

LOGISTICS TERMS OF DELIVERY

AXTONE S.A.

GENERAL TERMS OF PURCHASE

1. DEFINITIONS

1.1 The terms written in these General Terms of Purchase with a capital letter shall have the meaning attributed to them in the following points:

General Terms	as defined in point 2.1.
Axtone	as defined in point 2.1.
Supplier	as defined in point 2.1
Parties	as defined in point 2.1.
Goods	as defined in point 2.2.
Contract	as defined in point 2.5.
Inquiry	as defined in point 3.1.
Offer	as defined in point 3.3.
Offer Acceptance	as defined in point 3.10.
Offer Acceptance Subject to Change	as defined in point 3.11.
Changed Offer	as defined in point 3.12.
Effective Date	as defined in point 3.13.
Order	as defined in point 3.14.
Commercial Document	as defined in point 5.1.
Industrial Property Law	as defined in point 5.3.
Copyright Law	as defined in point 5.3.
Date of Delivery	as defined in point 6.1.
Place of Acceptance	as defined in point 6.7.
Confirmation of	as defined in point 7.4.

Acceptance

Report of Acceptance as defined in point 7.5.

Complaint as defined in point 7.6.

Subcontractor as defined in point 10.1.

Information as defined in point 12.1.

2. SCOPE OF APPLICATION AND ELEMENTS OF THE CONTRACT

2.1. These General Terms of Purchase ("**General Terms**") shall apply to any and all transactions of purchase of goods from its suppliers ("**Supplier**") executed by Axtone S.A. ("**Axtone**") both in Poland and abroad, including also actions preceding the conclusion of the contract such as: the preparation and submission of an offer by the Supplier in response to an inquiry by Axtone. Axtone and the Supplier hereinafter shall be jointly referred to as the "**Parties**".

2.2. Transactions consisting in the purchase by Axtone of any and all goods from Suppliers ("**Goods**") shall be executed solely in accordance with these General Terms which are deemed to be accepted by the Supplier upon submission of an offer in response to an inquiry by Axtone. To preclude any doubts, these General Terms shall apply also to contracts concluded by Axtone in a different way than the acceptance of an offer submitted by the Supplier in response to an inquiry.

2.3. Unless the Parties decide otherwise in writing, any model contracts or general terms of the Supplier are excluded even if Axtone has not explicitly made a demand that they are excluded.

2.4. In case of any contradiction between the content of the provisions of the contract concluded by Axtone with the Supplier and the present General Terms, the provisions of the contract shall prevail.

AXTONE S.A.

ul. Zielona 2, 37-220 Kańczuga, tel.: +48 16 649 24 00, fax: +48 16 649 24 01
www.axtone.eu, info@axtone.eu

Sąd Rejonowy w Rzeszowie XII Wydział Gospodarczy Krajowego Rejestru Sądowego
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2.5. For the interpretation of a contract between Axtone and the Supplier ("Contract"), the following list of elements which can constitute the entire Contract is adopted:

2.5.1. a statement by Axtone about the acceptance of an offer, Order or some other written agreement (contract) concluded by the Parties;

2.5.2. records of negotiations between Axtone and the Supplier;

2.5.3. the Supplier's offer;

2.5.4. Axtone's inquiry;

2.5.5. these General Terms; and

2.5.6. technical conditions and quality standards laid down for the Goods.

2.6. To preclude any doubts, it is confirmed that when submitting inquiries, Orders or statements of acceptance of the Supplier's offer, Axtone shall rely on information provided in the Supplier's catalogues, price lists or other materials (including, in particular, promotional and marketing materials) as well as other documents and specifications handed over by the Supplier to Axtone. Unless the Parties decide otherwise in writing, the provisions included in those catalogues, price lists and other materials and specifications shall constitute a part of the Contract and be binding upon the Supplier even if they are not directly mentioned in the contract concluded between the Parties. This shall particularly apply to technical conditions, quality standards and a description of other properties of the Goods as well as dates of deliveries and rendering by the Supplier of supplementary services.

2.7. In absence of a different reservation in writing, the Supplier's any and all offers and price lists addressed to Axtone shall be deemed binding upon the Supplier for at least 60 days from the date of their receipt by Axtone.

3. CONCLUSION OF THE CONTRACT

3.1. Inquiries shall be submitted by Axtone in writing ("Inquiries"). The requirement of the written form shall also be satisfied when the Inquiry is sent by fax or electronic mail (e-mail).

3.2. Inquiries in no way shall be binding upon Axtone. In particular, Axtone reserves the possibility to submit the same

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or similar Inquiries to competitive suppliers and in connection therewith to reject a possible offer from the Supplier without providing any reason thereto.

3.3. If Axtone together with the Inquiry sends the Supplier an offer form (or indicates in a different way the elements which the Supplier's offer should contain), the Supplier shall be obligated to submit an offer using that form (or in accordance with the mentioned requirements) ("Offer"). Offers submitted in contravention of this provision may not be considered by Axtone.

