

# CONDITIONS OF PURCHASE

REHAU Sp. z o.o.

REHAU Business Services Sp. z o.o.



## I. General Remarks

1. The General Terms of Purchase ("GTP") are inseparable part of every purchase order (hereinafter referred to as "the order") for goods or services by REHAU to the other party (hereinafter referred to as "the supplier") unless in specific cases the contractual parties agree in writing the separate conditions.
2. Regardless which expressions are used, any information from REHAU on the opportunities to conclude a contract cannot be considered as an offer but as an invitation to negotiations.

## II. Order and order confirmation

1. The offer addressed to REHAU is a commercial offer in the meaning of the Civil Code. REHAU receives an offer in written form.
2. Upon accepting the order, the supplier agrees to be bound by terms and conditions of this order and to fulfill them entirely, including any amendments to, as well as any specifications and other documents referred in the order.
3. Only purchase orders made and submitted in writing are binding, any potential amendments to such orders shall be made also in writing. For purpose of the present General Terms of Purchase "written from" means also the letter transmitted by fax or by electronic means for remote data transfer.
4. Binding delivery date shall be determined in accepting the offer by REHAU. If the delivery date is not specified in that way, the date appointed in the purchase order is binding. When a Force Majeure event occurs the delivery date may be postponed by the duration of such events.
5. Upon receiving the order, the supplier should confirm it in writing or to advise infeasibility of the order completion within 7 days from the date of receipt of the order. Should the supplier fail to express rejection, the order is deemed confirmed along with the General Terms of Purchase with no reservations.
6. Any oral or telephone settlements must be confirmed in writing by REHAU.
7. None of the parties may convey its rights and/or obligations resulted from the order to any third party without prior consent of the other party. The supplier shall never subcontract or hand over execution of entire or significant part of the service specified in the order without prior written consent of REHAU.
8. REHAU shall never be held responsible for any damages except these are caused by the intentional fault of REHAU.
9. Partial deliveries are admissible upon consent or requirement of REHAU.
10. Assessment of quantities, weight dimensions or other parameters shall be carried out based on the values identified by REHAU at the occasion of inspection of the goods (IV.).

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11. Persons fulfilling obligations of the supplier in the area of REHAU's enterprise are obliged to observe all internal regulations issued by REHAU.

### **III. Prices and payment terms**

1. All the specified prices include delivery to the address indicated by REHAU (place of execution). The delivery date is the date of its unreserved receipt by REHAU. In case of an international shipment the DDP conditions pursuant to Incoterms in their current version apply.
2. All risk of accidental loss or of damage to the goods is transferred to REHAU when the goods are received and unreservedly accepted by REHAU.
3. If the delivery is associated with assembling or installation of the goods, the price specified in the order is the only remuneration of the supplier and includes all the auxiliary services, such as delivery, assembling, installation along with any other supplementary costs.
4. All prices specified in the order are fixed and shall not be subject to any changes. The total price of the order includes all the auxiliary services that in accordance to the offer, drawings or data sheets of the supplier are incorporated into the final product or services ready for acceptance by REHAU, including but not limited to all the taxes, fees or duties applicable to the goods delivered to REHAU. No increase of prices is admissible unless clearly accepted by REHAU in writing.
5. The final price includes the cost of packaging and insurance.
6. In case of deliveries including engineering documentation, software or other pieces of work considered as intellectual property protected by copyrights, the supplier grants at the moment of the delivery the license for these pieces of work at all known fields-of-use. The supplier, within the time limit and framework specified by REHAU, shall transfer copyrights to these products to REHAU. Remuneration for granting the license and transfer of copyrights is included into the price.
7. Payment term is 30 days from the date of receipt by the supplier of REHAU's approved VAT invoice. The invoice must be correct in respect to its form and its contents and remain in accordance to provisions of the Act on the Value Added Tax and the Excise Tax as well as to executor provisions issued on the basis of the aforementioned Act.
8. Invoice shall be issued after REHAU unreservedly signs the report on receipt of the goods or services being subject to the order.
9. The payment is deemed to be made on the date the ordering bank transfers the due amount to the supplier.

### **IV. Production inspections, complaints**

1. By checking production, the supplier shall ensure that his deliveries comply with REHAU's technical specifications. The supplier shall undertake to make records of the inspections made and to archive all inspection, measurement and inspection results for a period of 10 years. REHAU shall be entitled at any time to inspect these documents and to make copies.

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2. Complaints must be filed by REHAU within sixty (60) days from the delivery date, complaints in respect of concealed defects must be filed with the supplier within 3 weeks following their detection. In case of larger quantities, the inspections of the goods by REHAU shall be restricted to random samples. Defects which are not discovered here shall be deemed to be concealed. Article 563 Section 2 of the Polish Civil Code shall be modified insofar as this.

