

GENERAL TERMS AND CONDITIONS OF SALE

1. GENERAL PROVISIONS

1. These General Terms & Conditions of Sale ("GTCS") are the terms and conditions governing the conclusion of contracts for the sale of goods by HEATPEX Spółka z ograniczoną odpowiedzialnością, a limited liability company with its registered office in Gdańsk, Trakt św. Wojciecha 29, 80-044 Gdańsk, entered under number KRS 0000204309 in the register of entrepreneurs of the National Court Register kept by the District Court in Gdańsk, the Commercial Division of the National Court Register, 0000204309, NIP (Tax Identification No.) 5832853709, REGON (National Official Business Register No.): 193031338, having a share capital of PLN 50,000 (hereinafter to be referred as "HEATPEX").

2. These GTCS shall apply to all deliveries of products, materials and services involving the sale, by HEATPEX, of any goods to buyers other than consumers. These GTCS are the framework for the obligations of the parties under each such contract of sale made by HEATPEX.

3. These GTCS shall not apply to any BUYER bound by a commercial contract [with HEATPEX], in which case the provisions of such a contract made in writing shall apply on a priority basis, with these GTCS to apply only to the extent not covered by such a contract.

4. These GTCS shall be made available to Buyers at the registered office of HEATPEX, as well as electronically on the www.heatpex.pl website.

5. By placing a purchase order, the BUYER shall be deemed to have accepted the following terms and conditions, unless a specific contract between the BUYER and HEATPEX provides otherwise.

2. PURPOSE OF THE GTCS

1. The purpose of these GTCS is to set out the rules, terms and conditions governing business cooperation between the Parties, including, but not limited to, the purchase, by CUSTOMERS, of products from HEATPEX which are available as part of HEATPEX's product range.

2. Subject to these GTCS, HEATPEX's shall, in particular, a) specify the rules for placing purchase orders,

b) place purchase orders in accordance with the specified rules for the placement of orders;

c) pay the agreed price by the agreed date, and

d) receive the products delivered to it.

3. PLACEMENT OF PURCHASE ORDERS

1. Purchase orders shall be placed to HEATPEX only in writing: by post, fax or electronic mail, using the address details provided by HEATPEX. Purchase orders from the BUYER may be placed by a person or persons authorised to place purchase orders for the BUYER.

2. A purchase order shall be deemed accepted for processing as soon as the BUYER is delivered a confirmation of the acceptance of the purchase order by an authorised member of HEATPEX's personnel.

3. Any modifications to a purchase order will be accepted if made one day before the shipping date is arranged by HEATPEX and only with the prior written consent of HEATPEX.

4. The provision of Section 682 of the Civil Code, i.e. the provision that an offer made by one party in a permanent business relationship with another party, to that other party, is deemed accepted if it is not responded to immediately, shall not apply to the contractual relationships between the Parties which are governed by these GTCS.

5. No information published on HEATPEX's website, in catalogues, brochures, leaflets, flyers, advertisements and/or any other publications shall be interpreted as an 'offer' within the meaning of the Civil Code, even if it is accompanied by a price or prices. All publications regarding HEATPEX's products are provided for information purposes only, and any samples or models of products are provided as an indication and for demonstration purposes only. Detailed specifications of HEATPEX's products are subject to modifications due to the advances of technology and/or production technologies changes. The purchase order and technical documentation are made available by HEATPEX on the www.heatpex.pl website and at the office of HEATPEX. At the BUYER's request, HEATPEX shall provide the declarations of conformity for its products.

6. The BUYER may obtain a confirmation of the accuracy of any technical information, including declarations of conformity, in respect of HEATPEX's products, by contacting HEATPEX's Order Processing Department.

7. By purchasing a product from HEATPEX, the BUYER is deemed to be familiar with the technical documentation of the product and the documents based on which the product is approved for use in construction.

4. PURCHASE PRICES

1. The prices of products shall be as given in HEATPEX's current price list or as stated in HEATPEX's quotation for the BUYER. HEATPEX's current price list is available on the www.heatpex.pl website.

2. No change to HEATPEX's price list shall be interpreted as a modification to these GTCS and any such changes may be made by HEATPEX at any time. The prices of products are included in the details contained in the confirmation of the purchase order. The new price list shall apply to the BUYER from the date of its publication on the www.heatpex.pl website. All purchase orders accepted by HEATPEX after the effective date of its price list shall be delivered according to the new price list.

