

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Preamble

These General Terms and Conditions of Purchase apply to all purchases by KNAUF INDUSTRIES POLSKA Sp. z o. o. in Adamowice 96-320, Stropianowa 1 entered into the register of entrepreneurs of the National Court's Register under no. 0000044477, NIP (VAT UE) 561-10-30-150, Regon: 170284669 (hereinafter referred to as the "Company"), whether these be tools, machines, parts, raw materials or supplies of any kind, including service provisions (hereinafter referred to collectively as "Products"). Unless otherwise agreed in writing, otherwise such agreement being null and void, and notwithstanding any stipulations to the contrary laid down in the Supplier's general terms and conditions of sale, acceptance of an order implies consent to these General Terms and Conditions of Purchase. The acceptance of Product deliveries, as well as payment for purchasing Products, shall in no event be assumed to imply acceptance of the Supplier's general terms and conditions of sale and contracts.

2. Orders

Each order shall be deemed accepted by the Supplier unless otherwise stated in writing by the Supplier within 2 business days of the order being sent by the Company. The General Terms and Conditions of Purchase may be amended or cancelled in writing by the Company at any time, up to five business days prior to the delivery date. The Supplier shall be notified in writing about an amendment to the General Terms and Conditions of Purchase (by recorded delivery) or by electronic mail. The amended General Terms and Conditions of Purchase shall be binding on the Parties after 2 weeks of being received by the Supplier.

3. Product Quality/Quality Warranty/Implied Warranty

The Supplier provides the Supplier with a 24-month quality warranty and implied warranty for the Products against all defects, regardless of their origin. The Supplier shall accept full liability for Products deliveries pursuant to the order conditions, applicable laws, standards, technical evaluation documents, certifications, specifications and/or samples produced and issued by us, and pursuant to the applicable standards and codes of practice applicable to plastic materials. The Supplier shall prove this compliance at any time. All non-compliant Products may be returned to the Supplier by the Company at the expense and hazard of the Supplier. Furthermore, the Supplier shall be liable for:

- all defects in the purchased Product as regards the specific use to which we intended to put it;
- all defects in purchased Products resulting from conditions of their storing or stocking.

The Supplier shall inform the Company in writing, immediately once it becomes aware of this, of all events likely to have an impact on fulfilment of the order (in particular: supply difficulties, labour disputes, shareholding structure, organisation, etc.). The Supplier shall be fully liable for direct and/or indirect property and non-property losses caused to the Company and/or our Customers, regardless of the cause and grounds (liability under implied warranty, contractual liability for non-conformance, etc.). As a consequence, the Supplier shall pay compensation for any damage, including actual losses and lost benefits, in particular in production, operation, profit, sundry costs and expenses, resulting in particular from the unavailability or unsuitability of Products for their intended purpose.

4. Subcontracting - Transfer

No assignment, transfer or subcontracting of the order, even partial, shall be permitted without the Company's prior express consent.

5. Deliveries, Complaints

The delivery times stated in the Company's orders shall be final and non-negotiable. The delivery date given in the order shall be the date of arrival of Products at the Company's registered office or at another address indicated by the Company.

In the event of a late delivery, the Company shall be entitled to:

- cancel the order;
- immediately undertake purchase of supplies from another supplier at the Supplier's expense and hazard;
- refuse acceptance of the Products in writing (by recorded delivery) or by electronic mail in the event of failure to keep the delivery time, incomplete or surplus delivery, or non-conformance with the order and/or the documents.

All the Products shall be returned to the Supplier at its expense and hazard. Furthermore, the Supplier shall pay the Company compensation for all costs, expenses, customs duties, fees, cash penalties and damages incurred by the Company as a consequence of the Supplier's failure to perform its obligations and/or improper performance thereof (rejects, storage, sorting, interim costs, retouching, damage to tools, breakdowns, production shutdowns, etc.).

6. Late Deliveries and Penalties

6.1 Where the Supplier is unable to deliver in full or in part within the prescribed deadline, it shall notify the Company thereof without delay in writing, otherwise such notification being null and void, giving the reasons for and the probable duration of the delay.

6.2 In the event of late delivery, penalties for late delivery set at a sum of 0.2% per working day late, capped at 5% of the net value of the order, shall be deducted from our payments.

7. Transfer of Ownership and Risk

Unless expressly indicated otherwise, the delivery, and therefore the transfer of ownership of the Products to the Company, shall occur upon the delivery and acceptance of all the Products covered by the given order at the delivery address given in the order.

In view of the above, the Supplier shall hold a valid insurance policy to cover any potential physical damage likely to be suffered by the Products while in transit and an insurance policy covering the financial consequences of its liability for losses that may be caused by the Products ordered.

In the case of moulds, tools or machines constructed by the Supplier for the Company under an order, such tools, and intellectual and industrial property rights thereto shall become ownership of the Company based on the conditions set out in a separate contract and may not give rise to retention of ownership by the Supplier, who hereby commits itself to ensure marking the said tools as the Company's ownership.

8. Insurance

The Supplier shall purchase any needed insurance policies before it starts to fulfil the order, including, in particular:

- An insurance policy covering the Supplier against all risks of physical loss or destruction of Products prior to their delivery to the Company, and against such risks resulting from use of the Products subsequent to delivery and the financial consequences ensuing therefrom;
- An insurance policy for property in transit, covering all risks of physical loss or damage to the Products during transport;
- A civil liability policy to cover, subsequent to delivery of the Products, the financial consequences of any damage incurred by the Company, which may originate in a defect, error or omission attributable to the Supplier in performance of its contractual obligations under an order.

