

DOCUMENT I - 8.4.1	TYPE Instruction (Operational Standard)	REVISION 0	PAGE 1/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

TABLE OF CONTENTS

1. GENERAL INFORMATION
2. DELIVERY DATES
3. ORDERS ACCORDING TO THE SCHEDULE
4. INVOICES, DELIVERY DOCUMENTS
5. QUALITY OF DELIVERIES
6. LEGAL REGULATIONS
7. ACCEPTANCE AND WARRANTY
8. SUPPLY OF MATERIAL FOR PROCESSING
9. DRAWINGS, TECHNICAL DOCUMENTS AND SPECIAL TOOLING
10. DELIVERY OF PATENTED PARTS
11. CONFIDENTIALITY OBLIGATIONS
12. PAYMENTS
13. INSOLVENCY

REVISIONS					
Revision	Date	Description	Prepared by	Checked by	Approved by
0	21/10/2013	First edition based on Purchase Order revers	F.Tanga	A.Majnusz / B.Przemyk	W.Liana
1	24/09/2019	Document reviewed and updated	W.Liana	A.Majnusz / B.Przemyk	W.Liana

DOCUMENT	TYPE	REVISION	PAGE
I - 8.4.1	Instruction (Operational Standard)	0	2/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

1. GENERAL INFORMATION: These General Terms and Conditions of Purchase (GTCP) apply to all Buyer's orders placed with the Supplier. In the case of machinery, these terms and conditions apply in their entirety. When ordering services, the specific terms and conditions applicable within the Flexider Group apply in this area. These purchase terms and conditions should be considered as an essential part of the ordering process. Any special terms and conditions, also as a derogation from these, must be clearly stated in the order or agreed in a separate letter; otherwise, they are treated as not stipulated. The order cannot be cancelled, even partially, unless the Buyer does so for another Group Company; such order is treated as amended upon receiving written consent (confirmation) from the Supplier. Even if the Buyer does not receive a copy of the order signed by the Supplier, the delivery by the Supplier will, in any case, be treated as a tacit acceptance of these terms and conditions and of specific conditions specified in the order. In the event of any discrepancies, the competent court shall be the court in the location of the Buyer's registered offices; however, the Buyer will have the right to sue the Supplier in a court in the location in which the Supplier's enterprise is located. **The applicable law shall always be the Polish law.** Uniform laws regarding the conclusion of contracts for the international sale and international sale of tangible property are expressly excluded. The Supplier undertakes not to disclose its commercial relations with the Buyer and to treat all technical, commercial and other information it acquires during the performance of the order as confidential. The Buyer reserves the right to make any changes by issuing the "order variant". Each "variant" will contain a proposal to amend the contract and its date; the variant will be treated as accepted by the Supplier, unless the Supplier informs the Buyer about the inability to make deliveries under new conditions via e-mail, letter, telex or telegram, which must be delivered within 5 days of receiving information about the "variant"; in the latter case, unless there is a withdrawal, deliveries will continue under previous conditions. Any conduct of one of the two Parties, including a repetitive one, that is inconsistent with one or more of the terms and conditions of this agreement shall not constitute a waiver of the other party's right to request, at any time, the compliance with these conditions.

2. DELIVERY DATES: The delivery dates specified in this document should always be regarded as the essential element which must be strictly observed. Neither delays nor early deliveries will be allowed. The Buyer is entitled to send back deliveries that were sent before the agreed date, at the Supplier's cost and risk or to charge the Supplier with the costs of storage. In the event of delays in delivery that are not caused by force majeure, the Buyer will have the choice of one or more of the following options:

- a) demand the performance of the order, in whole or in part, and apply a customary penalty, equal to, if not otherwise agreed, 0.50% of the price of the quantity not delivered by the agreed date, for each day of delay; b)
- obtain the ordered parts from another supplier and at any time, in whole or in part, at the Supplier's cost and risk, solely by informing the Supplier thereof;
- c) terminate the contract with immediate effect by informing the Supplier thereof. In addition, in any case, the Buyer shall have the right to claim compensation for considerable losses actually suffered.