3. The price given on the VAT invoices is the final purchase price. If the invoiced purchase price is higher than the purchase price offered by HEATPEX, the BUYER will have 7 days of the delivery of the invoice within which to make a complaint to HEATPEX. If no such complaint is received by HEATPEX within that period, the BUYER shall be deemed to have accepted the invoiced purchase price.

4. The invoiced net prices shall be increased by VAT at the statutory rate applicable on the date of issue of the invoice.

5. The prices are inclusive of the cost of packaging that is designed to prevent damage to the products in transit. If the BUYER has any non-standard expectations as to transport packaging, HEATPEX shall estimate the cost of such packaging. The agreed cost of such additional packaging shall be added to the price of the products.

5. DELIVERY TIMES AND DELIVERY COSTS

1. Deliveries of products shall be made by the delivery date specified in the confirmed purchase order. For purchase orders for production cycle planning as well as product sourcing and storage, the delivery date specified by a member of HEATPEX's personnel may be changed, in which case HEATPEX will notify the BUYER immediately.

2. The delivery time shall begin on the day when the following conditions are fulfilled: a member of HEATPEX's personnel has confirmed the BUYER's purchase order, the agreed performance bond has been issued or the agreed security deposit has been paid, and the information necessary to process the purchase order has been provided.

3. If any modification is made to a purchase order that is already being processed, the delivery time shall begin on the day when the modified purchase order is confirmed and the other conditions described in subclause 2 are fulfilled in respect of the modified purchase order.

4. Unless otherwise agreed in the purchase order confirmation, the purchase order shall be delivered on an FCA basis, according to Incoterms 2010, to a warehouse named by HEATPEX.

5. The ordered products shall be deemed delivered when released from HEATPEX's warehouse. This time shall be deemed to be the time of the delivery of the ordered products, upon which HEATPEX will be entitled to issue a VAT invoice for the order.

6. In each case, the BUYER shall, through its own efforts and at its own expense, unload the delivered products from the vehicle that delivered them. The vehicle shall be unloaded within 2 hours from its arrival at the specified location. Any additional costs related to the vehicle remaining at that location for longer than 2 hours shall be the responsibility of the BUYER.

7. Unless the BUYER provides its own vehicle to collect the ordered products, HEATPEX shall arrange for the transport of the products on behalf of the BUYER. The BUYER shall be responsible for the costs of such transport.

8. If the ordered products are to be delivered to a location other than the BUYER's address, the BUYER shall authorise a person to receive the delivery and specify that person's full name and their identity document number in the purchase order. In the event of the BUYER's failure to do this, the obligation and if the document confirming the delivery of the ordered products is signed by the person that received the delivery, the BUYER shall not make any claims against HEATPEX on the grounds that the products have not been delivered or that the delivery was received by a person not authorised to do so.

9. The BUYER shall inspect the quality (for any damage in transit) and quantity of the products delivered. Any remarks or comments regarding the quantity of the products delivered and/or damage to the products in transit must be recorded in the delivery note (CMR for international deliveries) for the products delivered.

6. TERMS OF PAYMENT

1. All payments by the BUYER in respect of a purchase order shall be made, without any deductions, into the bank account given by HEATPEX on the VAT invoice.

2. The time limit for payment shall be given on the VAT invoice and begin as of the date of the invoice for the purchase order, which invoice shall be regarded as confirmation of the delivery of the products.

3. In the event of delay in payment, HEATPEX may require late-payment interest from the BUYER at the maximum permitted rate.

4. If HEATPEX has a reasonable doubt as to the solvency of the BUYER, HEATPEX may require the BUYER to provide security for the payment of the purchase price in a specific form and may make the delivery of the ordered products conditional upon the provision of such security.

5. If a purchase order results in the limit of the trade credit extended to the BUYER being exceeded, HEATPEX may suspend the processing of that purchase order and inform the BUYER of such suspension. The processing of the purchase order shall be suspended until payment is made that reduces the trade credit to the limit or until the BUYER provides payment security acceptable to HEATPEX.

7. TITLE TO PRODUCTS

1. Title to the ordered products shall pass onto the BUYER upon the payment of the full price for the products. The BUYER shall cease to be entitled to hold the ordered products if and when the full price for the products is not paid by the agreed date. In such a case, HEATPEX may, at its discretion, require payment of the full agreed price or require the products to be returned to it and claim compensation for all the costs and expenses incurred as a result of the products being returned. In such a case, HEATPEX may also require compensation if the value of the products is lower than the price for the products shown on the sales invoice, including for wear and tear of and/or damage to the products.

