



**General Terms and Conditions  
for Purchase of Goods and/or  
Services**

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**Plast-Met Automotive Systems Sp. z o.o.  
General Terms and Conditions for Purchase of  
Goods and/or Services**



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## 1. Scope of Application

- 1.1. These General Terms and Conditions of Purchase of Goods and/or Services shall apply to any and all purchase transactions carried out by Plast-Met, of tools, machinery or equipment, parts, raw materials, other materials or services (the “Supplies”) unless otherwise stated in the Order or Nomination Letter.
- 1.2. The legal relationship between the supplier and Plast-Met shall be governed exclusively by the following General Terms and Conditions of Purchase of Goods and/or Services.
- 1.3. Buyer may modify these terms with respect to future Orders at any time by posting revised terms to its web site at: <http://www.plast-met.com> and informing the supplier accordingly, and such revised terms will apply to all Orders and delivery releases issued thereafter.
- 1.4. By accepting receipt of these General Terms and Conditions of Purchase of Goods and/or Services without objection, or by fulfilling our Order without objection, supplier declares its agreement to their applicability for the purchase of goods and/or services. These General Terms of Purchase of Goods and/or Services shall prevail over the Supplier’s terms of sale. The unconditional acceptance of the goods or services or payment by Plast-Met shall in no case constitute acceptance of the Terms and Conditions of the Supplier.
- 1.5. Acceptance of these General Terms of Purchase of Goods and/or Services shall automatically mean that the Supplier agrees to comply with the Plast-Met production system and quality system, as well any other quality control procedures that may be implemented during the term of the Order.

## 2. Definitions

- 2.1. The following terms have the following meanings:

- Affiliate:** any entity which directly or indirectly controls, is controlled by, or is under common control with a Party;
- Contract:** a written agreement and/or the Order for the purchase of Goods and/or Services by Plast-Met from Supplier, including any other documents submitted by Customer to form part thereof, such as but without limitation to any specifications;
- Customer** means any OEM (as defined below), any Tier 1 Supplier, or any purchaser to which Buyer delivers Products
- Documentation** drawings, specifications, list of requirements, etc. of Plast-Met.
- Equipment** All matrices, tools and other specific equipment provided by Plast-Met for the purposes of the Supplies.



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<b>Forecast</b>	Non-binding data from our Company concerning the future demand for Contractual Products, which are generally based on the demand data sent by our Customers
<b>Goods:</b>	the items to be delivered by Supplier in accordance with the Contract and/or all tools, machinery or equipment, parts, raw materials, other materials, documents, or other deliverables which are the result of Services provided by Supplier under the Contract in any form or media, including but without limitation to data, diagrams, drawings, reports and specifications;
<b>Nomination Letter</b>	Plast-Met acceptance of Supplier's Offer
<b>OEM</b>	means original equipment manufacturer, i.e. car manufacturer
<b>Order:</b>	Plast-Met order issued to Supplier for the purchase of Goods and/or Services;
<b>Party:</b>	Plast-Met or Supplier, collectively the Parties;
<b>Services:</b>	the services to be provided by Supplier in accordance with the Order;
<b>Supplier:</b>	the party providing the Goods and/or Services to Plast-Met;
<b>Supplies:</b>	delivered Goods and/or provided Services;

### 3. Order; Agreement; Acceptance of the General Terms for Purchase of Goods and/or Services

- 3.1. The Order, together with Nomination Letter and all signed agreements between the parties, addendums, attachments, exhibits, and supplements, constitutes the entire agreement between supplier and Plast-Met and may only be modified by a written amendment.
- 3.2. The Nomination Letter constitutes Plast-Met acceptance of Supplier's Offer. The Nomination Letter shall be signed by Plast-Met and Supplier. With the Nomination Letter Supplier will be nominated for the supply of certain Goods for a certain period.
- 3.3. Based on the Nomination Letter Plast-Met will send purchase Orders to Supplier to enter into a contract for a binding volume of the Goods.
- 3.4. After receiving an Offer, Plast-Met may, at its own discretion, either direct a Nomination Letter to the Supplier, or proceed directly to providing the Supplier with a purchase Order relating to a specific purchase of Goods.
- 3.5. Supplies must always be subject to a purchase Order. Order shall be placed by e- mail, fax or otherwise using the electronic means agreed upon.
- 3.6. The Contract shall be concluded, by signing Nomination Letter by the Parties or if the Supplier dispatches an Order confirmation to Plast-Met by fax or letter within a period of ten (7) calendar days from dispatch of the purchase Order.



