

# GENERAL CONDITIONS OF SALE of April 1, 2017

## §1 General Provisions

1. These General Conditions of Sale apply to the sale of steel products and semi-finished products offered by STALPROFIL Spółka Akcyjna seated in Dąbrowa Górnicza.
2. Capitalized terms used in the General Conditions of Sale have the following meaning:
  - a) Buyer/Customer - a natural person, legal person, as well as an organizational entity without legal personality who placed an Order with STALPROFIL;
  - b) STALPROFIL – STALPROFIL Spółka Akcyjna seated in Dąbrowa Górnicza, ul. Roździeńskiego 11a, entered in the Commercial Register of the National Court Register kept by the District Court Katowice - Wschód in Katowice under number 0000113043, Tax Identification Number 6290012166, Statistical Number 001367518, share capital PLN 1 750 000,00 paid in full;
  - c) Products - steel products and semi-finished products offered by STALPROFIL;
  - d) Order - a written order of the Buyer sent by electronic mail, fax, registered mail or placed directly with STALPROFIL which is an offer to purchase Products and specifies at least the following: type and price of Products - in accordance with the Price list or a written proposal of STALPROFIL previously sent to the Buyer and the proposed date of delivery and delivery dates (delivery schedule) of individual batches of Products. STALPROFIL recommends that an order is placed based on the form available at [www.stalprofil.com.pl](http://www.stalprofil.com.pl);
  - e) Products Collection Date – date indicated to the Buyer in Order conformation, until which Products are booked and the price indicated in the confirmation is effective;
  - f) GCS - these General Conditions of Sale effective in STALPROFIL.
3. GCS are an integral part of each contract for the sale of Products, even if the Buyer does not implicitly refer to GCS in the Order unless the parties to the sales contract implicitly resolved in writing under the pain of nullity to exclude GCS or some of the provisions thereof.
4. GCS are available in electronic form at STALPROFIL website: [www.stalprofil.com.pl](http://www.stalprofil.com.pl)
5. GCS do not apply to sales contracts concluded with the consumer.

## §2 Classification. Technical Specification

1. Products offered for sale by STALPROFIL are classified in a way specified on the website: <https://www.stalprofil.com.pl/strony/asortyment>. The tab related to a given assortment of Products includes technical specifications for a given assortment (standards, technical approvals).
2. When placing the Order, the Buyer is obligated to know parameters and the intended use of ordered Products. STALPROFIL is not liable for the choice made by the Buyer and the use or intended use of Products bought from STALPROFIL.
3. Quality-related documents (quality certificates, certificates, approvals) are provided by STALPROFIL as copies of original documents. A copy includes the following information:
  - name of the entity issuing the copy – STALPROFIL S.A.
  - name and surname of a person issuing the copy
  - name of a product, steel grade, heat no., quantity issued
  - invoice number and the date of its issue.
4. Products are delivered in line with basic requirements set forth in relevant technical specifications. Additional requirements should be clearly indicated in the Order and once agreed should be included in order confirmation.
5. Deliveries are settled based on actual weight or nominal weight (theoretical).
6. Full range of hollow sections is offered by STALPROFIL based on the producer's conversion rate (theoretical weight), available at the website.
7. Unless the Parties resolve otherwise, the acceptable quantity tolerance for each item and the entire order is +/- 10%.
8. Products may have traces of corrosion which however does not affect their quality or properties.

