



General terms and conditions of Sale and delivery of the products of Lafarge Cement SA

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Products of Lafarge Cement SA shall be sold and delivered in accordance with terms and conditions presented below. These general terms and conditions of sale and delivery constitute an appendix to agreements or individual orders for products.

Lafarge Cement SA shall be hereinafter referred to as the "Manufacturer," while every business partner purchasing the products offered by the Manufacturer shall be hereinafter referred to as the "Buyer," Client Service Centre – as "CSC" and "General terms and conditions of sale" – as "Terms and Conditions."

§ 1. Conclusion of the Agreement

1. Products shall be sold in accordance with Terms and Conditions, based on sales agreements and Commercial Terms and Conditions of Lafarge Cement SA confirmed by the Buyer, as well as based on individual orders for products.
2. The Manufacturer shall confirm every order placed by the Buyer via the CSC by phone or in writing – by registered letter, fax or e-mail. The date of concluding the agreement shall be the date of the Manufacturer confirming the acceptance of the order for the implementation, including specifying terms and conditions of sale. The Manufacturer will not implement an unconfirmed order. Sales will be carried out in accordance with Terms and Conditions.
3. These Terms and Conditions shall be binding on the Buyer if they had been submitted to the Buyer before concluding the sales agreement.
4. In case of deviations from Terms and Conditions or at the request of the Buyer, terms and conditions of sale shall be specified in the sales agreement drawn up in writing and approved in accordance with legal regulations by the Manufacturer and the Buyer.
5. In the situation described in § 1 point 4, until the Manufacturer receives the sales agreement in written form, signed by the Buyer, the products shall be sold in keeping with provisions of Terms and Conditions.

§ 2. Subject matter of the agreement

1. The subject matter of the agreement shall be sales of cement, hydraulic road binders, aggregates, limestone, ashes or other products included in the up-to-date product range of the Manufacturer, hereinafter referred to as "products."
2. The Manufacturer's products are manufactured in accordance with up-to-date binding Polish standards, technical approvals and technical recommendations; they have seals of approval and are marked in accordance with applicable regulations.
3. In case of delivery of the products in bulk, upon the handover of the products, the Manufacturer shall issue to the Buyer the delivery document (WZ document or the railway bill of lading) or the weighing document including the Manufacturer's details, as well as the data such as, depending on the product: name, type, symbol and

strength class (in accordance with the standard, and in certain cases, including additional grading), weight, dispatch (takeover) day and hour, vehicle registration number (carriage number), name of the Buyer and shelf life. In case of delivery of products in bags, the data required by the standard shall be permanently and legibly printed on the package. On the delivery document (in addition to the information as required in delivery documents for products in bulk), the number of bags issued or the total weight of the product issued shall be disclosed.

4. All products of the Manufacturer shall be subject to internal handover inspection and shall be verified in accordance with applicable legal regulations. Up-to-date quality certificates shall be issued at the request of the Buyer. They are also available on-line, on the website of the Manufacturer, at www.lafarge.pl. If the product type is not clearly specified upon ordering the product, the Manufacturer may refuse to implement the order until supplementing missing information.
5. Cement in bags shall be sold on unreturnable disposable pallets, and individual products shall be packed in collective packages, in the following quantities: cement in 25 kg bags – 1,400 kg on the pallet.

§ 3. Setting the price

1. Prices of products confirmed by the Manufacturer shall be net contractual prices, whereas the price binding on both Parties shall be the price as at the purchase date, specified in the VAT invoice. The price may be agreed based the loading place or franco named place of delivery.
2. The Manufacturer reserves the right to amend terms and conditions of sale without prior termination thereof. At the same time, the Manufacturer shall endeavour to notify the Buyer of the date of new terms and conditions of sale and prices coming into force, at least 14 days in advance.
3. The Buyer's failure to buy previously agreed quantities of the products of the Manufacturer might constitute a justification of reducing previously agreed discounts or withdrawal from the agreement due to fault of the Buyer.
4. Payments for the products issued shall be made without any deductions. The Manufacturer does not agree to the Buyer netting off deposits, fines or accounting notes without separate consent of the Manufacturer required in each case. Payments shall be made to the bank account identified in the invoice. The payment period specified in the confirmed order shall start running on the date of issuing the invoice.
5. In case of lack of information or incorrect information about invoice, to which the bank transfer pertains, the Manufacturer shall automatically allocate the particular amount to the oldest due liabilities of the Buyer.
6. Statutory interest due to the Manufacturer shall be calculated for each day of delay in payment after the payment date specified in the VAT invoice.

