

GENERAL TERMS OF PURCHASE
BADER POLSKA SP.Z O.O. */limited liability company/*

1. General Provisions

The legal relationship between the Supplier of goods or services and Bader Polska Sp. z o.o., with its seat located in Bolesławiec, (hereinafter referred to as the Ordering Party) are governed by these General Terms of Purchase (hereinafter referred to as GTP) and by additional written agreements between the parties. These terms are also binding for future trade relations.

Amendments and additions to the legal relationship binding the parties, as well as the exclusion of the application of these GTP under a given transaction, must be made in writing.

A reference made by the Ordering Party to a letter whose content includes standard contract terms, contract templates, by-laws and other similar model contracts within the meaning of article 384 § 1 of the Civil Code applied by the Supplier or third parties or any reference made to them does not imply that the parties agree to their being binded to the parties.

2. Offers, Orders

2.1.The Supplier is obliged to adjust its offer to the request for proposal made by the Ordering Party free of charge, and if there are any exceptions to this, such exceptions shall be indicated clearly. The offers made to the Ordering Party are free of charge and are deemed to be accepted if the Ordering Party clearly states its will to accept the agreement. Article 68² of the Civil Code does not apply to offers made to the Ordering Party.

2.2. Placing orders, including successive orders for partial deliveries under one collective order, will be done in electronic form through an integrated IT system. If there is no direct reply from the Supplier indicating non-acceptance of the order, the order is deemed as accepted

2.3.The Ordering Party may change the quantity and kind of ordered goods by informing the Supplier about order modifications. The second sentence of clause 2.2 applies accordingly.

3. Price, Shipment, Packaging

3.1.The prices agreed by the parties shall not be changed. Deliveries are to be delivered DDP (Delivered Duty Paid), pursuant to Incoterms 2010. Unless otherwise agreed by the parties the Supplier bears the risk of accidental loss until such time as the goods are transferred to the Ordering Party, according to the terms and conditions set out for a particular order and in these GTP.

3.2.Should it be exceptionally agreed that a delivery is not to be delivered DDP (Delivery Duty Paid) pursuant to Incoterms 2010, the Ordering Party shall bear the cost only of the most advantageous transport offer. Any costs incurred up to the moment of transferring the subject of the order to the forwarding agent, including transport and reloading, are borne by the Supplier.

3.3.Unless otherwise agreed by the parties, delivered goods should be packed properly and in a manner customary for products of a given type so as to protect them against damage and deterioration. The Supplier is responsible for damage caused by faulty packaging. Packaging must be environmentally friendly and must fulfill the requirements stipulated by

the Act on Packaging and Packaging Waste of 13 June 2013 (Dz.U. /*Journal of Laws*/ 2013 item 888).

4. Delivery Date, Delay

- 4.1. Delivery dates agreed between the parties are binding. A delivery is deemed as completed on the day on which the goods are delivered to and received by the Ordering Party. Should it be exceptionally agreed that the delivery is not to be delivered DDP (Delivery Duty Paid) pursuant to Incoterms 2010, the Supplier is obligated to make the goods available to the Ordering Party in good time, taking into account the standard time needed for loading and shipment.
- 4.2. If the Supplier defaults in the timely performance of the order, the Ordering Party is entitled, at its choice, to further demand that the Supplier fulfill its obligation and remedy the damage resulting from the delay, or to withdraw from the agreement. This does not preclude the creditor from exercising other rights it is entitled to under law in case of a default by a debtor.
- 4.3. If the parties establish an exact delivery time, completion of the delivery before the said delivery time is forbidden.
- 4.4. As soon as the Supplier becomes aware of difficulties or possible difficulties indicating that it will not meet the deadline, the Supplier is obligated to notify the Ordering Party immediately in writing or via e-mail.