3.4. It shall be assumed that by submitting the Offer the Supplier confirms that he/she has acquainted himself/herself with the content of the General Terms and accepted the same. In case of any different reservations in the Offer, that Offer may not be considered by Axtone.

3.5. The Supplier shall be obligated to prepare the Offer in compliance with the regulations in force. In particular, the Offer should satisfy the following requirements:

3.5.1. it should comprise all the information necessary to assess if the Goods meet the requirements laid down in the Inquiry;

3.5.2. it should comprise all the information required by Axtone in accordance with the Inquiry;

3.5.3. it should be prepared in the same language as the Inquiry; it is possible to submit the Offer in several language versions, however, the language version identical with the one of the Inquiry shall be binding;

3.5.4. explicit indication of any and all discrepancies between the requirements defined by Axtone in the Inquiry and proposed by the Supplier of the Goods (or conditions of the Contract) with an explanation of the reasons for departing by the Supplier from those requirements or conditions;

3.5.5. it should clearly define the currency and price of the Goods;

3.5.6. it should be clearly identify any taxes, costs or other burdens aggravating Axtone that can be applied to the sale and delivery of the Goods.

3.5.7. it should be forwarded to Axtone within the time limit and to the address specified in the Inquiry and quote the number of the Inquiry.

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3.6. The Offer should comprise all deliveries and performances necessary for the proper performance of the Contract covered by the Inquiry in the manner allowing Axton to achieve the intended business objective. In particular, the Supplier shall be obligated to include in the Offer the elements which are necessary for the delivery of the Goods to proceed correctly in conformity with the binding market standards as well as the rules of the trade and specialized technical knowledge, with the use of the best available technologies and in conformity with the highest quality and safety standards.

3.7. All the prices provided in the Inquiry or the Offer shall be net price without VAT unless it has been stipulated otherwise.

3.8. The prices provided in the Inquiry or the Offer include the costs of loading, transport, shipment, packaging, insurance for the time of transport (till the time the risk of possible damage or loss of the Goods is transferred to Axtone) and unloading of the Goods at the Place of Acceptance (in accordance with the definition below) as well as all other costs connected with the delivery of the Goods including the costs of the drawing up of the appropriate documentation.

3.9. In case of the lack of any indication according to point 3.5.4. above, any discrepancies between the requirements specified by Axtone in the Inquiry and those offered by the Supplier (or conditions of the Contract), it shall be presumed that the conditions and the Goods offered by the Supplier fully satisfy the requirements specified in the Inquiry.

3.10. The Contract is concluded upon the explicit acceptance by Axtone of the Offer ("**Offer Acceptance**"). The Offer Acceptance must be in writing in order to be effective. The requirement of the written form shall also be satisfied when the Offer Acceptance is sent by fax or electronic mail (e-mail). The Contract is also included in the cases indicated in point 3.14 below.

3.11. The Offer Acceptance subject to changing or supplementing the content of the Offer ("**Offer Acceptance Subject To Change**") shall be binding upon the Supplier if changes do not concern essential terms of the Offer and the Supplier does not file an objection thereto within 3 working days of the date of the receipt of the Offer Acceptance Subject To Change.

3.12. The Offer Acceptance introducing changes or supplements to the essential terms of the Offer shall constitute a new offer ("**Changed Offer**") binding upon Axtone for the period of 5 working days unless some other time limit ensues from the content of the Changed Offer. The acceptance of the Changed Offer after the expiry of the time limit shall constitute the Supplier's new offer for Axtone.

3.13. The Contract shall be effective and deemed concluded (i) upon the submission by Axtone of the Offer Acceptance or (ii) in case of submitting the Offer Acceptance Subject To Change upon the expiry of the time limit mentioned in point 3.11. above or (iii) in case of the Changed Offer when that offer is accepted by the Supplier within the time limit specified in point 3.12 hereinabove ("**Effective Date**").

3.14. With respect to Suppliers who have accepted the General Terms in any way and form, including by presenting Axtone Offer in response to the Inquiry or the conclusion or implementation of earlier Contract, as well as in relation to Suppliers in respect of which Axtone remains in constant economic relationship, Axtone may place, within the framework of economic activity of the Supplier, the orders for the purchase of Goods under the conditions specified in the order (the "Order"). In this case the Contract shall be concluded with the confirmation of the Order, joining to its implementation, or if the Supplier no response within 3 working days (whichever comes first), on the terms indicated in the Order and in the General Conditions.

