

GENERAL CONDITIONS OF PURCHASE

§ 1 Scope of application

1. These General Conditions of Purchase ("**Conditions**") apply to all sales and supplies of Goods by Suppliers to Customer transacted on the basis of Customer's orders signed by authorised persons or on the basis of other contracts between Supplier and Customer, subject to mandatory provisions of law. No other transaction terms, including ones that are in contravention to the Conditions, can be accepted unless upon Customer's approval which must be given in writing, otherwise being null and void. Any matters not addressed in the Conditions will be governed by the provisions of contract (or order) relating to the transaction at hand.
2. The conclusion of a contract according to the Conditions means that the Conditions will be applied by Supplier and Customer to all categories of transactions referred to in sub-paragraph 1 above which Supplier and Customer may enter into in future, even when such a transaction does not refer to the Conditions.
3. No general conditions or other pre-formulated standard contracts of Supplier and no remarks which Supplier may attach to or incorporate in the Conditions will bind Customer even if not expressly rejected by him. Where a copy of the Conditions is not sent or delivered to Supplier, whether together with Customer's offer or on some other occasion, the Conditions will apply nevertheless as if Supplier knew or ought to know them from his earlier commercial transactions with Customer.
4. Any reference in the Conditions to:
 - a) "Conditions" is a reference to these General Conditions of Purchase,
 - b) "Customer" is a reference to Malta-Décor Sp. z o.o.,
 - c) "Supplier" is a reference to a supplier, seller or service provider who is engaged in the business or profession of providing services or making sales, supplies, etc.
 - d) "Goods" is a reference to goods, materials, raw materials, parts, prefabricates, products, devices, software, services etc. purchased by Customer in course of his business and supplied by Suppliers.

§ 2 Orders

1. Goods may be purchased only on the basis of a written order signed by authorised persons or on the basis of some other contract between Supplier and Customer, and any verbal arrangements must be confirmed in writing.
2. Supplier must accept each order by confirming it in writing within 5 days from receipt. In the absence of such confirmation within such time, the order will be considered by Customer to be tacitly accepted upon the terms therein specified.
3. An order is an offer (valid for such time as therein indicated) under the Polish Civil Code and as such may be accepted in whole without any changes or reservations. Any change or addition to any provision of an order will be deemed a counteroffer. Any changes to an order must be expressly confirmed in writing by both Customer and Supplier.
4. Any invoice by Supplier for his supplies must quote Customer's order number. In the absence of such order number, Customer may consider that the Goods specified in the invoice have not been ordered and may reject them or withhold payment until Supplier demonstrates (e.g. by showing the order) the basis on which the Goods were supplied.
5. The fee for any materials, drawings, designs or the like, prepared and/or collected in course of pre-order negotiations is included in the order price, and these things shall become the property of Customer on fulfilment of the order.
6. In the case of service orders, Supplier must collect from Customer's site any waste generated by the work, as per applicable provisions of law.

§ 3 Deliveries of Goods

1. The delivery date shall be as indicated in the order. An order may provide for delivery of Goods on Customer's call. Without prejudice to the liability to pay any contractual penalties or damages under sub-paragraph 5 below, Supplier must give Customer a prompt notice of any situation that can affect the timeliness of any delivery of Goods.
2. No early delivery of Goods is possible unless upon Customer's prior written approval. For an early delivery, the payment time is counted from the delivery date indicated in the order.

