

General Terms and Conditions of Purchase of Raw Materials and Goods by El-Cab sp. z o.o

1. Definitions

Whenever in these Terms and Conditions of Purchase of Raw Materials and Goods by El-Cab sp. z o.o. (El-Cab) the definitions indicated below are used, it should be understood as follows:

1.1 Terms and Conditions

“Terms and Conditions” shall mean these General Terms and Conditions of Purchase of Raw Materials and Goods by El-Cab.

1.2 Raw Materials

“Raw Materials” shall mean all movable goods, which due to their use are intended for further production of El-Cab.

1.3 Goods

“Goods” shall mean all movable goods, which are the final product intended for direct use for the purpose for which they have been produced.

1.4 Supplier

“Supplier” shall mean the entity making an offer to conclude a contract, to which El-Cab submits a request for quotes, or places an order, or which is a party to the contract, under which El-Cab purchases Raw Materials or Goods.

1.5 Materials

“Materials” shall mean all things owned by El-Cab, which are handed over to the Supplier for the production of the ordered Raw Materials.

1.6 Waste

“Waste” shall mean the remains of the Materials which have not been used in the production of Raw Materials.

2. Scope of these Terms and Conditions

2.1

El-Cab shall purchase Raw Materials or Goods under these Terms and Conditions.

2.2

These Terms and Conditions shall apply to all contracts relating to the purchase of Raw Materials or Goods by El-Cab.

2.3

Unless otherwise agreed, the Terms and Conditions in the version applicable at the date of the conclusion of the contract shall be applied. The current version of the Terms and Conditions will be provided to the Supplier before the conclusion of the contract. The current version of the Terms and Conditions will be available at any time in the electronic version at:

www.el-cab.com.pl

2.4

Unless El-Cab and the Supplier otherwise agreed in writing, the use of any specimen agreements and general terms and conditions of contracts of the Supplier shall be excluded.

2.5

At the execution of an order the Supplier shall accept the Terms and Conditions in full. If the Supplier does not agree with the Terms and Conditions he shall immediately be required, before the execution of the order, to inform El-Cab in writing thereof. In this case, the Supplier and El-Cab shall determine, on the basis of a separate written agreement, the terms and conditions under which the order shall be executed. In the absence of such agreement, the contract shall not be concluded.

2.6

In the event of a conflict between the content of the provisions of the contract entered into by El-Cab with the Supplier and the content of the Terms and Conditions, priority shall be given to the provisions of the contract.

3. Governing law

All contracts to which these Terms and Conditions apply shall be governed by Polish law, unless expressly agreed otherwise. The application of the United Nations Convention on Contracts for the International Sale of Goods and the Convention on the Limitation Period in the International Sale of Goods shall be excluded.

4. Conclusion of the Contract

4.1

The conclusion of the contract shall be made on the basis of the order.

4.2

Orders shall only be valid if communicated in writing. In the absence of a signature an order shall also be valid. Orders sent by fax, electronic mail or other electronic data transmission system shall be considered as orders sent in a written form.

4.3

The Supplier confirms that he has read the content of the received order and understands its content and accepts the fact that the acceptance of the order at the same time means

the acceptance of the Terms and Conditions. Each order must be confirmed by the Supplier immediately upon receipt thereof, not later than within 3 working days from the date of receipt of order. If the Supplier does not submit any written objections within that period, it shall mean that he accepts the order for execution without any comments.

4.4

This contract is concluded at the confirmation of receipt of order by the Supplier.

5. Conditions of Contract performance

5.1

Supply of Raw Materials or Goods must be made at the place specified in the order together with a delivery note or an invoice. Delivery documents must include the delivery date, order number, El-Cab index and the name of the material. Delivery documents not containing any of the above information shall be considered incomplete. Payment of an invoice for such delivery will be delayed until the Supplier submits the correct delivery document.

5.2

If the Supplier fails to observe the agreed delivery time or if the supply is incomplete or contains greater amount than ordered, or is not consistent with the order, El-Cab reserves the right to refuse the acceptance thereof. El-Cab may refuse to accept delivery, if by reason of incomplete delivery documents it is impossible to identify the delivery.

5.3

Every delivery, which acceptance has been refused, shall be returned to the Supplier at his own expense and risk, within 5 days from the date of statement on refusal to accept the delivery. Partial deliveries shall be accepted after a thorough consultation.

5.4

In the case of untimely delivery performance, El-Cab reserves the right to charge the Supplier a contractual penalty in the amount of **1% of the net delivery value for each day of delay**. If the contractual penalty does not cover the whole damage suffered by El-Cab due to untimely delivery performance, then El-Cab shall be entitled to claim compensation on general principles.

5.5

Each delivery requires notification.

5.6

The Supplier is required to ensure an adequate, agreed when placing an order with El-Cab container for Raw Materials or Goods supplied. If no additional arrangements are made, the supplied Raw Materials or Goods must be packaged properly and in accordance with the principles accepted in trading for the transport of these things. The Supplier shall be responsible for any damage caused by inadequate packaging.

6. Passing of risk

6.1

Passing of the risks associated with Raw Materials or Goods shall be in accordance with the terms of delivery.

6.2

El-Cab shall take the risk associated with the loss of Raw Materials or Goods or decrease of their value only from the moment of receipt of Raw Materials or Goods at the place of destination.

7. Quality and documentation

7.1

The Supplier agrees to provide Raw Materials and Goods of the highest quality available, nutritious, sustainable, and without any defects in materials, design or workmanship.

7.2

The Supplier declares that all products offered and produced by him comply with the requirements of Directive 2002/95/EC (ROHS).

