

## 1. GENERAL PROVISIONS

1.1 These General Terms and Conditions of Purchase ("GTCP") apply to orders for goods and services, hereinafter referred to as the Products, placed by any of the following (hereinafter referred to as the Buyer):

1. **Cersanit S.A.**, with its registered office in Kielce, al. Solidarności 36, 25-323 Kielce, entered in the register of entrepreneurs maintained by the District Court in Kielce X Commercial Department of the National Court Register under KRS number 0000081341, share capital PLN 81.144.015,90, fully paid-up, NIP: 564-000-16-66
2. **Opoczno I sp. z o.o.**, with its registered office in Opoczno, ul. Przemysłowa 5, 26-300 Opoczno, entered in the register of entrepreneurs maintained by the District Court in Łódź Śródmieście XX Commercial Department of the National Court Register under KRS number 0000280042, share capital PLN 271.650.000,00, fully paid-up, NIP: 768-176-93-71
3. **Cersanit II S.A.**, with its registered office in Starachowice, ul. Józefa Bema 2, 27-200 Starachowice, entered in the register of entrepreneurs maintained by the District Court in Kielce X Commercial Department of the National Court Register under KRS number 0000070746, share capital PLN 30.000.000,00, fully paid-up, NIP: 664-182-07-11
4. **Cersanit III S.A.**, with its registered office in Wałbrzych, ul. Uczniowska 21, 58-306 Wałbrzych, entered in the register of entrepreneurs maintained by the District Court for Wrocław – Fabryczna, IX Commercial Department of the National Court Register under KRS number KRS 0000087138, share capital PLN 90.000.000,00, fully paid-up, NIP: 886-247-77-09
5. **Cersanit IV Sp. z o.o.**, with its registered office in Krasnystaw, ul. Leśna 6, 22-300 Krasnystaw, entered in the register of entrepreneurs maintained by the District Court Lublin-Wschód in Lublin with its registered office in Świdnik, VI Commercial Department of the National Court Register under KRS number KRS 0000271736, share capital PLN: 402.941.500,00 PLN, fully paid-up, NIP: 959-176-28-11,

1.2 Unless the Supplier and the Buyer conclude a contract in writing, the purchase of the Products by the Buyer shall be subject to the rules set forth in these General Terms and Conditions of Purchase. Conclusion of a written contract between the Supplier and the Buyer shall waive the application of these General Terms and Conditions of Purchase, unless the parties decide otherwise.

1.3 Any deviation from the application by the Supplier from the provisions of these GTCP is permitted solely subject to prior written consent of the Buyer. Any deviation by the Buyer from the application of specific provisions of these General Terms and Conditions of Purchase in specific circumstances shall be binding only with respect to a specific order and in no case may be treated by the Supplier as applicable to any other orders placed by the Buyer.

1.4 By participating in any appraisal, negotiations and/or tender or performance of an Order of the Buyer, the Supplier herewith approved these General Terms and Conditions of Purchase irrevocably and without any reservations. The Supplier waives the application of provisions of any documents (invoices or other shipping documents) that are incompliant with these General Terms and Conditions of Purchase, including but not limited to its own general terms and conditions of sale.

1.5 These General Terms and Conditions of Purchase further apply to preparation and submission of offers by the Supplier in response to requests for proposals.

1.6 Unless agreed otherwise, the General Terms and Conditions of Purchase shall apply as in force on the day a request for proposal or a purchase order is received. The current version of the General Terms and Conditions of Purchase shall at any time be available in electronic version at <https://www.cersanit.com.pl/do-pobrania/>.

## 2. RELATIONS BETWEEN CONTRACTUAL PARTIES

2.1 The relations between the Parties are regulated with the following documents (in the hierarchy specified below):

- (i) Purchase order placed by the Buyer and the specific terms and conditions specified therein, hereinafter referred to as the Order.
- (ii) Letter of intent provided to the Supplier by the Buyer.
- (iii) General guidelines related to the performance of the order known to the Supplier and/or specified in the request for proposal, specification or otherwise.
- (iv) Agreement relating to quality along with any other documents agreed by the Parties and provided to the Supplier during the bidding process and/or specified in the Order form.
- (v) General Terms and Conditions of Purchase.
- (vi) Price offer, appraisal or cost calculation submitted by the Supplier, specifying the unit price in the purchase currency, delivery base (Incoterms 2010), payment terms, delivery time and other parameters related to the supplied Product and delivery thereof, hereinafter referred to as the Offer.