4. INVOICES AND PAYMENTS

4.1. Unless Axtone notifies the Supplier in writing about changing its address, invoices for the Goods shall be sent by the Supplier to the address provided in the Contract. An invoice, apart from the elements required by the regulations, has to provide the following data:

4.1.1. the Supplier's identification number attributed to him/her by Axtone;

4.1.2. the place of the unloading of the Goods;

4.1.3. the number and date of the bill of lading;

4.1.4. the quantity and identification numbers of the Goods;

4.1.5. the name of the bank and the number of a bank account to which Axtone is to transfer payments;

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4.1.6. the number of the Commercial Document (definition provided in point 5.1. below) delivered with the goods.

4.2. On the day of the shipment of the Goods at the latest, the Supplier shall be obligated to send to the e-mail address provided by Axtone in the Inquiry: (i) an electronic copy of the made out invoice comprising all the elements indicated in point 4.1. above and (ii) an electronic copy of all other documents which should be sent to Axtone with the Goods.

4.3. Unless the Parties agree otherwise, the time limit for the payment by Axtone for invoices shall be 30 days from the date of the later of the following events: (i) drawing out of an invoice and/or (ii) a written confirmation of the acceptance of the Goods covered by the invoice by Axtone.

4.4. If the Parties agreed a schedule of payments, Axtone shall effect payments in accordance with such a schedule subject to approval by Axtone of all the activities specified in the schedule which the Supplier was to perform before the date of payment by Axtone.

5. THE GOODS

5.1. The Supplier shall be obligated to deliver the Goods free of any physical or legal defects, in accordance with the Contract, with a complete documentation concerning the Goods prepared in the Polish language, in particular, including (i) a commercial document providing the name and quantity of the delivered goods ("**Commercial Document**"), (ii) the manual and maintenance instructions, (iii) training instructions, (iv) drawings, (v) technical data charts, (vi) product safety charts, (vii) certificates of the plant control, (viii) certificates of conformity with relevant standards, (ix) warranty cards and (x) other necessary production and technical documents. The delivered Goods should comprise all the parts and elements necessary for their appropriate, correct and failure-free use in accordance with their purpose.

5.2. If marketing authorization for the Goods (including, in particular, their use or assembly in accordance with their purpose) requires permit for use or any other official certificate, confirmation or authorization certificate, the Supplier shall be obligated to obtain such decisions, permits or other certificates, and submit the same to Axtone together with the delivery of the Goods at the latest.

5.3. The Supplier certifies to Axtone that he/she has all the industrial property rights of the Goods and their components if the Goods are protected by industrial property rights under the industrial property rights regulations dated of 30th June **AXTONE S.A.**

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www.axtone.eu, info@axtone.eu

2000 ("**Industrial Property Law**") and copyrights of the Goods and the documentation related to them and transferred to Axtone, referred to in point 5.1 above, if the Goods constitute the work within the meaning of the Act of 4th February 1994 on copyright and related rights ("**Copyright Law**"). In the case when the Goods or the documentation related to them are protected by industrial property rights or copyright of third parties, the Supplier shall certify that he/she is entitled to exercise those rights in the scope necessary to perform the Contract. The Supplier certifies that the use of the Goods (their part, the documentation related to those Goods as well as other performances received by Axtone under the Contract) by Axtone under the Contract and in conformity with their purpose will not violate industrial property rights or copyrights of any third parties.

5.4. Axtone shall be allowed to control the progress of Contract realization, as well as periodic audit of the Supplier also in the presence of Axtone customers.

5.5. Axtone shall not be obligated to accept the Goods which are not free of defects. Axtone reserves the possibility to accept the Goods which are not free of defects, which, however, shall be without prejudice to asserting by Axtone of its rights and claims arising out of the violation of the Contract by the Supplier.

5.6. To preclude any doubts, the delivery of the Goods in inappropriate quantity or delivery of the Goods without the required documentation shall also constitute the delivery of the Goods which are not free of defects.

5.7. The Supplier shall guarantee the availability of parts and components necessary for service, repair, maintenance and development of the Goods for the period not shorter than 10 (ten) years from the date of drawing up of the Confirmation of Acceptance without any reservations (in accordance with the definition below) and warrant that their production or distribution shall not be suspended during that time.

6. DATE OF DELIVERY

6.1. The date of delivery is specified in the Inquiry or some other document (e.g. an order) on the basis of which Axtone ordered the Goods from the Supplier and shall begin running from the Effective Date ("**Date of Delivery**"). The Supplier shall be obligated to meet Delivery Date absolutely.

6.2. The Supplier shall be obligated to notify Axtone by electronic mail about the exact Date of Delivery of the Goods

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3 working days before the planned shipment of the Goods. Moreover the Supplier shall be obligated (i) immediately to notify Axtone in writing and by electronic mail about any delays or an earlier delivery of the Goods, (ii) to provide any information concerning the reasons for such a delay or earlier delivery, and (iii) to take every effort to avoid delay or acceleration of delivery.

