

**I. GENERAL PROVISIONS**

1. These General Terms and Conditions of Sales (GTCS) apply to all contracts concluded between the company FERRUM S.A. in Katowice, hereinafter referred to as the "Seller", and its Business Partners, hereinafter referred to as the "Buyer".
2. The subject of these GTCS is to define in detail the rules on the basis of which the Seller undertakes to sell its products, i.e. to define the method of placing orders, delivery dates and rules, possibility of making complaints, payment terms, the Seller's liability rules and protection against possible non-payment by the Buyer.
3. At the Seller's premises, security rules apply, and failure to comply with them may result in a financial penalty.
4. These terms and conditions and the applicable regulations/rules can be downloaded from the Seller's website: <https://www.ferrum.com.pl/> from the "DOWNLOAD" section.
5. The Parties confirm that the use of these GTCS is accepted in the relations between them and that the Buyer is familiar with the GTCS.
6. In a situation where FERRUM S.A. concludes a framework cooperation agreement with the Buyer, the GTCS will constitute an appendix to such an agreement.

**II. SALES TERMS**

**1. ORDERS**

- 1.1. The Buyer places an order in the form of a registered letter, fax or email, which is then confirmed by the Seller in one of these forms. We assume that the order is signed by persons authorised to represent the Buyer or persons having a power of attorney to place orders on behalf of the Buyer. In the case of placing an order by persons acting on behalf of the Buyer on the basis of a power of attorney, a power of attorney must be attached to the order.
- 1.2. Placing an order by the Buyer is tantamount to accepting these GTCS.
- 1.3. The Buyer is obliged to provide the Seller with the company's registration documents specified in section 6.1 of the GTCS before placing the first order.
- 1.4. Orders placed by the Buyer should include:
  - a detailed description of the product (type, dimensions, quantity, sort, etc.);
  - type of transport (personal receipt, delivery by the Seller);
  - exact place of delivery (delivery terms).
- 1.5. The Seller is obliged to confirm the order, specifying:
  - the price of the ordered product(s);
  - delivery date;
  - confirmation of the type of transport;
  - other conditions agreed between the Parties.
- 1.6. Unless otherwise specified, the goods may have surface corrosion – surface condition B or C according to ISO 8501-1 without corrosion pits.
- 1.7. The contract between the Seller and the Buyer is deemed concluded upon receipt by the Buyer of the order confirmation, unless the Parties agree otherwise. The Seller is not obliged to fulfil unconfirmed orders.
- 1.8. If the Buyer's order is modified by the Seller (e.g. in terms of the quantity of the ordered product), in the event of the Buyer's acceptance of such a modification, the Buyer is obliged to sign and return the signed order confirmation to the Seller or, alternatively, not reject it within three days from the date of its receipt. The lack of rejection constitutes the Buyer's consent to the contract terms specified therein.
- 1.9. The Buyer's resignation from the order, when the Parties are bound by it, involves the payment to the Seller of a contractual penalty in the amount of:
  - 10% of the net price of the ordered products, unless the costs incurred by the Seller are higher;

- in the event when the costs incurred by the Seller exceed 10% of the order value, the Buyer will be charged with the amount of the actually incurred costs;
- in the event when the product has been purchased and received from a sub-supplier, the Seller has the right to charge the Buyer with the costs related to the purchase, including the amount corresponding to 100% of the net value of the ordered product and transport costs.
- The Seller may claim damages from the Buyer in the amount exceeding the value of the stipulated contractual penalty on general terms.