## §3 Sales contract

1. Contract for the sale of Products is concluded upon the placement of an Order by the Buyer and the acceptance of that Order by STALPROFIL by way of STALPROFIL sending Order confirmation to the Buyer by electronic mail or fax, subject to section 2 below.
2. STALPROFIL may, within 2 (two) business days from Order receipt, refuse to accept it and notify the Buyer thereof.
3. The Order should be passed to STALPROFIL in a way facilitating full identification of the Order's content. Incomplete, illegible Order or one containing contradictory or ambiguous information is not a binding Order for STALPROFIL unless STALPROFIL having contacted the Buyer clarified doubts concerning the Order and confirms its acceptance specifying the sales conditions in the confirmation.
4. STALPROFIL has the right to change the date/dates of delivery or issue of all or individual Product batches by 3 (three) business days at the most and notify the Buyer thereof which does not entitle the Buyer to withdraw from the sales contract or raise claims against STALPROFIL.
5. Should the Buyer fail to collect Product by the Product Collection Date, STALPROFIL has a right to withdraw from the contract for the sale of Products and charge the Buyer with a contractual penalty of 20% of the net value of the ordered Products. STALPROFIL may exercise the right to withdraw from the contract within 60 days after the date defined in the first sentence.
6. In the period from the moment when Order confirmation is sent to the Buyer till the Product Collection Date indicated in Order confirmation, STALPROFIL has the right to withdraw from a sales contract entirely or partly, for important reasons i.e. if:
  - it is not possible to insure receivables from the Buyer on account of the contract (entirely or partly);
  - for reasons independent of STALPROFIL, and related to Products Manufacturer, STALPROFIL will not be able to perform the contract entirely or partly.
7. Withdrawal from the sales contract must be made in writing.
8. Should STALPROFIL exercise the right to withdraw from the sales contract referred to in GCS, the Buyer will not be entitled to any claims towards STALPROFIL.
9. STALPROFIL sales contract may be concluded in other legally permitted way, including STALPROFIL placing a commercial offer and its acceptance by the Buyer in the period of the commercial offer's validity, as well as by way of signing a bilateral commercial contract.
10. The placement of an Order by the Buyer, acceptance by the Buyer of STALPROFIL offer, as well as the signing by the Buyer of a bilateral commercial contract with STALPROFIL is understood as an assurance given by the Buyer to the Seller that there is no actual or legal basis preventing the Buyer from concluding or performing the sales contract, and that the Buyer has means to make payment for the Goods which it intends to buy from STALPROFIL as a result of the above-mentioned activities.

## §4 Conditions of delivery/issue

1. The Buyer is obligated to collect Products in line with the sales contract subject to sec. 3. Change of the Collection Date always requires an express written consent of STALPROFIL.
2. Unless the Parties agree otherwise, Products are issued in STALPROFIL warehouses located in Dąbrowa Górnicza, ul. Roździeńskiego 11a and in Katowice, ul. Owsiana 60, subject to section 3. The place of issue is indicated in the sales contract.
3. STALPROFIL has the right to unilaterally change the location or the time of loading Products in the event of extraordinary events in STALPROFIL such as in particular: crane breakdown, power outage, computer system breakdown, a long queue of trucks waiting for loading. STALPROFIL will notify the Buyer of the change indicated in the previous sentence by electronic mail. In the case referred to in this clause the Buyer is not entitled to any claims towards STALPROFIL.
4. The Buyer undertakes to notify STALPROFIL of the Products' collection one day in advance. The notification is made by electronic mail to the address of STALPROFIL employee who sent the Buyer the confirmation of the Order placed.
5. The Buyer is not entitled to claims towards STALPROFIL related to idle time before and during loading.

6. The Buyer ensures transport means adequate for the quantity and type of Products. Should the transport service be rendered by STALPROFIL, a relevant express provision is necessary in the contract for the sale of Products with the date and location to which the transport service should be rendered, as well as the compensation for the service rendered.
7. In each case, the person collecting Products on behalf of the Customer is obligated to show a document authorizing them to collect the Products unless it had been given in the Order or on a separate document provided to STALPROFIL, and is obligated to confirm their personal data with an ID document. If the Buyer provides transport means, the authorization should also contain the full registration number of the transport means (registration number of the truck and trailer, or the truck itself if it has no trailer). STALPROFIL has the right to refuse the issue of Products to a person who has no Buyer's authorization or did not confirm their particulars. Should this be the case, §3 sec. 5 of GCS will apply.
8. Products' issue is confirmed in the Goods Issue Note issued by STALPROFIL or on behalf of STALPROFIL in the case of sale in transit (goods are not collected from STALPROFIL'S stockyards).
9. A risk of accidental loss, damage or destruction of Products passes to the Buyer upon their issue to the Buyer or a person or a carrier authorized by them.