7.3

The Supplier must inform El-Cab in advance when:

- a different material than previously has been used,
- a change in the technological process or production methods has been introduced,
- the sources of obtaining Raw Materials and Goods have been changed,
- there has been an increase in the number of cases of occurring defects in his products or defects that pose a risk of causing damage to property or person, as well as of the relevant claims raised against him in connection with the sale of defective products or damage caused by thereof.

7.4

If the Raw Materials or Goods provided by the Supplier do not meet quality requirements, i.e. do not comply with the respective standards or agreed technical parameters:

- El-Cab may require repair or replacement thereof for free from defects within 10 days after a written notice to the Supplier,
- if the Supplier fails to replace them for free from defects within 10 days, El-Cab may purchase Raw Materials or Goods at the cost and risk of the Supplier.

7.5

If the result of delivery of defective Raw Materials or Goods is stop in production of El-Cab, El-Cab may claim for each case of stop in production a contractual penalty in the amount of Euro for each hour of stop in production.

7.6

In the event of a qualitative or quantitative complaint El Cab shall send a complaint notification to the Supplier within 7 days from the date of delivery. Other defects, which are found only during treatment or during use of the product provided by the El-Cab customer, El-Cab shall notify the Supplier within 7 days from finding defects.

7.7

Issuance of a complaint notification to the Supplier shall each time result in charging the Supplier with the amount of PLN 100 for any administrative costs incurred.

7.8

The Supplier, at the request of El-Cab, shall be obliged to submit the required quality certificates and quality certification of the products supplied.

El-Cab reserves the right to carry out audits of the Quality Management System or the product in the Supplier's premises by authorized representatives of El-Cab or representatives of El Cab's customers, after prior consultation of the scope, duration and timing of such audit with the Supplier.

8. Obligation to account for Materials

When El-Cab hands over Materials to the Supplier, the Supplier shall be obliged to provide detailed data determining what percentage of the Materials has been used to produce Raw Materials ordered by El-Cab, what percentage has been irretrievably lost due to technological processes, and what percentage of the Materials is Waste.

The Supplier shall be obliged to return any Waste to El Cab at his own expense and risk.

El-Cab has the right to consider the contract to be unfulfilled until the submission of the settlement of the use of Materials and the return of Waste.

In the case where the volume of Waste exceeds the amount specified by the parties as economically justifiable, the Supplier shall be obliged to return the value of the wasted Materials to El-Cab.

9. Liability

Unless otherwise agreed, the Supplier shall be obliged to cover any damages suffered by El-Cab, directly or indirectly as a result of defects in Raw Materials or Goods, breach of administrative provisions relating to security by the Supplier or due to any other reasons attributable to the Supplier, even if it is impossible to put down the blame to him.

This liability also includes the cases of damage inflicted on person and property by the products produced by El-Cab using Raw Materials, if the existence of defects in Raw Materials or non-compliance of delivery with the terms of the contract has been the cause of damage.

El-Cab shall be liable only for damage caused to the Supplier due to wilful misconduct.

10. Insurance

Unless otherwise agreed, the Supplier agrees to conclude a civil liability insurance contract in respect of business activity of his own company, damage caused by unsafe products and environmental damage. The above insurance contract should be maintained throughout the duration of the contract between El-Cab and the Supplier. El-Cab may require the production of an insurance policy together with the specific conditions of insurance.

As a result of the conclusion of the above-mentioned insurance contract the liability of the Supplier can not be limited in any case.

11. Assignment

The Supplier without a written consent of El-Cab shall not be entitled to assign part or all of the rights arising from the contract concluded with El-Cab to any third party.

12. Trade Secret

All documents and attachments provided by El-Cab to the Supplier, such as samples, drawings, data, etc., as well as other information provided to the Supplier, shall not be published or provided to any third parties unless for the purpose of fulfilment of the conditions of the contract. The products produced on the basis of the provided to the Supplier by El-Cab drawings, models, etc. or made using tools owned by El-Cab shall not be used by the Supplier or offered or provided to any third parties.

13. Force majeure

13.1

If El-Cab due to force majeure is not able to accept Raw Materials or Goods at the agreed place, the Supplier shall not be entitled to any compensation claims towards El-Cab for delays in acceptance of Raw Materials or Goods. In this case, the Supplier shall not require from El-Cab the performance of contractual mutual consideration. Force majeure, as defined in these Terms and Conditions, shall mean any unforeseeable, unavoidable and serious events, such as disasters caused by forces of nature, war, public disorders, riots, strikes and administrative measures. As far as possible, El-Cab shall notify the Supplier of the alleged time of obstructions caused by force majeure. For the duration of these obstructions the Supplier shall be obliged store Raw Materials or Goods properly at his own expense and risk.

13.2

El-Cab shall be exempted from the obligation to accept Raw Materials or Goods ordered, wholly or in part, and authorized in this scope to withdraw from the contract within two months from the date of cessation of force majeure, if such Raw Materials or Goods, due to delay caused by force majeure, became - taking into consideration economic reasons - useless for El-Cab.

14. Severability

If any provision of these Terms and Conditions and any further arrangements proves to be or is ineffective, this shall not affect the validity of the remaining provisions of these Terms and Conditions.

The contracting Parties shall be obliged to replace an ineffective provision with a similar provision, appropriate in economic terms; otherwise relevant laws shall be applied.

15. Place of Performance

The place of the contract performance shall be the place defined by El-Cab.

The place of effecting payments shall be the registered office of El-Cab.

16. Jurisdiction

All and any disputes shall be settled by the common court having jurisdiction over the registered office of El Cab. However, El-Cab shall be entitled to bring an action in the court of proper jurisdiction for the registered office of the Supplier.

17. Language

Contracts entered into by El-Cab shall always be drawn up in Polish.

Contracts may also be drawn up in more than one language version, however, the contract in Polish shall always be binding and taken into consideration to resolve the content of the contract and the will of the contracting parties.