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- 3.7.** Plast-Met is entitled to revoke Order in writing without a statement of grounds at any time prior to receipt of the Order confirmation from the Supplier. Timely revocation shall not establish any claims whatsoever on the part of the Supplier for compensation or compensatory damage payments.
- 3.8.** Plast-Met reserves the right to require reasonable technical changes to drawings, specifications, samples or descriptions of Supplies on the basis of its own findings, its customer's demands or market development. Supplier will promptly make any such requested change. If such a change leads to an increase or decrease in the unit price or the cost of samples, tools or other expenses, or to a change in time of performance, the parties will mutually find and conclude an appropriate agreement. In case of an increase, Supplier has to inform Plast-Met without undue delay.
- 4. Program Production Life.**
- 4.1.** Subject to the parties termination rights, the agreement is binding on the parties for the length of the applicable OEM vehicle program production life and both buyer and supplier acknowledge the risk that the vehicle program production life may be cancelled or extended by the OEM at any time.
- 5. Production Capacities, Flexibility and Volume Projections**
- 5.1.** Any estimates, Forecasts or projections of volumes or quantities of Goods provided by Plast-Met are non-binding unless there is an express agreement to the contrary. Estimates are provided for informational purposes only and are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time, including, without limitation, due to changes in Customer's requirements. Plast-Met does not assume any responsibility or liability with respect to the accuracy or completeness of any of such Forecasts.
- 5.2.** The Supplier has to promptly review Forecasts and promptly provide notification in writing, if it cannot deliver the quantities stated therein. The Supplier shall be bound by the capacity assurance, if the Supplier has not objected to a Forecast within five (5) business days of receipt thereof. Any minimum capacities promised by the Supplier shall remain unaffected hereby and shall continue to be in effect.
- 5.3.** The Supplier has to organize the production of the Goods in such a manner that it is able to adjust to possible changes in demand for the Goods. Each contracting Party shall bear its own costs that result from such changes.
- 5.4.** If the Customer increases production of the vehicles for which the parts are designated, the Supplier promises to cover Plast-Met additional demand for Goods for the agreed price in Nomination Letter or Order. If the demand exceeds the flexibility agreed upon in the Nomination Letter and investments are necessary for the additional demand, the contracting Parties shall conclude a written agreement concerning the additional costs.



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**5.5.** Plast-Met reserves the right – under exclusion of any and all liability – if the Customer reduces or completely discontinues production of the vehicles for which the Goods are designated:

- In the event of a reduction in demand for Goods, Plast-Met shall be entitled to adjust the delivery quantities without additional costs.
- In the event of discontinuation of production the contract with the Supplier can be terminated for good cause.

### **6. Packaging and shipping Documents**

**6.1.** Supplier will properly pack, mark, label and ship Supplies in order to avoid damage in transit and provide buyer with the necessary documentation thereof. The Supplier agrees to deliver the Supplies in packaging that is adapted to the type of the Supplies, the manner in which they are sent and the manner in which the same shall be stored, so that they may be delivered in excellent condition.

**6.2.** The Supplier is aware that each packaging must show, on the outside, legible information in compliance with the requirements of the shipping regulations, as well as any and all instructions with respect to special storage conditions and shall include the Order number, batch number, detailed name of the Supply, detailed names and addresses of the sender and addressee, delivered amount.

**6.3.** The Supplier shall bear financial liability for any and all damages to the Supplies (breakage, missing items, partial damage, etc.) resulting from improper or incorrect packaging.

### **7. Delivery**

**7.1.** Agreed times and quantities are of the essence under the Order or Nomination Letter and any agreed delivery dates and terms of the Order or Nomination Letter shall be binding. Decisive for on-time delivery shall be the date the Goods are received at the delivery address (place of performance) agreed with or designated by Plast-Met in the Nomination Letter or the Order. If agreed delivery dates are not met, the delivery will be considered as being delayed.

**7.2.** Plast-Met must accept a certain quantity of the Goods only if Plast-Met has identified this quantity as binding in the Order or Nomination Letter. All other specifications of quantities by Plast-Met must be understood as Forecasts and do not establish an acceptance obligation. This applies, in particular, to quantities stated in the Nomination Letter. In the event of doubt, the Forecasts shall relate to the most recent approved version of the Goods.

**7.3.** If the Supplier fails to comply with the Order, Nomination Letter, Documentation, delivery date or if the delivery is incomplete, Plast-Met reserves the right to refuse the Supplies.