2. Until such products are collected by HEATPEX due to the BUYER's failure to pay or return the products, the BUYER shall store the products through its own efforts and at its own risk and expense.

3. If any bankruptcy/insolvency or restructuring proceedings are initiated against the BUYER, HEATPEX will be entitled to collect any products held by the BUYER immediately, and the BUYER shall mark the products to indicate that they are the property of HEATPEX. If any products [held by the BUYER and] owned by HEATPEX are seized or detained as a result of any debt collection or enforcement procedure, the BUYER shall immediately notify HEATPEX of the same and cooperate with HEATPEX in the exercise of HEATPEX's right of ownership of such products.

8. RETURNS OF PRODUCTS

1. Any products may be returned or replaced subject to such terms as agreed upon with an authorised member of HEATPEX's personnel. If the products returned to HEATPEX are in defective condition, the price to be refunded by HEATPEX shall be reduced by 20%. The costs of delivery of the products being returned shall be the responsibility of the BUYER.

2. No returns of pre-insulated steel pipes and custom-cut flexible pre-insulated pipes shall be accepted.

3. HEATPEX shall assess the condition of the products being returned or replaced before receiving such products. If the products being returned or replaced are not defect-free products, HEATPEX may refuse to receive them, reduce the refund or send the products back to the BUYER at the BUYER's expense.

9. INTANGIBLE PROPERTY RIGHTS

1. HEATPEX may, at the BUYER's request, grant the BUYER a written licence permitting the BUYER to use HEATPEX's logo and trademarks, but only to the extent necessary for the sale of products by the BUYER and for promotional activities related to HEATPEX's products with the aim of increasing the BUYER's sales of such products. The licence shall include the following:

a) record and reproduce the logo and/or the trademarks, or any part of the same, using any means, in any form and by means of any technique, including printing, reprography, magnetic recording and digital technology;

b) to perform, present, exhibit, display, publish, broadcast and/or rebroadcast the logo and/or trademarks;

c) to disseminate the logo and/or trademarks, or any part of the same, freely, in any form and by any means, including, but not limited to, through the mass media (television, radio etc.), electronic mail and/or the Internet.

2. The fee for the licence referred to in subclause 1 above shall be included in the purchase price of the products ordered and shall not be charged separately.

3. The BUYER hereby agrees and acknowledges that the logo and/or trademarks shall remain the exclusive property of HEATPEX or of any other person or entity that authorised HEATPEX to use and permit the use of the same. Nothing in these GTCS or in the licence shall be interpreted as granting the BUYER any exclusive rights in the logo and/or the trademarks.

10. MANUFACTURER'S WARRANTY, STATUTORY WARRANTY AND COMPLAINTS

1. HEATPEX warrants that its products will be free from defects subject to the Heatpex General Terms of Warranty, which are contained in Appendix 1 to these GTCS.

2. The BUYER shall immediately inform HEATPEX of any claim made by the BUYER before the delivery, in any form whatsoever, of a warranty period than that or unless the Parties agree upon a warranty period than that.

3. The BUYER shall immediately inform HEATPEX of all claims made by the BUYER's buyers under the manufacturer's warranty or statutory warranty in respect of any products, to enable HEATPEX to provide technical support and to modify the products if necessary.

4. The BUYER shall inspect the quality and quantity of the products delivered, at the time of delivery.

5. All complaints by the BUYER shall be in writing and contain information identifying the products covered by the complaint (the quantity, type, batch number, date of purchase) and specify the BUYER's expectations as to how the complaint is to be dealt with.

6. Complaints regarding quantity discrepancies (the quantity delivered is not the quantity ordered) or complaints regarding visible physical defects caused in transit shall be accepted if accompanied by a correct record of tightness tests, signed by the authorised person(s) and confirming that the system passed the tightness test(s) before it was put in operation.

7. Any complaints on the grounds of lack of tightness issues regarding a system constructed of products covered by the manufacturer's warranty may only be accepted if accompanied by a correct record of tightness tests, signed by the authorised person(s) and confirming that the system passed the tightness test(s) before it was put in operation.

