

GENERAL TERMS AND CONDITIONS FOR THE SERVICE AND DELIVERY OF MATERIALS AND SERVICES (GTC) APPLICABLE TO ORDERS ACCEPTED BY *BAUHAUS* SP. Z O.O. AND THE COMPANIES FORMING CAPITAL GROUP WITH *BAUHAUS* SP. Z O.O.

1. GENERAL PROVISIONS

The General Terms and Conditions for Service and Delivery (GTC) set forth in this document form an integral part of the Order issued by *BAUHAUS* sp. z o.o. (continue: *BAUHAUS*) or a company which together with *BAUHAUS* sp. z o.o. forms a capital group within the meaning of the Act of 16 February 2007 on the protection of competition and consumers (hereinafter referred to as: *Company of the capital group*) for the delivery of Materials and/or for the provision of services and are binding for the Supplier with regard to the delivery and/or provision of services covered by the Order submitted by *BAUHAUS* or *The Company of the capital group* (hereinafter: Orders). The order can only be accepted without reservation. Delivery of Materials and the provision of Services by any Supplier to *BAUHAUS* or *The Company of the capital group* shall only be made on the basis of the following GTC. This GTC applies to all Supplies and Services provided by the Supplier to *BAUHAUS* or *Company of the capital group*, even if they have not been expressly mentioned in the individual cases (presumption of the GTC being in effect in all contracts concluded by *BAUHAUS* or *The Company of the capital group*). The possibility to apply the general terms and conditions of the Supplier to *BAUHAUS* orders and orders of *The Company of the capital group* is excluded.

When *The Company of the capital group* or *BAUHAUS* is mentioned in this GTC, *BAUHAUS* and/or *The Company of the capital group* should be treated as such.

1.1 SCOPE OF OBJECT OF THE CONTRACT

1.1.1 Within the execution of the Order, the Supplier undertakes to manufacture and/or obtain and deliver *BAUHAUS* in parts or all Materials in accordance with the assortment, dates and unit prices specified in the Purchase Order, and/or perform the Service in whole or in parts in accordance with terms and conditions and unit prices specified in the Order.

1.1.2 Materials within the meaning of these GTCs are the products, materials and equipment covered by the *BAUHAUS* Order, whose delivery and sale have been undertaken by the Supplier.

1.1.3 Services within the meaning of these GTCs are all services performed by the Supplier under the Contract, including, in particular, the production, distribution, marketing, sale and delivery of the services specified in the Order.

1.1.4 The supplier is a natural person, legal person and organizational unit without legal personality, which, under the *BAUHAUS* Order, has undertaken to deliver and sell *BAUHAUS* Materials and/or provide services.

1.1.5 The delivery includes all other components, services and/or activities required to obtain, deliver and deliver to *BAUHAUS*, including the transfer of ownership rights, Materials in a state and condition conforming to their intended use and to the Order.

1.1.6 The service is performed with due diligence resulting from the professional nature of the activity carried out by the Supplier and includes all activities required for proper performance of the service.

1.1.7 Delivery and Service includes providing all necessary protection and packaging materials, research, trials and testing, timely submission to *BAUHAUS* of all documents required by the Order and for proper handling of services with regard to removal of defects and faults in materials during the guarantee and/or warranty period.

1.2 SUPPLIER STATEMENTS

1.2.1 The Supplier declares that he has the knowledge, experience, required authorizations, licenses and the potential and resources necessary and sufficient for the proper performance of the delivery and/or service.

1.2.2 The Supplier declares that the materials supplied are new, manufactured in accordance with the applicable standards and regulations, and have all relevant technical approvals and acceptances for their use and meet all requirements specified in the Order.

1.2.3 The Supplier declares that the Materials provided constitute, at the moment of delivering to *BAUHAUS*, the property of the Supplier and will not be subject to any constraints, charges, disputes, legal, tax and/or customs proceedings.