**2. PRICES**

- 2.1. The basis for determining the sale prices is the current sales price list or the offer submitted by the Seller on the basis of the Buyer's inquiry.
- 2.2. All data contained in the prospectuses, catalogues, leaflets, announcements, price lists and other materials are only informative and indicative and do not constitute an offer within the meaning of the provisions of the Act of 23 April 1964 – Civil Code (consolidated text Journal of Laws of 2014, item 121).
- 2.3. The prices are given in Polish zloty without VAT, unless otherwise agreed.
- 2.4. The Seller reserves the right to change the prices given in the price list, in particular, depending on the market situation, inflation rate, changes in exchange rates, increases in the prices of raw materials and materials.
- 2.5. If, after four weeks from the date of concluding the contract, public financial benefits or other costs which are beyond the Seller's control and are included in the agreed price change above 3% of the original price, or if they arise after the expiry of that period, the Seller has the right to change the prices to the appropriate extent. The new prices are binding on the Buyer without the need to make any additional statements in this respect.
- 2.6. In the event of price changes for specific products, the Seller undertakes to:
  - inform the Buyer in writing about the planned price change at least seven days before its introduction, subject to section 2.7.
  - fulfil the already placed orders at the prices in force on the date of the order confirmation.
- 2.7. The Seller reserves the right to negotiate the prices in individual cases when it deems it appropriate and desirable.
- 2.8. The contracts concluded between the Seller or its agents and third parties do not take effect until expressly confirmed by the Seller.

**3. DELIVERY**

- 3.1. In the concluded contract, the Parties will agree on the date of delivery, place of delivery of the products, and – if FERRUM S.A. is not the place of delivery – details related to transport. If the Parties have not agreed on the place of delivery, it is assumed that the delivery of the products will be based on FCA FERRUM S.A. in Katowice according to Incoterms 2010.
- 3.2. If labelling is required, it will be made in accordance with the standards adopted by the Seller, unless the Buyer presents other requirements accepted by the Seller.
- 3.3. The Seller will make all possible efforts to ensure that the delivery is completed within the time limit specified in the order confirmation. In a situation where the Seller, for reasons beyond its control, including those resulting from force majeure, is unable to deliver the ordered products on a date agreed in advance between the Parties, the Seller will immediately notify the Buyer of this fact in electronic form and indicate the closest possible delivery date.
- 3.4. Force majeure is an event whose occurrence is beyond the control of the Parties and which cannot be prevented, e.g. war, emergency states, natural disasters, strikes, actions or omissions of suppliers of materials used for the production of products, limitations in the supply of energy and other utilities necessary for the production for reasons beyond the Seller's control, etc.
- 3.5. As soon as the products are handed over to the forwarder or carrier, or the product is released from the warehouse, the risk of its loss or damage passes to the Buyer.
- 3.6. All costs related to loading, fixing and securing the products are borne by the Buyer.

**4. TRANSPORT AND RECEIPT OF PRODUCTS**

- 4.1. If the product is received by the Buyer with its own means of transport, the person acting on behalf of or at the request of the Buyer is obliged to present the appropriate authorisation to receive the product, signed by persons authorised to act on behalf of the Buyer.
- 4.2. The product is delivered without packaging and is not protected against corrosion, unless the Parties agree otherwise. All forms of packaging of products agreed by the Parties will be provided for an additional fee. If the product is not received by the Buyer with the means of transport owned or ordered by the Buyer, the Seller will select the form and means of transport at the Buyer's cost and risk.
- 4.3. If the Buyer does not receive the products within the time limit stipulated in the contract or does not accept the place and time of delivery of the products in the event when delivery terms other than FCA the Seller according to Incoterms 2010 are agreed, or if the Buyer does not provide the required shipping instructions, the Seller has the right, at its own discretion, to store the product at the Buyer's expense and risk, considering these activities as a delivery with the consequences for the Buyer described in section 4.4 below, or to give the Buyer additional time limit for receiving the products. After the expiry of the additional time limit for receiving the products, the Seller has the right to withdraw from the sale and demand compensation on general terms.
- 4.4. If the product is stored by the Seller in the situation described in section 4.3, the Buyer will be charged with storage costs in the amount of 0.2% of the net value of the products for each day of delay, respectively. In such a case, the Seller reserves the right to invoice the manufactured products. At the same time, the Seller reserves the right to suspend the fulfilment of other orders in such a case without being liable for delay in deliveries, and the right to dispose of the unreceived products in the event of not invoicing without any financial consequences.
- 4.5. If it is necessary to meet special quality requirements for a given product, the Buyer is obliged to receive it at the request of the Seller.
- 4.6. The Seller reserves a manufacturing tolerance of +/- 10% of the quantity of the product specified in the order in relation to the total quantity of the delivered material (not less than one item), unless the Parties agree otherwise.

