

GENERAL PURCHASING CONDITIONS

Compin Polska Sp. z o. o.

ACCEPTANCE OF THE ORDER – EFFECTS

- Unless otherwise expressly stipulated and accepted in writing by our Company, our Suppliers irrevocably accept that the order is governed by all the General Purchasing Conditions of our Company.
- As a result, acceptance of our General Purchasing Conditions will be necessary for the validity of the order and will be deemed to have been acquired without any possibility of subsequent objection, solely by virtue of accepting our order.
- More specifically, any clause which hinders or restricts in any way whatsoever the use by our Company of goods or tools or services ordered, and the attached documents and drawings will be deemed to be unwritten as of right, except by express, written agreed waiver of our Company.
- Any reservations which may be stated by the SUPPLIER in its acknowledgement or in any other document shall have no validity except by our written consent.

EXECUTION – ACCEPTANCE

- Except in the case of the formal disagreement of the SUPPLIER submitted within 10 days from the time the latter was notified by us, we reserve the option to modify the quantities and the dates of delivery initially agreed.
- No unscheduled work may be performed without the prior written agreement of our Company.
- If during execution of our order it appears that the SUPPLIER is no longer capable of providing a supply which is technically acceptable to us within deadlines acceptable to us, we reserve the right, after issuing a formal notification:
 - either to terminate the order,
 - or to accept the supply as-is and complete it, or have it completed by a third party of our choice, at the expense of the SUPPLIER, without any prejudice to the above termination clause.
- Any supply which is not exactly conform to the special conditions of the order and to the models and standards, will be rejected and returned to the SUPPLIER at the latter's expense.
- Each non-conformity will be the subject of invoicing by the Company to the SUPPLIER of the file handling charges.
- Final acceptance will at all times occur at our factory and will be pronounced subject to there being no defects or poor workmanship which may be detected subsequently during use of the goods.
- The costs incurred by COMPIN POLSKA following failures or non-conformities on the part of the SUPPLIER will be recovered either by credit notes or by a debit note.

CONFIDENTIALITY

- The SUPPLIER undertakes to treat as confidential all technical and commercial information to which it may gain access during execution of our orders.

DEADLINES

- The delivery date on our Order or on the Delivery Call-off is, unless otherwise specified, that for acceptance at our factory or at a delivery location specified on the Order or Delivery Call-off.
- This date is imperative and is valid as formal notification, as of right, by virtue of simple expiry of the period allowed.
- In case of non-compliance with the deadlines, the Company will invoice the SUPPLIER for file handling charges and penalties for delay equal to:
 - those invoiced to us, if applicable, by our customer,
 - in default, 1% of the order value per working day of delay up to a maximum of 15% of the order value.

DEADLINES (FOLLOWING)

- The penalty amount will be based on the order value, in case of a direct order, and on the delivery call value, in case of a commitment order.

TOOLING, MODELS AND DOCUMENTS

- Our documents shall not be reproduced, disclosed nor used for third parties without our prior authorization.
- All necessary models and tools and corresponding drawings created for the execution of our order must be used exclusively for such purpose and shall not be used, reproduced or disclosed to third parties without our prior written authorization.
- After use, the SUPPLIER must keep these models and tools at our disposal without cost, in its stores, taking all necessary measures to preserve them in a good condition.
- They will be returned to us by simple request on our part to our site or to any other location the Company indicates, at the expense of the SUPPLIER in the case of failure of the SUPPLIER or unilateral termination of the contract by the SUPPLIER.
- The samples, drawings, tools and other items made available to the SUPPLIER by the Company must mandatory be returned in good condition with the balance of the order, except by express contrary arrangement.

DELIVERY, INVOICING AND PAYMENT

- Except by express contrary agreement, the prices shown on our orders are fixed and non-revisable and include packaging for goods which is necessary for their satisfactory preservation during storage and also, packaging suitable for transport of the said goods.
- Three copies of all invoices must be sent to us and mandatory include, as must the delivery schedules, on penalty of rejection:
 - the full order number,
 - the full delivery call-off number,
 - the codes and indices for the items.
- The SUPPLIER shall not send us an invoice:
 - Until all corresponding and previous obligations have been fulfilled;
 - Except within the limit of the quantities ordered.

- Payment of invoices is, unless otherwise expressly agreed, by bank draft issued by ourselves, 60 days 20th of the month following that of receipt of the invoice and the delivery schedule, which allows checking the invoice.
- All down-payment request will have to correspond with bank guarantee.