1.2.4 The Supplier declares that he has the skills, knowledge, experience and all required legal requirements for performing the Service, and that he will perform the Service with utmost care.

1.2.5 The Supplier assumes full responsibility for the proper performance of the Service from the technical, organizational and legal point of view.

1.2.6 The Supplier shall be fully responsible for the actions of its employees and other persons whose services are used in the execution of the Order.

1.2.7 In the event of damage or loss of Materials during transport, the Supplier is obliged to compensate *BAUHAUS* for all such damage in full, i.e. taking into account *BAUHAUS* lost profits as well as contractual penalties that *BAUHAUS* was obliged to pay because of *BAUHAUS* failure to comply with the agreements entered into.

2 IMPLEMENTATION OF ORDER AND/OR SERVICE

2.1 PROVISION OF MATERIALS/PERFORMANCE OF SERVICES

2.1.1 The Delivery Date of Materials and/or performance of the Service will be determined each time in the Order, and the exact time of delivery of Materials or acceptance of the Service shall be determined in each case with *BAUHAUS*.

2.1.2 The Parties agree that *BAUHAUS* will be entitled to unload the Material within a reasonable time and that the Supplier will not be entitled to claim any additional fees in the event of failure to comply with the delivery date or time by the Supplier.

2.1.3 The Parties agree that the payment date will be calculated from the date of delivery of the properly issued invoice together with the necessary documents, provided that *BAUHAUS* Materials have been previously delivered in accordance with the terms of the Order and/or the Service has been rendered in accordance with the terms of the Order and the acceptance of the Services by *BAUHAUS*.

2.1.4 The Supplier will deliver and *BAUHAUS* will pick up the Materials at the place specified in the Order.

2.1.5 Loading on the vehicles, their delivery and protection during transport (including the cost of insurance), will be at their sole cost and risk of the Supplier.

2.1.6 With delivery of Materials and/or performance of the Services, the Supplier shall provide *BAUHAUS* with all documents required by the Order and the applicable law and documents to enable unambiguous identification of the Materials delivered or the Service performed as well as the quantity, quality and conformity with the Order.

2.1.7 Preliminary Quantitative Receipt of Materials shall be made after unloading at the place of receipt in accordance with the terms and conditions set out in the Order.

2.1.8 Material receipt will be confirmed by the receipt document. The Parties establish and fully agree that comments regarding quantitative and qualitative acceptance may be submitted within 7 working days of delivery.

2.1.9 If, in the course of acceptance, qualitative and/or quantitative defects of Materials or Services are revealed, *BAUHAUS* may, refuse to accept them, in part or in whole. In such

a situation, *BAUHAUS* is not obliged to pay for the Materials or Services provided until they are repaired, completed, replaced and/or supplemented with free of defects.

2.1.10 The Parties establish and fully agree that any record made on receipt documents during receipt by the receiving party is binding and is equivalent to filing a complaint.

2.1.11 In the event that, under the terms of the Order, the unloading of Materials at the place of delivery shall be the responsibility of *BAUHAUS*. The Supplier will deliver the materials by means enabling *BAUHAUS* to safely unload them with the tower crane. In case of necessity to use additional means of unloading such as hooks, lifting slings, cross-bars, additional ropes, hook lifts, additional rope sets, etc. their delivery is the responsibility of the Supplier. The Parties agree that the Supplier shall provide information of the need to used them as well as the method of unloading to *BAUHAUS* min. 3 business days before the scheduled delivery.

2.1.12 Materials which have not been accepted by *BAUHAUS*, due to their qualitative or quantitative defects, may, in agreement with *BAUHAUS* and within the time limit set by *BAUHAUS*, be left by the Supplier at their place of delivery at the cost and risk of the Supplier until they are replaced and/or replenished in accordance with the terms of the Order, no longer however, than the date indicated by *BAUHAUS*.