**7.4.** Any Supply that has been refused shall be returned to the Supplier at its own cost and risk.

**7.5.** Partial deliveries and early deliveries are not permitted unless expressly agreed to in writing by Plast-



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Met. Any cost of partial and early deliveries shall be borne by the Supplier.

- 7.6. Acceptance of late deliveries without reservation shall not be deemed to be a waiver of any claims to which Plast-Met is entitled due to late delivery.
- 7.7. The Supplier shall bear the performance risk until acceptance of Plast-Met or his agent at the location, to which the goods shall be delivered in accordance with the Order or Nomination Letter.
- 7.8. Plast-Met reserves the right to change the due dates at any time. The Supplier may only object to the change for Good Cause. If the Supplier does not immediately object to the change, then it shall be deemed accepted.
- 7.9. Regardless of the Order or Nomination Letter, the Supplier must have a reserve stock of Goods available equal to thirty (30) percent more than stated in Order or Nomination Letter.
- 7.10. Plast-Met is entitled to inspect the Supplies. An inspection shall be made only with respect to outwardly visible defects and/or deviations in kind or quantity of the goods. Plast-Met will give notice of such defects immediately. Notice of any other defects will be given as soon as those are determined in the ordinary course of business. Insofar The supplier waives objection of late notification.

### 8. Penalties

- 8.1. If the Supplier does not duly perform their obligations in time, they shall pay Plast-Met a contractual penalty of 0.5 % of the total price of performance for every week commenced, but no more than 5 % of the total price of performance. Plast-Met has the right to set off the contractual penalty claim against the Supplier's claim for payment for performance.
- 8.2. Paying a contractual penalty and late interest shall not affect Plast-Met entitlement to compensation for any greater damage. The obligation to pay the contractual penalty does not expire along with the contract.

### 9. Goods Quality

- 9.1. Supplier shall maintain a quality assurance system in line with most recent standards of automotive technology, including without limitation IATF16949:2016 quality certification, OHSAS 18001 health and safety certification and ISO 14001 environmental certification including registration. Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by buyer or buyer's customers. Prior to delivery, the Supplies have to be carefully examined by Supplier to the extent that Plast-Met can fully rely on their quality and fitness for purpose. If Supplier performs any work on Plast-Met or Plast-Met customer's premises or utilizes the property of Plast-Met or Plast-Met customer, Supplier will examine the premises to determine



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whether they are safe for the requested services and will advise Plast-Met promptly of any situation it deems to be unsafe. Furthermore, Supplier's employees, contractors, and agents will comply with all regulations that apply to the premises and may be removed from Plast-Met premises at Plast-Met reasonably exercised discretion.

- 9.2. Nevertheless, if the Supplier does not achieve the production quality targets set by Plast-Met, Plast-Met shall have the right to conduct special audits of the respective production processes in order to determine the causes for failing to meet the production quality targets.
- 9.3. The Supplier is obligated to suggest measures to improve the product quality. The Parties shall jointly agree in writing to an action plan that the Supplier shall implement at its own expense. The Parties shall monitor the success of the measures at suitable time intervals and, if appropriate, shall adjust or expand the action plan until the product quality objectives are met.
- 9.4. The Supplier must bear all necessary and reasonable costs that arise in connection with the special audits or defining, checking and adjusting of the measures.
- 9.5. The agreement on production quality targets shall not affect the warranty against defects. In particular, the achievement of the production quality targets does not mean that defective Goods should be treated as in conformance with this Nomination Letter.

### 10. Prices, Invoicing and Payment Terms

- 10.1. The prices used are the prices indicated in the Order or Nomination Letter. The prices are firm, they are not subject to revision and shall apply for the term of the Nomination Letter. The price of Supplies includes storage, handling, packaging and all other expenses and charges of supplier. The total price also includes all duties and taxes except for any governmentally imposed value added tax (VAT), which must be shown separately on supplier's invoice for each shipment unless otherwise stated in the Order, Nomination Letter or other written agreement.
- 10.2. Incoterms 2010 will apply to all shipments. Supplies will be shipped DDP "Delivery Duty Paid" at Buyer's delivery location except as otherwise stated in the Order or other written agreement (as adopted in the definition of Incoterms 2010 or in the subsequent versions of Incoterms that may supersede Incoterms 2010). The prices may not be adjusted without the express agreement of both parties.
- 10.3. All invoices for the Supplies must reference the Order number, amendment or delivery release number, buyer's part number, supplier's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other relevant documents or data. Invoices for tooling and/or capital equipment must be issued only as approved, as provided in the Order.
- 10.4. The amounts due for the Supplies shall be payable by inter-bank transfer upon the lapse of sixty (60) days unless otherwise agreed by the Parties from the end of the month in which the invoice was issued on the tenth day of the following month, in the currency agreed in the Nomination Letter or





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Order unless otherwise agreed.

