

GENERAL TERMS OF DELIEVERY (GTD)

These general terms of delivery together with order and enclosed documentation set up the contract of delivery concluded between parties. Supplier accepting the order for execution, which are connected to these general terms of delivery, declares that he has read and accepts these GTD. GTD is available on the website www.hesteel.pl. Parties may regulate their rights and obligations in a separate written agreement and in a different way (partially or completely) differently than they are regulated in GTD. In matters not regulated in a separate agreement the parties shall apply the provisions of these GTD. In case that the Supplier has its own terms and conditions or general conditions of supply, the provision of these GTD take precedence.

Chapter I DELIVERY CONDITIONS

1. *Hesteel Adam Herbowski* (hereinafter called "Purchaser") may check the progress of his order's performance at his own expense informing the supplier 3 days before arrival.
2. Supplier (the firm, which concluded the contract of delivery of goods with the Purchaser, or took the order from the Purchaser; hereinafter called "Supplier") will inform the Purchaser about the predicted delay of delivery immediately after the occurrence of the reason for the delay. However it does not exclude his liability for the delay.
3. "Goods" – materials, machines, facilities together with instructions, drawings, documentation etc., that have to be delivered by the supplier as per the order/contract. Provisions concerning goods will be applied adequately to performance of services by the supplier in the purchaser's firm or in other place indicated in the order/contract
4. At the latest 7 days before planned delivery the supplier will give notice to the purchaser including following data:
 - a) the number of the order,
 - b) the fact whether the delivery covered all goods or some of them only,
 - c) the way and the date of consignment,
 - d) instructions necessary for correct unloading of goods.
5. The supplier is liable for proper package and designation of goods, in order to protect them before damage during the transport and the short time of storage in the place of delivery.
6. The supplier will deliver goods to the purchaser's place of business or to other place indicated by the purchaser in contract/order ("the place of delivery") – DDP, INCOTERMS 2010.
7. "The date of delivery" is a date of good's delivery at the place of delivery fixed in the contract/order.
8. A change of the date or the place of delivery during the contract needs written consent of the purchaser. Difference in costs charges the supplier, unless it is the purchaser, who has required the change of delivery place or date.
9. Part delivery needs the consent of the purchaser. In this case the date of delivery means the date of delivery of the last part of goods. The above concerns also all instructions, documentation, certificates etc. required according to the contract/order.
10. In case of imported goods the supplier is responsible for their admission by authorized offices to the turnover in Polish customs area, according to Polish regulations.

Chapter II ACCEPTANCE OF GOODS

1. The Purchaser will examine the goods after delivery up to 14 days. The supplier may participate in the control at his own expense informing the purchaser about his arrival with anticipation.
2. The supplier is liable for the conformity of goods with the contract and specification. Missing goods supplier should deliver immediately at his own expense -DDP, INCOTERMS 2010. It does not exclude supplier liability for delay in performance of the contract/order.
3. The supplier leaves the goods at the purchaser's disposal at delivery place and time on the mean of transport without unloading.
4. The risk of loss and damage passes to the purchaser at the moment of delivery according to above provisions.

Chapter III TERMS OF PAYMENT AND INVOICE

1. Mentioned price is net price of which an tax value VAT will be added according to the valid regulations at the date of invoice issue.
2. If the price of goods is fixed in foreign exchange then an average rate of currencies of NBP (National Polish Bank) from day before the invoice issue should be applied.

3. The supplier is obligated to issue the invoice at the latest within 7 days after delivery. Otherwise, the supplier will cover the purchaser's loss resulting from delayed invoice issue.

4. On the basis of the invoice issued by the supplier the purchaser will pay the price within 30 days by transfer into supplier's account. The day of payment is a day of charging purchaser's account.

5. In case of improper performance of obligations by the supplier the purchaser will be entitled to refrain from making payments until the time of the correct obligation performance by the supplier.

6. Apart from those required by law, VAT invoice issued by the supplier should include:

- a) the number of contract/order,
- b) conditions and terms of payment according to the contract/order.

7. The purchaser declares, that he is the VAT and he authorizes the supplier to issue invoices without purchaser's signature.

8. The supplier will keep invoices' copies for 5 years, since the end of the year, in which the invoice was issued. On the basis of these invoices the purchaser may require tax decrease or reimbursement from authorized offices. If the supplier will not comply with this provision, then the purchaser may require him to cover losses, following from the decision of an authorized office that will charge the purchaser with tax, interests and other financial sanctions.