**5. PAYMENT**

- 5.1. All payments to the Seller should be made in the form of a bank transfer to the Seller's account specified in the invoice.
- 5.2. The payment on time is understood as the date of crediting the gross amount on the Seller's bank account.
- 5.3. The deduction of the Buyer's receivables from the amounts due to the Seller may only apply to the amounts determined by a valid court judgement.
- 5.4. The Seller may grant the Buyer the right to a deferred payment, i.e. a trade credit, and determine its amount.
- 5.5. If the Buyer would like to obtain a higher trade credit limit than the one proposed by the Seller, the Buyer is obliged to:
  - submit the appropriate application for a trade credit limit;
  - submit a written statement regarding the annual demand for the Seller's products;
  - propose the appropriate collateral for the said credit.
- 5.6. If the Seller grants the Buyer a trade credit, all payments under the contract should be made within the period specified on the invoice. The total value of the Buyer's liabilities may not exceed the agreed trade credit limit.
- 5.7. In the event of delay in payment by the Buyer, the Seller has the right to charge statutory interest as well as to withdraw or change the terms of granting the credit and/or a potential rebate.
- 5.8. Regardless of the prior arrangements, in the event of non-payment within the agreed time limit, all the Buyer's receivables from the Seller become immediately due, and the Seller may suspend further scheduled deliveries and fulfilment of the Buyer's orders.

- 5.9. The Seller reserves the right to sell, factor and assign receivables arising from the fulfilment of orders or contracts to the Buyer without the need to obtain the Buyer's prior consent. The Seller reserves the right to unilaterally reduce or close the trade credit granted without stating the reason.
- 5.10. The Buyer declares that it is a payer of the tax on goods and services (VAT) and has a tax identification number assigned.

## 6. COLLATERAL

- 6.1. If the Buyer wishes to obtain a trade credit in excess of PLN 25,000, it is required to provide the Seller with the following current documents on the date of the order confirmation:
- statutory and registration documents:
    - certificate of entry in the business register (natural persons and partners in civil partnerships);
    - deed of company formation (civil partnerships and commercial companies);
    - in the case of other entities – documents confirming the fact of their registration;
  - a document confirming the fact of being a VAT payer;
  - in the case of capital companies – financial statements submitted annually to the registry court or F01 to the Central Statistical Office or CIT8 to the Tax Office;
  - certificate from the competent tax office on non-arrears with taxes and certificate from the Social Insurance Institution (ZUS) on non-arrears with insurance premiums;
  - blank promissory note with the clause "without protest" signed in the case of:
    - a natural person – by the owner of the enterprise and guaranteed by the spouse;
    - civil partnership – all partners;
    - commercial companies – in accordance with the manner of representation;
    - capital companies – in accordance with the manner of representation and guaranteed by the President of the Management Board or another member of the Management Board.
  - in the case of limited liability companies – documentation which authorises the Management Board to incur liabilities exceeding twice the share capital (Article 230 of the Commercial Companies Code).
- 6.2. The following instruments, in particular, constitute a direct collateral for granting a trade credit: blank promissory note, aval or suretyship, bank guarantee, security transfer of ownership, insurance policy, submission to voluntary enforcement on the basis of a notarial deed (Article 777 item 4.5 of the Code of Civil Procedure).
- 6.3. The Seller reserves the right to specify the method of securing the granting of a trade credit. In justified cases, the Seller will not grant the Buyer a trade credit.
- 6.4. The Seller reserves the right to charge the Buyer who avoids payment after the final call to pay the overdue receivables and after the expiry of the deadline for fulfilment of the obligation specified in that call with the costs of debt recovery, each time in the amount of not less than 30% of the value of the claim. All matters related to the recovery of overdue receivables are transferred to: Andersen Tax & Legal Srokosz I Wspólnicy Sp.k., ul. Chorzowska 150, 40-101 Katowice, Poland