**10.5.** Plast-Met reserves the right to set off the amounts due to it by the Supplier in whatever respect against the amounts due in connection with the Order and may withhold payment in case of faulty delivery accordingly.

### **11. Price Adjustment.**

**11.1.** If Plast-Met was directed by its Customer to purchase from Supplier and Supplier has negotiated commercial terms with that customer: (a) within three business days of any change in price, specifications or other terms negotiated or proposed between Supplier and the Customer, Supplier will notify Plast-Met in writing and will immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Plast-Met without Plast-Met specific written consent.

**11.2.** Plast-Met reserves the right to demand an adjustment of the Goods price for important reasons at any time. An important reason of this kind exists, in particular, but not limited to, the following circumstances:

a) If Plast-Met has an offer from a competitor, according to which this competitor could deliver the Goods under similar terms and conditions at a more favorable price than the Supplier, our Company shall inform the Supplier in writing of the adjustment of the Goods price without stating details, in particular, any details relating to the competitor's price or identity. The Supplier may arrange for verification of the existence of a competitor's more favorable offer by an independent auditor who is professionally obligated to maintain confidentiality, provided that the auditor, under Plast-Met control, confirms to the Supplier only the existence or non-existence of a more favorable offer of a competitor. The costs of the auditor shall be borne by the Supplier unless the result of the audit is that a more favorable offer from a competitor did not exist.

b) In case of an adjustment of the purchase price the Supplier shall be entitled to terminate the Nomination Letter or the Order with one (6) month prior notice to the end of the month. The termination of the Nomination Letter or the Order shall only be valid, if within two (2) weeks after receiving the notification about the price decrease the Supplier has informed Plast-Met in writing stating clearly the reasons for the objection about the intention to adjust price of the Goods setting a reasonable deadline, at least six (6) weeks, to take back the price adjustment.

**11.3.** Even after the termination of the Nomination Letter or the Order the Supplier shall support Plast-Met transferring the production to another supplier using its best endeavors.

**11.4.** The Parties will jointly agree on measures to reduce the cost of the Goods.



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### **12. Tooling**

- 12.1.** Supplier shall not purchase for the account of Plast-Met or charge to Plast-Met any tools, Supplier manufactured machinery, technical information or any other items of Plast-Met or Plast-Met Customers required for the production and testing of Goods or parts thereof which are in the possession of or supplied to Supplier by Plast-Met or on its behalf or by Customer or on its behalf or paid for by Plast-Met and held by Supplier.
- 12.2.** All matrices, tools and other specific Equipment provided by Plast-Met for the purposes of the Supplies shall remain the sole property of Plast-Met. The same shall apply to the equipment manufactured upon Plast-Met instructions and on its behalf, as it is manufactured, including the related intellectual, and industrial, property rights.
- 12.3.** In all cases, even in the absence of a special contract of loan or documents of surrender for safekeeping, the Equipment shall be deemed surrendered to the Supplier in deposit at the Supplier's premises for the purpose of the fulfilment of the Order or Nomination Letter. The Equipment may be used solely for the purposes of the fulfilment of the Order or Nomination Letter and it may not be surrendered for use, otherwise loaned to third parties, reproduced or copied. At the cost of the Supplier, the Equipment shall be marked with an easily visible and non-removable data plate with the inscription: "Property of Plast-Met – not subject to transfer, encumbrance or attachment" and it must not be subject to pledge or any other encumbrance to secure any claims. The Equipment may be taken back by Plast-Met at any time.
- 12.4.** As the entity using the Equipment, the Supplier shall guarantee its excellent operation, maintenance, service checks and servicing aimed at preventing irregularities in the manufacturing processes and interruptions in supply, and it shall provide, on first demand by Plast-Met, as often as necessary, a detailed and precise list of the Equipment. Similarly, the Supplier shall be liable for replacement of the Equipment in the event it is lost, stolen, destroyed and premature wear and tear. Therefore, the Supplier shall conclude insurance agreements covering all risks and damages that the Equipment may cause to third parties, and it shall produce proof of the conclusion of the above on Plast-Met first demand.
- 12.5.** Upon termination of an Order for any reason, the Equipment, together with all rights vesting thereto, shall be returned to Plast-Met on its first demand.

