

GENERAL CONDITIONS OF SALE

1. Standards and technical documentation

- 1.1. Unless otherwise agreed the delivered apparatuses, machines and equipment shall conform to Polish Standards (PN) and IEC & DIN Standard or NEMA Norms.
- 1.2. Drawings, plans and other technical documentation put by the Seller at Buyer's disposal cannot be, without the Seller's consent, used contrary to their purpose, copied, reproduced not passed to third parties.
- 1.3. All data concerning weight, measures, quality and nominal value contained in catalogues, leaflets, drawings and price lists are given for information purpose only. Such data will constitute an integral part of the contract only when this has been explicitly agreed in the contract.
- 1.4. If the Buyer submits to the Seller documentation, drawings etc. to be used for production of goods, the Buyer takes the responsibility that no right of third party be infringed.

2. Price

The price covers packing normally used for the kind of transportation stipulated in the contract. Special requirements of the Buyer concerning Packing must be agreed upon separately.

3. Terms of payment.

- 3.1. Amounts due for the goods delivered are payable to the Seller's account with Bank indicated in Order Confirmation and according to the terms of payment stipulated overleaf.
- 3.2. The Buyer cannot stop payment or make any deductions without the Seller's consent. In case the Buyer delays payment of amount due, the Buyer will pay the Seller penalty interest for delay amounting to 12 per cent per annum for the period from the date when the payment was due to the date it was received by the Seller.

4. Conditions of shipment.

- 4.1. The Buyer will deliver to the Seller a shipping instruction in time necessary to prepare the goods for shipment.
- 4.2. If after 14 days from the Seller's notification that the goods are ready for dispatch, the shipment of goods cannot be effected on the contractual date due to reasons for which the Buyer is responsible, the goods will be stored at the Buyer's expense and risk in the supplier's warehouse or in another warehouse, at the Seller's choice.
- 4.3. Part shipments are permitted unless otherwise agreed in the contract.

5. Date of delivery.

- 5.1. The date of delivery stipulated in the contract is binding provided the Buyer has fulfilled in due time all his contractual obligations and promptly advised the Seller about receipt of an import licence if such licence is required.
- 5.2. In case the Buyer does not fulfil the obligations resulting from para 5.1. and also in case specified in para 9.1 and 10 the Seller has the right to postpone the date of delivery for an appropriate period of time which in the case specified in para 10 comprises duration of the event of Force Majeure and its effects.

6. Quality inspection.

In case representatives of the Buyer or of an inspection organization designated by him participate in quality inspection, cost of such participation will be born by the Buyer.

7. Reservations concerning right of property.

- 7.1. The goods remain the Seller's property until the time the Buyer has paid whole price even when they have been assembled or processed apart or together with other goods belonging to the Buyer.
- 7.2. Reservation of right of property does not affect any provisions of the contract concerning passing of risks connected with the goods to the Buyer.

8. Guarantee.

- 8.1. If the Seller has given the Buyer a guarantee then, unless otherwise agreed it is assumed that within the scope of further provisions of par. 9, the guarantee covers construction and workmanship of the delivered machinery and equipment as well as materials used to manufacture them.
- 8.2. The Seller undertakes, excluding any other liability, to remove at his expense any defects in the supplied goods which may appear within the guarantee period provided they have been caused by incorrect construction, faulty workmanship or usage of defective materials. Defective goods or their parts will be repaired or replaced, at the Seller's option. With the Seller's consent the Buyer may repair the

defective goods or their parts by his own means at the Seller's expense.

- 8.2.1. Regarding delivery of the repaired or replaced goods Seller's warranty and/or guarantee responsibilities are limited exclusively to deliver them at Seller's cost to the indicated place in Europe independently where sold goods were delivered earlier.
- 8.3. Claims concerning short shipment should be submitted within 30 days from the date of the goods arrival at the place of destination and claims concerning quality of the goods within 30 days from the date defects appeared within the guarantee period.
- 8.4. The claim should contain a detailed description of the defects and/or shortages, supplier's serial numbers of the defective goods, number and date of the contract and, depending on character of the claim, any other documents necessary for establishing the scope and reasons of defects and shortages, e.g. carrier's documents, forwarder's documents, customs protocols, surveys by inspection organization etc.
- 8.5. The Seller's liability is excluded in case of incorrect exploitation or operation by the Buyer of the goods delivered or in case a repair has been made without the Seller's consent. The guarantee does not cover parts that wear and tear off quickly. At the Seller's request and expense the Buyer is bound to return to the Seller defective goods replaced within the guarantee.

9. Liability.

- 9.1. The Seller is not liable in case delivery is not effected or is effected incorrectly if this happened due to reasons for which the Buyer is responsible.
- 9.2. If delivery is delayed due to reasons other than mentioned in para 5.1., 9 and 10, the Buyer has the right to claim from the Seller liquidated damages for delay but only in case he has incurred real losses because of the delay. The liquidated damages amount to 0.5 per cent of the value of the delayed delivery or delayed part of the delivery for each full week of delay. Total amount of liquidated damages cannot exceed 5 per cent of the value of the delayed or delayed part of the delivery.
- 9.3. The Seller's liability cannot exceed the limits provided in these General Conditions of Sale.

10. Force Majeure.

The Seller is not liable for complete or partial non-execution of delivery or its delay if this was due to event of Force Majeure. As events of Force Majeure are considered such circumstances that occurred after conclusion of the contract as a result of the events that the Seller could neither foresee nor prevent.

11. Termination of the contract.

The Buyer may terminate the contract due to delayed delivery only when the Seller has not kept the reasonable additional period of time that shall be granted to him and which cannot start earlier than 4 weeks after the contractual delivery date.

12. Settlement of disputes.

- 12.1. All disputes that may arise from the contract or in connection with it shall be settled by arbitration in accordance with the procedure below by one or more arbitrators or by a permanent arbitration body.
- 12.2. The claiming party should notify the other party in writing about the claims raised and about the proposed mode of arbitration in accordance with this paragraph.
- 12.3. If the parties within 30 days, or within 60 days when their seats are on different continents, do not reach a final agreement in writing concerning the mode of arbitration, the plaintiff may select one of the following: Court of Arbitration at the Polish Chamber of Commerce (Warsaw, ul. Trêbacka 4), or Arbitral Centre of the Economic Chamber in Vienna - each of them acting and settling disputes in accordance with their own regulations.
The hearing shall be held in the English language. The arbitrators shall follow literal meaning of this General Conditions of Sale; provided that in the event of ambiguity or a lack of clarity, shall apply the substantive law of Poland.
- 12.4. The determination of the arbitrators ("Award") shall be final and binding and no appeal or other proceeding to review, reverse or otherwise modify the Award shall be brought before any tribunal. Any Party shall be entitled to pursue, in a court of competent jurisdiction, enforcement of the Award. Notwithstanding the foregoing, any Party may, at any time, pursue injunctive or other

equitable relief as such Party deems necessary for purposes of protecting its rights and interests hereunder.

13. General provisions.

- 13.1. Goods are delivered to the country of destination specified by the Buyer in the contract. Replacement to other countries requires prior consent of the Seller in writing. In case this condition is violated, the Buyer is obliged to pay damages to the Seller.
- 13.2. All amendments and supplements to the contract can be made only in writing.
- 13.3. Incoterms edition 2010 and with respect to contracts for delivery of machines and equipment - also General Conditions for Supply of Plant and Machinery for Export (574), worked out under the auspices of the UN Economic Commission for Europe, shall apply to the interpretation of the contract and the present General Conditions of Sale.