

GENERAL TERMS AND CONDITIONS OF SALE of ALIPLAST Sp. z o.o.

I. General provisions and definitions

1. These General Terms and Conditions of Sale (hereinafter, GTCS) constitute an integral part of a contract of sale concluded by Aliplast Sp. z o.o. with its registered office in Lublin as the Seller/Supplier and the Buyer, regardless of the manner in which such contract was concluded, and shall apply to all contracts of sale/delivery concluded as from 01.05.2016.
2. Any oral agreements, assurances, promises and guarantees made by the Seller's employees in relation to conclusion of a contract or submission of an offer, shall not be binding for the Parties.
3. Conclusion of an individual contract of sale, framework contract or agreement shall exempt application of these GTCS to the extent expressly stated therein otherwise. These General Terms and Conditions of Sale shall apply to all issues not governed in the a/m documents.
4. The following terms used herein shall mean:
 - a. Seller - Aliplast Sp. z o.o. with its registered office in Lublin, entered into the National Court Register – Register of Businesses under number 0000119312;
 - b. Buyer or Contractor – an entity acting as the other party to a contract of sale/delivery (customer of Aliplast Sp. z o.o.);
 - c. Parties – Seller and Buyer;
 - d. Contract – an individual contract of sale/delivery;
 - e. General Terms and Conditions of Sale, or GTCS – these General Terms and Conditions of Sale of Aliplast Sp. z o.o.;
 - f. Order – an order document submitted to the Seller by the Buyer;
 - g. Order Confirmation – Seller's confirmation of acceptance of an Order submitted by the Buyer, as well as approval of delivery terms contained therein;
 - h. Goods – commercial goods constituting the subject matter of a contract of sale/delivery concluded with a Contractor.

II. Contract and its terms and conditions

1. Any terms and conditions of a contract, in particular such as the price, discounts, payment date, place and time of collection or delivery are subject to the framework contract or a Contract (a written contract of sale, agreement or Order confirmation sent by the Seller to the Buyer).
2. The Buyer may submit an Order to the Seller in writing or by e-mail. The terms and conditions specified in the Order shall be binding for the Parties if they are repeated by the Seller in the Order Confirmation which shall be delivered in writing or by e-mail. After the Order Confirmation has been

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sent to the Buyer, the Buyer cannot cancel the transaction unless the Seller gives its consent thereto in writing or by e-mail. If certain terms and conditions of sale/delivery contained in the Order have been modified in the Order Confirmation, the Buyer shall confirm them by e-mail.

3. The Buyer shall also verify whether the Order Confirmation is consistent with the demand, in particular in relation to the indices, quantity of particular items, colour of particular items, system and delivery date. If any inconsistencies relating to the above issues have been identified, the Buyer shall promptly, but not later than within 24 hours of sending the Order Confirmation, report the same. If the inconsistencies have not been reported within the specified deadline, the Order Confirmation shall be considered accepted without reservations and binding with respect to the terms and conditions of Order delivery and any subsequent complaints regarding the above issues shall not be taken into consideration.

4. Prices given by the Seller are net prices and they shall be increased by a proper rate of tax on goods and services.

5. The Buyer shall pay the gross price in the currency set out for the Goods by the Seller in the Order Confirmation. If the price is given in a foreign currency, the Buyer shall not be allowed to settle the payment in Polish zloty (PLN), unless the Seller had made a provision in the Order Confirmation that payment for the Goods shall be made in Polish zloty and set out rules of converting foreign currency to PLN.

6. The Seller is not obliged to agree to receive deferred payment and specify a credit limit and the Buyer shall pay the full prepayment amount prior to the delivery/collection of Goods, unless agreed otherwise.

7. If deferred payment (trade credit) is granted to the Buyer, the Buyer shall pay the price within the time period provided in the framework contract of sale or a Contract, and if the date is not set out therein, by the date indicated in the invoice issued by the Seller. Payment shall be deemed as settled at the time of crediting the Seller's bank account.

8. The Seller may amend the trade credit granted or cancel it at any time by unilateral decision, especially in case of delayed payment for the Goods by the Buyer or in case of instigating liquidation or recovery proceedings in relation to the Buyer, or if the Seller has justified doubts regarding the Buyer's financial standing. This right shall apply to all Contracts the subject matter of which has not yet been handed over to the Buyer. In case of lack of available limit, the Seller shall have the right to withhold the handover of Goods until the Buyer establishes a security deposit approved by the Seller.

9. If the price was to be paid in the form of a prepayment or advance payment, then the Buyer's delay with the payment thereof shall entitle the Seller to withdraw from the Contract in whole or in part, without any additional notice.

10. The Seller makes a reservation that title to the Goods sold shall pass to the Buyer only after the whole price has been paid to the Seller.

11. The Seller provides warranty for the Goods sold on the terms specified in the Warranty.

12. The quality of lacquer coats shall be evaluated using the QUALICOAT and QUALIDECO standards whose basic principles have been specified in the "Guidelines for the Acceptance of Lacquer Coats".

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III. Delivery and collection of Goods. Defective Goods and Complaints.