§ 4. Deliveries

1. Products can be delivered using the means of transport of the Buyer or means of transport ordered by the Manufacturer.
 2. Deliveries using the means of transport ordered by the Manufacturer may be carried out using:
 - a) road transport, based on the delivery order, including the date and hour of the expected delivery, placed via the CSC by the Buyer, in writing, in electronic form or by telephone;
 - b) rail transport, based on the delivery order, placed via the CSC by the Buyer, in writing or in electronic form. All transport decisions shall be the responsibility of the Manufacturer. The Manufacturer shall advise all shipments of products using railway transport.
 3. Delivery time and deadlines:
 - a) the Manufacturer undertakes to carry out the deliveries in accordance with the Buyer's order confirmed by the Manufacturer, within time frames specified in § 4 point 7;
 - b) the Manufacturer reserves the right to agree with the Buyer the delivery schedules, depending on the order size, availability of the product range and order placement time.
 4. The Manufacturer shall decide on the selection of a vehicle and optimum use of the cargo space.
 5. An order shall be amended in writing, in electronic form or by phone, subject to requirements specified in § 4 point 7, and any amendment shall require providing the following information:
 - a) number of the order subject to change;
 - b) quantity;
 - c) product range;
 - d) delivery form;
 - e) original date and hour.
 6. Duties of the Buyer in case of deliveries by rail:

Changes in case of deliveries by rail have to be made (delivery cancelled) at least four days before the requested dispatch date. In case of failure to meet this deadline, the Buyer shall be obliged to compensate the Manufacturer for the costs related to this failure.

In case of deliveries of cement in bulk by rail with unloading by the Recipient and using the Recipient's unloading equipment, the Recipient undertakes to unload the product within 48 hours of the railway carrier reporting readiness for unloading. In case of deliveries of cement in bulk by rail with unloading by the Supplier and using the Supplier's equipment, the Recipient declares the ability to accept the whole batch within 48 hours or the railway carrier reporting readiness for unloading. In case of exceeding the aforementioned periods, the Supplier may impose on the Recipient the fee in accordance with the Logistics Service Price List. In case of delivery by rail of cement in bags, rates for the carriages remaining at the disposal of the Recipient shall apply, as described in the Retail Price List of the products of Lafarge Cement SA.
 7. Duties of the Buyer in case of deliveries by road:
 - a) the Buyer shall enclose to the agreement (or sent to the CSC before placing the first order) the monthly schedule of deliveries of cement that will be updated by the 14th day of each month;
 - b) the Buyer shall submit to the Manufacturer the weekly schedule of deliveries for the next week, by Thursday, 10:00 a.m.;
 - c) in case of failure to submit the schedules within the deadlines set, the Manufacturer may withdraw from accepting the order for implementation or updating the orders;

