

General terms and conditions of sale and providing services executed by VW Poznań Sp. z o.o.
(Last revised on 23.03.2007)

1. Definitions

Whenever the terms indicated below shall be used in these Terms and Conditions of sales and providing services executed by Volkswagen Poznań Sp. z o.o. (VWP), they shall have the following meaning:

Terms and Conditions	shall mean these General terms and conditions of sales and providing services executed by VWP;
Goods	shall mean all movables except vehicles manufactured by VWP;
Services	shall mean all services within the scope of manufacturing, transporting, assembly, disassembly and other services executed by VWP and actions performed within mandate
Contract for Sales of Goods	shall mean the contract for sales, contract for delivery or other contract based on which or in the progress of which, the Buyer acquires the ownership of Goods from VWP;
Contract for Providing Services	Shall mean the contract based on which VWP provides services in aid of the Client
Delivery of Goods / Services Buyer / Client	shall mean the presentation of the Goods / Services by VWP for acceptance by the Buyer /Client; shall mean an entrepreneur within the meaning of Article no. 43 ¹ of the Act of 23 April 1964 the Civil Code;
Buyer's / Client's contract templates	shall mean the contract templates within the meaning of Art. 384 section 1 of the Civil Code, other than those Terms and Conditions or other than remaining general terms and conditions used by VWP;
Written form	shall refer to the written form within the meaning of the Art.78 of the Civil Code, unless the contents of these Terms and Conditions specify otherwise;
Request for proposal	shall mean an invitation from VWP to the Buyer / Client for undertaking negotiations or submitting proposal within the framework of a bidding contest held by VWP.

2. Scope of Terms and Conditions

2.1

These Terms and Conditions shall apply to all contracts, subject of which is the Sales of Goods/ Providing Services, including actions related to or preceding the conclusion of these contracts. These Terms and Conditions shall also apply to the preparation and submission of orders, other proposals and requests for proposals by the Buyer/Client, including replies to proposals or requests to proposals placed by VWP.

2.2

Unless agreed otherwise the Terms and Conditions in the currently valid version shall apply to each specific case. The current version of Terms and Conditions shall be delivered to the Buyer / Client before signing the contract.

2.3

Unless VWP and Buyer / Client have agreed otherwise, the application of any Buyer / Client contract templates is hereby excluded.

In case of conflicts between the provisions of contract signed by VWP and Buyer / Client and Terms and Conditions; provisions included in the contract shall prevail, under the stipulation that the contract has a written form.

3. Governing law

The whole contract shall be governed by the Polish law. The application of the UN Convention of Contracts for the International Sale of Goods is hereby excluded.

4. Orders, proposals and requests for proposals, description of the contract subject

Within the meaning of this Section 4 of the Terms and Conditions, the submission of a statement by either VWP or the Buyer / Client using fax or e-mail shall be regarded equivalent to the written form.

4.1

The orders and proposals shall be prepared in Polish or German. The orders as well as proposals shall contain all information necessary to conclude and correctly execute the Contract for Sale of Goods / Providing Services.

4.2

The Buyer / Client shall take all the risks arising from lack, inconsistency or mistakes in the data or information necessary for executing the Contract for Sale of Goods / Providing Services. VWP shall not be obliged to verify the validity and accurateness of the data and information submitted by the Buyer / Client. Placing an order of a proposal by the Buyer / Client constitutes a written statement confirming the knowledge and acceptance of these Terms and Conditions.

4.3

All prices presented by VWP are given in Polish Zloty or Euro. If the price is agreed as a Euro equivalent of Polish Zloty, the average NBP exchange rate on the date of invoice issue date. All prices shall be net prices, excluding the amount of tax on goods and services according to legal regulations in place, unless clearly agreed otherwise. If not stated otherwise, the prices indicated in the order or proposal shall not include the costs of loading, transport, including export, transport and import as well as delivery, packaging, insurance and unloading. The prices agrees shall be subject to change in the case of late acceptance of the Goods / Services by the Buyer / Client, inaccuracies or other shortages or inconsistencies of data or information that the Buyer / Supplier is obliged to submit.