3. REMUNERATION

3.1 UNIT PRICES OF MATERIALS AND SERVICES

3.1.1 The currency and unit prices of Materials and Services are determined by the Order.

3.2 ISSUING INVOICES

3.2.1 The amount due to the Supplier for proper performance of the Order is payable to the Supplier after completion of his duties (the fulfilment of the entire Order or execution of the entire Service), based on the VAT invoice issued by the Supplier, which shall be based on and consistent with the receipt documents, provided that *BAUHAUS* has no objection to the quantity and quality of the delivered Material/Service and the correctness, including timeliness, of the Order execution.

3.2.2 Payment will be made in the form of transfer to the bank account of the Supplier specified in the VAT invoice issued by him.

3.2.3 The Supplier is obliged to:

- A. put the reference number of the Order received from *BAUHAUS* in the invoice;
- B. attach to the invoice the signed Material or Service Acceptance Document approved by *BAUHAUS*;
- C. if necessary, indicate in the invoice the *BAUHAUS* construction to which the pertains (as specified in the Order);
- D. deliver the invoice to the following address: *BAUHAUS* Sp. z o.o. 81-815 Sopot, ul. Tatrzańska 19, or respectively to the address of the seat of the Company of the capital group;
- E. deliver, together with the invoice, the documents necessary to submit a Material Application for the order scope specified in the Order, in particular such as: Certificates, Approvals, Declarations of Conformity, Certificates of Acceptance, etc.

3.2.4 If the Supplier fails to perform any of the obligations described in Section 3.2.3 above, *BAUHAUS* will be entitled to return the invoice to the Supplier giving the reason for refusal of acceptance, so that the Supplier's claim for payment against *BAUHAUS* will not be due until the date of performance by the Supplier his obligations described in item 3.2.3

3.2.5 If applicable, and if *BAUHAUS* does not specify otherwise, one VAT invoice may only cover one construction specified in the Order.

3.3 PAYMENTS

3.3.1 The date of payment of amounts payable to the Supplier is specified in the Order. Payments will be made by *BAUHAUS* on the next working day after the expiry of the deadline indicated in the Order counted from receipt by *BAUHAUS* VAT invoice from the Supplier correct in terms of substantive and formal requirements.

3.3.2 The date of payment will be the date on which *BAUHAUS* debits his bank account.

3.3.3 The interest rate for late payment is 2.5% per annum, while the interest rate indicated may be reduced by the agreement of both parties.

3.4 UNIT PRICES

3.4.1 Unit Prices of Materials/Services described in the Order do not include VAT.

3.4.2 Unit Prices of Materials/Services and each of their components will not be subject to change, indexation, revision and/or update during the duration of the Order and/or the Agreement, including the guarantee and warranty period, unless otherwise indicated in the Order and/or the contract and cover all necessary costs associated with the design, execution of shop drawings, the obtaining of design copyrights, the production/receipt, the proper delivery and release of Materials, including weighing, measurement, packaging, loading on the means of transport, transport of Materials to the place of delivery indicated in Order and their insurance in transport, unless the Parties otherwise agree in the Order/Agreement. In the case of execution of designs or other works within the meaning of copyright, the Supplier is obliged to hand their originals over to *BAUHAUS*. All copyrighted proprietary rights to these works pass on to *BAUHAUS*. The Contractor also agrees to *BAUHAUS* use of its subsidiary rights, including the right to change designs.

Remuneration in this respect is included in the amount referred to in item 3.4.1.

3.4.3 Unit Prices of Materials/Services will not be altered in the event of a discrepancy between the quantities actually delivered and the approximate quantities indicated in the Order/Contract.

3.4.4 Lack of reaching the "declared quantity" on the part of the Purchaser will not constitute a basis for changing the unit price of Materials/Services.