Chapter IV CONVENTIONAL PENALTY AND WITHDRAWAL

1. If the supplier does not meet the deadline of delivery or the deadline of defects' removal, the purchaser may require from him the conventional penalty of 1% of the price agreed in the contract/order for each day of delay, but not more than 15% of the price.
2. The supplier will pay the conventional penalty within 14 days from the date of issuing debit note received from purchaser. The purchaser may deduct amount of conventional penalty from the amount of the supplier's invoice.
3. If the supplier fails to perform his obligation and the purchaser bears a damage that exceeds the fixed conventional penalty, purchaser may claim damages according to general rules in the part that exceeds the conventional penalty.
4. The purchaser may withdraw from the contract without setting a date of delivery if the supplier fails to perform within the period indicated in the contract, or had other reasons independent of the purchaser to justify the decision. Withdrawal may cover all or part of the contract. The statement of withdrawal must be made in writing.

Chapter V GUARANTEE

1. The supplier grants a guarantee for delivered goods and assures of their conformity with contractual terms, drawings, specification, technological requirements and intentional application.
2. The period of the guarantee is 24 months from the date of delivery.
3. During the guarantee period supplier is liable for non-failure operation of the delivered goods, provided that the purchaser uses them correctly and in accordance with the supplied documentation.
4. The purchaser is obligated to give notice to the supplier immediately about discovered defects and failures. At the latest within 2 business days the supplier will send his representative to fix methods and time of repair and will take up immediately appropriate service actions. Deadline for repair or replacement of the goods must be accepted by the Purchaser. Otherwise, the purchaser may take up appropriate actions by himself to repair delivered goods or remove damages that have arisen as a result of a defects or failures at the supplier's expense.
5. The supplier bears all expenses of actions connected with repair of goods within the scope of granted guarantee (especially: disassembly, reassembly, shipment of faulty parts, travel and accommodation of the supplier's staff). Replaced faulty parts will be taken back by the supplier from the purchaser's firm – EXW, INCOTERMS 2010. And new parts will be delivered to the purchaser's firm – DDP, INCOTERMS 2010.
6. The purchaser may repair within his own scope or with the help of a third person minor defects, if they have to be repaired immediately to avoid farther losses or because of other important reasons. The purchaser may charge the supplier with costs of these repairs. The above does not impact on the supplier's liability, that follows from the guarantee.

Chapter VI PROPERTY PROTECTION

1. Parties of the contract are liable for protection of property, patents, proprietor's rights etc. and Parties will bear costs following from the other persons claims – each party within the scope of his activity.

2. The supplier assures the purchaser that he will not be liable for any infringements of any rights of third parties to the subject of the contract of delivery.

Chapter VII FORCE MAJEURE

1. Parties are not liable for a failure to perform any of their obligations, if the failure was due to an impediment beyond the party's control, which the party could not avoid or overcome and could not predict it at the time of conclusion of the contract (especially: wars, inner disturbances, disasters, legal strikes).

2. The exemption from the liability caused by force majeure has an effect only for the period during which the impediment exists.

3. If the party's failure is due to the failure by a third person whom he has engaged to perform the whole or a part of the contract, then the party is exempted from liability only if the signs of force majeure occurred at both the party and the engaged third person.

4. The agreed date of delivery will be extended for the period of force majeure existence and its direct consequences, that make the performance of party's obligations impossible.

5. The party who fails to perform must give notice to other party of the impediment within 5 days since the party, who fails to perform knew or ought to have known of it. Otherwise he will not be exempted from the liability.

6. If the force majeure makes that the party cannot perform his obligation for at least 2 months, the other party may declare the withdrawal from the contract.

Chapter VIII SEVERABILITY

1. Should any provision of the GTD be held invalid, unlawful or becomes unenforceable for any reason, the remaining provisions of the GCTC shall remain fully binding and effective

2. If the scope of the found invalidity or unenforceability prevents the attainment of the purpose, the Supplier and the Purchaser shall without undue delay embark on negotiations in good faith with a view to replace the invalid or unenforceable provision by such a valid and enforceable provision, which to a greatest possible extent matches the intention of such a provision which is being replaced.

Chapter IX FINAL PROVISIONS

1. The supplier will formally confirm the acceptance of the order with available mean of indirect communication at the latest within 3 days after receiving the order

2. The parties will make every effort to settle all disputes arising from the contract out of court. If they do not reach any agreement in period of 45 days, the disputes will be settled by the court appropriate for the purchaser's place of business.

3. In other matters not covered by GTD, the provisions of Polish law, in particular the Civil Code. Any disputes will be settled under the terms of GTD valid on the date of the claim.

4. This GTD is drawn up in Polish and English. In the case of any discrepancy between the versions in Polish and English, Polish language version is the binding version.