## V. Warranty and guarantee

1. The supplier shall provide a guarantee of five and a half years on his deliveries and services as from passing of risk. He shall guarantee that during the term of his guarantee his deliveries and services are
  - a) free from defects of any nature,
  - b) are fully suitable for the intended or agreed purpose and
  - c) exhibit the contractually agreed or warranted characteristics.

If the supplier has provided for or offered a longer or more far-reaching guarantee, then this guarantee provided or offered by the supplier shall apply. REHAU's right of recourse to the supplier in respect of claims concerning redhibitory defects shall remain unaffected. The supplier shall release REHAU from any warranty-related claims made by REHAU's customer. The supplier shall furthermore release us from any claims by third parties in relation to defects in title. Defects in title shall be subject to a limitation period of 5 ½ years.

2. Should a guaranteed event occur REHAU shall under all circumstances be entitled to demand a reduction in remuneration, withdrawal from contract, repair or fault-free replacement delivery including reimbursement of installation or dismantling costs as it so chooses. REHAU shall also be entitled to assert damage claims instead of the performance. The rights and claims of REHAU arising from negligence upon conclusion of contract, positive infringement of claims, inadmissible actions etc. shall remain unaffected hereby. If a repair or replacement delivery is made, the above mentioned guarantee period with respect to the entire delivered goods and services shall be increased by the number of days on which the plant or equipment could not be used for more than 12 hours.

The supplier shall exempt REHAU from all possible legal claims in relation to liability for defective products or from comparable non-contractual claims, provided unless he proves that he has not caused the defect in the product or the instructions.
3. In the event that delivered goods have to be recalled or serviced on the grounds of problems attributable to the supplier, the supplier shall bear all of the costs incurred by the recall or service activity. This shall also apply to costs charged to REHAU by its customers.
4. In urgent cases REHAU shall be entitled to repair or have repaired defects to an object of delivery at the expense of the supplier or to procure replacement from a third party without having to inform the supplier of the defect and the nature of its remedy prior thereto. Such a case exists if, due to special urgency, it is no longer possible to inform the supplier of the defect and demand remedy.
5. The purchase orders from REHAU are issued on the assumption that the supplier has insured the product risk in order to cover the possible products liability risk beyond the scope of his normal

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business liability insurance. The relevant insurance policy documents are to be shown to REHAU on demand.

6. REHAU shall be authorized to offset and assert rights of retention against all claims which have fallen due and not yet fallen due.

## **VI. Means of production, drawings, specifications**

1. Means of production such as models, specimens, forging dies, tools, gauges, drawings, software and similar which REHAU places at the disposal of the supplier or which are produced by the supplier according to the REHAU's instruction, may be neither sold, pledged nor otherwise passed on to third parties nor used for third parties in any way. The means of production etc. shall become REHAU's property upon procurement or manufacture by the supplier. Hand-over shall be replaced by the supplier keeping the means of production etc. free of charge on behalf of REHAU. The supplier must maintain, repair and where necessary renew the means of production at his own expense for the agreed serviceable life.
2. The means of production must be returned to REHAU upon request.
3. The specifications of work and services compiled by REHAU shall remain REHAU's property even after submission. They are protected by a REHAU copyright. In respect of their contents, VII.(1.) shall apply accordingly.

## **VII. Secrecy, property rights**

1. The supplier shall undertake to treat all knowledge obtained on production etc. to which he becomes privy in connection with the performance of the order or a visit, as well as all drawings, orders and business relationships as a business secret and shall not in any way pass said knowledge on to third parties. These obligations to maintain secrecy shall be imposed on employees who are entrusted with the performance of the order by the supplier. Said employees shall also be notified of the contents of § 23 et seq. of the Polish Unfair Competition Act. Should the supplier, after obtaining REHAU's prior consent, involve subcontractors or other vicarious agents, the supplier shall impose the same confidentiality obligations on such parties as the supplier itself is required to meet.
2. The supplier shall be liable for ensuring that the property rights of third parties are not infringed by the supply and use of the delivered goods and services, and shall also ensure that materials ordered are not subject to any property rights of third parties, particularly with regard to processes relating to their manufacture and application. Insofar as the supplier holds any own property rights pertaining to materials supplied, he shall notify REHAU accordingly. The same shall apply with regard to any existing property rights of third parties. The supplier shall undertake to exempt REHAU from any damage claims of third parties.
3. The know-how developed as part of an order, other findings etc., as well as any rights existing thereto shall appertain solely to REHAU. The supplier shall not be entitled to use this know-how or other findings for other customers without written consent.

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The consent to do so shall not be refused arbitrarily. Insofar as the work results, or any parts thereof, from individual orders are capable of being protected by property right, these new property rights shall appertain solely to REHAU.