3. Goods are delivered at Supplier's risk and cost. Delivery of Goods will be received in Customer's warehouse which is open on business days from 7 a.m. to 3 p.m. (excluding emergencies). The risk of accidental loss of or damage to Goods passes to Customer on signature of delivery receipt or, in the case of plant or machinery, on commissioning or on the date of written confirmation of acceptance by representatives of Customer and Supplier. In the event of complaints as to weight, the weight of the Goods will be determined using Customer's weigh. Supplier is solely responsible for the consequences of improper preparation or incompleteness of transport documents. Customer is entitled to charge Supplier for any documented costs resulting from inappropriate transport documents.
4. Goods will be delivered on DAP (INCOTERMS 2010) basis to the delivery destination specified in the order or to Customer's place of business, unless Customer specified a different delivery destination.
5. In the event of delayed delivery, Supplier will pay Customer a contractual penalty at 5% of net order value per each week started of the delay, but no more than 20% of net order value. If Customer incurs a loss due to a delay in delivery of Goods, Customer may rely on the general rules of law to seek damages exceeding the amount of contractual penalties. Customer may seek damages from Supplier both for actual (direct) losses and for consequential (indirect) losses, including lost benefits or profits, arising in connection with a delayed delivery or defects of Goods.
6. If the delay in delivering any Goods is more than 7 days, Customer shall have the right of withdrawal from the order (*prawo odstąpienia*) without granting an additional period and without losing his right to claim contractual penalty or damages under sub-paragraph 5. Customer may so cancel an order within 5 business days, starting with the 8th day of delivery delay.
7. Together with Goods, Supplier will deliver to Customer all document required by law, such as instructions in Polish, certificates, safety certifications, attestations and approvals relating to Goods. Customer may charge Supplier for any documented costs incurred as a result of lack thereof. Despite not being specified on the documentation, the Goods and the documentation shall be provided in compliance with the highest possible standards and in full observance of applicable regulations.
8. Goods are not deemed delivered if the documents referred to in sub-paragraph 7 are not delivered together with the Goods to Customer in such a way that Customer is able to freely review them.
9. Supplier will make sure that Goods are delivered in containers or in standard packaging for such Goods or, if no standard packaging has been specified, then in such packaging as is appropriate to secure and protect the Goods until the end of the delivery process.
10. Supplier represents and warrants that his Goods are free of any physical or legal defects, and in particular do not infringe on any third party intellectual property rights, including but not limited to any copyrights, trademarks, patents and/or industrial designs. Supplier, at his expense, will indemnify and/or hold harmless Customer for any damages, including direct and indirect damages, arising in connection with delivery of defective Goods. Supplier represents and warrants that his Goods meet applicable EU standards.
11. Where Supplier renders any services at Customer's site, Supplier is required and liable to comply with all formalities, notify the relevant administrative authorities, obtain all necessary permits and pay all taxes and social security due, in connection with Supplier's personnel performing the services at Customer's site.
12. Supplier's personnel and subcontractors must comply with rules and regulations applicable at Customer's site.
13. Customer has the right to delay the forwarding of all or part of the Goods ordered. In this case, the Supplier undertakes to hold the Goods in its or third party storage facilities until he is given the go-ahead for delivery. The above shall not constitute any cost for Customer for the first 30 days; after such period the parties shall reach an agreement on the expenses for storage in the Supplier or third party's facilities.

§ 4 Warranty, including statutory warranty

1. Customer will have all statutory warranty for defects (*rękojmia za wady*) rights in relation to Goods as per the Civil Code.
2. If a complaint is not dealt with within 14 days from receipt, Supplier will pay Customer a contractual penalty at 5% of net order value per each week started of the complaint processing delay, but no more than 20% of net order value. If Customer incurs a loss due to a delay in complaint processing, Customer may rely on the general rules of law to seek damages exceeding the amount of contractual penalties.
3. In the event of Customer's withdrawal from an order or contract, Customer may, without limitation, charge Supplier a fee for the storage of any Goods that have not been taken back.
4. Unless an order or contract between Customer and Supplier provides otherwise, Supplier grants to the Customer a quality warranty for the Goods that have been delivered, for at least 3 years from being released to Customer. Where a supply involves services, Supplier's warranty covers the entire scope of the services, i.e. both individual materials, devices or subassemblies (even if manufacturer's warranty was

different) and related incorporation, processing, assembly or installation work. Under the warranty, Customer may, at his own discretion, demand that the physical defect of the Goods is remedied or that defect-free Goods are delivered. If Customer invokes the warranty, Supplier must take back the defective Goods from Customer's warehouse and redeliver defect-free Goods. As part of his remedies, Customer may have third parties remedy the defect at Supplier's cost and risk, without having to request Supplier to do so. Together with Goods, Supplier will deliver to Customer a warranty certificate to confirm Customer's rights.