## III. GENERAL WARRANTY TERMS

### 1. GENERAL PROVISIONS

- 1.1. FERRUM S.A. guarantees the performance of the product / service that meets the technical requirements specified in the standards or technical conditions related to the delivery in question, and that they are made in accordance with applicable legal regulations.
- 1.2. The Buyer is obliged to check the quality and quantity of the products at its own expense during receipt. In the event of a product defect, the Buyer is obliged to submit a complaint in electronic form in accordance with section 3.
- 1.3. Before starting work related to the unloading and storage of the product, the Buyer is obliged to familiarise itself with the technical requirements of the Seller, available in the registered office of FERRUM S.A. and on the website:

<https://www.ferrum.com.pl/wp-content/uploads/2019/08/ZA%20oC5%20o8IADUNEK-TRANSPORT-SK%C5%81AD%20OWANIE.pdf>

- 1.4. All the Seller's products are covered by a 24-month warranty, counted from the date of receipt, unless the Parties have agreed otherwise in writing.
- 1.5. The Seller is liable under the warranty only if the Buyer has transported, stored, reloaded and used the products in accordance with their intended purpose, generally accepted standards and information provided to the Buyer by the Seller.
- 1.6. The Seller's Management Board decides about the method of settling the complaint.
- 1.7. The confirmation of product defects or the commencement of the complaint procedure by the Buyer does not release the Buyer from the obligation to pay for the delivered product or the services rendered.
- 1.8. In relation to those Buyers who are not consumers, the warranty is excluded.

### 2. LIABILITY FOR DEFECTS

- 2.1. The Buyer is obliged to properly inspect the delivered product in terms of quantity, quality and defects not hidden during the receipt of the product.
- 2.2. If the Buyer does not find that the products covered by the delivery are defective upon their receipt due to failure to inspect the products or to exercise due diligence in carrying out the inspection of the products, its request for the removal of defects will be excluded.
- 2.3. If the complaint is considered justified, the Seller may remove the defect or provide the Buyer with a new product free from defects or propose a price reduction.

### 3. SUBMITTING AND PROCESSING COMPLAINTS

- 3.1. The Seller accepts complaints in electronic form. The condition for the timely processing of the complaint is to submit it to the address of the complaint group [reklamacja@ferrum.com.pl](mailto:reklamacja@ferrum.com.pl) using the "Complaint notification" form available on the website [www.ferrum.com.pl](http://www.ferrum.com.pl) in the "Complaint notification" tab.
- 3.2. Notification of defects that could not be detected during delivery must be sent to the Seller immediately after their detection, electronically to the address of the complaint group referred to in section 3.1 above, but in any case no later than within six months from delivery (the Buyer is obliged to carry out a thorough inspection of the goods during this period).
- 3.3. Applications submitted in a different form may result in a significant extension of the processing period.
- 3.4. Quantity complaints must be submitted upon receipt or delivery of the product(s).
- 3.5. Quality complaints regarding defects other than hidden defects must be submitted no later than within three working days from the date of delivery, and complaints regarding hidden defects, i.e. defects that the Buyer could not detect upon receipt of the product, must be reported immediately, but no later than within three days from the detection of the hidden defect.
- 3.6. The Seller, after receiving the notification, assigns a unique identification code and confirms the receipt of the notification within two working days of receiving the complaint.
- 3.7. The Buyer is obliged to provide all data enabling the correct processing of the complaint, including all data enabling e.g. product identification, and – at the Seller's request – to enable access to the place where the products are located and arrange the place for repair.
- 3.8. The data enabling the correct processing of the complaint include: submitting a complaint, order confirmation and evidence confirming the legitimacy of the complaint (e.g. customer measurement reports – along with photographic documentation and description of the measurement method, delivery note, heat number, standard referred to by the customer, delivery number or bill of lading, car or wagon number, first name and surname of the driver delivering the product and photos showing the condition of the products subject to the complaint, possible expert opinions, etc.).
- 3.9. The notification should contain a description of the defect and should be supported with appropriate evidence.