6.3. Axtone reserves the right to reject part deliveries or earlier deliveries should their acceptance injure the justified interest of Axtone. In such cases Axtone may return the Goods or, at its discretion, forward them to an external warehouse at the Supplier's cost and risk.

6.4. In particularly justified cases Axtone reserves the right to unilaterally postpone the delivery deadlines planned and confirmed up to 3 months if their acceptance would undermine the grounded business of Axtone. The Supplier is not entitled to assert any claims against Axtone for delays in the receipt of the Goods. The Supplier is obliged to properly store the Goods in a manner which is in conformity with their purpose, and at their own cost and risk.

6.5. If the Supplier gets into arrears with delivery of the Goods, he/she shall be obligated to pay a statutory penalty equivalent of 1% of the net value (without VAT) of the order for each day of delay. On top of that if as a result of the Supplier's delay the production of Axtone is suspended, the Supplier shall be obligated to pay a contractual penalty for each case of the suspension of production of 120,000 PLN for each day of the suspension of production. Axtone may assert a claim for indemnity in the amount exceeding the value of the stipulated contractual penalty.

6.6. The Supplier shall be exempted from the liability provided for in point 6.5. above if the delay in the delivery of the Goods is caused by force majeure. In such a case Axtone shall not be entitled to assert any claims for indemnity against the Supplier for delaying delivery of the Goods. As far as possible the Supplier shall notify Axtone about how long the obstacles caused by force majeure may possibly last.

6.7. In case of delay in delivery of the Goods exceeding 14 days, irrespective of whether the circumstance causing the delay occurred due to the Supplier's fault or whether the delay resulted from the operation of force majeure, Axtone shall be exempted from the obligation to accept the ordered Goods (or the part of the Goods which are delayed) and may withdraw from the Contract (in full or in part if the delay

concerns a part of an order). In case of the operation of force majeure, Axtone may withdraw from the Contract earlier than after the expiry of the above mentioned deadline if the anticipated time of the lasting of obstacles caused by force majeure is longer than one month.

6.8. Axtone shall be obligated to redress damage caused to the Supplier in case of non-acceptance of the Goods at the place specified in the Inquiry ("**Place of Acceptance**") at the Time of Delivery. This shall not apply when Axtone does not accept the Goods as a result of the operation of force majeure. In such a case the Supplier shall not be entitled to assert any claims against Axtone for indemnity for delay in the acceptance of the Goods. As far as possible Axtone shall notify the Supplier about the time the obstacles caused by force majeure may last. The Supplier shall be obligated to store the Goods appropriately, in the manner which is in conformity with their purpose and at his/her cost and risk for the time the obstacles exist.

6.9. In case of the occurrence of events of force majeure which make it impossible to accept the Goods at the Place of Acceptance, Axtone may (but is not obligated to) indicate to the Supplier, at its own discretion, a different place for the Delivery of the Goods than the Place of Acceptance. Such indication shall be binding upon the Supplier. In such an event, Axtone shall be obligated to cover the costs connected with the transport of the Goods to the new place of acceptance. The Supplier shall inform Axtone about such costs before the transport of the Goods. Such notification shall be binding upon the Supplier. Axtone may cancel the indication of a new place of acceptance of the Goods within 5 working days from the day of the receipt of information about the costs of transport.

6.10. In the event that the operation of force majeure which prevents the acceptance of the Goods at the Place of Acceptance lasts for two months or longer and Axtone does not accept the Goods at a different place than the Place of Acceptance, either Party may withdraw from the Contract (in full or part if inability to deliver the Goods concerns a part of the order).

6.11. Force majeure within the meaning of these General Terms shall be in particular: a war, a declaration of a state of emergency, calamities caused by the operation of natural forces, riots, disturbances, strikes and other similar unforeseen serious events preventing the delivery and acceptance of the Goods in accordance with the Contract.

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7. DELIVERY AND ACCEPTANCE OF THE GOODS

7.1. Unless the Contract indicates otherwise, shipment shall be executed in a reasonable manner and with regular way of packing. The Goods shall be packed by the Supplier in such a way as not to be damaged during transport (which, in particular, concerns loading and unloading).

7.2. The Supplier shall be obligated to check the Goods with respect to their conformity with the Contract, quality, weigh and physical measurements as well as possible damage to the Goods or their packaging. In particular, the Supplier shall be obligated to check if the Goods have the agreed properties and if they are suitable for the purpose defined in the Contract or customarily adopted for the Goods of the given kind.

7.3. All services connected with the shipment and delivery of the Goods shall be rendered in the name of the Supplier who shall take full risk related to such services and be fully liable for the same.

7.4. The risk of accidental damage or loss of the Goods shall go to Axtone upon the acceptance of the Goods in evidence whereof an appropriately authorized representative of Axtone shall sign the Commercial Document in two copies, one copy for each of the Parties ("**Confirmation of Acceptance**").