2.2 Should there be any discrepancy between the documents listed in clause 2.1 of these GTCP, the provisions of the document which is higher in the hierarchy specified in clause 2.1 shall prevail.

## 3. REQUESTS FOR PROPOSALS AND OFFERS

3.1 All requests for proposals made by the Buyer shall be deemed valid only when made in writing.

3.2 The Offer shall clearly specify the currency and the price. All prices shall be net of VAT as provided in the applicable law unless explicitly specified otherwise. Preparation of an Offer by the Supplier shall be free of charge in each case and costs related to the preparation of an Offer shall be fully covered by the Supplier.

3.3 Unless specified otherwise, the prices specified in the Offer shall cover all costs of preparation, designing, manufacturing and assembly of the Products (if applicable), as well as costs of loading, transportation, shipping, packaging, insurance, customs duties and unloading until the Products are released to the Buyer at the place designated by the Buyer, as well as of any required documentation.

3.4 Requests for proposals made by the Buyer expire when the Seller fails to submit an offer within two weeks from receipt of the request for proposals unless the request for proposals specifies another timeframe. If the Buyer fails to confirm acceptance of the Seller's Offer in the form of an Order, the offer shall be deemed as not accepted.

#### **4. ORDERS**

4.1 All Orders placed with the Supplier by the Buyer shall be made on Order forms and submitted to the Supplier in writing (by e-mail, fax or by post).

4.2 Each Order shall specify the quantity, price in the purchase currency, value, delivery terms, payment terms, delivery date and address of the Products covered by the Order. All additional details related to the Order may be agreed solely by an authorised representative of the Buyer.

4.3 The Supplier shall confirm/modify or reject the Order in writing within 2 working days from receipt of the Order. When such confirmation/modification or rejection of the Order is not received by the Buyer within the specified timeframe, the Order shall be deemed accepted by the Supplier in full on the terms and conditions specified in the Order. Working days shall mean days from Monday to Friday inclusive with the exception of official holidays in the country of origin of the Buyer and the Supplier.

4.4 When the Order is modified by the Supplier, the Buyer shall be required to approve such modification by issuing a new Order (or modifying the original Order) providing for such modification or approving the modifications in writing. When such approval is not provided, the Order shall be performed subject to the principles and within the timeframes specified originally by the Buyer.

4.5 The Order shall be performed on the basis of standards and recommendations detailed in technical specifications, technical documentation and any other documents attached to the order and constituting an integral part thereof, as well as in compliance with all standards and best practices applicable to the ordered type of products and/or services.

4.6 Deliveries shall be executed in whole, without part deliveries, unless the Buyer provides its prior written consent thereto or as specified in the Order placed by the Buyer.

4.7 In particular, the Supplier shall be obliged to comply with all obligations resulting from the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), hereinafter referred to as the Regulation. When the substances supplied under any Order have to be registered with the European Chemicals agency in compliance with the Regulation, the Supplier shall warrant to the Buyer that the substances have been preliminarily registered and/or will be registered within the timeframes specified in the Regulation to the extent providing for all applications thereof by the Buyer.

4.8 With reference to all Products for which it is required by the law, the Supplier shall provide safety data sheets in the Polish language latest on the delivery date.

#### **5. PRICES, INVOICES AND PAYMENT TERMS**

5.1 Unless explicitly agreed otherwise, the prices specified in the order shall be fixed prices including the prices of the Products and packaging, labelling and delivery costs, net of VAT.

5.2 The prices specified in the Order shall be fixed and invariable throughout the performance of the Order and/or the term of the Supplier's Offer and/or the Agreement as the Supplier has provided for all factors that may affect the prices over such period in the calculation specified in the Offer.

5.3 Invoices for the purchase of the Products shall be sent to the Supplier to the address specified in the Order. The invoice shall specify the tax identification number (VAT no) or another identification number of the Supplier, Order number, additional relevant information (e.g. place of unloading, number and date of waybill, quantity and the price of the Products specified in the Order, with a separately itemised VAT amount.