If the performance of the contract is impossible due to the occurrence of proven force majeure circumstances, delivery times shall be extended, and a new date will be agreed jointly between the Parties depending on the obstacle and provided that the Supplier immediately informed the Buyer in writing, about the force majeure occurrence and has taken all measures to mitigate the effects of force majeure. Force majeure cannot be claimed after the agreed delivery date has expired. In addition, it is agreed that delays on the part of subcontractors will in no case be considered as a force majeure event. If the occurrence of force majeure causes a delay in delivery exceeding 20 days, or any delay that is shorter but unacceptable due to the Buyer's production needs, the Buyer shall have the right to terminate the contract, in whole or in part, at any time by an ordinary written notice to the Supplier. The Buyer shall not be liable in the event of strikes, fires, demonstrations and other circumstances beyond the control of the Buyer which prevent delivery from being received or lead to a reduction in demand for ordered parts. Delivered products shall always mean products

DOCUMENT I - 8.4.1	TYPE Instruction (Operational Standard)	REVISION 0	PAGE 3/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

that were delivered to the Buyer's warehouses, also when the transport is the Supplier's responsibility. Also in this case, the risk is transferred from the Supplier to the Buyer only when the goods are delivered to the Buyer's premises.

3. ORDERS ACCORDING TO THE SCHEDULE:

In the case of recurring deliveries, the Supplier shall be obliged to maintain in its own warehouse a stock of products necessary to ensure continuity of supply in accordance with the schedule. Stocks, created from material released by quality control and properly rotated, must be arranged in a way that facilitates identification and quantitative control by authorized persons on the part of the Buyer. If the Supplier, due to objective obstacles, anticipates difficulties in meeting delivery dates, the Supplier shall immediately inform the Buyer, who may accept the necessary quantity to be taken from the inventory, provided that the inventory is replenished immediately after the cause of the emergency ceases.

Periodically, the Buyer will inform the Supplier about the amount of inventory in relation to each type of product; however it should be understood that for the parts to which the information applies the appropriate safety stock will have to be at least 30% of the monthly demand specified in the supply schedule (current quarter average). If the above is not implemented, a penalty of 20% of the value of the missing stocks will be imposed on the Supplier.

If, due to the needs, the Buyer demands:

- a change in the quantity and/or shape of the ordered parts;
 - cancelling items that can no longer be used in its production cycles;
- unless agreed otherwise, the Buyer will have to cover finished products costs or work in process costs in quantities not exceeding:
- the deliveries scheduled for the month of the change or the cancellation notice;
 - raw materials planned for the next month;
 - the quantity of compulsory stocks, if any agreed.

Each time there will be direct arrangements to minimize the costs associated with the use of changed or cancelled products.

4. INVOICES, DELIVERY DOCUMENTS: Invoices must reference the goods and/or services that are the subject of only one order and are subject to the same VAT rate. Invoices must include: - order number and document number and date; - list of parts in the order of documents; - unit of measure. Products must always be accompanied by a document with the following information: name of the Supplier, code - part number - drawing or symbol of the Buyer; product name, shipment date, order number, warehouse number, quantity, number of packages delivered and all other information required by the order. Products from only one order must be included in each document. In the case of shipment from abroad, the sender must complete the customs declaration for the goods in the manner most favourable to the Buyer and in his interest. Any higher costs resulting from non-compliance with the above will be borne by the Supplier.

5. QUALITY OF DELIVERIES: Except for other written arrangements made at the time when the design and/or adaptation and/or delivery of the product are proposed to or accepted by the Supplier and except when the product is manufactured by the Supplier according to technical or process documentation provided by the Buyer, the Supplier, unless otherwise specified, undertakes to carry out and/or have all tests and/or checks necessary carried out to determine the reliability and suitability of the product for the intended application, as well as its compliance with Polish and foreign legal regulations specified by the Buyer who reserves the undisputed right to approve the delivery. The Supplier shall be authorized to start serial production only after obtaining approval from the Buyer on the basis of the initial samples. Unless agreed otherwise in a specific