5. Payment and Invoicing

- 5.1. Payment will be made by bank transfer only.
- 5.2. If goods are delivered and received before the set deadline, the date of payment and the transfer of risk of accidental loss shall not change and shall remain as established for the initial deadline.
- 5.3. The payment period begins to run after goods have been delivered in accordance with these GTP and additional agreements, accepted by the Ordering Party and when the Ordering Party has received a properly issued and verifiable invoice. The payment should be made within 60 days of the commencement of the payment period. Unless provided otherwise, the Ordering Party is entitled to the following discounts: for payment within 14 days of commencement – 3% discount, within 30 days – 2% discount. There is no discount for payment made 30 or more days after the commencement.
- 5.4. If the delivery is not in conformity with the agreement, including in the event of delivery of defective goods, the Ordering Party has the right to withhold the relevant portion of payment until the delivery is performed properly, in particular, until such time goods free of defects are delivered or the defect has been removed.
- 5.5. The Supplier has no right to assign the debt owed to him by the Ordering Party unless the Ordering Party agrees to such in writing.
- 5.6. The invoice should include an exact designation of the delivery and the number of the document confirming delivery on the basis of which the goods were released. The invoice should be sent via post or electronically, taking into account the rules pertaining to value added tax currently in force. Failure to comply with the above requirements as well as

calculation mistakes present in the invoice will result in rejection of the invoice until the Supplier delivers the Ordering Party an invoice that has been properly completed or corrected. The payment period referred to in 5.3 shall not commence until that time.

6. Notification of defects

The Ordering Party is obliged to notify the Supplier in writing about the defects in the subject of the delivery immediately after their discovery and in a manner customary for the kind of product in question, bearing in mind the necessity to ensure proper operation of the Ordering Party's enterprise. In such situation the Supplier ceases to be entitled to make the claim of a delayed defect notification.

7. Quality and Documentation

7.1. The Supplier shall adhere to accepted engineering standards and observe safety rules and conform to technical specifications agreed on by the parties with respect to the properties of delivered goods, as well as to the standards of their packaging and transport.

Any changes with respect to the properties of the subject of the delivery are subject to prior approval by the Ordering Party. In testing a product prototype the parties shall apply the publication issued by the German Automotive Industry Association VDA titled "*Ensuring the Quality of Delivery – Choice of Supplier/Production Process – Release of the Product/Preserving the Quality in a Series*", including the entry in the *International Material Data System* in its updated version. Notwithstanding the foregoing, the Supplier is obliged to continually monitor the quality of delivered goods. The parties to this agreement shall inform each other of potential improvements to the quality of the goods delivered.

7.2. Furthermore, the Supplier is obligated to keep documents recording the quality of all the products delivered to the Ordering Party, confirming, in particular, how, when and who has conducted the inspection of the goods ordered. These records must be kept by the Supplier for a period of 20 years and handed over upon the Ordering Party's request, if necessary. The Supplier has the right to shorten the period for retention of these records if it can exclude any hazards to human life and health resulting from use of the delivered goods. The Supplier shall oblige its sub-contractors to keep records in the same scope. The records should be kept in line with the recommendations of the German Automotive Industry Association VDA contained in the publication under the title "*Keeping Records – Guidelines for Documenting and Archiving of Quality Requirements*" in its updated version.

7.3. Products which are substances and chemical mixtures are subject to the obligation of labeling and description by the Supplier in the Polish language and in accordance with Polish law. The Supplier, as a supplier of products which are subject to the requirement of drafting a Safety Data Sheet for substances or mixtures, according to Regulation (EC) No 1907/2006 of the European Parliament and Council of 18 December 2006 concerning the registration, evaluation, authorization and restriction of chemicals (REACH) and establishing a European Chemicals Agency amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 91/155/EEC and Commission Directives 91/155/EEC, 93/67/EC, 93/105/EC and 2000/21/EC undertakes to provide a Safety Data Sheet drawn up according to the requirements set out in this regulation.