### **13. Suppliers responsibilities and warranties**

- 13.1.** Being a professional in its field, the Supplier is fully aware of the expectations and requirements of the Automotive Industry, and particularly in terms of quality, costs and deadlines and for that reason accepts full liability for the Supplies, their design, manufacturing processes employed for the production thereof, technical choices made in the course of production and their suitability for the intended use.
- 13.2.** The Supplier is required to:



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- c) provide the Supplies in compliance with the standards and established customs prevailing in the Automotive Industry;
- d) in accordance with the applicable laws and regulations including without limitation in relation to the manufacture, labelling, transport, import, export, licensing, approval or certification of the Supplies;
- e) in accordance with the adopted standards in terms of health, safety, environmental protection, labour law, taxation, financial disclosure;
- f) deliver the Supplies free from defects and from any rights of third parties
- g) deliver the Supplies fit for any particular purpose specified in the Contract or, in absence thereof, fit for the purposes for which such Goods and/or Services would ordinarily be used;
- h) deliver the Goods packed according to industry standards and in a manner adequate to preserve and protect the Goods.
- i) deliver the Supplies in compliance with any and all other documents that are supplements to these General Terms of Purchase of Goods and/or Services;
- j) deliver the Supplies in compliance with Documentation;

The Supplier agrees not to permit any liability arising on the part of Plast-Met for any third party claims for a breach of the aforementioned provisions and indemnify Plast-Met against liability and all related difficulties. All costs arising from aforementioned breach shall be borne by the Supplier.

**13.3.** Plast-Met reserves the right to make changes to the Supply. The Supplier agrees to make changes to the Supply, to provide any and all information on the Supply or on the Order on the first request of Plast-Met.

**13.4.** The Supplier shall not, without prior acceptance in the meaning of the Plast-Met quality procedures and the rules and practices established in the Automotive Industry, change the Supplies in any way whatsoever, particularly by changing the components, materials, processes used or the location of manufacture.

### **14. Obligation to Provide Service and Spare Parts**

**14.1.** Supplier shall offer its products from the beginning of series production of the contract products over the entire life cycle of the project, including the obligation towards the automotive industry to provide spare parts for 15 years after a vehicle design or specific part concludes production.

**14.2.** During the applicable vehicle program production life and for five years after a vehicle design concludes production or specific part concludes production, supplier will supply Plast-Met spare parts and service parts for Supplies, component parts and materials at the price(s) set forth in the most recent Order plus any actual cost differential for special packaging.



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- 14.3.** For an additional ten years, (or a different period if agreed in writing by the parties), supplier will sell Supplies to Plast-Met in order to fulfil Plast-Met past model service parts requirements, at price(s) based on the most recent price(s) under the Order, taking into account actual, documented differences in the cost of materials, packaging, and costs of production after any of buyer's current model purchases have been completed, as mutually and reasonably agreed by the parties.
- 14.4.** Supplier shall ensure that its contracts with subcontractors enable Supplier to fulfill its obligations contained in this Section. If supplier is no longer in a position to supply Plast-Met with service and spare parts, it shall immediately inform bPlast-Met thereof in writing and shall develop together with Plast-Met and its customers a solution that covers the requirements of the automotive industry.
- 14.5.** The Supplier is only entitled to scrap or to dispose of the tooling that is required for the production of the parts in any other way with prior written approval of Plast-Met.

### **15. Warranties**

- 15.1.** The Supplier warrants that all Goods delivered are conforming and free of defects. Specifically, but without limitation, the Goods must not show any construction, material, processing or software defects; they must correspond to the agreed specifications and must have all the characteristics that have been agreed or are necessary for the intended use.
- 15.2.** Due to the special requirements in the automotive industry the warranty period shall run for 36 months commencing with installation of the Supplies in the product of Plast-Met customer but no later than 48onths after delivery of the Supplies to Plast-Met, unless otherwise agreed by the Parties.
- 15.3.** Plast-Met claims with respect to material and legal defects of Supplies are within the full statutory scope with the following modifications:
- if defects are noticed at Supplier's premises before the start of production (processing or fitting) Supplier first shall be given the opportunity to sort out the products as well as to repair or replace them within an adequate grace period, unless this cannot reasonably be expected from Plat-Met. In case Supplier is unable to accomplish the afore-stated or in case Supplier does not conform with it without undue delay, Plast-Met is entitled to repair the defective Supplies either by itself or by third parties at the expense of Supplier (taking into account the obligation to reduce further damages), or demand a reduction of the purchase price, or demand cancellation of the Order and return Supplies at Supplier's risk and cost.
  - If defects are noticed after start of production (processing or fitting), defective Supplies shall be repaired or replaced at Plast-Met discretion. Alternatively, Supplier and Plast-Met may agree to reduce quantities under the Order. In the event of a quantity reduction or product replacement, supplier agrees to accept return, at Supplier's risk and expense, of the defective Supplies.
  - Supplier is to assume the costs incurred by any remedy of defects in Supplies. Any damages incurred by Plast-Met in causal connection with the delivery of defective Supplies shall be