TERMINATION

- If following an incidence of Act of God, circumstances relating to our Customers (in the event that the customer terminates for any reason whatsoever its own contractual relationships with COMPIN POLSKA), failure of the SUPPLIER or other reason, we are bound to terminate all or part of the order, the SUPPLIER will be notified by recorded delivery registered mail without the need for any judicial formality.
- In the case of termination for failure on the part of the SUPPLIER or unilateral termination of the contract by the SUPPLIER, the latter shall not be entitled to claim any indemnity and will be bound to reimburse advance payments made by our Company, plus corresponding interest. It must in addition indemnify the Company for any loss caused by the termination and notably, costs for transport, adapting tools for the new supplier and repair of tools and for production start-up waste.

GUARANTEE

- The SUPPLIER declares being aware of and mastering the railway industry's constraints.
- The SUPPLIER declares that as an expert in its field, it is able to fulfill its commitments in accordance with the quality and logistics terms and technical conditions.
- The SUPPLIER declares that has in its possession financial statements and appropriate references (reports) which prove its solvency.
- The SUPPLIER guarantees its supply against any defect, notably of design, construction, operation or assembly which may be detected during the period between acceptance of the supply by our Company and a period of 3 years after the industrial commissioning of the product, including the supply by the final user, unless a greater period is imposed by our customer or the final user. In case of use of the supply by our Company for its own needs, the period of 3 years starts on the date of acceptance of the supply by the Company.
- Supplies acknowledged as being defective during the guarantee period will be repaired and replaced as promptly as possible. The guarantee cover will extend to all costs, indemnities, out of pocket expenses, damages and penalties of whatever nature generated by the defects attributable to the supply the subject of the order.
- In addition, the Company will invoice the SUPPLIER for the file handling charges.
- With regard to hidden defects, the rules of common law shall apply.
- The Company will recover from the SUPPLIER, if applicable, all indemnities claimed by our customers.
- In case of an endemic defect during the 3 years following the end of the guarantee period, the parts will have to be replaced at the SUPPLIER's expense.

TRANSFER OF OWNERSHIP AND OF RISK

- The transfer of ownership and of risks relating to the subject of the order will occur unless expressly agreed otherwise, at the time defined in the latest edition of INCOTERMS ICC.
- A retention of ownership clause cannot be accepted except on a case-by-case basis and will be subject to our express approval.

INTELLECTUAL AND INDUSTRIAL PROPERTY

- It is agreed that modification and/or improvements of any kind relating to the products, including but not limited to modification and/or improvements relating to the manufacturing process of the products, and that can be protected by intellectual or industrial property rights shall be the full property of COMPIN POLSKA.
- The SUPPLIER will have to pay expenses to the purchaser (except regarding proper conception of the above) in case of a lawsuit regarding patent rights or intellectual copyright, particularly for products, process or services with respect to this agreement.

QUALITY ASSURANCE

- Representatives of our Company, accompanied if applicable by the Customer, shall be entitled to check at source, or on acceptance, that the product complies with the specified requirements.

FORCE MAJEURE

- Each party shall be relieved of its obligations under the Agreement in case an event of force majeure arises and prevents the Party affected by the event from performing its aforesaid obligations.
- The said affected Party shall immediately notify to the other Party the force majeure event and shall do its best efforts to reduce the effects of such event.
- Performance of the Agreement shall be resumed as soon as the event causing the force majeure has come to an end.
- If the performance of the Agreement is suspended for more than thirty (30) consecutive calendar days, the non-affected Party shall be entitled to terminate this Agreement, upon written notice to the other Party, as of right and without giving rise to any indemnity or compensation.

INSURANCE

- The SUPPLIER shall maintain in full force and effect, from a financially sound and reputable insurance carrier, any all-insurance policies required to cover its liabilities:
 - a property and business interruption insurance policy (all risks),
 - a product liability insurance policy after delivery.
- Such insurance policy shall include an option covering the costs of any recall campaigns that may be undertaken by third parties (COMPIN POLSKA or its customers) or the SUPPLIER. Such insurance policy shall contain a waiver of subrogation in favor of COMPIN POLSKA and/or its insurers.
- Upon first request of COMPIN POLSKA, the SUPPLIER undertakes to provide a certificate of insurance, showing such coverage described herein, as well as evidence of SUPPLIER's payment of all premiums.
- The existence of such insurance coverage shall not constitute a limit to the liability of the SUPPLIER.

APPLICABLE LAW AND JURISDICTION

- In the case of a dispute, Polish law shall apply.