

GENERAL TERMS AND CONDITIONS OF SALE OF ZPAS S.A.

I. GENERAL PROVISIONS

1. These General Terms and Conditions bind the Seller, hereinafter referred to as ZPAS S.A., and its Clients (the Buyers).
2. Entering into an agreement and deviating from these General Terms and Conditions requires a written form. A statement of will made in electronic form is considered equivalent to written form.
3. Unless otherwise specified in these provisions, ZPAS S.A. is in no case bound by any general commercial terms and conditions of the Buyer, even if such terms and conditions were submitted in writing or in any other manner and ZPAS S.A. did not object to them.

II. OFFER AND ENTERING INTO AN AGREEMENT

1. An agreement is entered into based on offers of ZPAS S.A. and offers of clients made to ZPAS S.A.
2. Offers should be made in Polish zlotys or other currencies as agreed by the parties.
3. Sales of goods will occur on the basis of written orders submitted by the Client. An order for goods should contain the following items: the quantity, name, price and date and place of picking up the goods. An agreement is deemed entered into when the Buyer's order has been confirmed in writing.
4. The deadlines stated in the order confirmation are defined according to ZPAS S.A. manufacturing capabilities.
5. No sale of goods to the Buyer takes place if ZPAS S.A. does not confirm the order.
6. The Buyer may not cancel the order and undertakes to pay for the ordered goods in full.
7. Any changes in articles that require a redesign will be carried out as a supplementary order once the main order is completed and must be accepted in writing by the Buyer on pain of not being implemented. However, changes agreed individually within a given project are permitted, provided that they are technically feasible and have been confirmed in writing by both parties.
8. Supplementary orders will result in changing the deadline for completing the main order and the delivery date. The Buyer will also be charged with costs of unpacking and repacking, final tests, measurements, calibration and settings as well as changes in other parameters, if necessary. Depending on the nature and scope of the changes, they may, in individual cases, be implemented without affecting the delivery date of the main order and without the need to charge additional costs.

9. The date, scope and conditions for conducting the Factory Acceptance Test (FAT) are specified in separate project execution terms or agreed individually within a given project.

III. SALE PRICES. PAYMENT AND SETTLEMENTS

1. Prices, fees and one-time expenses will be agreed by the parties while concluding the agreement, according to the terms and conditions agreed in a confirmed order and taking into account any rebates granted to the Buyer.

2. Costs of delivery will be paid by the Buyer. The delivery process is managed by the ZPAS S.A. warehouse.

3. The Seller reserves the right to adjust the price confirmed in the order upwards if cold rolled coil prices increase by more than 10% compared to the offer price, based on the MEPS index changes.

4. VAT invoices may be issued in foreign currencies.

5. ZPAS S.A. will complete the delivery of goods based on current Incoterms. If the Incoterms have not been specified in detail in an agreement between the parties, it is assumed that the order will be completed under FCA terms.

6. The prices are exclusive of VAT. VAT is charged additionally according to the tax rate in effect.

7. Auxiliary services will be settled separately. Returned packaging will not be accepted, unless otherwise is stipulated in the detailed terms and conditions of completing an order. The packaging is a consumer unit packaging in the meaning of the Packaging and Packaging Waste Act.

8. The sale price and the remuneration for additional benefits are hereinafter referred to as liabilities.

9. The Buyer is obliged to pay the goods purchase price to ZPAS S.A. before picking up the goods (payment in advance), unless under a separate agreement the Buyer is entitled to make deferred payment purchases.

10. The date of payment is considered to be the date on which the ZPAS S.A. bank account is credited.

11. The liabilities may not be set off by the Buyer and must be paid to the bank account stated by ZPAS S.A. In case of delays in payment, ZPAS S.A. will charge statutory interest for delays in business transactions. The expiry of the payment deadline will also mark the start of the collection process whose costs are covered by the Buyer.

12. If the Buyer that has been granted deferred payment is in arrears with payment or if timely payment is improbable due to the Buyer's financial situation, ZPAS S.A. is entitled to suspend the delivery of goods even after delivery conditions have been confirmed. In such case, ZPAS S.A. may withdraw from the contractual terms and conditions agreed with the Buyer without the need to first request the Buyer to perform the agreement.

13. If the Buyer's payment is not sufficient to cover multiple overdue liabilities, ZPAS S.A. will credit the payment towards the oldest due liability, and if there are several liabilities with the same age, will sort them according to invoice numbers; any amount credited towards a liability may be first credited towards any additional benefits related to it. A reservation of the Buyer to the contrary has no effect.