5.4 Unless the Order specifies otherwise, the payment term shall be 60 days from receipt by the Buyer of a correctly issued invoice. Invoices will be issued on the basis of delivery of the Product compliant with the agreement, confirmed with a corresponding protocol or delivery document without any reservations. If an invoice has been issued incorrectly, upon a request of the Buyer, the Seller shall issue a corresponding corrective

VAT invoice or a correcting note. With respect to delivery and receipt of earlier deliveries, the payment term shall apply corresponding to the contractual delivery term of the Products.

5.5 Payments shall be made by transfer to the Supplier's bank account designated in the invoice. The date when the Buyers' bank account is debited with the transfer amount shall be deemed the payment date.

5.6 Any bank fees in the Supplier's country of origin shall be covered by the Supplier while fees outside the Suppliers' country of origin shall be covered by the Buyer.

5.7 If an Order is executed incorrectly/incompletely by the Supplier, the Buyer shall be entitled to withhold payment or a corresponding part thereof until the Order is executed properly. The above shall be without prejudice to the Buyer's right to claim contractual penalties for delay and/or claim damages in accordance with the law.

5.8 Without prior written consent of the Buyer, the Supplier may not transfer to any third parties any of its obligations relating to the performance of the Order and/or receivables due to it from the Buyer as a result of performance of the Order or entitle any third parties to pursue such claims.

## **6. DELIVERY TIME**

6.1 Delivery time with respect to any single delivery of the Products shall mean the final delivery to the Supplier of complete delivery, confirmed with a corresponding protocol or delivery document without any reservations, along with all required documents, to the place designated in the Order. Delivery term with reference to Product deliveries executed in stages shall mean the delivery date as specified in the Order in relation to each stage of the Order and receipt thereof by the Buyer at the place designated in the Order.

6.2 Title to the Products, risk of loss or damage thereof and responsibility and benefits therefrom shall be transferred to the Buyer when the Product are accepted (in terms of quantity and quality) at the place of destination and when the Supplier simultaneously delivers all material certificates, warranty certificates and/or all other documents related to the products, as specified in terms of type and delivery time in the Buyer's Order or as required by the law.

6.3 All deliveries executed in quantities and/or quality and/or at times other than specified in the Order shall be deemed incompliant with the Order. The above applies in particular to part deliveries not agreed in the Order which means that the Buyer shall be entitled to refuse such deliveries unless the Supplier has obtained prior written consent of the Buyer to perform part deliveries.

6.4 In case of any delay, the Buyer reserves the right to charge the Supplier with a contractual penalty of 0.5 % of the Order value for each commenced day of delay, however not more than 20 % of the Order value. The contractual penalty specified hereabove shall be without prejudice to the Buyer's right to claim damages in accordance with the law in excess of the contractual penalty. The damage shall include both actual losses and lost profit.

6.5 If a delay in execution of an Order occurs, the Supplier shall be obliged to notify the Buyer of the nature and extent of such delay and to take all reasonable actions at its own risk and expense, including but not limited to overtime work, ordering additional production tools, ensuring adequate increased human resources and/or organisation of special transport at the Supplier's expenses, in order to mitigate the delay in Order execution. The performance of the above actions shall be without prejudice to the Buyer's right to claim the contractual penalty specified in clause 6.4 of GTCP and/or claim damages in excess of the contractual penalty in accordance with the law.

6.6. In the case of other unpredictable circumstances for which the Supplier is not responsible that will prevent it from correct and timely performance of the Order, the Suppliers shall forthwith (latest on the next working day) notify the Buyer thereof. In such circumstances, the Buyer may resign from having the Order executed in part or in whole and the Supplier shall not be entitled to make any related claims.

## **7. QUALITY INSPECTION OF DELIVERIES**

7.1 The Supplier warrants that the Product delivered by it shall be of top quality, compliant with the specimens provided by the Buyer, specifications or designs approved by the Buyer; in the case of Products ordered from a catalogue or pursuant to an Offer by the Supplier – in compliance with properties and descriptions of the Products as specified in the last catalogue or Offer of the Supplier approved by the Buyer.

7.2 Before delivery to the Buyer, the Seller shall be obliged to verify the quality of the Products. In particular, the Supplier shall be obliged to verify if the Product have the agreed properties and if they are fit for the purpose specified in the Order and/or the agreement, applicable standards and/or legal regulations, and if such purpose is not identified, customarily applied to Products of the kind. The scope and content of quality control to be performed by the Supplier may be specified in the agreement between the Parties. The Supplier shall be obliged to perform quality control in accordance with the type and kind of the Products and best available know-how with respect to technical properties of the Products. The Supplier shall be obliged to keep protocols from quality controls of the Products and shall make them available to the Buyer upon request.