Deliveries shall be cancelled at least 24 hours before the delivery date on weekdays, and on Friday, by 10:00 a.m. in case of deliveries scheduled on Monday next week. The related notification shall be submitted to the CSC. In case of failure to meet this deadline, the Buyer shall be obliged to compensate the Manufacturer for the costs resulting from this failure (e.g. costs of the delivery pre-order, cost of return of the shipment to the Manufacturer's plant, reloading costs, etc.) – in accordance with the retail price list of the products of Lafarge Cement SA.
- d) the possibility to change the delivery date shall be in each case confirmed by the logistics department;
 - e) the order for the delivery on a weekday shall be placed at least 48 hours before the delivery date of products in bulk and 72 hours for products in bags, and shall include the date and hour of the expected delivery. In case of deliveries of cement in bulk to be completed on Monday, the order shall be placed no later than on the previous Thursday, by 10:00 a.m. In case of deliveries of cement in bags to be completed on Monday, the order shall be placed no later than on the previous Wednesday, by 10:00 a.m. In case of deliveries to be completed on the day falling directly after a holiday on a weekday, the order shall be placed no later than two working days before the holiday, by 10:00 a.m. In case of deliveries on Saturday and Sunday, as well as on other holidays, the possibility of delivery shall be previously agreed with the Manufacturer's logistics department, in particular with respect to timeliness, legal regulations and potential costs;
 - f) orders for deliveries within less than 12 hours may involve a higher transport rate. The possibility of delivery and the amount of the transport rate shall be in each case confirmed by the Logistics Department of Lafarge Cement SA;
 - g) in case of deliveries requiring special permits for using the means of transport necessary to complete the delivery, the Buyer shall be responsible for obtaining such special permits from responsible authorities. Such a permit shall be submitted to the Logistics Department before the vehicle is loaded;
 - h) the Buyer undertakes to ensure readiness for acceptance of the products on the agreed date (warehouses or silos should be technically efficient and ready for the product delivery), i.e.:
 - silos have to be placed on a fixed foundation, and have to be equipped with an unloading pipe with a maximum length (vertical) of 12 running meters with a 75 mm push-in fitting, located no more than 10 meters from the vehicle parking place;
 - in case of a flow distance of the material unloaded longer than specified in the point above, the Buyer shall ensure a source of humidity-free air, the pressure of which shall allow unloading and not exceeding 2 bars, with a 50 mm push-in fitting, as well as pipes of relevant length;
 - silos of the Buyer have to be adjusted to unloading the material at the working pressure of 2 bars, in accordance with the highest working pressure of the cement semi-trailer, accepted by the Transport Technical Supervision;
 - the minimum width of the access road is 4 m and the road shall guarantee free entry for vehicle up to 4 m high; sufficient lighting of the unloading place shall be ensured;
 - in case of the truck driver having to drive in reverse, the Buyer shall provide an assistant;
 - silos and silo connections have to have plates including the following details:
 - product type,
 - maximum silo volume,
 - name of the company collecting the shipment;
 - i) silos have to be equipped with technically efficient filters and safety valves. This efficiency has to be documented;

LIABILITY AND COMPLAINTS

- j) the Buyer shall enable the driver to audit the unloading place in order to confirm the compliance with the aforementioned safety requirements;
 - k) the Manufacturer reserves the right to carry out audits in the unloading place and to suspend the unloading process in case of breach of security principles of the Lafarge Group; in case of unloading parameters other than the aforementioned ones, conditions and possibility of the delivery have to be agreed in advance with the Manufacturer's Logistics Department;
 - l) a person authorised by the Buyer to show and verify the correct unloading place, to accept and confirm the delivery with a legible signature together with the Buyer's stamp on the WZ document has to be present at the unloading location;
 - m) the Buyer undertakes to unload the product delivered without two hours of the notification of the delivery. After that time, additional costs of stoppage (waiting costs) of the vehicle waiting for unloading for every hour started above two hours (the unit price is published in the Retail price list of the products of Lafarge Cement SA) shall be charged to the Buyer.
8. In case of accepting the products using the Buyer's vehicles or vehicles ordered by the Buyer, the Buyer shall be obliged to:
- a) ensure that the technical equipment of the vehicles satisfies legal requirements and is compatible with the loading equipment of the Manufacturer (information can be obtained from the Logistics Department in every plant);
 - b) ensure that transport conditions comply with the requirements guaranteeing maintaining the quality parameters of the products, and do not result in damaging the package;
 - c) ensure that the driver carries out and confirms acceptance on the WZ document;
 - d) load the products in accordance with the schedule set by the Manufacturer. No damages shall be paid for potential waiting time;
 - e) ensure that the drivers comply with OHS principles and apply personal protection measures binding in the Manufacturer's plant. In case of incompliance with the aforementioned principles, the Manufacturer can refuse issuing the products to the driver;
 - f) The Manufacturer reserves the right to carry out audits of the Buyer's vehicles at the plant, and to refuse loading in case of breach of the principles of safety of Lafarge.
9. Risk of loss, damage or destruction shall be transferred to the Buyer
- a) in case of deliveries of the products using the Manufacturer's vehicles or vehicles ordered by the Manufacturer – after the load is transferred to the unloading system of the recipient;
 - b) in case of collecting the products using the Buyer's means of transport – when the means of transport leave the loading system of the Manufacturer.
10. Liability in case of the Buyer breaching the duties specified in points 6, 7 and 8 of this paragraph:
- a) a breach of the aforementioned obligations by the Buyer shall authorise the Manufacturer to make claims for damages, whereas irrespective of these claims the Manufacturer shall be entitled to cease unloading the products and issue the invoice for travel and unloading waiting time.
11. The process of supervision of the gross vehicle mass (GVM):
- a) the Manufacturer shall record the mass of each vehicle leaving the plant in the electronic weighting system;
 - b) the gross vehicle mass cannot exceed 40 tonnes;
 - c) loading combination vehicles up to the GVM of 42 tonnes shall be permitted only when entries in registration documents of both the tractor and the trailer allow for such a load, and the date of registration of the tractor and the trailer falls before 13 March 2003;
 - d) if the system shows the gross mass exceeding the GVM, the employee in charge of the order shall be obliged to return the vehicle to the designated unloading point in order to partially unload the product loaded;
 - e) after partial unloading, the vehicle shall be weighted again on the scales at the exit;
 - f) after confirming the correct mass, the weight printout shall be printed out and attached to the WZ document.