4. GUARANTEE AND WARRANTY

4.1 The Supplier grants *BAUHAUS* a quality guarantee for a minimum of 24 months.

4.2 The Supplier shall be liable for defects in Materials and/or Service performed on the basis of the provisions defining the warranty for defects. The liability of the Supplier for warranty for defects will expire 36 months after the day following the date on which *BAUHAUS* has filed a complaint against the delivered Material or Service, unless a different period has been established in the Order.

4.3 The Guarantee Period of Materials shall commence on the day following the date on which the date has expired for *BAUHAUS* to lodge a reservation for the Material and/or Service delivered.

4.4 The guarantee document will be issued to *BAUHAUS* no later than on the date of receipt of Materials by *BAUHAUS* from the place of receipt indicated in the Order or acceptance of the performed service.

4.5 Guarantee for Delivered Materials or Services includes any repairs, maintenance and/or replacement that will be required to perform, as well as the costs of any additional service or task required to correct any defects as well as the costs of repair made by third parties, whenever these repairs result from defects in Materials.

4.6 The Supplier undertakes to remove, within the time indicated by *BAUHAUS*, the defects claimed by *BAUHAUS* during the guarantee or warranty period at no charge for up to 7 days, irrespective of the nature of the reported defect.

5. CONTRACTUAL PENALTIES

5.1 In the event of non-performance or improper performance by the Supplier of the obligations arising out of the Order, the Supplier shall be liable to *BAUHAUS* for the following contractual penalties:

A. in the event of a delay in delivery of the Materials or the performance of the Service – in the amount of 1% of the gross Order value, for each day of delay in relation to the date stated in the Order;

B. in the event of delay in removal of reported defects and/or faults of Materials, Service performed or delivery of defect-free Materials – in the amount of 1% of the gross Order value for each day of delay in relation to the date indicated by *BAUHAUS* or resulting from the Order;

C. for abandoning the Order by *BAUHAUS* for reasons attributable to the Supplier – in the amount of 25% of the gross Order value.

5.2 If the Supplier delivers false, unexplained or disputable information about *BAUHAUS* – including financial settlements between the Supplier and *BAUHAUS* – to the Business Information Office acting pursuant to the Act of 9 April 2010 on the provision of economic information and the exchange of economic data or any other subject and as a result of which *BAUHAUS* will be exposed to the loss of confidence necessary to conduct its business or the information provided in any other way will affect or be likely to adversely affect the business of *BAUHAUS*, the Supplier shall pay *BAUHAUS* a contractual penalty of 50 000 PLN.

5.3 If the total price of the ordered goods or services has been increased by the Supplier within the period from the acceptance of the order to its execution or the refusal to execute it – irrespective of the reasons – the Supplier shall pay to *BAUHAUS*, regardless of other contractual penalties, a contractual penalty of three times the difference between the increased price (for the same quantity of goods as in the original order) and the price specified in the order accepted for the whole commodity.

5.4 *BAUHAUS* reserves the right to seek supplementary damages exceeding the value of contractual penalties, on a general basis.

6. FINAL PROVISIONS

6.1 *BAUHAUS* shall be entitled to waive the Order/Contract if:

A bankruptcy petition has been filed against the Supplier, or a statement of initiation, resolution or settlement proceedings has been filed against the Supplier, or in the event of a resolution or other decision to terminate or liquidate the Supplier.

B. The Supplier is delayed in fulfilling its obligations for a period longer than 2 days.

C. The Supplier delivers Materials that are not qualitatively or qualitatively matched to the Order or performs the Service in a manner inconsistent with the Order, regulations or the established custom.

6.2 In matters not covered by the Order/Agreement and these GTCs, the provisions of the Civil Code and other applicable laws will apply.

6.3 The Supplier may not, without the prior written consent of *BAUHAUS*, transfer its rights to the third party as well as the demandable claims and future receivables owed to the Supplier on the basis of the Contract awarded.

6.4 Any disputes arising out of the execution of the Order shall be settled by the general court competent for the seat of *BAUHAUS*.