMENT AND RELEASE OF THE GOODS, RESPONSIBILITY

In the case of Buyer's delay in paying the whole price or its part for the released goods, legal interest for delay will be paid to Seller.

In the event of more than 1 week postponement in the scheduled release of the goods, Seller will pay Buyer contractual penalty in an amount proportional to the 0.2% of the price of the goods that have not been released on time for each day of delay. In no case shall the penalty be greater than the 10% of the price of the goods.

In case of delay in goods receipt by Buyer in more than 1 week, Buyer will pay Seller contractual penalty in the amount proportional to the 0.2% of price of the goods that were not collected on time for each day of delay from the agreed date. In no case shall the penalty be charged for more than 30 days delay, except the fact when delay considers the material which was processed (cut or bent) by Seller, Seller has a right to demand contractual penalty in an amount proportional to the 40% of the value of the material due to the sales agreement. Penalty payment does not exempt Buyer from the collection of the goods. In case when Seller will refrain from goods release due to the premises referring to the point IV act 9 or V act 2 of the following General Conditions, it shall be assumed that Buyer is delaying with the collection of the goods, the contractual penalty will be imposed.

Seller is free from any kind of responsibility connected to the delayed release of the goods in case when their supplier did not fulfill delivery on time.

Buyer will pay once only the contractual penalty in the amount of 25% of the price of the goods not collected in due term when the collection of the goods will be delayed more than 30 days from the agreed date. If Buyer will not collect the goods in this term, the Seller can withdraw from the agreement. Seller's withdrawal does not cancel the Buyer's obligation to contractual penalty payment. The provision in paragraph 3 sentence 3 shall apply respectively.

If the damage exceeds the threshold of contractual penalty, Seller has a right to demand compensation under general terms.

Compensation for damages caused to Buyer which is connected with failure to perform or the improper performance of the agreement is in each case limited to the net price of the contracted goods and Seller may be liable for foreseeable damages and typical damages caused by Buyer.

In this respect it is noted that all Seller's liabilities are insurable, Seller has a right to partially or entirely withdraw from the agreement with immediate effect when insurer cancels insurance protection over Seller's liability against Buyer. In order to prevent termination of the agreement, Buyer can provide additional protective provisions which acceptance or non-acceptance depends on Seller.

In case if the agreement is fulfilled only partially by Seller, Buyer has no right (whenever such right would be applicable) to withdraw from an agreement in performed part.

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Sides have right to abandon the calculation of the above mentioned contractual penalties.

9. JURISDICTION OF THE COURT, LAW

The competent court of hearing possible disputes will be court of general jurisdiction in Bydgoszcz.

This agreement applies exclusively to the regulations of the Polish law.

10. OTHER PROVISIONS

Headings of particular points of this General Conditions are implemented only in order to facilitate the use of following text and do not have legal value and, therefore the content of the General Conditions cannot be interpreted on their basis.

If particular provisions of this General Conditions turned invalid or inefficient, it would not affect the validity and effectiveness of other provisions. In such a coincidence Sides are obliged to adopt such provisions which will reflect the prior will of Sides in an effective manner.