5. If Goods are resold by Customer to a consumer, then notwithstanding any warranty or statutory warranty liability, Customer will be entitled to damages from Supplier if the Goods do not have any properties they should have according to their intended uses and to charge Supplier for any costs incurred in connection therewith.
6. Customer reserves the right to withhold payment or make a deduction from payment for Goods for which he pursues claims under any of sub-paragraphs 1 to 5, and in particular Customer may withhold payment or make a deduction from payment for Goods for which he has raised a quality or quantity complaint with Supplier.
7. Supplier will be liable for acts, defaults, negligence and duties of his suppliers, subcontractors, agents, employees, workers or other contractors as if they were his own acts, defaults, negligence or duties. Supplier shall in any case be responsible for any loss or injury to people or damage to property caused by faults in supplied Goods.

§ 5 Weighing services

Customer may charge Supplier for weighing services on Customer's premises at Customer's prices.

§ 6 Settling accounts with Supplier

1. Unless an order provides otherwise, any prices stated in the order are fixed prices ex warehouse or Customer's site. If there is a price reduction between Customer's submission of an order and the delivery of the Goods, Supplier will appropriately reduce the price earlier agreed in the order. Supplier is not entitled to increase the order price if the price for the Goods is increased between Customer's submission of the order and the delivery of the Goods.
2. Order prices include appropriate packaging and packaging will, without limitation, comply with applicable marking and labelling regulations, including those on disclosure of information about the manufacturer and the product.
3. Any prices and rebates for an order will apply also to changed orders and follow-up/additional orders.
4. Orders are invoiced on the basis of acceptance certificates signed in relation to Goods by Supplier and Customer. The fact that no claims are raised by Customer in an acceptance certificate in relation to defective Goods will not prevent him from raising such claims later if the defects only become apparent after acceptance or were concealed by Supplier.
5. In the event of orders relating to regular deliveries, Customer's payments will be made on the basis of summary invoices issued by Supplier on a monthly or weekly basis, as agreed with Customer.
6. Where pricing is stated in a foreign currency, Customer and Supplier will settle mutual accounts according to the published average (middle) exchange rate of the National Bank of Poland ("NBP") applicable as at the date of the business day preceding the invoice date. Supplier must make sure the invoice refers to an exchange rate and an NBP table of exchange rates according to which the Parties will settle their mutual accounts. Supplier will not charge Customer for any price differences resulting from foreign exchange differences.
7. Where a delivery is for Goods with a net value of more than PLN 100,000.00 (or equivalent in a foreign currency), Customer reserves the right to retain at least 5% of such net value as a security for any claims he may have under §4 of the Conditions, for at least one year from the passage of risk of accidental loss of or damage to the Goods.
8. Supplier's receivables resulting from his completed orders may be offset against amounts payable to Supplier by the following companies: Kronospan Chemical Szczecinek Sp. z o.o. with its registered seat in Szczecinek, Kronospan Szczecinek Sp. z o.o. with its registered seat in Szczecinek, Kronotex Sp. z o.o. with its registered seat in Mielec, Kronospan Polska Sp. z o.o. with its registered seat in Szczecinek, Kronospan Mielec Sp. z o.o. with its registered seat in Mielec, Silva Sp. z o.o. with its registered seat inof Mielec, Kronospan Investment Sp. z o.o. with its registered seat in Mielec, Kronospan HPL Sp. z o.o. with its registered seat in Mielec, Kronoplus Sp. z o.o. with its registered seat in Mielec, Malta-Decor Sp. z o.o. with its registered seat in Poznań, Malta Trading Sp. z o.o. with its registered seat in Poznań, Kronospan OSB Sp.

z o.o. with its registered seat in Mielec, DSO with its registered seat in Strzelce Opolskie, Alfa Terminal Szczecin Sp. z o.o. of Szczecin.

9. Supplier undertakes that the terms offered for supplies of his Goods to the companies mentioned in sub-paragraph 8 will be no worse than those offered to Customer.

§ 7 Payment terms

1. Customer will pay for delivered Goods using non-cash payment, that is by a bank transfer to Supplier's bank account.
2. Unless the contract with Supplier provides otherwise, payment for purchased Goods will be made on the next 15th or last day of the month, following the time for payment as agreed in the order which shall be counted from the later of the date indicated in the Goods acceptance certificate or the invoice receipt date. If Customer pays for received Goods at least 14 days earlier than as agreed in the order, Supplier will grant Customer a discount of at least 3%. This discount may, based on individual written agreement between Customer and Supplier, be replaced with an extra rebate in addition to the rebates set out in §8 of the Conditions.
3. Payment for the Goods may be made at a different date on receipt of Customer's written consent.
4. Payment is deemed to be made at the date of the debit to Customer's bank account.
5. Customer may make a setoff against amounts due to Supplier for any amounts due to Customer in connection with an order or order fulfilment, even if such amounts are not enforceable.