DOCUMENT	TYPE	REVISION	PAGE
I - 8.4.1	Instruction (Operational Standard)	0	4/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

signed agreement, any approval of the Buyer's quality control and/or approval of the delivery by the Buyer shall not release or reduce the responsibility and warranty on the part of the Supplier. The Supplier undertakes to introduce and maintain production and control measures and processes appropriate to guarantee that the delivered parts are always reliable, of adequate quality and compliant with the Buyer's technical recommendations (drawings, standards, procedures, technical specifications, tables, approved and/or deposited standards, etc.) which the Supplier is obliged to keep track of; moreover, the Supplier undertakes to allow authorized employees of the Buyer to enter and carry out inspections and checks of processing technology and/or inspections carried out. The Supplier undertakes to issue a quality certificate certifying that the products shipped to the Buyer are properly inspected and that these inspections show that they are compliant. An appropriate quality certificate must be attached to each batch of products sent to the Buyer; if such a certificate is not attached, the Buyer will have the right to reject the goods. **The Supplier may not make any changes to the manufacture of the product without the written authorization from the Buyer. The Supplier is obliged to inform the Buyer about technical innovations that may have an impact on improving the quality and/or characteristics of the ordered part, as well as about technological innovations that may affect the quality of the product.**

6. LEGAL REGULATIONS: If the ordered part is subject to Polish and/or foreign legal regulations (regarding safety, level of pollution, etc.), the Supplier, at the request of the Buyer, is obliged to develop special documentation on the approval and production processes, which will specify - inter alia - how, by whom and with which results the characteristics data were controlled. Such documentation must be kept by the Supplier and must be provided to the Buyer at request. In addition, since the Buyer is obliged to allow the competent authorities to carry out controls and inspections in relation to the production and control methods and control documentation, the Supplier declares that they are ready to permit the similar controls and inspections also in their own company. If the Buyer is brought to court due to civil liability or contractual liability, or is accused of violating legal provisions, or is otherwise forced to compensate losses to its own customers or third parties due to defectiveness, non-compliance or lack of reliability of the supplied parts, the Supplier will be obliged not to charge the Buyer and to cover losses, if any, incurred by the Buyer, and to intervene, at the Buyer's request, appearing in court at its own expense in cases regarding such defects or discrepancies.

7. ACCEPTANCE AND WARRANTY: The delivery or payment for the goods cannot, under any circumstances, be considered as acceptance of the goods, which takes place through the competent departments of the Buyer, in accordance with the procedure discussed below in this Article. The Supplier, upon prior agreement, will be able to send its own employees to the Buyer's facilities in order to become acquainted with the means and procedures used for acceptance by incoming inspection. The Supplier shall guarantee the goods comply quantitatively both with the arrangements and the declaration in the delivery document.

If, during the inspection on delivery, the quantitative non-compliance of the delivered goods with the arrangements becomes apparent, the Buyer may, at its own discretion, choose to:

- a) accept the quantitative differences with the possibility of changing the appropriate quantities in any subsequent deliveries;
- b) except for any tolerances previously agreed in writing, reject the excess delivery and, if the Supplier does not provide immediate collection of the excess, may return the excess at the cost and risk of the Supplier or charge the Supplier with the costs of inventory and storage;
- c) receive assurance that the Supplier will immediately send the missing quantity of delivery, assuming that all obligations and costs related to such immediate supplementation are covered by the Supplier.

If, during the inspection on delivery, quantitative discrepancy, in relation to the quantity declared in the delivery document, is found, the Buyer, in addition to the rights mentioned above, will be able to impose a

DOCUMENT	TYPE	REVISION	PAGE
I - 8.4.1	Instruction (Operational Standard)	0	5/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

penalty of 10% of the price of the missing products on the Supplier. The Supplier guarantees the delivery of products without defects, shortcomings and inconsistencies as agreed and in compliance with the legal regulations, possibly indicated by the Buyer, which can be ascertained at any time before or after making the product available for sale. For avoidance of doubt, if in case of a disputed inconsistency regarding the quantity or condition of the goods the Buyer does not request a verification or check from the Judicial Authorities, in accordance with Polish law, the Supplier shall remain exempt from the consequences. According to the Buyer's internal control systems, under which the Supplier reports defects or shortcomings of the delivered goods, even if the goods come from the market, the Buyer will not be obliged to comply with the time limits referred to Polish law, and a complaint regarding such defects and shortcomings - even if apparent - may be reported by the Buyer at any time after receipt of the goods, even if the goods have already been processed or have already been used in the Buyer's products or even when invoices for the goods have already been paid. Relevant actions may be initiated by the Buyer also after the expiry of the time limits referred to Polish law. If defects or shortcomings in the goods are found, the Buyer reserves the right to: - either repair the defective products by performing additional treatments at the cost of the Supplier in accordance with the initial arrangements with the Supplier; - or to request the Supplier to make a selection of products in accordance with the established requirements at the Supplier's own expense; - to demand replacement of defective parts or the entire batch to which they belong, unless the replaced batch can no longer be used by the Buyer. If the material is supplied by the Buyer: - the Supplier will not be reimbursed for machining carried out on products deemed to be defective due to material defects and/or shortcomings; - products that cannot be used due to identified machining defects will be scrapped; - if the material is transferred for external processing, the cost of the material will be charged to the Supplier after deducting the possible value of the material that can be recovered.