#### **§5 Price. Payment. Reservation of the ownership right**

1. The net unit price (for a measurement unit of the Product) is set by the Buyer and STALPROFIL by way of mutual agreement. The agreed net price is indicated in the Order confirmation sent by STALPROFIL to the Customer. VAT will be charged on the amounts referred to in the previous sentences in accordance with effective law regulations.
2. The net unit price includes the cost of loading Products on transport means at STALPROFIL's warehouse. All other costs related to the purchase of Products are borne by the Buyer unless Order confirmation expressly indicates otherwise.
3. Price for the sold Products and the compensation for the transport service should be settled within a deadline set forth in the sales contract or on the VAT invoice. The date on which funds are credited on Stalprofil's bank account is deemed the date of payment.
4. A change of the payment date always requires an express written consent of STALPROFIL. In the event the Buyer fails to settle the payment for the Products on the agreed date, STALPROFIL has the right to withdraw from the sales contract and demand the Buyer to repair the damage (in accordance with provisions of the Civil Code).
5. In the case of transit sales (i.e. delivery of products ordered by a Buyer in STALPROFIL made from a location other than STALPROFIL warehouses), the sole basis authorizing the Buyer to collect the Products and take possession thereof is a VAT invoice documenting the sale of the said Products by STALPROFIL to the Buyer. Buyer may not take possession of Products subject to transit sales without first receiving a VAT invoice documenting the sale of those Products to the Customer by STALPROFIL. If the Customer does not have a VAT invoice issued by STALPROFIL for Products subject to transit sales, the Customer is obligated to request STALPROFIL to provide a VAT invoice enabling the Customer to collect Products subject to transit sales.
6. STALPROFIL reserves the ownership right to Products until their total price is settled.
7. Should there be a delay in payment by the Buyer to which according to Polish law provisions of the act of March 8, 2013 on payment dates in commercial transactions apply, the Seller is entitled to statutory interest for delay in commercial transactions referred to in the above-mentioned act.
8. Should there be a delay in payment by the Buyer to which according to Polish law provisions of the act of March 8, 2013 on payment dates in commercial transactions do not apply, the Seller is entitled to contractual interest for delay in an amount corresponding to statutory interest rate for delay in commercial transactions, referred to in the above-mentioned act, effective in the period of the delay.
9. Annual interest rate referred to in sec. 6 & 7 above is agreed in the amount arising from the implementation of DIRECTIVE 2011/7/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 February 2011 on combating late payment in commercial transactions.

#### **§6 Quality guarantee. Liability.**

1. STALPROFIL provides the Buyer with a guarantee of Products' quality and their compliance with standards relevant for a given type of Products defined in § 2 sec. 1 above.
2. STALPROFIL gives a 5-month guarantee for Products counting from the date of their issue with a reservation that in each case the liability under guarantee expires upon their development or processing.
3. The guarantee does not cover the following properties (parameters) of Products: resistance to weather, color stability, scratches, corrosion traces.
4. The guarantee is not effective if the Buyer knew about Product defect upon its issue or could notice it upon its issue.
5. The guarantee does not cover the choice made by the Buyer and the use or intended use of Products purchased by the Buyer from STALPROFIL.
6. STALPROFIL's liability on account of the warranty for defects specified by the Civil Code is excluded in connection with the provided quality guarantee.
7. STALPROFIL's liability for damage is limited to the actual damage not exceeding 50% of the Order's net value. STALPROFIL's liability on account of lost profits is excluded.

