

**1. Scope of Application**

1.1 Whenever a reference is made in the present General Terms and Conditions of Purchase to:

- a) **AALBERTS** – it shall mean Aalberts Surface Technologies Heat sp. z o.o. with its corporate seat in Dzierżoniów at ul. Strefowa 5, 58-200 Dzierżoniów, entered into the register of entrepreneurs of the National Judicial Register kept by the District Court for Wrocław-Fabryczna IX Commercial Department of KRS under number 0000500660 with the total share capital amounting to: PLN 100.000,00, acting as a supplier of the Goods and Services which are referred to in the present General Terms and Conditions of Purchase,
  - b) **Supplier** – it shall mean the entrepreneur within the meaning of art. 431 of the Civil Code Act of 23 April 1964 (Journal of Laws, 1964, no 16, item 93 as amended) to the extent that it supplies Goods or Services to AALBERTS for a purpose associated with its commercial or professional activity,
  - c) **Subject of Agreement** – it shall mean the subject of the Agreement, depending on the legal nature of the Agreement; the Subject of Agreement may particularly be the Goods, Services, sold items, artwork and items ordered and manufactured under a delivery contract,
  - d) **Goods** – it shall mean the goods which are mentioned in the Order Confirmation and which the Supplier is to deliver or sell to AALBERTS – under the Agreement,
  - e) **Party** – it shall mean AALBERTS and the Ordering Party collectively,
  - f) **Agreement** – it shall mean an agreement concluded between the Parties and defining the principles governing the delivery of Goods and the provision of Services by the Supplier to AALBERTS; the present General Terms and Conditions of Purchase are an integral part of the Agreement,
  - g) **Services** – it shall mean the services (if there are any) provided by the Supplier to AALBERTS and listed in the Order Confirmation, in compliance with the Agreement,
  - h) **Order Confirmation** – it shall mean an order confirmation issued by the Supplier for AALBERTS which constitutes an integral part of the Agreement and precisely defines, among others, the Goods and Services to be delivered, the remuneration to be paid by AALBERTS and all additional conditions that the Parties have agreed on,
  - i) **AALBERTS Plant** – it shall mean AALBERTS's production plant located at AALBERTS's corporate office in Dzierżoniów at ul. Strefowa 5,
  - j) **Order** – it shall mean a written order placed by AALBERTS for the delivery of Goods and/or Services by the Supplier.
- 1.2 The present general terms and conditions of purchase (hereinafter "GTCP") shall apply to all contracts of sale to AALBERTS. The conditions which contradict or diverge from our conditions shall not apply.
- 1.3 The present GTCP do not apply to natural persons who are consumers within the meaning of art. 22(1) of the Civil Code Act of 23 April 1964 (Journal of Laws of 1964, no 16, item 93 as amended)
- 1.4 The present GTCP shall also apply to future transactions with the Suppliers

without the need to repeatedly make references to them by any of the Parties.

## **2. Inquiries, Offers and Orders**

- 2.1 The present GTCP shall also apply to inquiries that may be submitted by AALBERTS. The inquiries submitted by AALBERTS shall not be binding and shall not be understood as a submission of a bid or an Order. All declarations made by the Parties before an Order referred to in section 2.3. of GTPC is submitted by AALBERTS and accepted by the Supplier are considered to be an invitation to conclude the Agreement and have no legal effect until they are received in the manner described in section 2.3.
- 2.2 While replying to an inquiry submitted by AALBERTS, the Supplier is obliged to ensure that the information contained in the bid corresponds to the inquiry and to indicate any would-be deviations. The Supplier should prepare the bid while taking into account the requirements concerning the quality, the RoHS directive, the environmental impact and the energy efficiency. The bids are submitted free of charge and shall not bind AALBERTS. In case visits are made or plans and drawings are developed etc., AALBERTS shall not grant any remuneration to the Supplier for this reason. All inquiries and orders are based on the supplier's assurance that all substances delivered by the supplier and other substances contained in chemical compounds are produced or initially registered in compliance with the REACH regulation.
- 2.3 Before AALBERTS places an order, the supplier is obliged to complete the "New Supplier Form", which is sent by the ordering party to determine the principles of cooperation between both parties. If the form is not completed, AALBERTS will not be able to start cooperation.
- 2.4 Only written Orders are binding for the Supplier. Orders issued in another form become binding only based on a written Order. Unless AALBERTS has explicitly abandoned the Order Confirmation, the Supplier shall immediately confirm each order by giving a binding delivery date.