7.4.In the event of a separate agreement, a flammability certificate should be attached to every delivery according to EN 10204-3.1 B.

7.5.In delivering machines and technical equipment the Supplier is obliged to conform to standards and regulations in force in Poland, including, in particular, those concerning safety and technical characteristics of machines and equipment at the stage of their manufacture, assembly and operation. At the commissioning of machines and equipment the Supplier and the Ordering Party shall draw up a commissioning report. The Supplier is obliged to deliver the machine together with all required documents.

8. Guarantee

8.1.If a defect is discovered in the subject of a delivery, the Supplier is, in the first place, entitled to have the same number of items free of defects delivered in place of the defective ones or to the removal of the defects. If the aforementioned actions are not possible or the Supplier fails to perform them immediately, the Ordering Party has the right to withdraw from the agreement in the relevant scope and return the goods at the Supplier's cost and risk. In urgent cases the Ordering Party can repair a defective product by itself or can call upon third parties to carry out the repair, in which case the costs thereby incurred shall be borne by the Supplier. In any case, the Ordering Party can demand from the Supplier to make good any damage incurred as the result of defects, in particular, those resulting from a delay in the delivery of goods free of defects.

8.2.If the same goods are again delivered with defects, the Ordering Party also has the right to withdraw from the portion of the agreement pertaining to goods that have not yet been delivered.

8.3.If, despite conforming to the requirements of clause 6, the defect is discovered only after the start of production, repair of the defect referred to in the last sentence of 8.1 also refers to the work performed, in particular, the costs of damaged production material as well as employees' remuneration for manufacturing damaged products and for the downtime caused by the defective goods.

8.4.Goods to be replaced by the Supplier are to be released immediately to the Supplier upon its request and at its cost.

8.5.The rights under guarantee expire 24 months after receipt by the Ordering Party of the subject of the delivery, unless the parties have agreed otherwise.

8.6.In case of delivery of the same number of goods free of defects in place of the defective subject of delivery, the rights under guarantee expire 24 months after receipt by the Ordering Party of the subject of the delivery free from defects.

8.7.The Ordering Party has the right to withhold payment of the purchase price and other amounts owed to the Supplier until defects have been removed, and for machines and technical equipment until the properties and parameters guaranteed by the Supplier have been confirmed by experts specializing in this field.

8.8.Insofar as the above provisions do not state otherwise, the provisions of law concerning statutory warranty shall apply.

9. Liability/ Civil Liability Insurance

- 9.1.** Unless provided otherwise in these GTP, the Supplier is obligated, under the provisions provided for in clauses 9.2-9.5, to repair damage suffered by the Ordering Party resulting from improper performance of the agreement, including delivering defective goods, infringement of the provisions of law, or as the result of other circumstances for which the Supplier is liable.
- 9.2.** The Supplier is liable for even the slightest lack of due diligence as assessed taking into account the particular metrics applied owing to the professional nature of the business it runs. The burden of proof that damage has occurred despite the exercise of due diligence rests on the Supplier.
- 9.3.** If any third party raises claims against the Ordering Party as the result of an infringement of its rights by the Supplier, the Supplier is obligated to discharge the Ordering Party from any liability and to indemnify Ordering Party for all costs incurred in relation to the claims raised, including all legal assistance costs and the costs of possible engagement in court proceedings.
- 9.4.** If there are grounds to raise claims by the Ordering Party against the Supplier, the Ordering Party shall immediately and exhaustively notify the Supplier thereof and shall conduct negotiations with the Supplier with the aim to resolve disputes amicably. The Ordering Party shall provide the Supplier with the opportunity to examine the extent and circumstances of the damage. The parties shall jointly agree on further actions intended, in particular, to facilitate agreement by negotiations.
- 9.5.** The Supplier is obligated to carry civil liability insurance for damage caused to the Ordering Party in connection with the performance of delivery for an amount equivalent to not less than EUR 1,000,000 (EUR one million). At any time upon the Ordering Party's request the Supplier shall present a copy of its civil liability insurance policy to the Ordering Party.