8. SUPPLY OF MATERIAL FOR PROCESSING: If the material is provided by the Supplier, the Buyer may request documentation confirming the required quality of the material supplied. If the material is supplied by the Buyer, the Supplier is obliged to inspect it and protect against fire and theft.

9. DRAWINGS, TECHNICAL DOCUMENTS AND SPECIAL TOOLING: Drawings, technical specifications, standards or tables and any other technical documentation, as well as models, patterns and special tooling, which the Buyer makes available to the Supplier, shall remain the property of the Buyer and can only be used to fulfil the order. The Supplier, except for the purpose of carrying out the order:

- a) may not duplicate them, transfer them or allow their use by third parties without the written authorization of the Buyer;
- b) shall consider it prohibited (outside the scope of delivery) to manufacture and sell products based on drawings, models, samples of the Buyer, intended for both the production and for spare parts of all kinds as well as for any other use, with or without reference to the Buyer's name, brand or trademarks;
- c) must keep the drawings, technical specifications, standards or tables and any other technical documentation with utmost care and confidentiality and return them to the Buyer at the Buyer's request;
- d) must mark them as the property of the Buyer, if the Buyer has not done so;
- e) cannot apply for patents or other industrial property title, and if nevertheless submitted such application shall anyway become the Buyer's sole property;
- f) must impose and guarantee the fulfilment of the obligations arising from this Article by all third parties with whom it cooperates and in respect of which it has been authorized by the Buyer to provide the technical information referred to above as part of the performance of the contract.

Instrumentation (gauges, stamping dies, special tooling, control equipment, etc.), which the Buyer makes

DOCUMENT	TYPE	REVISION	PAGE
I - 8.4.1	Instruction (Operational Standard)	0	6/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

available to the Supplier for the performance of the order, shall remain the sole property of the Buyer.

The Supplier shall be responsible for their loss, destruction or damage. With respect to the aforementioned equipment, the Supplier shall be obliged to:

- a) register and mark it as the property of the Buyer;
- b) ensure, if the Buyer so requests, to properly insure it against fire, theft, vandalism, natural disasters, damage and other insurable risks;
- c) take care of it and use it with maximum care and carry out periodic maintenance at its own expense;
- d) notify the Buyer, as soon as possible, of extraordinary repairs, replacements or ongoing modifications since the Buyer will make all decisions regarding the performance of such repairs, replacements or modifications and will incur their costs, provided that they were not caused by an accident, negligence or other reasons attributable to the Supplier (in the latter case the Supplier will be charged);
- e) not move it outside the Buyer's facilities, unless the Buyer agrees to this;
- f) allow authorized employees of the Buyer, during normal working hours, to carry out inspections of the methods of maintenance and operation, as well as the status of the equipment usage;
- g) not transfer it on to third parties on any account and provide no guarantee for it;
- h) not use it and not allow to use it for purposes other than the fulfilment of the Buyer's orders, also after the cessation of supply for the Buyer and not to produce and/or transfer to third parties on any account, directly or indirectly, any parts designed by Flexider and manufactured on the equipment for use in production or as spare parts;
- i) comply with Buyer's instructions regarding return, scrapping and maintenance.

In the case of special tooling, owned by the Supplier, in respect of which the Buyer undertakes to pay the remaining depreciation value in the event of early abandonment of supplies:

- a) it must be transferred to the Buyer at the price of the remaining depreciation value in every case of discontinued supplies;
- b) it has been clearly established that it can only be used to fulfil Buyer's orders.