AALBERTS reserves the right to withdraw an Order which has not been confirmed by the Supplier within fourteen days. Supplementary or auxiliary provisions shall only be valid and enforceable if confirmed by AALBERTS in writing.

## **3. Prices and Terms of Payment**

- 3.1 The prices are fixed and binding regardless of the place of delivery fixed by AALBERTS. The packaging costs shall be settled separately if the Parties have agreed to do so. In case when the return packagings have been prepaid for, a credit note covering their cost must be issued to AALBERTS unless AALBERTS has already charged the Supplier for them.
- 3.2 All changes of prices must be approved by AALBERTS in writing.
- 3.3 If the ordered Goods or Services are subject to VAT, the VAT tax, the VAT rate and the net sub-total (before tax). If the invoice contains formal non-conformities, it shall not be accepted by AALBERTS.

3.4 Before starting cooperation, the Parties agree on payment terms in the "New Supplier Form", which cannot be shorter than 30 days after issuing the invoice.

3.5 Invoices are issued separately for every shipment of the Goods for every Order in two counterparts and they contain the AALBERTS order number, name and number of the item. The invoices may be recorded in the books by AALBERTS only if they are issued in line with the above. The Supplier shall be liable for all consequences resulting from the failure to fulfil this obligation.

#### **4. Compensation, Reservation of Title of Ownership, Assignment**

4.1 AALBERTS reserves the right to set off its receivables from the Buyer against the receivables resulting from a VAT invoice issued by the Supplier.

4.2 AALBERTS does not consent to the title of ownership being reserved by the Supplier. In case when AALBERTS has delivered parts to the Supplier, AALBERTS reserves the ownership right to these parts. In case when the materials delivered to the Supplier are processed or mixed, AALBERTS acquires the co-ownership right to the new item equivalent to the ratio of the value of the delivered materials of AALBERTS to other processed objects at the moment of processing.

4.3 The assignment of AALBERTS's receivables to which the Supplier is entitled requires AALBERTS's explicit written consent.

#### **5. Delivery, Place of Performance, Quality, Technology, Certificates**

5.1 All goods delivered by the Supplier shall correspond to the quantity and description contained in the Agreement (order), be suitable for the intended use and for a special use about which the Supplier shall be informed by the Buyer or which the Supplier, as it is reasonably assumable, should be aware of; be free from design flaw, materials flaws and qualitative defects; and also free from any burdens.

5.2 The Services provided by the Supplier shall be: provided effectively, safely and competently by an adequately qualified personnel having appropriate experience, in compliance with the code of good industry-specific practices being currently in force and with such quality which should be reasonably expected from a qualified and experienced entrepreneur providing equivalent services in the same circumstances.

5.3 AALBERTS's Suppliers are required to apply the principle of 0 defects to prevent and detect nonconformities at the earliest stages of the process.

5.4 All goods and services (along with the technology associated with them) delivered by the Supplier: shall comply with all statutory legal requirements and regulations, including those concerning transport, health, safety, environmental protection and energy consumption, shall not violate third persons' intellectual property rights; shall comply with the specifications or shall fulfil other requirements specified in the Agreement and shall conform to the samples approved by the Buyer.

5.5 AALBERTS's Supplier should have a valid certificate of conformity for the quality management system with IATF 16949 or at least ISO 9001 along with confirmation of meeting the minimum automotive requirements (MAQMSR), if it provides the direct

materials/services in the supply chain. AALBERTS also recommends that suppliers should have certification of the environmental management system in accordance with ISO 14001, energy management system in accordance with ISO 50001 and occupational health and safety management system in accordance with ISO 45001.

- 5.6 AALBERTS reserves the right to audit the Supplier of indirect materials (also upon the Customer's request and involving the Customer's participation) or other materials if there are problems which have affected the services provided by Aalberts (including the punctuality of shipments) in the area which is subject of agreement. The supplier of direct or indirect production materials should also keep developing the quality management system to reach compliance with the IATF 16949 (in case of the automotive industry), ISO 9001, AS/EN 9100 or equivalent.
- 5.7 The date of delivery specified in the Order is a binding date.
- 5.8 If the delivery is delayed, the Supplier shall pay AALBERTS a contractual penalty in the amount of 2.5 % of the delivery value per each week of delay but not more than 10 % of the delivery value We reserve the right to make all other statutory claims. The Supplier has the right to prove that the delay has not caused a damage or the value of the damage is significantly lower than the contractual penalty amount. The contractual penalty shall be reduced accordingly.
- 5.9 The place of the performance is the place/location for the delivery of the Goods that has been indicated by AALBERTS. If it has not been clearly indicated, AALBERTS's corporate office remains the place of the performance.
- 5.10 The assignment of risk, accidental loss or destruction is based on the pre-agreed terms of delivery. If there is no such agreement, it is assumed that the risk of destruction, loss or damage of the object shall pass to AALBERTS at the moment when the Goods are delivered at an agreed location.
- 5.11 The Supplier is obliged to enclose the shipment specification and the dispatch (Polish: WZ) document to all shipments while providing the AALBERTS order number, name and number of the item. Moreover, the Supplier shall be obliged to send a notification about the shipment to AALBERTS in a separate envelope. In addition, if the Supplier delivers direct production materials, it is obliged to provide each delivery with a Material Certificate confirming that the Goods meet the required parameters.