4.4

The proposals submitted by VWP cease to be binding if the Buyer / Client does not accept the proposal within two weeks from the date of sending the proposal, unless other deadline is indicated in the proposal. The proposals submitted by VWP can be accepted only without any reservations to changes or additions. In the case of the Buyer / Client submitting any changes or reservations to the content of the proposal submitted by VWP, VWP can submit a statement accepting the content of the modified contract within two weeks from the receipt date of the modified proposal. The failure to provide a statement indicated in the sentence above shall be understood as rejection of the proposed changes or additions.

The proposals, cost estimates, technical documentation, drawings, sketches, other documents or their parts constitute VWP property and can be utilised only for the needs of VWP. The documents are handed over to the Buyer / Client with the reservation of confidentiality. They are protected by copyrights and good practice rights. Only VWP is authorised to use, modify, change the layout or publish the documents.

5. Special obligations of the Buyer in relation to the preparation and conclusion of the contract

5.1

The Buyer / Client is obliged to prepare the order that will entail all services necessary to execute the contract in a proper manner.

5.2

In the case of the Buyer / Client submitting incomplete documentation or documentation with mistakes and inconsistencies, VWP can, apart from other rights, specify another deadline for Delivery of Goods / Services on his own, to which VWP is hereby authorised by the Buyer / Client.

6. Conclusion of contract

6.1

The conclusion of the Contract for Sale of Goods / Providing Services shall be made in writing. Sending statements of the parties in the form indicated in Section 4 of these Terms and Conditions shall be treated as equivalent to the written form.

6.2

The Contract for Sale of Goods / Providing Services shall be deemed concluded at the moment VWO submits a statement of accepting the order placed by the Buyer / Client and in the case of the proposal placed by the Buyer / Client - at the moment VWP submits a statement of accepting the proposal.

7. Invoice; terms of payment

7.1

The invoices for Sale of Goods / Providing Services, VWP creates in two copies and send them to our address indicated in the order placed by the Buyer / Client or in the statement of accepting the order by VWP.

7.2

Generally the payment by the Buyer / Client shall be the condition of accepting the goods or service.

In the case of setting payment date, the payment needs to be secured by the Buyer / Client in the form of bank guarantee.

Moreover, it is required that the Treasury Department shall inform the parties in question in a proper and set manner of allowing for release of good / providing a service.

7.3

Where it is possible, bank transfers shall be the preferred method of payment.

7.4

A payment in cash shall be allowed. Cash transactions are effected at the company's cash office. The cash transactions realized in cash at VWP cash office are limited to 3,000.00 PLN. A bank transfer is required for recurrent transactions with one and the same contractor

8. Obligation of co-operation

8.1

The Buyer/Client is obliged to immediately and regularly inform VWP of any vital issues relating to the execution of the Contract for Sale of Goods / Providing Services and to ensure the participation of own properly authorised representative in all talks and activities referring to the execution of the Contract for Sale of Goods / Providing Services.

8.2

The Buyer is required to organize and participate in all the procedures related to the execution of the Contract for Sale of Goods / Providing Services in a way that does not impede the current business activities of VWP.

8.3

The Buyer is obliged to ensure the presence of his properly authorised representative in all works related to the execution of the Contract for Sale of Goods / Providing Services or to indicate such representative along with the means of direct communication with him.

9. Deliveries of goods

9.1

Unless the parties agreed otherwise, all costs related to the release and acceptance of Goods / Services, such as e.g. costs of loading, export, transport, import and unloading, as well as all obligations related to those activities, shall be incurred by the Buyer / Client. The costs of obtaining permits and accords necessary for execution of the Contract for Sale of Goods / Providing Services and the costs related to the preparation and issuance of those documents shall be incurred by the Buyer / Client. The Buyer / Client also incurs the costs of any taxes, charges and duties that are related to the execution of the Contract for Sale of Goods / Providing Services. In the case when VWP shall incur such costs, the Buyer / Client will refund them to VWP in full amount.