10. DELIVERY OF PATENTED PARTS: When submitting a proposal or consenting to the design and/or use by the Buyer or delivery of a product to it, the Supplier is obliged to inform the Buyer in writing whether the product is the subject of a patent and for what industrial property. Lack of such information on the part of the Supplier will be understood as the Supplier's resignation from considering (evaluating) the Supplier's possible rights to an industrial patent towards the Buyer and suppliers entrusted by the Buyer with the production of the parts. Unless otherwise agreed at the time when the design and/or adaptation and/or delivery of the part is proposed or accepted by the Supplier, and subject to the rights of the Supplier under the industrial patent, of which the Buyer is informed, when, in connection with research, design, experimental or development works carried out on a product intended for the Buyer, the Supplier makes an invention, patented or not, the Supplier shall inform the Buyer about it and, at the request of the latter, shall provide the Buyer with all documentation and information necessary or useful for implementation in production; with respect to such inventions and industrial patents related to them, the Buyer shall be automatically granted the right to license them for production (direct or through third parties), for sale and use in Poland and abroad, as well as the right to sublicense. The Supplier undertakes, if requested by the Buyer, to apply for an appropriate industrial patent in Poland and in major countries in the world, or grants the Supplier's consent to such steps on behalf of and on the account of the Supplier. If the invention, which is the subject of an industrial patent, is developed by the Supplier independently, as confirmed, without providing information and documentation and without technical cooperation with the Buyer, the Buyer shall properly pay for the above license, as an equivalent. In any other

DOCUMENT	TYPE	REVISION	PAGE
I - 8.4.1	Instruction (Operational Standard)	0	7/7
TITLE	Flexider Automotive General Terms and Conditions of Purchase		

cases, the rights to licenses or sub-licenses referred to above should be understood as free. If research, design, experimental or development work is carried out by the Supplier as part of a special task commissioned by the Buyer, the invention or relevant industrial patents, drawings and - in general - engineering results, shall be the sole property of the Buyer, provided that the order had been entrusted on a paid basis. The Supplier undertakes, at the request of the Buyer, to use the Buyer's brand or other brands or distinctive signs belonging to the Buyer on the ordered parts and/or on the original packaging, which the Buyer may request, in accordance with accepted principles and with the modes and instructions provided by the Buyer. Under no circumstances may such use and/or packaging be construed as a license to use the Buyer's brand, nor constitute the basis for any claims on the part of the Supplier with regard to the Buyer's brand. The use of such a brand must be stopped at the request of the Buyer and after the last delivery of the given order has been completed. Accordingly, parts marked in the manner discussed above can only be delivered to the Buyer. The Supplier shall bear all responsibility for claims and actions by third parties resulting from violation of the rights to industrial patents, especially those which prevent the delivery of its materials to the Buyer, as well as the production and sale of the Buyer's products, assuming the commitment to resolve them promptly, after prior consultation with the Buyer and always in consideration of the Buyer's interests. With the exception of compensation for direct and indirect damages suffered by the Buyer, the Supplier will appear at its own cost instead of the Buyer at any litigation that may be initiated.

11. CONFIDENTIALITY OBLIGATIONS: The Supplier shall be obliged to treat any commercial and technical information which is not publicly available and which the Supplier acquired thanks to the relations with the Buyer as trade secrets. Drawings, models, dies, patterns and other similar items may not be disclosed to unauthorized third parties. Copying the above items is allowed only as needed by the company and in accordance with legal regulations regarding copyright.

12. PAYMENTS: The Buyer shall make the payment in the agreed manner and on the agreed dates, after receiving the statement of invoices issued, separately for each payment date. This statement must be given to the Buyer at the beginning of the month following the month in which invoices were issued. The Supplier may not issue promissory notes as payment for delivery. In any case, if a promissory note is issued and not redeemed, the Supplier will be liable for any losses arising from the fact that they were not redeemed. In addition, delivery receivables may not be assigned to third parties, in any form. The Supplier agrees to transfer the Buyer's liabilities arising from deliveries to other companies of the Flexider Group, which will settle the amounts due to the Supplier. Determination of a Supplier's default shall give the Buyer the right to withhold payments due and to retain them as a security for the consequences of the Supplier's default, without the need to apply to the Judicial Authorities for a guarantee clause.

13. INSOLVENCY: In circumstances in which it is foreseeable that the Supplier will not be able to ensure the ongoing fulfilment of obligations and, even more so, in the event of bankruptcy, settlement or any insolvency procedure against the Supplier or in the event of the liquidation or assignment of the company, the Buyer shall have the right to terminate the contract upon notice in writing.