14. The Buyer is not entitled to the right of retention. Setting off claims is allowed only when mutual claims have been recognised as indisputable or legally binding. ZPAS S.A. is entitled to settle all liabilities owed to by the Buyer against all liabilities owed to the Buyer by ZPAS S.A.

IV. DELIVERY AND ACCEPTANCE OF GOODS

1. The Seller reserves the right to make partial deliveries, unless the Buyer noted in the order that it does not consent to such manner of completing the delivery.

2. A delivery is considered to be completed in a timely fashion if ZPAS S.A. notifies the Buyer of its readiness to deliver by the agreed date.

3. The choice of a suitable means of transport lies with ZPAS S.A. unless otherwise is stipulated in detailed order delivery arrangements. ZPAS S.A. will chose a suitable means of transport taking into account all circumstances, including the kind and quantity of goods, their peculiarities, the price and other factors.

4. Order completion dates mentioned in the offer are binding only provisionally and may be subject to change. The actual order completion dates are agreed by the parties and stated in order confirmations.

5. Order delivery is deemed completed as follows: if the goods are dispatched, upon delivery to the specified destination; if the goods are picked up by the Buyer in a warehouse named in the agreement, upon placing a separated batch of goods therein. The Buyer will be notified about the planned date of delivery.

6. The delivery deadline is extended accordingly if an obstacle for which ZPAS S.A. is not liable, such as fire, flood, failure of the device or means of transport, roadblocks, lack of specific assortment of goods, acts of public authority, is preventing or greatly hindering the delivery, regardless of whether the obstacle affects ZPAS S.A. or third parties, including suppliers and carriers. The above also applies to delivery obstacles manifesting when the delivery is in arrears. The Seller is entitled to immediately notify the Buyer of the occurrence and cessation of a delivery obstacle and to set a new deadline to deliver the goods.

7. If the goods are not picked up in a timely fashion, the Seller is entitled to charge the Buyer with costs of goods storage, equal to 0.3% of the net value of goods not picked up in a timely fashion for each day of storage. The decision about charging the storage fee is made at the discretion of the Seller.

8. The Buyer is obliged to accept the goods and check them for quantity, packaging and apparent defects during each delivery. Such acceptance is binding for the Buyer and a signed shipping document or a goods handover document is used to confirm the kind, quantity and

quality of delivered goods. Lack of any objections in documents confirming delivery completion is tantamount to proper performance of the agreement.

V. RESERVATION OF THE RIGHT OF OWNERSHIP

1. Until the sale price is paid in full, the Seller reserves the right of ownership of the delivered goods.

VI. MANUFACTURER WARRANTY

1. ZPAS grants the following warranty periods for correctly used articles:

- 24 months for catalogue products;
- 18 months for air conditioning and cooling systems, except as otherwise stated by the manufacturer (also applies to statutory warranty).

2. In case of spare parts, ZPAS S.A. grants to the Buyer a warranty until expiry time on condition that the parts have been installed by ZPAS S.A. or an authorised service centre.

3. If during the warranty period a defect that considerably restricts the functionality of a product being the object of the agreement manifests, ZPAS S.A. will remove such defect in due time, using for that purpose, after conducting an analysis and if necessary, replacement, repair or other means. If such means are not acceptable for the Buyer, ZPAS S.A. may also provide the Buyer with spare parts necessary to remove the defect.

4. As part of its warranty services, ZPAS S.A. covers all costs related to delegation, work and accommodation of its own personnel that repairs or replaces the parts, provided that the defect has manifested while operating the products being the object of the agreement according to their purpose and that the costs have not increased due to moving the products being the object of the agreement to a location other than the original delivery location.

5. ZPAS S.A. covers all costs of purchasing spare parts and delivering them to the original delivery location. Parts delivered under or for the purpose of replacement will be new or refurbished and in an pristine technical condition.

VII. TERMS AND CONDITIONS OF WARRANTY

1. A warranty is applicable when:

a) The products have not been altered, except for modifications introduced by authorised personnel of ZPAS S.A. or its partners.

b) The products were used correctly and according to the documentation supplied by ZPAS S.A.

c) Installation, operation, repair and maintenance take place according to guidelines provided by ZPAS S.A. In particular, this means that:

1. Installation and assembly occur according to the operation and assembly manual and are performed by suitable, trained personnel

2. Any repairs necessary under warranty are performed solely by ZPAS S.A. or its authorised partners.

3. A device under warranty is used solely in combination with compatible products.

d) the damage was not caused by changing the location of the product.