1. Deliveries shall be performed in line with DDP (delivered to a named place of destination) rule according to Incoterms, with a reservation that the Buyer may pay a lump-sum delivery cost of PLN 250 net for each delivery, if during the last 6 months its transactions with the Seller have not reached PLN 25,000 net. The place of delivery shall be the registered seat of the Buyer unless a different place of delivery is agreed by the Parties. Terms of delivery set out in the preceding sentence refer to deliveries in the territory of the Republic of Poland, whereas terms of any deliveries abroad shall be settled on a case by case basis.
2. Delivery date shall fall on the third day after the date of shipment indicated in the Order Confirmation at the latest. If the Buyer prefers that the Goods are sent to the Buyer earlier or later than specified in the Order Confirmation, delivery costs may be paid by the Buyer at a rate agreed on a case by case basis by e-mail or in writing.
3. The Parties agree that the cost of loading of Goods for transportation shall be borne by the Seller, whereas the cost of unloading shall be borne by the Buyer, irrespective of which Party incurs transportation costs.
4. Goods shall be collected from the Seller's own warehouse at the Buyer's cost.
5. If the Buyer fails to collect the Goods for more than 7 days, both, in the case of a delivery and the Buyer's own collection of Goods from the Seller's warehouse, the Seller shall be entitled to charge the Buyer with a contractual penalty of 0.2% of the gross value of the Goods that have not been collected, for each day of delay. This penalty however, cannot exceed 30 % of the price of the Goods that have not been collected within the deadline specified. If the Seller withholds the handover of Goods to the Buyer for reasons referred to in section IV item 1 of GTCS, the Buyer is deemed to be late collecting the Goods and the Seller is deemed to be entitled to calculate a contractual penalty for the delay in the collection of Goods by the Buyer. If the delay in the collection of Goods exceeds 30 days, the Seller shall be entitled to withdraw from the Contract and charge the Buyer with a contractual penalty of 25% of the gross value of the Goods ordered. In case of damage in excess of the contractual penalties stipulated, the Seller shall be entitled to seek compensation on general terms.
6. The risk of loss of or damage to the Goods shall pass from the Seller to the Buyer the moment the Goods are handed over to the Buyer.
7. The Buyer shall inspect the Goods with utmost care at the time of receipt/collection in terms of quantity, compliance with technical specification provided in the Contract and for any visible defects or damage. The Goods shall be inspected and evaluated with regard to the proper execution of lacquer coats in accordance with the QUALICOAT standard whose basic principles have been specified in the "Guidelines for the Acceptance of Lacquer Coats". After inspection of the Goods, a handover document shall be signed by the Buyer. Signing of the handover document shall be equivalent to confirmation of compliance with the parameters set out in the Contract and the lack of defects that might have been discovered during the inspection of Goods with utmost care at the time

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of receipt/collection thereof. The Buyer cannot release itself from the obligations set out in this item and from the results of its non-performance by referring to the adopted trading and receipt/collection practices. Persons receiving/collecting the Goods on behalf of the Buyer at the place of delivery or collection are assumed to have been authorized to receive/collect the same for and on behalf of the Buyer.

8. The Buyer shall report (make a complaint) to the carrier's driver any material defects immediately after they have been discovered and subsequently no later than within 7 days of the date of delivery or collection of Goods and prior to commencing any actions interfering with the defective Goods – the report should be sent in accordance with the rules described in item 9. Any defects that cannot be discovered despite inspection performed with utmost care (latent defects) at the moment of collection, should be reported by the Buyer to the Seller immediately (not later than within 7 days) after their discovery, according to the provisions of item 9, otherwise any rights or claims related to the defectiveness of the Goods including warranty claims, shall be lost.

9. All complaints must be submitted in writing on the appropriate complaint form available at www.aliplast.pl in section "complaints", and in particular include any information that would allow the efficient identification of the Goods for which a complaint has been submitted as well as a delivery date thereof. A complaint should be sent to the following e-mail address reklamacje@aliplast.pl and additionally, a copy thereof to the appropriate Regional Sales Representative. Any reports made by telephone should be confirmed by e-mail in accordance with the above conditions of complaint submission.

10. The Buyer shall make the defective Goods as delivered/collected available to the Seller at each request. If the Goods have been processed or subjected to any manufacturing activities, the Seller's liability for the defective Goods shall be absolved.

11. If in the Seller's opinion, confirmation of defects requires provision of a technical expert opinion, the Seller shall take a stance concerning the defectiveness of Goods after a relevant opinion has been obtained.

12. The Seller's stance concerning the complaint shall be provided in writing, otherwise it shall be null and void, after the Seller's inspection of a batch of Goods for which a complaint has been submitted or alternatively after an expert opinion has been issued. If a complaint is found to be justified, the Seller shall accept the defective Goods and replace them with the Goods of good quality, at its own cost. If Goods are returned, the Seller shall keep the original packaging of the Goods being returned and shall make sure that the Goods are properly secured during transportation. The Seller's obligation to compensate for the losses and pay any indemnity to the Buyer for any defects in the Goods delivered cannot exceed the value of the Goods and may be covered with a new delivery of non-defective Goods. If Goods cannot be replaced or if replacement involves any additional costs to the Seller, the Seller shall have the right to refuse replacement of the Goods and reimburse a relevant part of the price to the Buyer.