7.5. Upon the acceptance of the Goods Axtone may carry out a preliminary inspection of the Goods embracing the checking of their conformity with the Contract only in respect of quantity and visible shortages or defects of delivery. Shortages or defects discovered during the preliminary inspection (unless they cause rejection to accept the Goods) shall be recorded in the Report of Acceptance ("**Report of Acceptance**") and thus reported to the Supplier or included in the Complaint. The fact of removal of defects shall be confirmed in the Report of Acceptance.

7.6. In other respects the Goods shall be checked by Axtone during the inspection accompanying the production process and during the final inspection or (in case of the Goods which are not used during the production process) in the process of using the Goods in accordance with their purpose. Defects thus discovered shall be reported to the Supplier immediately after their discovery by Axtone in the form of complaint ("**Complaint**").

7.7. The Supplier is obliged to answer the Complaint (respectively – give the opinion on the Report of Acceptance) within 5 days. In case there is no response within that period, **AXTONE S.A.**

ul. Zielona 2, 37-220 Kańczuga, tel.: +48 16 649 24 00, fax: +48 16 649 24 01
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Complaint (respectively - defects and shortcomings reported in the Report of Acceptance) will be treated as accepted and recognized by the Supplier.

7.8. If the Supplier delivers defective Goods, Axtone should enable the Supplier to repair the defects or deliver the Goods free of any defects at the time specified by Axtone unless such repair or delivery of the Goods free of defects had no economic justification for Axtone. If the Supplier may not satisfy Axtone's demand in the specified time, Axtone may (i) repair the Goods on its own (itself or through a qualified third party) and charge the Supplier with the costs of repair, or (ii) withdraw from the Contract and send the Goods back at the Supplier's cost and risk. This shall be without prejudice to the Supplier's liability for defects of the Goods and damage suffered by Axtone in connection with the withdrawal from the Contract (in particular, for the lost profits).

7.9. In case of discovering defects of the Goods which may cause a threat to human life or health or property of considerable value, Axtone shall be entitled immediately to remove defects on its own or with the help of a qualified third party at the Supplier's cost and risk. As far as possible Axtone shall notify the Supplier about a discovered defect immediately and, if possible, ensure the participation of the Supplier's representatives during the removal of those defects of the Goods.

7.10. Possible removal of defects of the Goods by Axtone on its own (itself or through a qualified third party) shall be without prejudice to the Supplier's liability for other defects of the Goods in accordance with the provisions of the Contract.

7.11. In any case, when Goods supplied to Axtone by the Supplier found to be defective in whole or in part, regardless of the nature of detected or disclosed defects or its size, the Supplier shall pay to the Axtone lump-sum of 400 (four hundred zloty) representing the administrative costs of disclosure and reporting to the Suppliers about defects of Goods included in the delivery as well as cost of the complaint procedure. The obligation to pay the fee referred to above to Axtone, does not exempt or limit the Supplier in any scope of its liability to Axtone for defects of the Goods, including, in particular, by the provisions of the warranty for physical and legal defects of the Goods. For the avoidance of doubt, Axtone specifies that the fee is not a penalty.

8. THE SUPPLIER'S LIABILITY FOR DEFECTS OF THE GOODS

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8.1. The Supplier shall be liable for defects of the Goods in accordance with the regulations in force, in particular, including the regulations concerning guarantee for physical and legal defects of a sold thing.

8.2. Unless agreed otherwise, the rights under guarantee shall expire 24 months after the day of the acceptance of the Goods confirmed with the Confirmation of Acceptance. The Supplier's liability for physical and legal defects of the Goods is based on the principle of risk.

8.3. In the event that a third party asserts a claim against Axtone concerning the violation of industrial property rights, copyrights due to such a person in respect of the Goods (their part, the documentation related to the Goods or other performances received by Axtone from the Supplier under the Contract) or in the event of the violation of the rules of fair competition in connection with the above said rights, Axtone shall notify the Supplier. The Supplier undertakes to cooperate with Axtone in order to protect Axtone against such claims, indemnify Axtone from any liability towards such persons and reimburse Axtone all costs incurred in connection with the defense against such claims (including, in particular, justified costs of professional representation of a lawsuit and legal counseling).

8.4. Moreover, in such a case the Supplier undertakes to repair any damage and reimburse any costs (including, in particular, the costs of professional representation of a lawsuit and legal counseling) incurred by Axtone as a result of part or complete nonperformance of the contracts binding Axtone with its clients, including indemnities which Axtone may be obligated to pay its clients for nonperformance of its obligations and additional costs caused by the need to make changes in deliveries or in the tools which will be used for that purpose.