7.3 When the Buyer or a Buyer's client finds any discrepancies of the delivered Products with the Order, the Buyer shall notify the Supplier in

writing or by e-mail of such discrepancies (submission of complaint). The Supplier shall be obliged to take remedial and corrective actions immediately after receipt of the complaint, however within maximum 2 working days from receipt and review the complaint within 5 working days from receipt. Remedial and corrective actions shall be understood by replacement of the Products with products free of defects, selection of the Products at the Supplier's cost and risk and ensuring such modifications to the manufacturing process and delivery of the Products that will ensure elimination of complaints in the future. When as a result of deliveries of non-conform Products, the Buyer incurs any expenses or suffers any losses as a result of prevention to performance of operating processes, all costs of such events shall be covered by the Supplier in whole on the basis of the applicable debit note.

7.4. When the Supplier fails to review the complaints within the timeframe specified in clause 7.3, the Buyer shall be entitled to have the claims under the complaint executed by a third party at the Supplier's expense and risk.

7.5 The cost of transportation of returned Products and the costs of dispatch of Products for replacement as a result of a complaint shall be covered solely by the Supplier unless the parties agree otherwise. Without prejudice to the rights held by the Buyer under the law or the contract, the Buyer reserves the right to accept Products that are not free from defects.

7.6 The Supplier shall apply and enhance or update its quality assurance system to keep up with most recent technical know-how, appropriate for the type and properties of the Products supplied by the Supplier.

7.7 The Supplier shall grant the Buyer each time a 24-month quality contractual and statutory warranty (for Products for which statutory warranty applies) – or for another as may be specified in the Offer. When Products are purchased that are intended for further re-sale, the contractual and statutory warranty period may not end before expiry of 24 months from purchase of the Product by the end User. If any defect is concealed, the warranty period shall start from the moment the defect is revealed.

7.8 The contractual and statutory warranty period for Products shall be extended by a period during which such Products as a result of defects could not be used as intended.

## 8. OTHER

8.1 Trade names and trademarks as well as any other marks that in accordance with the Buyer's instructions shall be placed on the Products if so specified in the documents provided by the Buyer in connection with the performance of orders or if so instructed by the Buyer to the Supplier. Products marked as specified above may be delivered solely to the Buyer. If Products marked with Buyer's trade name or trademark are returned for a valid reason, the Supplier shall – at its own expense and risk – take all reasonable actions so that the Products may not be used unless the Buyer instructs the Supplier otherwise.

8.2 In performing the orders, the Supplier shall comply with the applicable regulations and guidelines of competent bodies. The obligation applies primarily to such designing, fabrication or manufacturing, transport and assembly of the Products that they meet all safety requirements, quality standards and do not breach the regulations concerning copyrights, applicable standards and legal regulations, in particular OH&S, environment protection regulations or third party rights. The supplier shall be fully liable for all penalties or personal and property damage resulting from breach of such regulations and standards.

8.3 The Supplier, being an experienced entity in its business, is fully aware of the requirements and risks related to manufacturing, in particular related to quality, costs and timing. The Supplier shall be obliged to deliver products in compliance with its best standards and practices and in compliance with the applicable legal regulations and standards in the sphere of health, safety and environment protection. The Supplier shall indemnify and hold the Buyer harmless against all claims, demands or action as well as any and all costs that may result from any action, in particular court and/or administrative action, resulting from failure to comply with the above regulations, and shall be responsible for all direct or indirect effects of such non-compliance so that the Buyer is at all times indemnified against such claims, demands or actions. If so requested by the Buyer, the Supplier shall be obliged to join any pending court and/or administrative proceedings and take all reasonable actions as may be required to clarify the case as well as provide the Buyer with all information and materials related to the case.

The Buyer shall be entitled to terminate the agreement in writing with immediate effect should any of the following circumstances occur:

- (i) The Supplier is not able to perform the Order in whole or in part,
- (ii) A motion has been filed against the Supplier to declare it bankrupt or otherwise insolvent,
- (iii) Provision by the Buyer or a written cancellation of all Orders that have not been executed yet,

which will not result in an obligation for any compensation to the Supplier for breach of contract or payment of any damages by the Buyer.