§ 8 Rebates

1. Supplier shall grant Customer an annual rebate on the volume purchased within a calendar year according to the following rules:
 - a) 1.5 % of gross purchases within the first calendar year of their relationship,
 - b) 2.5 % of gross purchases in a calendar year if the purchases in that year are above 100% and up to 115% of the purchases in prior calendar year,
 - c) 3 % of gross purchases in a calendar year if the purchases in that year are above 115% of the purchases in prior calendar year.
2. The rebates set out in sub-paragraph 1 will be calculated on net prices for the Goods.
3. A rebate will be supported by a correcting VAT invoice to be issued by Supplier on or before January 31 next year.
4. In the case of a continuing relationship between Customer and Supplier which lasts at least 3 years, in addition to the rebates set out in sub-paragraph 1 above, Supplier shall grant Customer an extra rebate for each subsequent year of their relationship at 3% of last year's gross purchases, provided that, for the purposes of the rebate, a year will be taken to mean 365 consecutive days.

§ 9 Force majeure

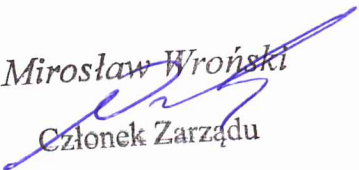
1. Neither of the parties is liable for damage suffered due to force majeure circumstances. Force majeure circumstances shall mean circumstances caused by the reasons of extraordinary character which cannot be foreseen and prevented, such as, in particular: riots, strikes, suspension of work enforced by public authorities, if such circumstances prevent the fulfilment of the contractual obligations.
2. The party for which it becomes impossible to meet its contractual obligations due to force majeure circumstances, shall notify of that the other party in writing latest 14 days as of the date of the beginning of such circumstances. The obligation to provide such notices shall apply also to an information that such circumstance is no longer present. Lack of notification from the party to which it becomes impossible to fulfil its contractual obligations due to force majeure circumstances shall deprive this party of the right to refer to force majeure circumstances in order to be released from its liability.
3. When force majeure circumstance occurs the time stipulated for fulfilment by the parties of their obligations hereunder shall be extended for the period during which the above circumstances or their consequences last.
4. If suspension caused by force majeure lasts more than 30 days, either party is entitled to terminate all of part of the contract, with the exclusion of any further indemnity.

§ 10 Final provisions

1. Supplier is not entitled to assign his rights or duties in relation to Customer without Customer's prior written consent.
2. Supplier will maintain the secrecy of order terms agreed with Customer and of any Customer-related information which comes to Supplier's attention when negotiating or fulfilling an order. Supplier may disclose such information only on receipt of Customer's written consent or if required by mandatory provisions of law. In the event of a breach of the above obligations, Supplier will pay Customer a contractual penalty of PLN 10,000.00 (ten thousand zlotys) for each breach. If Customer incurs a loss due to Supplier's breach of the foregoing obligations, Customer may rely on the general rules of law to seek to damages exceeding the amount of contractual penalties. Customer may seek damages from Supplier for actual (direct) damages, for consequential (indirect) damages and lost profits.
3. Supplier must maintain business liability insurance for at least 100% of Customer order value. If so requested by Customer, Supplier must submit to him copies of relevant insurance documents.
4. The invalidity or unenforceability of any provisions of or rights under the Conditions will not adversely affect the validity or enforceability of the other provisions or rights. A relevant regulation will replace such invalid or unenforceable provisions or rights so as to possibly best approximate their terms.
5. The Conditions are an integral part of any orders for Goods made with Supplier by Customer's authorised staff and of any contracts between Customer and Supplier.
6. Any matters that have not been addressed will be governed by Polish law, including especially the Civil Code.
7. All disputes arising in connection with the Conditions or with contracts entered into on their basis will be submitted to a court of jurisdiction at the location of Customer's registered office or to a court in Koszalin or in Poznań.
8. The Conditions become effective on 25th November 2015 and will apply to all sales and supplies of Goods entered into by Customer after that date.
9. The Conditions are also available at www.maltadecor.pl, the 'Offer' tab.

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