- 3.10. Whenever product defects are identified, any processing of the product should be suspended.
- 3.11. The Buyer is obliged to provide the Seller with the possibility of inspecting the product subject to the complaint and to store it in a proper manner, preventing its damage and shortage, until the complaint is finally considered.
- 3.12. Steel grade defects are only considered if the Buyer provides a relevant (written) opinion from a specialist metallurgist.
- 3.13. If only part of the products is defective, only this part is replaced.
- 3.14. The Seller will refuse to accept the complaint if the product has been improperly transported, used or stored by the Buyer.
- 3.15. In each case of a complaint, the basis for its recognition or non-recognition is the appropriate documentation: a written application, specialist opinion, complaint protocol/note, photo documentation, test reports, possible external expertise and other necessary documents.
- 3.16. Within 14 days from the date of confirmation of receipt of the complaint, the Seller will inform the Buyer whether the complaint has been accepted or not. Any objections to the Seller's position must be sent by the Buyer in electronic form to the address of the complaint group referred to in section 3.1, no later than within 14 days from the date of receipt of the letter from the Seller, otherwise, it will be deemed that the Buyer accepts the Seller's position.
- 3.17. If the complaint is accepted, the Seller will, at its own discretion, repair or replace the defective product with a product free from defects at the earliest date possible for the Seller.
- 3.18. In a situation where, for reasons beyond the control of the Seller, replacement or repair of the product is impossible or would be associated with costs disproportionate to the value of the defective product, the Seller will reduce the remuneration by the value of the defective product.
- 3.19. The Seller reserves the right to extend the deadline for settling the complaint if it is impossible to keep it for reasons beyond the Seller's control.

### 4. COMPLAINT COSTS

- 4.1. If it is established that the complaint is unjustified, the Seller may charge the Buyer with the costs related to the verification of the notification – quality control, transport, reloading, including travel, accommodation and work costs of persons examining the complaint and other not mentioned but necessary when considering the complaint costs.
- 4.2. The Seller is not responsible for losses and lost benefits of the Buyer resulting from the fact of submitting and accepting the complaint, and the Seller's total liability is specified in section 6.
- 4.3. Expert opinions made without the consent of the Seller are performed at the risk and expense of the Buyer.

### 5. WARRANTY DISCLAIMER

- 5.1. Damage or removal of the data identifying the product may invalidate the warranty.
- 5.2. The warranty does not cover mechanical damage caused by the fault of the Buyer, e.g. as a result of improper unloading, storage and other transport or assembly activities.
- 5.3. The warranty does not cover the products which are arbitrarily repaired by the Buyer or improperly operated.
- 5.4. In addition, the warranty does not cover welded assembly connections made by the Buyer or corrosion caused by the action of the medium.
- 5.5. The Seller is not liable for damages resulting from the delay in reporting the defect by the Buyer.

### 6. LIMITATION OF LIABILITY

- 6.1. The Seller is liable only for damage caused solely by its fault in connection with non-performance or improper performance of the contract or the order.
- 6.2. Within the scope in which the Seller is held liable for the product to a third party, the Buyer is obliged to release the Seller from liability to the extent that such liability goes beyond the scope of liability specified in this section 6.

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- 6.3. The Seller is not liable for any indirect damage or loss of any kind suffered by the Buyer, including damages and contractual penalties that the Buyer will have to pay to a third party, nor for the Buyer's operational losses, lost time or similar damage.
- 6.4. The total scope of the Seller's liability towards the Buyer, regardless of its basis, is limited to the net value of the contract covering the defective product, but not more than EUR 150,000.

### IV. FINAL PROVISIONS

#### 1. RESERVATION OF THE OWNERSHIP TITLE

- 1.1. The Seller reserves the ownership title to the products until the payment of all amounts due under the contract. These products may not be pledged or otherwise encumbered.
- 1.2. In the event of a breach by the Buyer of the terms of the contract, in particular, in the event of delay in payment, the Seller has the right to set an additional final payment deadline for the Buyer, not shorter than five days, and in the event of its ineffective expiry, the Seller has the right to submit a declaration of withdrawal from the contract within five days from the expiry of the additional final payment deadline. In such a situation, the Seller has the right to request the return of the products.
- 1.3. The Buyer is obliged to properly store the products and insure them against all risks. The Buyer is obliged to assign the rights under the policy to the Seller.
- 1.4. The Buyer is authorised to resell the products as part of its business activity. In the case of resale, the Buyer is obliged to reserve the ownership title to the products until the full payment for the Goods by the final Buyer.
- 1.5. In the event when the Buyer modifies the item, the reservation of the ownership title by the Seller will be transferred to the modified item. In the event of altering, combining or mixing the products with another item, the Seller acquires the co-ownership right in the newly created item in the share arising from the ratio of the value of the new item to the value arising from the sales invoice (including VAT). The reservation of the ownership title applies to the modified item to the same extent as to the original item of sale. In the case of merging or mixing with the main item, it is considered agreed that the Buyer transfers the co-ownership of the goods to the Seller and secures this title.