13. Instigation of any complaint procedure shall not release the Buyer from its obligation to pay the price for the Goods handed over.

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IV. Rules for discounting punch tools and AliCAD program hardware keys

1. In the case of purchase from the Seller of punch tools and AliCAD program hardware keys, invoices documenting the sale will be issued with payment terms of 365 days from the date of sale specified in the invoices.
2. If the Buyer, as part of commercial cooperation with the Seller, in the period of one year from the date of issue of the invoice concerning the purchase of punch tools reaches a net turnover (calculated on the basis of principles set out in section 4 below) in the amount of at least PLN 500,000 (in words: five hundred thousand zlotys) net, the Seller will grant the Buyer a discount of 80% of the value of the sale of the punch tools.
If the Buyer, in the period referred to in the preceding sentence, reaches a net turnover of less than PLN 500,000 net, the Seller will grant the Buyer a discount on the amounts due referred to in section 1 in a proportionally reduced amount.
3. If the Buyer, as part of commercial cooperation with the Seller, in the period of one year from the date of issue of the invoice concerning the purchase of the AliCAD program hardware keys reaches a net turnover (calculated on the basis of principles set out in section 4 below) in the amount of at least PLN 200,000 (in words: two hundred thousand zlotys) net, the Seller will grant the Buyer a discount of 95% of the value of the sale of the said punch tools.
If the Buyer, in the period referred to in the preceding sentence, reaches a net turnover of less than PLN 200,000 net, the Seller shall grant the Buyer a discount on the amounts due referred to in section 1 in a proportionally reduced amount.
4. To calculate the net turnover referred to in section 2 and 3, the net value of invoices issued by the Seller for the goods purchased by the Buyer will be taken into account, while the following goods will not be taken into account when calculating it:
 - Punch tools for the production of Aliplast joinery, both covered by this agreement as well as others, purchased at a later time;
 - Alicad program hardware keys purchased by the Buyer;
5. The discount referred to in sections 2 and 3 will be calculated in the month following the lapse of 1 (one) year from invoice date and will be settled by issuing corrective invoices to the invoices concerning the purchase of punch tools as well as the AliCAD program hardware keys.

IV. Delays in payment and handover of Goods. Liability.

1. If the Buyer is late with payment of the whole or part of the price for the Goods, the Seller shall have the right to withhold performance of all the Contracts that have been concluded (including: handover of Goods and acceptance and delivery of further Orders) until the Buyer has paid all the amounts due and payable including interest. If any payment to the Seller is delayed for more than 30 days, the Seller may withdraw from each individual Contract bidding upon the Parties as well as from

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the framework contract of sale without providing any additional payment deadline. The Seller shall not bear liability for any damage arising there from.

2. If the Buyer is late with payment of the whole or part of the price for the Goods, it shall pay statutory interest to the Seller as required by law.

3. If the Buyer is late with payment for the Goods sold to the Buyer by the Seller and fails to pay all the outstanding amounts within 7 days of receipt of a written request for payment, all other payments to be made by the Buyer to the Seller shall become immediately due and payable, irrespective of the payment dates determined originally (i.e., in particular: any amounts specified in the invoices the payment date of which has not yet expired shall become immediately due and payable).

4. If a delay in delivery or handover of Goods by the Seller exceeds 2 weeks, the Seller shall pay to the Buyer a contractual penalty equivalent to 0.2% of the price of the Goods which have not been handed over within the deadline specified, for each day of delay. This penalty however, cannot exceed 10% of the price of the Goods which have not been handed over within the deadline specified. A delay in the delivery or handover of Goods of up to 14 days does not constitute a breach of the Contract with respect to the date of delivery of Goods and does not cause any liability for damages for the Seller.

5. Compensation for any damage suffered by the Buyer due to non-performance or improper performance of the Contract shall in each case be limited to the net price of the Goods set out in the Contract and the Seller shall only be liable for foreseeable and typical damage suffered by the Buyer.

6. The Buyer shall not have the right to withdraw from the Contract in relation to the performed extent thereof.

7. The Parties shall have the right to abandon calculation of contractual penalties referred to in this clause.

V. Final provisions, governing law and jurisdiction.

1. The headings of sections of GTCS are included for convenience or reference only and they shall not have any legal meaning and consequently, they cannot serve as basis for the interpretation of the wording of GTCS.

2. If the provisions hereof entitle the Seller to withdraw from the Contract, it is assumed that the Seller shall enforce this right in an unrestricted manner i.e. at any time, as from the occurrence of any circumstances providing grounds for withdrawal from the Contract. This right shall not be waived by the performance of the Contract by the Seller after the occurrence of any circumstances providing grounds for withdrawal from the Contract.

3. If any provisions hereof are held invalid or ineffective, all other provisions shall remain valid and effective. In such a case the Parties shall adopt such provision that shall reflect the previous provisions in an effective manner.

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4. Any disputes shall be resolved in accordance with the Polish law by a common court having jurisdiction over the registered office of the Seller.