#### **§7 Claim procedure**

1. The Buyer is obligated to check:
  - a) quantity and visible surface defects of Products (including mechanical damage) - upon collection of Products;
  - b) steel grade, dimensions, shapes of Products – within 5 working days from the collection of products, however not later than before their installation or processing if it takes place less than 5 working days from the collection of Products;
  - c) Products' quality before the commencement of their installation or processing at the latest.
2. Buyer is obligated to make a claim regarding:
  - a) the quantity and visible surface defects of Products (including mechanical damage) - upon the collection of Products from STALPROFIL at the latest;
  - b) incorrect steel grade, dimensions, shape of Products - up to 7 working days following the day on which a defect was identified.
  - c) quality of Products within 2 working days from the day on which a defect was identified at the latest.
- Should the Buyer fail to make a claim within the above-mentioned deadline, STALPROFIL is released from guarantee obligations.
3. Should a defect be detected and a claim is planned to be made, the Buyer is obligated to refrain from installation or processing of products until the claim is settled by STALPROFIL. Failure to observe the obligation to refrain from the installation or processing results in the loss of rights under guarantee and release of STALPROFIL from guarantee obligations, also if the Buyer previously made a claim.
4. Claim must always be made in writing and should identify the Buyer, specify in detail defects, type and quantity of Products covered by the claim, and indicate the place where the Products are located and numbers of VAT invoices issued by STALPROFIL for Products, as well as a signature of a person authorized to act for the Buyer. Claim should be passed to STALPROFIL in a way facilitating full identification of the claim's content. Claim that is incomplete, illegible or includes contradictory or unclear information, as well as claims without a signature of a person making the claim, who is authorized to act for the Buyer, does not constitute an effectively made claim.
5. Claim may be sent by e-mail, fax, registered mail or delivered personally. Should a claim be sent by e-mail or fax, it will be effective if it is also sent to STALPROFIL by registered mail on the same day.
6. Should a claim be made regarding the quality of Products, the Buyer is obligated to properly secure the claimed Products until their inspection by STALPROFIL or other entity acting upon authorization of STALPROFIL.
7. For a claim to be reviewed, it must be made in writing in accordance with sec. 4 and if STALPROFIL deems it necessary - the Products (referred to in sec. 6) claimed in accordance with the GCS must be first inspected, a claim note prepared directly after the inspection of Products at the Buyer's and signed by a person acting for STALPROFIL and the Buyer or a person authorized by them, as well as photo documentation if made by STALPROFIL. STALPROFIL reserves the requirement of obtaining a prior specialist opinion in cases so requiring. Costs of actions described in the previous sentences are borne by STALPROFIL if a claim is accepted.
8. Should a claim be deemed justified, STALPROFIL is obligated to replace defective Products with Products without defects or to reduce the price of defective Products. Decision in this scope is made by STALPROFIL based on the type of Product defect identified. Written decision will be

delivered to the Buyer by e-mail, fax or registered mail. If a decision regarding claim settlement is made, the replacement of a Product or a refund of price reduction will be made within a period agreed with the Buyer, however not earlier than 7 (seven) calendar days from informing the Buyer of a decision regarding the settlement of Buyer's claim.

9. Return of defective Products takes place in a location where the defective Products are stored and indicated in a claim made with STALPROFIL. The Buyer is obligated to prepare defective Products for loading and collection by STALPROFIL. Costs of returning defective Products and transport of Products without defects is borne by STALPROFIL.

10. STALPROFIL has a right to refuse the execution of a settled claim until the Buyer settles all payments due to STALPROFIL on account of Products' price.

11. The settlement of the Buyer's claim in the above-mentioned way finalizes the claim procedure and excludes any further claims the Buyer may have towards STALPROFIL.

12. STALPROFIL is not liable for a failure to perform obligations arising from the sales contract if it results from force majeure circumstances understood as an extraordinary external event that cannot be prevented and renders STALPROFIL unable to perform its obligations under the sales contract which in particular include: a war, earthquake, flood, hurricane and other natural disasters, civil unrest with the use of arms, government acts, as well as events such as flood, fire, explosion, sub-zero temperature, heavy snowfalls, power outages.

#### **§ 8 Final provisions**

1. These GCS are an integral part of each order confirmation by STALPROFIL.

2. Transfer of any rights or obligations arising from the sales contract by the Buyer to a third party, as well as any deductions may be effected only upon a written consent of STALPROFIL.

3. The invalidity or ineffectiveness of one of the provisions of GCS does not affect the validity or effectiveness of other provisions of these GCS. Should this be the case, invalid or ineffective provisions are replaced by relevant law regulations.

4. Amendments to GCS come in force by way of their publication on the website: <https://www.stalprofil.com.pl/strony/warunki-sprzedazy> and are applicable to the Buyer as of the day of their publication on the said website.

5. Provisions of the Civil Code and other acts apply to issues not governed by GCS - in particular provisions of the Civil Code and other acts.

6. All disputes arising on account of the sale of Products: a) brought by STALPROFIL will be solved by a common court of the Republic of Poland as decided by STALPROFIL i.e. (i) a court with jurisdiction over STALPROFIL seat, (ii) court of general jurisdiction over the defendant or (iii) a court in Gliwice (alternative jurisdiction); b) brought by the Buyer, will be solved by a common court of the Republic of Poland with jurisdiction over STALPROFIL seat.

The Buyer is obliged to familiarize himself with the principles and values contained in the Code of Ethics Stalprofil S.A. available on

<https://www.stalprofil.com.pl/en/pages/code-of-business-conduct>

Wehaye the status of a "large Enterprise", link to Download: <https://www.stalprofil.com.pl/strony/oswiadczenie-o-posiadaniu-statjisu-duzego-przedsiębiorcy>