8. The cost of shipping back the products covered by the complaint shall be the responsibility of the BUYER. If the complaint is accepted as legitimate, HEATPEX shall reimburse the BUYER for the costs of shipping back the products.

9. The terms of the manufacturer's warranty as set out herein shall exclude the performance of any contract made under these GTCS between the Parties under these GTCS, as the statutory warranty applies only to damage caused through HEATPEX's intentional act or omission or gross negligence.

11. LIABILITY

1. Irrespective of the grounds for HEATPEX's liability towards the BUYER, the total liability of HEATPEX to the BUYER as a result of any events related to the performance of any contract made under these GTCS shall be limited to PLN 1,000,000 (one million zloty), except that HEATPEX's liability for each such event resulting in damage for the BUYER shall not exceed PLN 100,000 (one hundred thousand zloty), unless the damage is a result of HEATPEX's intentional act.

2. Either Party shall be liable to the other Party only for the actual loss incurred by that other Party, and any liability for Excluded Damage is hereby excluded. Excluded Damage means any direct or indirect loss of profit, loss of earnings, loss of production, as well as damage suffered as a result of environmental pollution.

3. Either Party shall immediately notify the other Party of any claim whose satisfaction might result in the first Party having a claim against the other Party. Neither Party may, without the other Party's written consent, admit or accept any such claim, or shall be liable for compensation to the other Party. Whenever possible, the other Party shall provide all the necessary information for defence against such claims.

12. FORCE MAJEURE

1. Neither Party shall be liable for non-performance or improper performance of any of its contractual obligations as a result of force majeure, where force majeure means an extraordinary, sudden, external and unforeseeable event beyond that Party's control. Force majeure shall include, without limitation, floods, earthquakes, wars, terrorist attacks, as well as local events, such as a fire, a road accident etc.

2. The Party affected by a force majeure event shall immediately notify the other Party of the occurrence of such a force majeure event.

13. CONFIDENTIALITY

1. The term 'confidential information' means any and all commercial and financial information relating to either Party that is obtained by or made available to the other Party in connection with the performance of these GTCS, however obtained, transferred or recorded, provided that such information is marked as confidential by the first Party, or which the other Party should reasonably have regarded as confidential information because of its nature, substance or the way in which it was obtained or transferred.

2. Neither Party may transfer or disclose all or any part of any confidential information or the source of any confidential information to any third parties, without the prior written and express consent of the other Party.

3. The confidentiality provisions shall continue in effect for 5 years of the end of each commercial contract.

14 NOTICES

All notices shall be delivered by either Party to the other Party by courier or by registered letter to the other Party's mailing address disclosed in the relevant register.

15 FINAL PROVISIONS

1. Neither Party may assign or transfer any of its rights and obligations arising from any contract made under these GTCS without the prior written consent of the other Party.

2. All matters not covered by these GTCS shall be governed by Polish law.

3. All modifications to these GTCS made by HEATPEX shall be effective as soon as they are published on the www.heatpex.pl website.

4. The Parties shall endeavour to reach an amicable settlement of any disputes between them. Any disputes arising from or connected with any contract made under these GTCS shall be resolved by a court of law with jurisdiction over HEATPEX's registered office.

Appendices:

Appendix 1: Heatpex General Terms of Warranty

APPENDIX 1 TO THE GTCS HEATPEX GENERAL TERMS OF WARRANTY

1. GUARANTOR

The warranty covered by these general terms is offered by Heatpex sp. z o.o., with its registered office at Trakt św. Wojciecha 29, 80-044 Gdańsk, entered under number KRS 0000204309 in the register of entrepreneurs of the National Court Register, with its registered office at the Commercial Division of the National Court Register, having a share capital of PLN 50,000 and NIP (Tax Identification No.) 583-285-37-09 ("Guarantor").

2. SCOPE OF THE WARRANTY

Heatpex sp. z o.o. warrants the proper quality of the products covered by this warranty, i.e. products sold by Heatpex sp. z o.o.

The Guarantor warrants that the products covered by this warranty are made of appropriate material in accordance with the current production technology. The warranty covers physical defects inherent in the products covered by the warranty.

3. WARRANTY PERIOD

Unless provided for otherwise, the warranty period is 24 months of the day of delivery of the product to the buyer.

4. TERMS OF WARRANTY

Any claims under this warranty will only be accepted against proof of purchase of the product covered by this warranty and only from the person or entity to whom or which the Guarantor made its warranty statement.