9.2

The release of Goods shall be confirmed on the proof of readiness for acceptance of Goods issued by VWP. The confirmation will be executed by the properly authorised person acting in the name of the Buyer.

9.3

All deadlines consequential to the Contract of Sales of Goods / Providing Services are reserved in favour of VWP .

10. Obstructions and impediments

10.1

All the obstructions and impediments referring to the proper execution of the contract of Sale of Goods / Providing Services, the Buyer / Client shall immediately report to VWP in writing or by fax or e-mail. If the obstructions or impediments are predictable, the Buyer / Client shall inform VWP about them not later than 2 days before their occurrence. The obligation of reporting obstructions and impediments also refers to those obstructions and impediments that could be or are known to VWP. The lack of report of an obstruction or impediments in the time specified above shall deprive the Buyer / Client of any claims consequential to those obstructions or impediments.

10.2

VWP shall not be liable towards the Buyer / Client for obstructions and impediments resulting from other Buyers / Clients working for VWP in connection with the execution of the same or other contract.

11. Refraining from execution of mutual performance. Setting off

11.1

Any restrictions of VWP's right to refrain from the execution of a mutual performance for the Buyer / Client or limit the possibility of VWP setting off mutual claims shall be ineffective towards VWP.

11.2

The Buyer / Client hereby authorises VWP to perform set-offs, including contractual ones, of any claims due to VWP from the Buyer / Client against any claims due to the Buyer / Client from VWP.

12. Unfair competition. Liability of collective entities.

12.1

The Buyer / Client undertakes to ensure that his employees or other persons acting on his behalf under legal relationships shall not act as indicated in Chapter 2 of the Act of 16 April 1993 on combating unfair competition (Journal of Laws of 2004, No. 153, item 1503, as amended) to the detriment of VWP.

VWP reserves the right to make compensation claims based on general regulations due to the infringement of regulations or obligations delineated in these Terms and Conditions.

13. Copyrights and industrial property rights; confidentiality, advertising

13.1

VWP or Volkswagen AG have all the rights, including intellectual property rights, related to all the Goods / Services or their particular parts being the subject of the Contract for Sale of Goods / Providing Services.

13.2

The Buyer / Client is obliged to keep the fact of concluding the contract with VWP secret, unless the legal regulations in place absolutely state the obligation to disclose it to persons authorised by law to gain such information. Disclosure of the fact of cooperation with VWP by the Buyer / Client for advertising purposes is allowed only after receipt of a prior written consent of VWP. Such a consent is given by VWP only for a particular advertising action described by the Buyer / Client in the application addressed to VWP.

14. Other obligations of the Buyer

14.1

The Buyer shall be obliged to check at own expense the suitability of the Goods for the intended application. The Buyer shall take all risks arising from the application of Goods by the Buyer or other persons. VWP only ensures that the Goods comply with the features, such as e.g. dimensions or weight specified in the order placed by the Buyer. VWP shall not be liable for the suitability of Goods for the purpose intended for the Goods by the Buyer. The Buyer is obliged to indemnify and hold VWP harmless from any claims of third parties and aimed at VWP in relation to the Goods.

14.2

The Buyer is obliged to check the completeness and accuracy of the documents handed over to him by VWP in connection to the conclusion of the Contract for Sale of Goods.

14.3

The provisions of Section 14 of these Terms and Conditions shall also apply to the acceptance of each batch of Goods in execution of the framework agreement concluded between VWP and the Buyer.

14.4

The checking of Goods by the Buyer shall mean that the Buyer properly verified the Goods in the manner described in this Section 14 and that he accepts that the Goods delivered by VWP comply with the order placed by the Buyer.

