

GENERAL CONDITIONS OF PURCHASE PMP ROLLS & SERVICE SP. Z O.O.

Dated 30.06.2016

In these General Conditions of Purchase:

GCP – means these General Conditions of Purchase

Buyer – means PMP Rolls & Service Sp. z o.o., ul. Bydgoska 1, 86-105 Świecie registered in the District Court in Bydgoszcz, 13th Commercial Division KRS number 0000107620; seed capital: 2 005 500,00 PLN, NIP: PL559-000-42-59

Supplier – means the person, company, enterprise or other institution to which the order is addressed,

Goods – means all types of raw materials, materials, parts, prefabricates, goods, devices, software, services or other materials purchased by PMP Rolls & Service Sp. z o.o.

Services – means all kinds of services purchased by PMP Rolls & Service Sp. z o.o.

Force majeure – means every external occurrence, beyond the control of the Supplier, that is unforeseeable by the Supplier, and has a major impact on the performance of the purchase order, in particular: war, invasions, terrorist acts, embargo, strikes, acts of nature, such as earthquake, flood, fire, and other unforeseeable and unavoidable event which that is outside the Supplier's sphere of influence and for which the Supplier is not responsible

§1 General provisions

1. The following GCP shall apply exclusively to all purchases placed by the Buyer. Any deviations from these GCP require written consent of the Buyer and the Supplier otherwise being null or void. In case of reservations or amendments to these GCP Supplier shall immediately, before confirming the purchase order inform the Buyer in writing. In this event the Buyer has a right to terminate the purchase order. Different conditions have a binding force only to the specific purchase order and in any case cannot be treated by Supplier as applicable to other purchase orders placed by the Buyer.
2. These GCP have an electronic form and are made available to the Supplier by the Buyer before placing an order for Goods or Services on website http://www.rolls-service.pl/suppliers/OWZ_EN.pdf, or together with the purchase order.
3. The purchase order of the Buyer shall be exclusively governed by the following GCP unless overridden by specific conditions indicated on the purchase order.
4. The Supplier must state the purchase order number on all invoices and delivery notes. If these conditions are not fulfilled then the Buyer has a right to reject the delivery or withhold the payment until the Supplier provides the basis of the supply, in particular by submitting the Buyer's purchase order.
5. Supplier must accept each purchase order by confirming it in writing (paper, fax or e-mail) within 2 days from receipt. Confirmation means the acceptance of the following GCP and conditions specified in the purchase order. Any alterations to these GCP including any Supplier's general conditions are not accepted by the Buyer unless approved by writing by the Buyer.
6. In the absence of Supplier's written confirmation within specified time, the purchase order will be considered by the Buyer to be tacitly accepted upon the terms therein specified.

§2 Delivery terms and conditions

1. Unless agreed otherwise, delivery shall take place as DDP – the Buyer's place according to Incoterms 2010.
2. In case of many deliveries regarding purchase order all shipping documents and invoices must contain a note „partial delivery”.
3. Buyer reserves the rights to conduct the goods inspection and testing at the Supplier's site at any stage of manufacturing and before shipment to the Buyer.
4. The agreed delivery date is final and indicates the date of delivery of the Goods or Services to the Buyer's place or other place specified in the purchase order.
5. The Supplier shall notify the Buyer immediately of any danger of impediment in execution of the subject of the purchase order and other occurrences having major impact on proper performance of the purchase order. If the Supplier failed to notify the Buyer about the delay or if the notification was not complete (without predicted time period of delay and delay causes) the Buyer has a right to terminate the purchase order, with the consequences resulting from article 3, item 8 herein, unless the delay is caused by the occurrence of Force Majeure.
6. In case of delay in execution of the subject of the purchase order or if the Supplier did not fulfill the duty described in item 5 of this article, the Buyer is entitled – reserving the right to claim the contractual penalty - to use one of the following rights:
 - a. Demand to execute the subject of the purchase order in whole or in part at a time period stated and approved by both Parties
 - b. Obtain the Goods or Services from another supplier at the risk and expense of the Supplier.
 - c. Terminate the purchase order in whole or in part

§3 Warranty and responsibility

1. Supplier warrants that all Goods delivered and Services performed hereunder shall conform exactly to the description herein and to Buyer's specifications and drawings, if any.
2. The Goods shall be free from any defects in materials and workmanship, be merchantable and of the highest quality commensurate with the grade and quality specified hereon and be fit and sufficient in all respects for their intended purposes. Supplier agrees indemnify Buyer against all losses, damages or expenses arising from breach of any such warranties. The Supplier hereby warrants that all goods and material furnished under this order are designed and manufactured to comply with all the safety regulations. Therefore the Supplier shall deliver material certificates, quality measurements records, maintenance instructions in the language defined in the order or other documents defined in purchase order with ordered Goods or Services. Unless indicated otherwise, the Supplier guarantees the quality and performance of the Goods delivered or the Services rendered for a period of 18 months from the date of start – up or 24 months from delivery whichever occurs first.
3. The Goods delivered to the Buyer will not be accepted in case of non-conformity with the purchase order, documentation and quality issues. The Supplier is obligated to make all necessary corrections and/or improvements in the Goods or documents to fulfill the purchase order and/or technical documentation requirements.
4. The Supplier is obligated to make at his own cost all necessary action, improvements in the Goods or documents, in order to eliminate the failure resulting from incorrect performance of the purchase order, within 1 working day from receiving of the Buyer's information. In case the Supplier does not start to carry out the action within 1 working day from receiving Buyer's information about the defects, the Buyer is entitled to the right to have the defects eliminated by himself or by the third