9. Compliance with Laws and Regulations

The Supplier shall comply with the applicable laws enacted by all national, European, local and other authorities, and with all legal regulations and rules of private or public entities pertaining to its business from the order performance perspective, in particular, with respect to matters of health and safety and environmental protection, the Supplier hereby states that it has familiarised itself with the appropriate legal regulations, the observance of which forms an essential part of its obligations. If an order concerns machinery, apparatus or equipment, the Supplier shall draw up a CE declaration of conformity under its sole liability and shall affix appropriate markings (CE/NF/others). It shall be directly and exclusively liable for any consequences that may ensue upon neglecting such obligations. In the relations between the Company and the Supplier, the Supplier shall be solely liable for the conformity of materials to all legal regulations concerning the safety of such materials. The Supplier shall be responsible for any financial and/or administrative consequences borne by the Company due to the failure by the Supplier, its employees, its subcontractors and suppliers to comply with the applicable laws and other applicable regulations, best practices, and guidelines.

10. Instructions on Packaging and Shipping

The Supplier shall select packaging suitable to the nature of the Products it delivers and to their mode of transport and storage in order to guarantee delivery in unimpaired condition. It is also required, under its own liability, to abide by the national and international regulations pertaining to hazardous products. A detailed waybill shall be attached to each delivery. This shall enable identification of the order, type of products, quantities ordered, etc.). The Supplier shall ensure possibly swift shipment and shall select the most favourable shipping option best suitable for the Company, unless a specific or overriding agreement exist. If special packing instructions is available from the Company shall these instructions be used by the Supplier. Packing material according to normal standard is included in the price of the product, otherwise as separate agreed between the parties.

11. Intellectual Property – Trademarks – Patents – Designs and Models

The Supplier hereby declares that it is the owner or holder of licences, patents, permits, trademarks, designs, models and processes implemented to fulfil the order. All the author's economic rights will be transferred to the Company, based on which the Company shall be able to use drawings and documents, including software instruction manuals, drawn up on letterhead or trademarked by the Supplier to perform the order. To this end, the Parties shall sign an agreement on transferring author's economic rights in accordance with the applicable law. If any claims or charges are brought against the Company and/or our Customers for contravention of copyright or industrial property rights (infringement of patent and/or unfair competition) in connection with an order, the Supplier shall apply at its expense measures to defend the Company against such claims and/or charges and shall provide the Company with a guarantee of indemnification for all the Company's costs connected with litigation and rulings that may be handed down against it - and shall provide its representation in all court proceedings - as well as for any liabilities incurred, without limitation, with this reservation that any settlement in the given case can only be made upon the Company's consent. Should the representation of the Company by the Supplier be impossible, the Supplier undertakes to cover all the costs connected with the court action or legal representation in such action. Unless otherwise agreed, drawings, specifications, computer files, technical and commercial documentation, test results, photographs, samples, prototypes, studies, reports, specifications, correspondence, patents, models and designs, etc., which we forward to the Supplier, shall be our exclusive ownership. Consequently, the Supplier shall not circulate them in any way without our prior written consent and undertakes to only use them within the strict limitations of the agreed purpose, in accordance with the agreements entered into between the Parties. For the avoidance of doubt, the Parties decide that no provision hereof shall mean the transfer of any right or the granting of any licence to the Supplier. Any Supplier being aware of an infringement of patent, trademarks or other intellectual property rights possessed by our Company shall immediately inform us thereof by electronic mail, confirmed by recorded delivery.

12. Moulds/Models/Tools

Failing proof to the contrary, moulds, models and tools that the Company develops, or manufactures and, where applicable, has put at the disposal of our Suppliers, whether free of charge or against a fee, with a view to production of the products we purchase from them shall remain our exclusive ownership. The Supplier hereby guarantees their safekeeping and maintenance in appropriate condition, and assumes all risks inherent in their exploitation, even in the case of storage without use. The Supplier shall insure the moulds, tools and/or machines against any damage that may be caused to them (including theft) for a sum at least equal to their replacement value and against any damage they may cause to third parties. A corresponding certificate of insurance shall be presented at the Company's request.

The Supplier may in no event claim a right of possession of the moulds, models and tools put at its disposal; they may only be used for fulfilment of our orders. The Company may request their return at any time.

13. Confidentiality

The Supplier shall treat all information that we furnish to it, regardless of its nature and medium, as confidential information for the entire time it co-operates with the Company and for a period of three years following the end of business relations.

The Supplier may rely on its commercial relationship with the Company after the Company's prior written consent has been received. Any failure to abide by this obligation of confidentiality shall entitle us to cancel the current orders effective immediately, without a formal prior notice being given.

14. Price and Payment

The prices given on the order are final and may not be revised. If there is no written agreement stating otherwise, the prices shall be taken to mean "Delivered at Place" – DAP (the seller is responsible for delivering the goods to a specific place, while unloading the same is the buyer's responsibility), in accordance with Incoterms.

Unless otherwise agreed, our payment shall be made within 60 days of an invoiced being received.

15. Court Disputes

These General Terms and Conditions of Purchase are governed by Polish laws.

In the case of a dispute arising from the General Terms and Conditions of Purchase attached to an order, the Parties shall enter into negotiation in order to resolve it amicably. Where amicable resolution is impossible, disputes shall be settled by the common court appropriate for the Company.