8.5. As a result of the delivery of defective Goods, Axtone shall have the right to assert a claim for the reduction of the price of defective Goods and a claim for repairing the resulting damage (including also lost profits of Axtone). If as a result of the delivery of defective Goods the production of Axtone is suspended, Axtone may claim for each case of the suspension of production a contractual penalty of 120,000 PLN for each day of the suspension of production. Moreover, the Supplier shall be obligated to indemnify Axtone from and against any claims for indemnity caused by defective delivery of the Goods asserted by third parties and to repair follow-up damage, including damage and costs connected with delay of the performance of contractual obligations of Axtone

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(which includes, in particular, contractual penalties paid by Axtone in connection with delay in the delivery of products).

9. INDUSTRIAL AND INTELLECTUAL PROPERTY OF AXTONE

9.1. Axtone shall preserve all the rights to any and all drawings, sketches, devices and other documents as well as models and prototypes forwarded to the Supplier in connection with the conclusion or performance of the Contract including, in particular, industrial property rights and copyrights thereof if they are protected as industrial property rights or constitute a work within the meaning of the Copyright Law. The objects of those rights may not be made available by the Supplier to any third parties without a prior written consent of Axtone. The Supplier shall not notify or register the rights which may be subject to registration under the Industrial Property Law or attribute the authorship of those rights to itself. The Supplier may use them exclusively in order to perform the Contract and after the performance thereof the Supplier shall be obligated immediately to turn them back to Axtone without a separate summons from Axtone.

9.2. House marks and trademarks of Axtone should be placed on the Goods if this ensues from the Contract or if Axtone instructs the Supplier to do so. The Goods marked in this way shall be transferred exclusively to Axtone and may not be sold by the Supplier or transferred to any third party in any other way. In the event that the Goods bearing the house mark or the trade mark of Axtone are returned, the Supplier shall take all necessary actions in order that these Goods are not used by any third parties in this shape .

9.3. If in connection with the performance of the Contract under the mandate of Axtone the Supplier creates or participates in the creation as a co-author of any work which is subject to protection as intellectual property, including protection under the regulations of the Industrial Property Law or the Copyright Law, the right to obtain protection of such a work shall be Axtone's. The Supplier shall not be entitled to any additional pay for the use by Axtone of such an invention, utility model or industrial design.

10. SUBCONTRACTING

10.1. The Supplier may hire a third party at his/her choice as a subcontractor to carry out all or a part of works connected with the delivery of the Goods ("**Subcontractor**"). The Subcontractor shall operate at the Supplier's exclusive cost

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and the Supplier shall bear exclusive responsibility for the Subcontractor. The Supplier shall be liable towards Axtone for any and all actions or omissions by the Subcontractor as if those were his/her own actions and omissions.

10.2. The Supplier shall be obligated to inform the Subcontractor about the provisions of these General Terms and other provisions of the Contract as well as convey to the Subcontractor any information concerning the requirements of Axtone, particularly regarding the relevant safety rules.

11. THE SUPPLIER'S INSURANCE

11.1. Unless agreed otherwise, the Supplier shall be obligated to conclude and maintain in force civil liability insurance agreements covering the business activities of his/her enterprise, damage done by dangerous products and damage done to the natural environment.

11.2. Axtone may demand the presentation of documents confirming the conclusion of the above mentioned insurance agreements (i.e. in particular, the payment of the due insurance premium) at any time.

12. CONFIDENTIALITY

12.1. Any information ("**Information**") disclosed by Axtone to the Supplier, including technical, industrial, trade and financial information, irrespective of the method of it is conveyed (orally, in writing or in a different form), jointly with the designs, drawings, descriptions, specifications, reports, microfilms, computer discs, a software and documentation connected with the samples, prototypes, etc. shall be confidential.

12.2. The Information shall also include information disclosed to the Supplier's employees and agents, subcontractors, representatives or permanent or temporary collaborators in the course of the performance of the Contract.

12.3. The Information may be used solely in connection with the performance of the Contract. The Supplier shall use due care in order to ensure that the Information is not disclosed to any third parties.

12.4. The present obligation of confidentiality shall remain in full force and effect for 5 years from the date of the termination of the Contract due to any reason. Upon the completion of the Contract the Supplier shall return to Axtone all the documents concerning the performance of the Contract irrespective of whether they are confidential or not,

AXTONE S.A.

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www.axtone.eu, info@axtone.eu

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without retaining their copies unless Axtone grants a prior and explicit consent thereto.

13. ASSIGNMENT AND DEDUCTIONS

13.1. Subject to point 13.2. below, neither Party may assign any rights or obligations hereunder to any third party without a prior written consent of the other Party.

13.2. Axtone may assign all or any rights or obligations hereunder to its affiliates at any time.

13.3. Axtone shall be authorized to make unilateral deductions of any of its receivables due from the Supplier from any receivables of the Supplier due from Axtone.

14. GENERAL PROVISIONS

14.1. Any amendments or supplements hereto shall be in writing on pain of nullity.

14.2. If any of the provisions hereof proves invalid in full or part, this shall not have any effect on the validity of other provisions. In such an event the Parties, as far as possible and to the extent permitted by law, shall replace the invalid provision with a valid one corresponding and most closely similar to the intended business goal and effect of the invalid provision.