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borne by Supplier, unless Supplier acted without fault.

- Plast-Met approval of any design, drawing, material, process or specifications will not relieve supplier of these warranties.
- Payment for nonconforming Supplies is not an acceptance.
- Supplier will immediately notify Plast-Met in writing when it becomes aware of any ingredient, component, design or defect in Supplies that is or may become harmful to persons or property.
- If so requested by Supplier, Plast-Met shall - at the expense of the Supplier – use best efforts to make available to the Supplier defective Supplies that are to be replaced by the Supplier.

**15.4.** In the event that defective Goods are delivered on a repeated basis or to an elevated extent, Plast-Met shall have the right to take appropriate measures (in particular, inspection of 100% of incoming Goods) at the Supplier's expense, in order to prevent defective Goods from being used. Plast-Met shall discuss such measures with the Supplier in advance.

## **16. Liability**

**16.1.** The Supplier shall indemnify and repair the damage including damage to the reputation of Plast-Met and reimburse Plast-Met for additional indirect and direct costs in connection with the Supplier's failure to deliver the Supplies in compliance with the Order or Documentation (rejects, storage, sorting, interim costs, re-work, breakage of tools, breakdowns or line stoppage at Plast-Met plant or its customers, penalties, ordering Supplies or tools from third parties, etc.) and, if applicable, from a breach by Plast-Met of its obligations vis-à-vis its customers (reimbursement or free-of-charge replacement of the defective Supply, labor costs, interim costs, exceptional shipping, stoppage of a line at the plant of Plast-Met or at the facilities of its customers, yard campaigns, recalls, penalties, costs of ordering Supplies from third parties, including tools, etc.).

**16.2.** The Supplier shall indemnify and repair the damage and reimburse Plast-Met and his customers for additional indirect and direct costs Plast-Met incurs due to a necessary and appropriate legal defence in connection with defect of title, in particular in case of infringement of third party industrial property rights.

**16.3.** If Plast-Met, its customers or competent authorities make the decision to recall a Supply or product in which any Supplies have been used, the Supplier shall indemnify Plast-Met to the extent that the damage was caused by a defect of his Goods/Services. However, in case of tortious liability this shall only apply if the Supplier is at fault. The Supplier shall bear the burden of proof, provided the cause of the damage lies within the scope of his responsibility. In these cases, the Supplier shall bear all costs and expenses and shall compensate Plast-Met for any damages suffered.



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### 17. Insurance

17.1. The Supplier shall take out insurance on the Supplies and third party liability insurance for damages under extended product liability as well as for the costs of any recall action with a renowned and solvent insurance company in compliance with Plast-Met conditions with an insured sum of at least 10 MLN EUR – unless otherwise agreed by the Parties - and it shall provide proof of the conclusion of the said insurance agreement on first demand. The conclusion of the aforementioned insurance agreement shall in no event constitute a limitation of the Supplier's liability.

### 18. Subcontracting

18.1. The Supplier shall not have the right to sell or otherwise transfer the rights to an Order in full or in part, even free of charge, without the prior and express consent of Plast-Met.

18.2. In the event of a change of direct or indirect control over the Supplier or in the event of sale or transfer of Supplier's business, Plast-Met shall have right of cancelling the Orders in progress.

18.3. The Supplier may not subcontract an Order in full or in part, directly or indirectly, to other contractors without the prior and express consent of Plast-Met.

18.4. If the Supplier obtains the aforementioned consent to subcontract an Order in full or in part for performance by a third party, the Supplier shall remain solely and totally liable vis-à-vis Plast-Met for the fulfilment of the Order and the observance of these General Terms of Purchase of Goods and/or Services. The Supplier agrees to indemnify and hold Plast-Met harmless from any claims brought by subcontractors

18.5. If subcontracting result in cost benefits, the Supplier shall pass on to Plast-Met these benefits and shall reduce the part price, taking into adequate consideration the contributions of the Supplier to the respective subcontracting.