§ 5. Liability of the Manufacturer

1. The Manufacturer shall not be held liable for incorrect use and storage of its products.
2. The Manufacturer shall be held liable for the quality of products and incorrect quantity, taking into account natural losses, whereas this liability shall be limited in accordance with the provisions presented below.
3. In case of defective products, the Buyer may claim, under the statutory warranty, only the delivery of the proper quantity of defect-free products of the same kind. The Manufacturer shall not be held liable for defects of products that could have been identified upon the delivery when acting with due care. In case of the delivery of incorrect quantity of products, the Buyer may claim, under the statutory warranty, only the correction of the sales invoice by the difference of the quantity of the products delivered.
4. Liability of the Manufacturer to the Buyer for any damage due to the performance or non-performance of the sales agreement shall be limited to liability for damage caused by wilful misconduct.
5. The Manufacturer shall be held liable for parameters of the product sold (in accordance with applicable Polish standards, technical approvals and technical recommendations, referred to by the Manufacturer in the Declaration of Performance).
6. The Manufacturer shall not be held liable for parameters of cement and sand mixtures, stabilisation, lean concrete, etc. made by the Buyer, its subcontractor or the Client to whom cement was resold/delivered, since the Manufacturer has no control over the formulas of the aforementioned products, production method and their proper treatment at the construction place, as well as quality of other half-products used for their production (in addition to cement).
7. The following provisions of the Civil Code shall not apply to the Manufacturer's liability due to statutory warranty for defects of the products sold: Article 560, Article 561, Article 5611-5, Article 562 and Article 566.
8. Shelf lives of cements manufactured by the Manufacturer shall be as follows:
 - a) 52.5 R cement – 30 days of the issuance date;
 - b) 52.5 N; 42.5 R; 42.5 N; 32.5 R; 32.5 N cements – 60 days of the issuance date;
 - c) periods may differ from the periods specified in points 6a-b in case of sales of products that are not listed above or in case of promotional marketing or commercial campaigns arranged by the Manufacturer.

§ 6. Complaints

1. On the day of issuing the products, at the handover place, the Buyer shall carry out the quantity acceptance of the products purchase and the check of the condition of packages, and shall immediately notify the Manufacturer, by telephone, e-mail or fax, of any irregularities detected.