2. The warranty does not cover:

a) removing faults caused by external factors, such as fire, vandalism, unauthorised tampering, excessively high temperatures etc.

b) repair works to remove faults related to errors during operation or other improper handling.

c) repairs of accessories, attached components or other altered or modified devices.

d) repair works not related to ZPAS S.A. products.

e) repairs in cases in which requirements found in the technical documentation concerning a product's operating conditions have not been met.

3. In case of an unjustified warranty complaint ZPAS S.A. may charge the Buyer with costs of shipping the goods under warranty to the service centre and the costs of an expert opinion concerning the returned goods.

VIII. RETURN OF THE GOODS

1. ZPAS S.A. does not provide the option to refund purchased goods, except as otherwise decided by the parties in a agreement.

2. In case of refund, ZPAS S.A. will charge a processing fee equal to 10% of the value of the returned goods, but not less than PLN 100 for each return. Refunding the appropriate part of the price (less the processing fee) is possible after the quality of the goods to be returned has been examined and accepted.

3. Processed goods are not subject to returns.

4. Goods produced or packaged on special request of the Buyer are not subject to returns. In such case, paying compensation is likewise excluded.

5. ZPAS S.A. is not liable for non-agreed returns.

IX. LIABILITY FOR MATERIAL DEFECTS

1. The Buyer is obliged to inspect the goods: if they are dispatched, upon delivery of the goods to the specified destination; if they are picked up, in the warehouse stated in the agreement as soon as moving goods from the warehouse is completed.

2. The Buyer is obliged to notify ZPAS S.A. of a defect in writing within the following time limits:

a) on the day of delivery – in respect of apparent defects. Where the goods or their packaging have been damaged, the Buyer is additionally obliged to prepare a damage report with the carrier, confirmed by the signatures of the driver and the recipient.

b) within 7 days from the date of delivery – in respect of other defects that can be detected upon careful inspection of the goods.

In the notice, the Buyer is obliged to describe the defect and to attach the proofs (images etc.). Otherwise the goods are considered accepted without reservations.

3. The Buyer is obliged to immediately cease the processing etc. of goods whose defect was discovered and allow ZPAS S.A. to actually inspect such goods on pain of losing the right to all claims under warranty.

4. The Buyer may demand to be provided with goods free from defects. Providing goods free from defects occurs, at the discretion of ZPAS S.A., by removing a defect or replacing defective goods with their non-defective counterparts. Making a claim before the warranty proceedings are completed has no effect.

5. If the inspection shows that the Buyer is not entitled to rights and claims under warranty (including statutory warranty), the Buyer is obliged to bear costs related to such inspection.

6. The Buyer is obliged to inspect the goods for suitability for the intended purpose, relying on the professional advice of third parties if necessary.

X. LIMITATIONS OF LIABILITY

1. ZPAS S.A. is not liable for damage caused due to a violation of contractual and non-contractual obligations by the Buyer.

2. ZPAS S.A. bears compensatory liability for defects of goods up to the value of such goods, which means that ZPAS S.A. is not liable for damage which the Buyer has sustained or could sustain due to purchasing and using or being unable to use defective goods. ZPAS S.A. is not liable in any case and at all times for any indirect damage or consequent loss and destruction (including but not limited to losses in production or profits, lost business opportunities, reputational damage and contractual penalties) caused by any reason related to the goods and sustained by the Buyer or any other natural or legal person or organisational unit in any legal relationship with the Buyer. In the remaining scope, compensatory liability is limited to the sale price stated on the VAT invoice and paid by the Buyer.

3. ZPAS S.A. is not liable for failure to perform or improper performance of the contract if circumstances over which ZPAS S.A. has no control manifest (force majeure).

XI. INTANGIBLE ASSETS

The contractor is not liable for changes introduced by the awarding entity and leading to infringement of intangible assets of third parties, understood as an infringement of patents, designs and know-how – this applies especially when a product is integrated with other IT systems of the awarding entity, for example with an online store.

XII. SOFTWARE AND SOURCE CODE

The terms and conditions of sale of articles containing software, control routines and source code will be agreed on a case by case basis by the parties while entering into and performing the agreement.

XIII. SERVICE AND DEPLOYMENT

The detailed terms and conditions of the servicing, launch and deployment of automatics devices will be agreed on a case by case basis by the parties while entering into and performing the agreement.

XIV. FINAL PROVISIONS

In matters not related to the General Terms and Conditions of Sale, the law of the Republic of Poland applies.