### 19. Intellectual and Third Party Industrial Property Rights

19.1. The Supplier warrants that no third-party industrial property rights are in conflict to the contractual use of the Goods/Services.

19.2. The Supplier shall be liable for the validity of intellectual (including industrial) property rights relating to the Supplies. The Supplier agrees to hold Plast-Met harmless for a breach of the intellectual (including industrial) property rights and shall repair all damages and reimburse any and all costs incurred by Plast-Met as a result of the partial or total non-performance of contracts binding on Plast-Met to its customers with respect to the Supplies.

19.3. The Supplier grants to Plast-Met an irrevocable, non-exclusive and free-of-charge license to use the



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intellectual property rights to the object of the Supply or the rights related to the object of the Supply, including in particular the rights to tools, equipment and parts and their drawings, technical documentation and know-how. Any and all licenses granted by the Supplier shall include the right to grant further licenses (right to sublicense). In the event of cancellation of an Order for any reason, the free-of-charge and non-exclusive license referred to above shall remain in force, and in particular, the Supplier authorizes Plast-Met to produce the tools and equipment to ensure the maintenance thereof and the manufacture of the parts for the production of which they are intended and it waives any claims against Plast-Met to the broadest extent admissible by law and agrees not to exercise the intellectual property rights vested therein against Plast-Met or against the customers of Plast-Met.

### 20. Transfer of Ownership Title / Risks

- 20.1. The Supplies shall become the exclusive property of Plast-Met upon its delivery at the Plast-Met premises.
- 20.2. The risk of loss of the Supplies shall be transferred upon the acceptance of the delivery of the Supplies, regardless of the conditions of the delivery of the Supplies contained in the Order.

### 21. Retention of Title

- 21.1. Any provision reserving the ownership title shall be invalid or unreserved and for that reason any extended or wider retention of title on the part of the Supplier shall require an express separate agreement to be effective.
- 21.2. Any materials provided by the Plast-Met shall remain his property and may only be used for the intended purpose. Any processing of materials and assembly of parts is carried out on behalf of the Plast-Met. Plast-Met shall have co-title in the products manufactured using his materials and parts in proportion of the value of the materials provided by him to the value of the overall products, which the Supplier shall keep for him.

### 22. Inspection Rights; Audit

- 22.1. In the course of the fulfilment of an Order, and before the Supply is delivered, Plast-Met reserves the right to audit the manufacturing processes relating to the Supplies and the Supplies themselves at the premises of the Supplier or its subcontractors, if any upon reasonable notice except in cases of urgency to inspect the facility, Supplies, materials, and any of Supplier's property related to the Order. Plast-Met inspection of Supplies, during manufacture or prior to delivery, does not constitute acceptance of any work-in-process or finished goods
- 22.2. The Supplier hereby consents to providing Plast-Met with free access to its premises at any time and to provide Plast-Met free access to the premises of its subcontractors and to enable Plast-Met to test



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the Supplies, without said testing limiting the Supplier's liability or the scope of the warranties.

- 22.3.** If the audit reveals that the Supplier is not complying with the agreed upon quality standards, the Supplier shall promptly take all necessary and reasonable measures in order to achieve said quality standards. In particular, the Supplier shall implement the measures agreed upon during the audit within the agreed upon time periods.

### **23. Termination rights**

#### **23.1. Termination**

- 23.1.1.** An Order placed for an indefinite term or the Nomination Letter, while the quantities with respect to which Plast-Met commits itself are indicated in the delivery schedules. Plast-Met shall have the right to terminate an Order or Nomination Letter at any time upon three (3) month notice by way of a registered mail letter with return receipt requested unless otherwise agreed by the Parties. In an emergency, the period of notice may be reduced as agreed upon by the Parties. In the course of the notice of termination, the Order shall be completed in compliance with the terms in force at the time when the notice of termination is sent, particularly those relating to the prices. Termination shall not give rise to any indemnity or compensation to the Supplier for any reason
- 23.1.2.** Upon expiry of such notice period, Supplier will: (i) promptly terminate all work under the Order unless otherwise instructed by Plast-Met; (ii) transfer title and deliver to Plast-met the finished Supplies, the work in progress, and the parts and materials that supplier reasonably produced or acquired according to quantities ordered by buyer and that Supplier cannot use in producing goods for itself or for others.
- 23.1.3.** Upon termination by Plast-Met under this Section, Plast-Met will be obligated to pay to Supplier, and Supplier shall only be entitled to, the following amounts: (i) in case of Forecast price for 6 week stock of Supplies; (ii) The agreed price for all Goods delivered by Supplier to Plast-Met prior to the termination as well as for the finished Goods that conform to the requirements of these terms, Order and/or Nomination Letter and that have not already been paid for, unless otherwise agreed by the Parties.
- 23.1.4.** Plast-Met will have no obligation for and will not be required to pay Supplier, directly or on account of claims by Supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, work-in-process or raw materials that Supplier fabricates or procures in amounts exceeding those authorized in the delivery releases, or general administrative burden charges from termination of the Order, except as otherwise expressly agreed.