#### 2. DISPUTE RESOLUTION

- 2.1. Any disputes regarding contracts arising in connection with the application of these GTCS will be settled by the court having jurisdiction over the registered office of the Seller.
- 2.2. Each of the Parties irrevocably submits to the exclusive jurisdiction of the Polish courts with regard to any matters or disputes arising in connection with the performance of contracts arising in connection with the application of these GTCS.
- 2.3. In the case of international sale, the contracts between the Parties are governed by the Polish law.

#### 3. CONFIDENTIALITY

- 3.1. The Seller informs you that it is a public company, therefore, the provisions of contracts concluded with the Buyer are subject to the confidentiality clause within the meaning of the provisions of the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to an organised trading system and on public companies (Journal of Laws 05 184 item 1539) as well as the Act of 29 July 2005 on trading in financial instruments (Journal of Laws 05 183 item 1538).
- 3.2. Disclosure of confidential information entails civil and criminal liability under the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to an organised trading system and on public companies (Journal of Laws 05 184 item 1539) as well as the Act of 29 July 2005 on trading in financial instruments (Journal of Laws 05 183 item 1538).
- 3.3. The Buyer undertakes to inform all persons who have access to confidential information contained in the contracts concluded with the Seller about the obligation to keep it confidential and about the legal consequences of disclosing confidential information, i.e. civil and criminal liability provided for by the law.

#### 4. CERTIFICATES AND LICENSES

- 4.1. The current and applicable certificates and the policy of the integrated management system (quality, environmental, OHS and complaint) are available on the Seller's website at <https://www.ferrum.com.pl/> in the "QUALITY AND SAFETY" tab.

#### 5. OTHER PROVISIONS

- 5.1. The Seller declares that it has implemented the principles of protection and supervision of the processing of personal data in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and with the Act of 10 May 2018 on Personal Data Protection.

- 5.2. In the event of a conflict between the provisions of the order confirmation and the wording of these GTCS, the provisions of the order confirmation and concluded contracts prevail.
- 5.3. If the Buyer also has its GTCS, only the present GTCS apply to the relationship between the Buyer and the Seller.
- 5.4. If the GTCS are also prepared in other languages and there is any discrepancy between the Polish language version and the version prepared in another language, the Polish language version is binding.
- 5.5. All correspondence is carried out in writing or in the form of an email and delivered to the addresses of the Parties indicated in the contract or confirmed orders.
- 5.6. The Parties undertake to inform each other of any change of the correspondence address. In the event of omission of the aforementioned obligation, correspondence sent to the current address is deemed to have been properly delivered.
- 5.7. The Buyer may not, without the prior consent of the Seller, granted in writing in order to be valid, transfer to third parties all or part of any rights or obligations under the contract or the GTCS.
- 5.8. In order to avoid potential doubts, the Parties agree that if any part of the GTCS or the contract is deemed invalid, ineffective or otherwise legally defective, the remaining provisions will remain in force. With regard to provisions found to be invalid, ineffective or unenforceable, the Parties will negotiate in good faith, to the extent possible, alternative provisions that will be valid and enforceable and will reflect the original intention of the Parties.
- 5.9. The GTCS together with the contract constitute the entire agreement between the Parties within the scope covered by the subject of the contract. The contract and the GTCS supersede any previous arrangements made between the Parties within the scope covered by the subject of the contract.
- 5.10. Any changes to the GTCS will be made available on the Seller's website: [ferrum.com.pl](http://ferrum.com.pl) and will come into force three days after the publication of the change.
- 5.11. Any changes or additions to the contract must be made in writing in order to be valid, with the exception of the provisions contained in II.2.4, II.2.5, II.5.8 sentence 2.

Katowice, 19 April 2021