10. Protection Rights and Other Third Party Rights

- 10.1.** The Supplier shall be liable in the event third parties' rights are infringed in connection with its deliveries, including copyrights, industrial property rights, know-how, etc., in particular, in countries where the Supplier produces its goods or outsources their production.
- 10.2.** The Supplier is obligated to discharge the Ordering Party from any claims raised by third parties for the infringement of rights referred to in clause 10.1 and to remedy any damages suffered by the Ordering Party resulting from claims pursued against it by third parties, whether or not the Supplier at fault.

11. Origin and Export Control

- 11.1.** The Supplier is obligated to submit a certificate of origin issued by a duly authorized entity in the Supplier's country at its cost, and to submit any other documents, provided they are required by law regarding the import of goods and customs clearance, including documents pertaining to preferential customs duties according to the country of origin. If goods are covered by the Council Regulation (EC) No 1207/2001 of 11 June 2001, the Supplier systematically supplying the Ordering Party with goods is obligated to submit statements on origin using "*A long-term supplier's declaration*" form, in line with the requirements provided for in this regulation. The declaration is signed by an authorized representative of the Supplier and is to be submitted annually, by the end of January.

11.2. The Supplier is obligated to inform the Ordering Party about export restrictions on goods applicable in the country of production or shipment. The Supplier is obligated to inform the Ordering Party if goods require export or re-export authorization according to the law of the United States of America. If the Supplier's seat is based in the European Union, it must provide the Ordering Party with information on the obligations in place regarding obtaining permission for trading dual-use goods and goods for military purposes, according to European export restrictions and implementing measures in individual countries. Moreover, the Supplier should inform the Ordering Party about proper classification numbers (e.g. "ECCN-Export Control Classification Number", for products coming from the United States of America, "AI-Number" for goods from the *German Export List*, etc.) as well as of any other permits required for trading goods. Information on this subject should be forwarded to the following address: Bader Polska sp. z o.o., ul. Mostowa 1, 59-700 Bolesławiec.

12. Force Majeure

In the event of Force Majeure the Ordering Party may avoid to perform the obligations under this agreement and to apply these GTP in whole or in part, or require that the agreement is performed at a later date, which shall not give rise to any claims on the part of the Supplier.

13. Confidentiality

13.1. Any information obtained by the Supplier in connection with performance of the obligations under this agreement, including but not limited to any organizational, commercially sensitive or technical information related to the Ordering Party and not available publicly, should be regarded as confidential and as such may not be disclosed to third parties. In particular, the Supplier undertakes to treat as confidential information pertaining to trade volume, prices, discounts, product specifications, logistic agreements and technological data.

13.2. The Supplier shall oblige its sub-suppliers to maintain the confidentiality of the information referred to in clause 13.1.

14. Final Provisions

14.1. If either party ceases to perform its obligations required hereunder, or an application for its bankruptcy is filed, the other party has the right to withdraw from the portion of the agreement that has not been yet performed.

14.2. If any of the provisions of these GTP and of further agreements between the parties is determined to be void, the remaining provisions of the agreement between the parties remain in force. The invalid provisions will be superseded by appropriate regulations or by arrangements between the parties with their economic purpose being equivalent to that intended by the invalid provisions.

14.3. The relationships arising between the Supplier and the Ordering Party under these GTP and additional agreements shall be governed solely by Polish law unless agreed otherwise.

14.4. Polish common courts shall exercise exclusive jurisdiction in any disputes arising out of the legal relationships between the Supplier and the Ordering Party under these GTP and additional agreements.

14.5. The court exercising jurisdiction in the district where the Ordering Party's seat is located shall have exclusive jurisdiction in disputes arising out of the legal relationships between the Supplier and the Ordering Party under these GTP and additional agreements.

BADER Polska Sp. z o.o. January 2015