The warranty shall only be valid if

a) the system based on the products covered by the warranty has been installed in accordance with the manufacturer's instructions for the operating conditions of the system and with the Guarantor's instructions for the design, installation and operation of the system;

b) the system is based on products from the same product line. If the system uses any products not included in a specific product line offered by the Guarantor (such as pipes, connectors, collets or sections), the Guarantor shall not be responsible for the tightness and proper operation of the system;

c) each of the products [covered by the warranty] is used in accordance with the user's manual/instructions for the product (for the tightness tests) or the system as specified by the Guarantor after maintenance. In particular, the Guarantor accepts no liability for any damage caused as a result of the temperature and/or pressure levels of the system agent being exceeded.

Any complaints on the grounds of lack of tightness issues regarding a system constructed of products covered by the manufacturer's warranty may only be accepted if accompanied by a correct record of tightness tests, signed by the authorised person(s) and confirming that the system passed the tightness test(s) before it was put in operation (a template for such a record is contained in Appendix 1 to these General Terms of Warranty).

The Guarantor accepts no liability for any defects resulting from improper storage, or for mechanical, thermal or chemical damage, or defects caused by external forces.

No pipeline may be uncovered at the location of a defect without the presence of an authorised representative of the Guarantor; otherwise the warranty shall become null and void.

The warranty shall become null and void if any product covered by this warranty is being or has been repaired by the BUYER without the prior written consent of the Guarantor.

The warranty shall be valid only for products purchased in the Republic of Poland

5. LODGING COMPLAINTS

Any complaint regarding any defective product will only be accepted if lodged within 7 days of the date of delivery of the product (for the BUYER) or immediately on the day when the defect in the system in operation is discovered, and only if the complaint form (contained in Appendix 2 to these General Terms of Warranty) is used.

During the validity period of the warranty, the Guarantor shall, at its discretion, either repair the defect or replace the product with a product free from any defects, immediately after receiving the BUYER's complaint form, but not later than within 14 days of the date of lodging the complaint, or the complaint is finally lodged.

The BUYER shall take all steps to mitigate the extent of the damage caused by the defect, including, without limitation, by disconnecting the supply of the agent to the defective part of the system, protecting the location of the defect and ensuring that the agent leaking from the system is drained away.

The BUYER shall enable the Guarantor to inspect the defective product, which may include the collection of samples and/or the conduct of technical tests by a licensed expert, otherwise the warranty shall become null and void.

6. DELIVERY OF DEFECTIVE PRODUCTS

The BUYER shall make the defective product to the Guarantor on the agreed date and in the location where the product was delivered to the BUYER together with this warranty, unless it is clear from the situation that the defect should be repaired in the place where the defective product was located when the defect was discovered.

If the Guarantor is unable to make the defective product available to the Guarantor in accordance with the above provision, the Guarantor shall have no liability under this warranty.

7. GUARANTOR'S PERFORMANCE

In the event of a physical defect in a product covered by this warranty and if a complaint regarding the defect is made during the validity period of this warranty, the Guarantor shall, at its discretion, either replace the product with a new one or refund the price paid for the defective product.

The Guarantor shall not be liable for any loss of profit, loss of production or production shutdown.

The Guarantor's total liability under this warranty shall be limited to PLN 1,000,000 (one million zloty), except that its liability for each such event resulting in damage for the BUYER shall not exceed PLN 100,000 (one hundred thousand zloty).

If the complaint made by the BUYER is found illegitimate, the BUYER may be required to reimburse the Guarantor for the costs of travel, accommodation, materials and/or labour.

The costs of licensed experts shall be the responsibility of the Party that the expert finds is responsible for the damage to the product or defect in the product examined by the expert.

8. TIME LIMIT FOR THE GUARANTOR'S PERFORMANCE

The Guarantor shall perform its obligations [under this warranty] within 14 days from the delivery of the defective product to the Guarantor, accompanied by the BUYER's complaint. In cases where it may be necessary to take additional steps to investigate the complaint, the limit for the Guarantor's performance may be extended to up to 60 days.

9. GOVERNING LAW

All matters not covered by these General Terms of Warranty shall be governed by the Polish Civil Code (The Act of 23 April 1964) (consolidated text published in Dziennik Ustaw [Journal of Laws] of 2017, item 459, as amended) and other applicable provisions of Polish law.

Appendices:

1. Template for a Tightness Test Record

2. Complaint Form