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### 23.2. Cancellation

- 23.2.1.** If the Supplier fails to accept an individual Order within seven (7) days of the order date, the Plast-Met shall be entitled to cancel the Order.
- 23.2.2.** If the Supplier fails to comply with its contractual obligations, the Order or Nomination Letter shall be terminated without any formalities once Plast-Met sends a representation in the form of a registered mail letter with return receipt requested addressed to the Supplier, if the Supplier fails to cure the breach in part or in full within the term indicated by Plast-Met from the receipt of the representation of Plast-Met requesting the same, otherwise the Order shall be terminated upon the ineffective lapse of the said deadline. Plast-Met shall have the right to seek compensation for the said breach in any form provided for by law.
- 23.2.3.** Supplier may terminate any Order only for non-payment of the purchase price for Supplies which are thirty (30) or more days past due and material in amount, and then only if: (i) Supplier first provides Plast-Met written notice specifying the amounts past due (including the relevant Order and invoices numbers and dates) and Supplier's intent to terminate the Order if the past due amount is not paid; and (ii) Plast-Met, within sixty (60) days of such notice, does not either: (A) pay the past due amounts, or (B) notify Supplier that the amounts claimed to be unpaid are disputed by Plast-Met. Supplier may not suspend performance of the Order for any reason.

### 24. Confidentiality

- 24.1.** Any and all information disclosed to the Supplier by Plast-Met or any of its related entities or representatives, including all terms of the Order and of the delivery, technical, industrial, commercial, financial information, regardless of the manner in which the same was provided (verbally, in writing or otherwise), including the design, drawings, descriptions specifications, reports, microfilms, computer discs, software and related documentation, samples, prototypes, etc. shall be confidential. The confidential information shall also include the information obtained in the course of the fulfilment of the Order and/or Nomination Letter (and every future agreement) by the employees and agents of the Supplier, suppliers, subcontractors, representatives or permanent or temporary co-workers.
- 24.2.** The Information may be used solely in connection with an Order. The Supplier shall act with the utmost diligence to ensure that the Information is not disclosed to any third parties.
- 24.3.** This confidentiality obligation shall remain in force for five (5) years after the termination of the Order for any reason. Following the expiration or termination of the Order, upon Plast-Met request, Supplier will promptly deliver to Plast-Met any and all documents and other media, including all copies thereof and in whatever form, that contain or relate to Plast-Met confidential or proprietary information.



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### 25. Force majeure

- 25.1. The statutory provisions shall apply in the event of force majeure.
- 25.2. The Supplier shall be required to promptly inform Plast-Met of the existence of force majeure and take the necessary measures in order to keep the negative effects for Plast-Met to a minimum.

### 26. Final Provisions

- 26.1. Should any provision of these General Terms of Purchase of Goods and/or Services and of the other concluded agreements be or become invalid, this shall not affect the validity of all other provisions of these General Terms of Purchase of Goods and/or Services. The contracting parties undertake to replace such invalid provision with a valid provision that as closely as possible reflects the economic purpose of the invalid provision.
- 26.2. Failure by Plast-Met to exercise any right provided for hereunder, under an Order or the Documentation at any time shall not be deemed a waiver of the said right and the same shall not in any way prevent Plast-Met from relying on or exercising the said right at a later stage.
- 26.3. The Supplier shall not make reference to its trade relationships with Plast-Met without the prior and express consent of Plast-Met.
- 26.4. Place of jurisdiction for all disputes arising directly or indirectly from contractual relationships that are based on these General Terms of Purchase of Goods and/or Services shall be the court with territorial jurisdiction over the registered office of Plast-Met provided that the Plast-Met will be entitled to bring an action before any other competent court at its sole discretion.