If the Supplier delivers chemical substances that are classified and marked as hazardous according to the EEC regulation, the Supplier is obliged to attach a currently valid safety data sheet in paper or electronic form to each delivery. If the chemical substance is not classified as hazardous according to the EEC regulation, the Supplier is obliged to attach an appropriate certificate to the first delivery of the Goods.

If the Supplier delivers goods that are subject to the requirements of the PN-P 84525 Workwear standard. Work clothes, PN-EN ISO 13688 Protective clothing or EU Regulation 2016/425 of the European Parliament and Council on personal protective equipment, is obliged to provide a declaration of conformity in paper or electronic form.

5.12 In case when the Supplier has delivered its material in its own packages, the Supplier is obliged to take back the packages within 30 days following the end of the performance of the order. When is period is over, the a.m. packages become AALBERTS'S property and can be disposed by AALBERTS.

5.13 AALBERTS's Suppliers are regularly assessed (at least once a year) while taking an interdisciplinary approach according to the total of all points gained in such areas of the assessment as: quality of the delivered materials and services, timeliness of deliveries, flexibility of deliveries, price, payment terms, certified quality, environment, energy and occupational health and safety management system or a laboratory accreditation certificate.

AALBERTS makes the assessment accessible to the supplier only when the result has been unsatisfactory according to the assumed criteria or upon the Supplier's special wish.

## **6. Inspection of Goods, Complaint**

6.1 AALBERTS is obliged to check the goods in due time for any qualitative and quantitative differences. In case when qualitative or quantitative differences have been found in the object of delivery, AALBERTS shall submit a complaint to the Supplier within 10 working days following the receipt of the object of delivery.

## **7. Warranty and Liability**

7.1 The Supplier warrants that the Subject of Agreement has the required properties, is in line with the latest recognised technical rules and that the Supplier is liable for physical and legal defects which cause or may cause the value or usability to drop against the ordinary value or usability or make it impossible to use the Subject of Agreement as determined in the Agreement..

7.2 AALBERTS has the right to statutory warranty claims within their full scope. Regardless of that, it has the right to demand that the service be provided again by repairing the defect or making another delivery as chosen by AALBERTS. In this case the supplier bears the expenses related to the repair of the defect or a repeated delivery. AALBERTS reserves the right to compensation and to withdraw from the order.

7.3 If samples are supplied, their properties should be checked to get the supplier's warranty.

7.4 If claims are made against AALBERTS due to the defective nature of the product as a result of an infringement of the statutory safety requirements or based on the domestic or foreign regulations or product liability acts and the defective nature has been caused by a malfunction of the goods supplied by the Supplier, the Supplier shall indemnify and hold AALBERTS from third parties' claims for damages upon its first written request. Moreover, the Supplier shall indemnify and hold AALBERTS harmless from any compensation and warranty claims of the Customer provided the claims refer to defects of the supplied Goods and Services or have occurred as a result of the Supplier's or the Supplier's representatives' fault; the above also applies to damages and indirect costs. The damages also cover the costs of all service actions which AALBERTS has undertaken after an accurate examination of the Subject of Agreement.

7.5 The Supplier ensures adequate quality control of the Subject of Agreement with regard to the type, scope and state of the art and demonstrates the fulfilment of this obligation and also allows AALBERTS to verify the production process upon AALBERTS's request.

7.6 The Supplier shall also ensure that the Subject of Agreement complies with the occupational safety and health requirements and the statutory regulations on preventing accidents and that, in particular, protective devices required by the indicated regulations are supplied; the above also applies to the production of individual parts necessary to ensure the proper performance of the Subject of Agreement even if they have not been explicitly indicated in the Order. Furthermore, the Supplier shall be obliged to carry out the delivery in compliance with other regulations governing its business.