14.5

The activity of checking the Goods shall be understood as conducted the moment VWP shall not receive different information from the Buyer within 14 days from Delivery of Goods.

14.6

The lack of execution or improper execution of the obligation of checking the Goods by the Buyer results in losing the rights arising from these Terms and Conditions and legal acts by the Buyer.

15. Transfer of risk

15.1

Unless agreed otherwise, loading, shipping, transport including export, transport and import, and unloading of the Goods ordered by the Buyer shall be conducted at the risk of the Buyer. The Buyer is obliged to conclude an insurance contract for the transport.

15.2

Unless agreed otherwise, the risk of loss or damage to the Goods shall be transferred to the Buyer at the moment of the goods leaving the VWP factory; it shall also apply to Deliveries of parts of Goods as well as the situations when VWP took over other services such as shipping or Delivery costs.

15.3

If the shipping or acceptance of the Goods is late due to the reasons VWP shall not be liable for, the risk of accidental loss or damage to the Goods shall be transferred to the Buyer, starting on the day VWP informed of the readiness for shipping or acceptance. In such a case, VWP is obliged to conclude at the expense and risk of the Buyer, an insurance contract for the Goods, if the Buyer shall demand that. VWP is entitled to demand an advance payment to cover the insurance costs from the Buyer. VWP shall not be liable for risk and results of the choice of the insurer.

16. Deadlines, delays

16.1

The deadline of execution of the Contract for Sale of Goods / Providing Services is binding for the Buyer.

16.2

The deadline for Deliveries of Goods / Services shall be set based on the arrangements between the Buyer and VWP prepared in a written form unless agreed otherwise in these Terms and Conditions.

16.3

Timely Delivery of Goods / Services shall take place under the condition that all commercial and technical issues related to the Sale of Goods / Providing Services are solved and confirmed in writing between the Buyer and VWP. The Delivery cannot take place before the Buyer / Client completed all due obligations.

16.4

The deadline for the Delivery shall be understood as kept, when VWP sends a statement of readiness of the Goods for shipment or to Provide Services to the Buyer / Client.

16.5

The Buyer is obliged to immediately inform VWP in writing or by fax or e-mail of the delay in acceptance of the Goods / Services. In the case of delay of acceptance of the Goods, the Buyer shall bear all costs and risks related to the storage of Goods to the moment of set deadline for acceptance of Goods.

16.6

If VWP in the consequence of the force majeure cannot conduct Delivery of Goods / Services in the agreed place and time, the Buyer shall not be entitled to any compensation claims from VWP for the delay in presenting ready Goods / Services or their Delivery. In such a case, the Buyer / Client also cannot demand execution of mutual performance by VWP from the contract. The force majeure in the meaning of these Terms and Conditions is any unforeseen, inevitable and serious occurrences such as e.g. natural catastrophes, war, riot, unrest, strikes, administrative means and others. In such a situation, the Buyer is not entitled to withdraw from the contract. VWP shall inform the Buyer / Client, within his capacity of the estimated time of delay resulting from force majeure.

17. The VWP's liability for faults of Goods

For physical and legal defects of the Goods, excluding other claims, VWP shall be liable in the following way:

17.1

The Buyer shall report the fact of existing defects of the Goods immediately. All the defects shall be reported in the confirmation of delivery of Goods during an acceptance of the Goods. In the case of concealed defects, they should be reported to VWP immediately, however not later than 14 days from their detection.

17.2

The existence of defects the Buyer shall report to VWP in writing by registered mail. Violation of the deadline for reporting defects or the form of their reporting shall render the rights from warranty for the Goods ineffective. Reporting the existence of defects in a correct manner shall be considered within 6 weeks from the delivery of the report. The decision in the case in question VWP shall present to the Buyer in writing.