DISPUTES AND OTHER PROVISIONS

2. In case of deliveries using the Manufacturer's means of transport, any comments with respect to quantity and condition of packages shall be recorded on the WZ document and separately confirmed by the driver's signature. Complaints lodged after the vehicle leaves the premises will not be accepted.
 3. Within three days of the product acceptance date, the Buyer shall send to the Manufacturer a written notification of a quantitative complaint, including:
 - a) the report drawn up by the Buyer at the delivery place and signed by a carrier and persons representing the Buyer and the Manufacturer;
 - b) confirmation of issuing the product – WZ document;
 - c) description of the Buyer's claims due to quantitative complaint made or quality of packages.
 4. The quality complaint has to be reported to the Manufacturer by telephone or fax immediately, i.e. no later than within 7 days of the day of identifying the quality defect of the product. In case of the notification by telephone, the complaint has to be confirmed in writing by the Buyer.
 5. In case of making a quality complaint, the Buyer shall be obliged, under pain of refusal to examine the complaint, to enable the Manufacturer to review the product batch subject to the complaint and take two representative samples therefrom, in the place and on the date jointly agreed by the Parties to the Agreement: the first one to be tested in the Manufacturer's laboratory and the second one for the purposes of potential arbitration test by an independent accredited laboratory, such as the Institute of Ceramics and Building Materials, Glass and Building Materials Division in Cracow or other laboratory selected by mutual agreement of the Parties to the Agreement.
 6. The quality complaint shall include the following information:
 - a) description of the defect identified by the Buyer;
 - b) confirmation of issuing the products – WZ document;
 - c) description of the Buyer's claims due to the product quality complaint made.
 7. In case of quality defects, the Parties shall amicably appoint an independent laboratory for the purposes of carrying out necessary tests of the product from the sample subject to a complaint, collected and secured in the presence of representatives of the Parties.
 8. In case of different opinions with respect to the quality of the product, the result of the second test carried out by an independent laboratory, referred to in § 6 point 4 shall be binding. Costs of this test shall be covered by the Party, whose conclusions were not confirmed by the test result.
 9. Complaints pertaining to delivery delays and deliveries of the product inconsistent with the order should be made immediately, but no later than within three days of the delivery date.
 10. The Buyer's failure to follow the aforementioned procedures shall release the Manufacturer from the duty to examine the complaint.
3. Either Party shall immediately notify the other Party of the occurrence of force majeure.
 4. The Parties undertake to settle, as soon as possible, any liabilities that occurred before force majeure.
 5. The Manufacturer reserves the right to limit or refuse the delivery in case of shortage of manufacturing capacity.
 6. Provisions of the Act of 30 May 2014 on consumer rights (Journal of Laws 2017.683, consolidated text of 30 March 2017) shall apply to sales of products to consumers.
 7. In case of the Buyer's delay in payment for the products delivered by more than 3 days or in case of doubts as to timely payment of amounts due based on the assessment of the Buyer's financial standing, the Manufacturer may cease further deliveries of the products until the Buyer settles all amounts outstanding, even when the previous schedule of deliveries was confirmed by the CSC.
 8. The balance of liabilities of the Buyer for the products purchased from the Manufacturer cannot exceed the amount of the trade credit. This means that when the Buyer's liabilities for the products purchased exceed the trade credit limit, the Buyer undertakes to immediately settle its liabilities in such a way that the balance of liabilities does not exceed the limit granted even if none of the invoices issued by the Manufacturer is not due at that time. If no payment is made, the Manufacturer shall be entitled to suspend deliveries until receiving the Payment from the Buyer even when the delivery schedule was confirmed by the CSC.

§ 8. Resolution of disputes

1. The Parties undertake to amicably resolve any disputes.
2. If no agreement can be reached, the Parties shall submit the dispute for resolution to a competent court in Bydgoszcz, Kielce or Kraków.

§ 9. Miscellaneous

1. Matters not regulated herein shall be governed by provisions of the Civil Code and the legal acts binding on the parties in commercial transactions respectively.
2. In case of difference between provisions of the Agreement and these Terms and Conditions, provisions of the Agreement prevail.
3. **The Buyer agrees to the Manufacturer collecting and processing its personal data. The consent shall also include processing of personal data in the future.**

§ 7. Other provisions

1. The Manufacturer and the Buyer undertake to perform the Agreement in accordance with its provisions, as well as in accordance with these terms and conditions, with due care.
2. In case of the occurrence of circumstances understood as force majeure, and in particular natural catastrophes, riots, war, strike or other circumstances remaining beyond control of either Party to the Agreement, both Parties shall be entitled to suspend the deliveries and to defer the acceptance in whole or in part without a duty to pay any damages.

President of the Management Board of
LafargeHolcim in Poland



Federico Tonetti

Małogoszcz, 1 February 2018