14.3. The Contract and all the non-contractual obligations arising out of or related to the Contract shall be subject to and interpreted in accordance with the law of the Republic of Poland. The application of the UN Convention on contracts for the international sale of goods of 11th April 1980 (CISG) is excluded.

14.4. Any disputes which may arise out of or be related to the Contract (including disputes concerning the existence, validity or termination of the Contract or non-contractual obligations arising out of or related to the Contract) shall be submitted for settlement exclusively to Polish courts of local jurisdiction with respect to the seat of Axtone.

14.5. These General Terms may be drawn up in different languages. In case of any discrepancies between different language versions, the version in the Polish language shall prevail.

15. LOGISTIC TERMS OF DELIVERY

LOGISTICS TERMS OF DELIVERY

15.1. RECEIPT OF DELIVERIES

15.1.1. Each delivery must be notified at least one day before the delivery in advance.

15.1.2. Axtone warehouse opening hours:

- Summer (May – October) from 7:00 to 18:00

- Winter (November – April) from 7:00 to 17:00

15.2. LABELLING

15.2.1. Each batch of material must be labelled according to the template: Appendix 1 Label AXPL. It is allowed to use supplier's labels if the following information are included:

- Reference (*Axtone Reference*)

- Name (*Name of Axtone*)

- Batch No.

15.2.1. The label fixed to the package must be endured to damage or detachment.

15.2.2. It is not allowed to label directly the material surface if it risk damaging the surface.

15.2.3. Each batch of material must be permanent labelled.

15.2.4. Additional terms of labelling according to the order specifications and applicable norms.

15.3. PACKING CONDITIONS

15.3.1. Each single batch of material must be packed separately.

15.3.2. Single cardboard boxes allowed only if shipped separately (max 1-5 cardboard boxes, single box max weight 30kg).

15.3.3. Package must ensure handling with a forklift or a crane (does not apply to section 3 subsection. 1.1).

15.3.4. Packaging must be stackable.

15.3.5. Packaging must be durable to storage and handling processes.

15.3.6. It is not allowed to exceed the maximum load of packaging.

15.3.7. The manner of packing must ensure the material to be visual checked and counted.

15.3.8. The package contents cannot exceed the size of the packaging (height, width, length).

15.3.9. Types of packaging- see appendix Packaging AXPL.

15.4. DELIVERY OF LOGS STEEL PIPES AND RODS

15.4.1. The manner of delivery must ensure unloading with a crane.

15.4.2. Maximum length of single unit - 6.5 meters.

15.4.3. Maximum weight of a bundle - 5 tons.

15.4.4. Transport belts delivered with the delivery must be CE marked .

15.5. DELIVERY OF METAL SHEETS

15.5.1. Metal sheets delivered on wooden platforms sized the sheet.

15.5.2. Sheets must be bounded the platform with a metal tape.

15.5.3. Maximum metal sheet package weight - 2 000 kg.

15.6. DELIVERY DOCUMENTS

15.6.1. Receiving the delivery only in reference to the following documents: Delivery Note, CMR, or Bill of Lading - must contain:

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LOGISTICS TERMS OF DELIVERY

- Axtone Reference,
- No. of Axtone Order
- Delivered quantity.

15.6.2. All required documents listed in the order (certificates, safety data sheets and other) must be provided together with the material delivered.