## **VIII. Proof of origin**

Upon acceptance of this order the supplier shall undertake to facilitate the inspection of proofs of origin and suppliers' declarations by the customs administration and both to grant the necessary information and to provide any official confirmations (information sheets) which may be necessary. If goods are delivered that originate from the EC, proof of origin shall be provided by sending a supplier's declaration in accordance with EC Directive 1207/2001 dated 11 June 2001. Movement of goods certificate EUR.1 or declaration of origin on the invoice shall be provided for goods enjoying preferential tariffs. Furthermore, the supplier shall undertake to replace any damage sustained by REHAU owing to the fact that the supplier declaration or a preference certificate turn out to be incorrect.

## **IX. Execution/Environmental Protection, Safety, Health Protection and Quality, REACH**

1. The supplier shall be required to observe the recognised codes of practice and applicable statutory and official regulations as well as REHAU's operative rules and regulations. Unless the purchase order demands further-reaching requirements, goods must be supplied and work must be performed in accordance with the recognised code of practice, the provisions of any suppliers at a previous stage and, insofar as PN, PN-EN, PN-EN ISO, PZH or equivalent standards exist, also in observance hereof. The goods to be supplied as well as the works to be performed must, at all events, be produced and finished in such a way that on the day of delivery they meet all applicable statutory and official regulations, including regulations stipulated by the EU for equipment and product safety as well as environmental protection, and satisfy the regulations for the protection of accidents. Under the decree by the Minister of Economy of 21 October 2008 regarding general requirements for machines the machines and technical working materials must be supplied with an EC Declaration of Conformity, including CE drawing or a manufacturer's declaration; a set of operating instructions written in Polish must also be provided. They must furthermore conform to all relevant standards as well as other codes of safety practice.
2. In the event that the supplier delivers substances that are hazardous substances within the meaning of the Polish Ordinance on Hazardous Substances or if the supplier delivers products the use of which may present the risk of such substances being released, the supplier shall undertake, without being asked, to furnish the EC Safety Data Sheet; the supplier is prohibited from using carcinogenic substances. The supplier is responsible for ensuring that their deliveries comply with the terms in legislation (EG) no. 1907/2006 for the registration, evaluation, authorisation and restriction of chemical substances ("REACH Legislation"). The supplier is responsible in particular for ensuring that the substances contained in the products that they supply, if required under the terms of the REACH Legislation, are pre-registered or registered following the transition period as specified in the terms of the REACH Legislation, and that REHAU is provided with the relevant safety data sheets or required information in line with article 32 of the REACH Legislation. If the supplier supplies products under the terms of article 3 of the REACH Legislation, they are also responsible in particular for ensuring that they comply with their duty to pass on the information specified in article 33 of the REACH Legislation.

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## **X. Contractual penalties**

1. Unless stated otherwise in the purchase order:
  - a) The supplier shall pay REHAU the penalty fee for any delay in delivery of goods or in submitting the services for REHAU at the amount of 0,5% of the value of delayed goods/ services for each started day of delay.
  - b) The supplier shall pay REHAU the penalty fee for any delay in removing the defect at the amount of 0,5% of the value of defective goods for each started day of delay.
2. If the supplier's delay exceeds thirty (30) days, REHAU is entitled to:
  - a) claim from the supplier to pay penalty fees at double amount, or
  - b) withdraw from the order and keep the right to claim (i) contractual penalty calculated till the day of order cancellation and (ii) additional compensation. Such withdrawal is deemed as being the result of the supplier's fault.
3. In the event of withdrawal from the order by REHAU due to the supplier's fault, the supplier shall pay REHAU the additional compensation (penalty fee) at the amount of 10% of net value of the order.

## **XI. Assignment of claim, reservation of ownership, offset, venue**

1. Without prior consent, the supplier is not authorised to sign over claims arising against REHAU or to arrange for collection by a third party. If, in violation of this clause, the supplier does in fact assign claims arising against REHAU to a third party without the REHAU's consent, the said assignment shall nevertheless be effective. However, REHAU may, at its own discretion, release itself from any obligation by making payments to the supplier or third party.
2. The supplier shall not have a reservation of ownership - irrespective of the form it may take - to the goods and services he delivers. All objects shall pass into the ownership of REHAU when they are handed over. Rights of lien, irrespective of their nature, such as contractor's liens, shall not arise.
3. It shall only be possible to offset REHAU's claims with counterclaims or exercise a right of retention if the counterclaim has been recognised in writing or has become res judicata.
4. REHAU shall be entitled to offset all its claims irrespective of the form they may take, against all claims the supplier has against a company of the REHAU Group. This shall also apply in the case of different due dates of the claim.
5. Polish civil law and commercial law shall apply. The application of the United Nations Sales Convention of 11.04.1980 shall be precluded.

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6. In the event of an application being filed for bankruptcy proceedings against the assets of the supplier or a court or out-of-court composition proceedings being initiated, REHAU shall be entitled to rescind from the part of the contract that has not been satisfied.
7. The place of jurisdiction for all disputes arising as a result of orders that have been placed is Posen. However, REHAU is also authorized to choose to bring action against the supplier wherever a place of jurisdiction is justified for them according to general regulations.