## 9. CONFIDENTIALITY

9.1 The Supplier shall treat all information, documents and other materials provided to the Supplier by the Buyer in connection with preparation of an Offer, conclusion and performance of an Order/agreement as Buyers' trade secrets within the meaning of art. 11.4 of the Act of 16 April 1993 on counteraction to unfair competition (Journal of Laws of 2003, No. 153, item 211, as amended). Such confidential information may be sued solely to perform Orders placed by the Buyer.

The confidentiality obligation shall survive the completion of the contract by the Supplier unless such information, documents or other materials constituting secrets of the Buyer are not generally accessible or known.

## 10. INTELLECTUAL PROPERTY

10.1 The Supplier shall notify the Buyer in writing of any intellectual property rights related to the delivered Products.

10.2 Within the agreed purchase price of the Products, the Supplier shall transfer all intellectual property rights to the Buyer, in particular economic copyrights (as well as all related rights to an unlimited extent) to works within the meaning of the Act of 4 February 1994 on copyright and related rights, generated in connection with the performance of the agreement or that the Buyer requires in view of the purposes specified in the agreement or resulting from underlying circumstances.

10.3 Unless agreed otherwise with the Buyer in writing, as a result of transfer of economic copyrights the Buyer shall acquire the right to unrestricted use of the works referred to in clause 10.2 and to dispose of them both domestically and abroad without any additional fees, in the following fields of use:

- (i) duplication with any technique, including by printing, with digital technology, magnetic recording,
- (ii) implementation to production;
- (iii) introduction to trading;
- (iv) downloading to computer memory;
- (v) publication in the press or as a book, on TV;
- (vi) dissemination on electronic media, providing access in computer networks, including the Internet, by wireless transmission, in electronic databases;
- (vii) mechanical reproduction;
- (viii) making electronic adaptations;
- (ix) promotion and advertising, including providing access for reviews, exhibitions and catalogues;
- (x) public performance.

10.4 When such economic copyrights are transferred, the Supplier shall waive the execution of any moral copyrights, in particular those listed in art. 16 of the Copyright Act.

10.5 Unless otherwise agreed by the Buyer in writing, such economic copyrights shall be transferred to the Buyer on an exclusive basis when the Products are released to the Buyer.

10.6. If any third parties make any claims against the Buyer related to intellectual property rights (including patents) concerning the Products, the Supplier shall reimburse all costs incurred by the Buyer in relation therewith, in particular it shall join any court and/or administrative proceedings covering third party claims relating to breach of any rights, and it shall cover all related damages and hold the Buyer harmless from any liability.

## 11. FORCE MAJEURE

11.1 Each Party shall be relieved from the performance of its obligations during the occurrence of Force Majeure that will prevent or make such performance excessively difficult. The other Party shall be forthwith notified of the occurrence of Force Majeure.

11.2 The occurrence of Force Majeure circumstances does not relieve from the obligation to perform complete deliveries of the Products as soon as such circumstances cease to exist.

11.3 Force Majeure includes external events that are beyond control of the Parties and that could not have been avoided. Such circumstances in particular include war, flood, actions taken by the government preventing the performance of mutual obligations of the Parties, etc.

11.4 The time for performance shall be automatically extended by the duration of Force Majeure circumstances.

11.5 If Force Majeure circumstances prevail for a period longer than 6 months, either Party may terminate commercial collaboration with immediate effect. Such occurrence and existence of Force Majeure circumstances shall be certified by the competent Chamber of Commerce and Trade or equivalent unless such Force Majeure circumstances were obvious and commonly known.

## 12. APPLICABLE LAW

12.1. All matters not provided for in these GTCP shall be subject solely to the applicable Polish law, in particular the provisions of the Civil Code, the Act on copyright and related rights and the Act on counteraction to unfair competition. Legal regulations of other countries shall not apply or

the provisions of the United Nations Convention on contracts for the international sale of goods, approved in Vienna on 11 April 1980, Convention on the limitation period in the international sale of goods as well as provisions of other international conventions or agreements.

12.2. Any disputes shall be resolved by the Parties by way of negotiation failing which such disputes shall be referred to a court of law competent for the Buyer's registered office and resolved in accordance to Polish law.

12.3. In case of discrepancies between language versions of GTCP, the Polish version shall prevail.