15.6.3. If the documents packed inside the box - the box with the documents in, must be marked: "DOCUMENTS INSIDE".

15.6.4. The unit of measure listed on the delivery documents must be the same as the unit specified in the Axtone order.

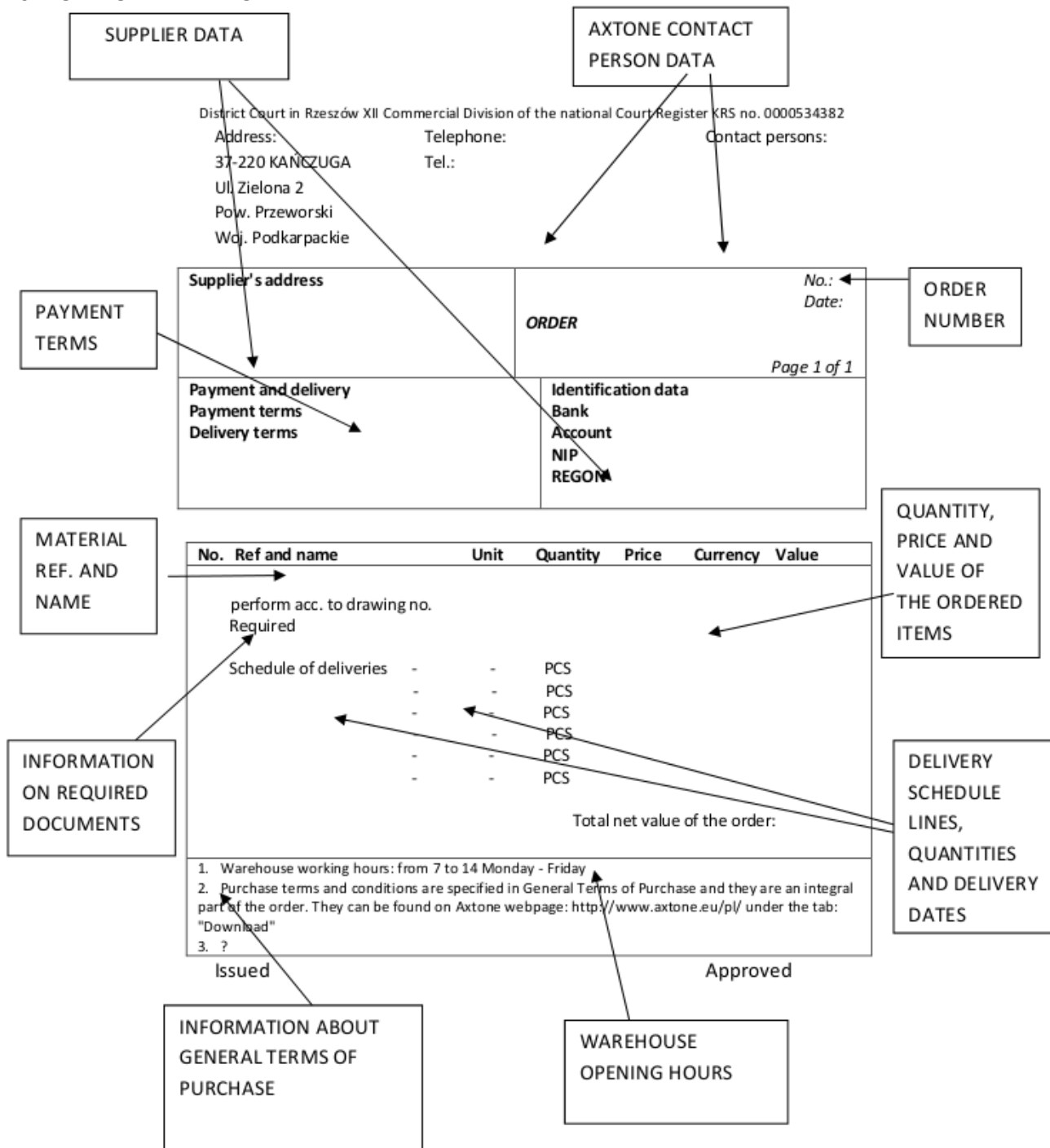
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LOGISTICS TERMS OF DELIVERY

16. HOW TO READ THE ORDER



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LOGISTICS TERMS OF DELIVERY

18. ACCEPTABLE WAYS OF PACKING

METAL FRAME 1600 X 1300 + BOX		X	X	X	X	X	X
METAL FRAME 1600 X 1300		X	X	X	>	X	X
METAL CONTAINER 1200 X 800 + BOX		>	>	>	X	>	>
METAL CONTAINER 1200 X 800		X	X	>	>	>	>
JUMBO-PALLET 1200 X 800 + BOX		>	>	X	X	>	>
JUMBO-PALLET 1200 X 800		X	X	>	>	>	>
PALLET 1200 X 800 + COLLAR + BOX		>	>	X	X	>	>
PALLET 1200 X 800 + COLLAR		X	X	>	>	>	>
PALLET 1200 X 800 + BOX		>	>	X	X	X	>
PALLET 1200 X 800		X	X	X	X	X	>
BOX Max 30 kg		>	>	X	X	X	>
	SMALL PARTS						
	STANDARDIZED PARTS						
	FORGINGS						
	MOULDINGS						
	CINDER CASTINGS						
	CHEMICALS						

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LOGISTICS TERMS OF DELIVERY

app.1 Label AX

<p>MATERIAL IDENTIFICATION CHART</p> <p>ul. Zielona 2 PL-37-220 Kańczuga, Poland Tel.: +48 (0) 16 649 24 00 Fax: +48 (0) 16 649 24 01</p> <hr/> <p><u>REFERENCE</u></p> <hr/> <p><u>NAME</u></p> <hr/> <p><u>BATCH</u></p> <hr/>	<p>MATERIAL IDENTIFICATION CHART</p> <p>ul. Zielona 2 PL-37-220 Kańczuga, Poland Tel.: +48 (0) 16 649 24 00 Fax: +48 (0) 16 649 24 01</p> <hr/> <p><u>REFERENCE</u></p> <hr/> <p><u>NAME</u></p> <hr/> <p><u>BATCH</u></p> <hr/>
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