17.3

According to the decision of VWP, the defects of the Goods shall be removed, or the Goods delivered again. Exchanged Goods shall become property of VWP. The provisions of Section 17 of these Terms and Conditions also relate to defects of parts of Goods.

17.4

VWP shall remove defects or exchange Goods for new ones within 6 weeks from considering the properly placed report on existing defects. VWP shall agree with the Buyer on the particular date of removing defects or exchanging Goods. If through the Buyer's fault, it shall be impossible to remove the defects or there will be a delay in shipping the newly delivered parts, VWP shall not be liable for results of such an occurrence. The Buyer shall be entitled to remove the defects on its own or by third parties and – under the condition of presenting appropriate documents to VWP – to demand from VWP the refund of necessary costs related to that, only in documented cases of real danger to safety of the Buyer's business activity or in order not to allow much more serious damages on his part, of which VWP shall be immediately informed. The costs resulting from removing defects or delivery of new Goods shall be incurred by VWP.

17.5

If within a specified period set in Section 17.4 the defects shall be removed or the Goods delivered anew, the Buyer shall not be entitled to cancel the contract for Sale of Goods, or to demand the price reduction.

17.6

The warranty for defects is excluded in following cases: incorrect usage of Goods or usage not for the intended purpose, normal wear of Goods, incorrect handling the Goods, incorrect maintenance.

18. Liability / Civil liability insurance / Securities

18.1

Unless other liability rules are specified otherwise in other part of these Terms and Conditions, the Buyer / Client shall be obliged to cover all damages incurred by VWP directly or indirectly as a result of improper or defective execution or executing the contract for Sale of Goods / Provision of Services, or the Buyer / Client breaching administrative regulations relating to safety, or any other reasons on the part of Buyer / Client, even if intentional fault cannot be proven.

18.2

VWP shall be liable only for the damages to the Buyer / Client caused by intentional fault.

19. Reservation of the property rights

19.1

VWP shall reserve the right of ownership of the Goods until full payment for the Goods is executed by the Buyer and until all other services resulting from the Contract are executed.

19.2

The delivery of Goods / Services to the Buyer / Client shall take place on the condition that the Goods/ Services delivered from the previous orders are paid in full by the Buyer / Client.

19.3

In the event VWP's interests are jeopardised, and in particular, when the Buyer files for bankruptcy or is in default with the payment, the Buyer shall be obliged, on VWP's demand, to return the Goods to VWP and to make all necessary information and documents available. VWP shall also be entitled to inform on its own the clients of the Buyer of the VWP's rights to the Goods.

19.4

The Buyer shall be obliged to insure the Goods covered by the reservation of property rights. In the case of any damage, the Buyer shall also cease the claims due in relation to the insurer to VWP, within the scope the claims relate to the Goods covered by the reservation of property rights.

20. Changes of the contract

20.1

All changes or additions to the concluded contract require a written form under pain of nullity. It also applies to the change of this clause about the written form requirement.

20.2

The provision of the Section 20.1 of these Terms and Conditions does not apply to the change of the contents of these Terms and Conditions, if the Buyer / Client immediately after the reception of changed content of Terms and Conditions in writing or by fax or e-mail, does not object to the changes made.

21. Severability clause

If any of the provisions of these Terms and Conditions or other provisions binding the Parties to the contract proves to be ineffective or unenforceable in the future, this shall not affect the validity of the

remaining provisions of the contract and Terms and Conditions. The parties to the contract are obliged to replace the ineffective or unenforceable provision within the possibility of regulation, with one whose content is the closest economically to the ineffective or unenforceable one. The above refers to potential contractual gaps.

22. Place of execution. Competent court

22.1

The place of execution of the provisions of the contract for Sale of Goods / Providing Services shall be the seat of VWP unless the parties expressly agree on another place of execution of the provisions.

22.2

The competent court for settling disputes between the Parties shall be a common court of law having jurisdiction over the seat of VWP.