- party, at the expense and risk of the Supplier, without breaking Buyer's rights to guarantee or warranty. All Buyer's costs related to defects removal will be invoiced to the Supplier.
5. The Buyer has the right to claim to the Supplier the compensation of additional costs borne and documented by the Buyer in relation with the Supplier's inferior delivery, exp. additional quality control costs, delays or disorders in planned workshop flow. If not agreed differently, the Buyer has the right to make by himself necessary repairs of Supplier's defective delivery on the costs of Supplier, in case it is urgently required for further processing by the Buyer, and any delays in the workshop process would create additional high costs.
 6. Goods rejected and goods supplied in excess of quantities may be returned to the Supplier at its expense and, in addition to the Buyer's other rights, the Buyer may charge the Supplier the expenses of repacking and reshipping of such goods.
 7. The Supplier shall pay the following contractual penalties to the Buyer:
 - a. For delivery delay, the Buyer has the right to claim a contract penalty of 1.5% of the net order value for each day, but not exceeding 20% of the net order value
 - b. For delay in repair of quality failures detected by the Buyer on delivery of Goods or Services or during the warranty period the Buyer has the right to claim a contract penalty of 0,5% of the net order value for each day of delay, counting from the expiry of the time-limit set for removing detected failures, but not exceeding 10% of the net order value.
 8. The Supplier accepts the subtraction of the costs made by the Buyer on the Supplier's due payment, suffered and documented by the Buyer, covering the repairs performed by the Buyer and penalties as specified in item 5, 6 and 8 of this article.
 9. The Buyer reserves the right to require from the Supplier the compensation exceeding the amount of penalties agreed.

§4 Prices and invoicing

1. The Buyer purchase order prices are final and no extra charge may be added for advanced costs of material, labor or other circumstances, unless agreed otherwise in writing.
2. Overall value of the purchase order must include prices of purchased Goods and Services, costs of delivery, packaging, customs and any other additional costs concerning purchase order.
3. The Supplier's invoice must contain purchase order number, customs tariff code, country of origin and is financially checked with purchase order regarding:
 - a. Conformity of the Buyer's data (company name, address, tax identification number)
 - b. conformity of the invoice quantity
 - c. conformity of the invoice value
 - d. conformity of delivery time and terms
 - e. conformity of exchange rates, if applicable
 - f. conformity of payment terms and due dates
 - g. conformity of the Goods or Services name and date of delivery
 - h. conformity of goods delivered with quality requirements
4. In case of essential discrepancies the Buyer reserves the right to send the invoice back to the Supplier and require necessary correction.
5. The delivery is considered as completed if the Buyer receives Goods or Services and:
 - a. Shipping documents containing purchase order number, quantity and weight
 - b. material certificates, quality measurements, maintenance instructions in the language defined in the order or other documents defined in purchase order.
6. The missing documents will be treated like delivery delay and may be subject to penalty as per par. 3 item 8 herein.
7. The Buyer shall pay to the Supplier the purchase price stated in the purchase order provided the Goods or Services are free from any quality failures. In case the Buyer detects any quality failures in delivered Goods or Services, and informs the Supplier about the detection immediately, the Buyer has a right to withhold the payment partially or completely until the failures are removed.
8. The invoice payment will be performed by wire transfer in due date agreed in the purchase order, counting from the date of complete delivery (according to item 7 of this article) received by the Buyer, or performed to the other place indicated in the purchase order. If the commercial invoice is received after the complete delivery of the goods, the payment will be effected according to the terms stipulated in the purchase order, counting from the date of receiving of the invoice. The Supplier's bank name, address, account and swift number should be clearly indicated on the invoice for payment.
9. Payments are effected once a week, therefore the payment may be effected 3 days before or after the payment terms set on the purchase order. Payment in this period of time shall not be considered as a delayed payment.

§5 Other provisions

1. In case of Purchase Order withdrawal by one of the Parties, due to the reason not attributable to the other Party, the withdrawn Party should pay back all costs born and documented by the other Party.
2. Quotations, correspondence, specifications, drawings, designs, plans and sketches submitted by the Buyer to the Supplier, and the information contained therein, and information otherwise submitted to the Supplier shall remain the property of the Buyer. The Supplier undertakes to keep confidential, and not to disclose the same to any third party without the Buyer's written consent, except to the extent, as may be necessary for proper performance of the Purchase Order and then-only subject to the recipients giving similar undertakings of confidentiality and non-disclosure. Nothing contained above shall apply to any information :
 - a. in the Supplier's possession prior to receipt from the Buyer, or
 - b. which the Supplier may receive from a third part, or
 - c. which is, or later becomes, public knowledge other than by breach of this clause.
3. At any time before or after termination of the Buyer's Purchase Order with Supplier, within ten (10) days after the Buyer's written request, the Supplier shall return all information in written printed or tangible form, and all copies thereof; it being understood, however, that such termination shall have no effect on the Supplier's continuing obligations herein. The Supplier shall definitively destroy any information, documentation, instructions, howsoever received, including, without limitation, in electronic format, and will confirm it to the Buyer by official statement.
4. All disputes arising from the purchase order shall be judged by the Court of General Jurisdiction competent for Buyer.