## **8. Production Documentation and Means of Production**

8.1 The production documents provided to the Supplier are the property of AALBERTS and are provided to the Supplier only for purposes related to the performance of AALBERTS's orders. After the Order has been performed, the Supplier shall be obliged to return the documents that have been provided unless otherwise decided by the Parties. Once they have been provided by AALBERTS, they must not be used for other purposes which also means that they must not be copied or disclosed to third parties unless such disclosure is required in a particular case for the performance of the Contract.

8.2 The Supplier is obliged to keep confidential all technical and commercial documents which have been provided to it and also to make its sub-suppliers fulfil this obligation.

## **9. Certificate of Origin, Confirmation of Export**

9.1 The certificates of origin (e.g. supplier's declarations, movement certificates within the meaning of the EWB-EFTA rules of origin) which are required by AALBERTS shall be made accessible by the Supplier, completed with all necessary information and signed.

9.2 The Supplier shall inform AALBERTS whether the object of delivery is subject, in whole or in part, to export restrictions under the German or other (e.g. American) law and the Polish law governing foreign trade relations.

## **10. Supplier Audit**

Considering the quality of the performance of the Agreement, labour safety, environment protection and corporate social responsibility standards, AALBERTS reserves the right to audit the Supplier (also on the Customer's and regulatory and supervisory institution's request involving their participation) in the area which is the subject of the agreement at any level of the supply chain. The purpose of these actions is to assess the fulfilment of the requirements specified in the contract documents and other documents provided to be followed (e.g. the customer's requirements) as well as in relevant legal regulations and standards governing the performance of the agreement.

The Supplier is obliged to present a schedule and launch actions necessary to permanently remove the identified non-conformities and observations with relevant evidence and to use the potential for permanent improvement – unless the Supplier has obtained a min. 91% assessment score in the audit.

The supplier of direct materials for production are not covered by the audit since, considering the nature of the company's business, it is also a customer.

#### **11. Environmental Protection**

The Supplier declares that it obeys the provisions of law concerning the environmental protection in the broad meaning of this term, particularly when it comes to obtaining necessary permits, making notifications, submitting information and respecting restrictions to the usage of the environment, particularly including those which are related to the proper waste management and proper energy management. Furthermore, the Supplier declares that it operates in a sustainable way and undertakes actions to reduce its own negative impact on the natural environment.

#### **12. Supplier Sustainability Policy**

In terms of the sustainable policy, Supplier is obligated to take actions aimed at:

- ensuring the highest quality of delivered products and services through honest fulfillment of contract terms (purchase orders) and counteracting the use of counterfeits,
- continuously reducing greenhouse gas emissions (decarbonization) into the atmosphere through the use of modern technologies and constant monitoring of emission sources along with promoting environmental awareness among staff and other collaborating entities,
- investing in renewable energy, e.g. photovoltaic panels or the use of energy with Guarantees of Origin (GoO) from renewable energy sources,
- implementing responsible management of chemicals and waste and reducing their consumption/generation,
- ensuring animal welfare and biodiversity in the plant environment, including the right to land, forest, and water and combating forced displacement,
- caring for soil quality and implementing responsible water management aimed at reducing water consumption,
- respecting the principles of diversity, equality, and non-discrimination among employees,
- ensuring freedom of employee associations, collective agreements (trade unions) and conducting a dialogue with the company's management staff,
- ensuring effective protection of people, property and data through the use of private or public security bodies and measures.

#### **13. Protection Rights**

The Supplier guarantees that the objects supplied are not subject to the rights of third parties resulting from an infringement of a patent, pattern, trademark, copyrights or any other rights of third parties and that these rights shall not be infringed as a result of the delivery and the usage of the objects of the delivery and/or the artwork produced. The

Supplier shall be obliged to indemnify and hold harmless AALBERTS from any claims brought by third parties and relating to any infringement of these rights.

**14. Jurisdiction, Applicable Law**

14.1 In case of disputes resulting directly or indirectly from contractual relationships, the competent court is the court having jurisdiction over the corporate office of AALBERTS. However, we have the right to take action against the supplier in the place of his/her residence or its corporate seat.

14.2 The applicable law is the Polish law. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

**15. Availability of the General Terms and Conditions of Purchase and Acceptance by the Supplier of the Content**

15.1 The present General Terms and Conditions of Purchase are accessible on the website of Aalberts Surface Technologies Heat Sp. z o. o. in the DOWNLOADS tab: [High Quality Heat Treatment in Dzierzoniów | Aalberts ST \(aalberts-st.com\)](https://aalberts-st.com/High-Quality-Heat-Treatment-in-Dzierzoniow)

15.2 The acceptance of an order to be carried out shall be equivalent to the Supplier's acceptance of the present General Terms and Conditions of Purchase.