

General terms and conditions of purchases of goods by VW Poznań Sp. z o.o.
(as at 01.06.2011)

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General terms and conditions of purchases of goods by Volkswagen Poznań Sp. z o.o. (as at 01.06.2011)

1. Definitions

Any time the terms specified below are used in these General terms and conditions of purchases of goods by Volkswagen Poznań Sp. z o.o., they shall be understood as:

1.1 Terms and conditions

The terms and conditions are these General terms and conditions of purchases of goods by VWP.

1.2 Goods

Goods are all movable objects as well as all forms of energy, water and steam.

1.3 Purchase of goods

Purchase of goods means sale, delivery or another contract pursuant to which VWP acquires title to goods with the exception of service contracts, construction contracts and contracts covering designing, manufacturing and delivery of equipment. Orders shall also be deemed as contracts.

1.4 Seller

Seller shall mean an entity, also within the meaning of art. 43¹ of the Civil Code, who makes an offer to conclude a contract or to whom VWP sends a request for proposals or an order to purchase goods.

1.5 Written form

Written form shall mean written form within the meaning of art. 78 of the Civil Code under the Terms and Conditions specify otherwise.

An equivalent to written form shall be also a statement made by VWP or the Seller by fax or e-mail.

1.6 Request for proposals

A request for proposal is an invitation sent to a Seller by VWP to place offers within an offer contest organised by VWP.

2. Scope of applicability of Terms and Conditions

2.1

These Terms and conditions are applicable to all contracts covering purchases of goods, including actions related to or preceding conclusion of such contracts. These Terms and conditions further apply to preparation and submission of offers by the Seller in response to requests for proposals.

2.2

Unless agreed otherwise, the Terms and conditions shall apply in their most current version. A current version of the Terms and conditions shall be provided to the Seller before conclusion of a contract. The

current version of Terms and conditions shall at any time be available in electronic version at:

www.volkswagen-poznan.pl

2.3

Unless VWP and the Seller agree otherwise in writing, the use of any Seller's contract templates is excluded. No Seller's contract templates will be used even if VWP did not directly object to their exclusion. Receipt of goods by VWP without direct reservation or making payment by VWP for the purchased goods without any protest shall in no case be equivalent to acceptance of Seller's contract templates. VWP employees are not empowered to include any Seller's contract template, even in part, in the purchase contract or to accept applicability thereof unless otherwise provided in their power of attorney.

2.4

In case of conflict between the provisions of the contract concluded by VWP with the Seller and the wording of these Terms and conditions, the contractual provisions shall prevail.

2.5

In case of conflict between the provisions of enclosures to the contract, enclosures with a higher number shall prevail in the order detailed in item 2.6 of the Terms and conditions. If the enclosures to the contract are not numbered or are at the same sequential level as specified in item 2.6 of the Terms and conditions, then those enclosures will prevail which are more recent.

2.6

For the purposes of interpretation of contracts between VWP and the Seller, the following sequence of documents constituting the contract shall apply:

- contract / order placed by VWP,
- minutes from negotiations between VWP and the Seller; priority shall be given to the minutes most recent to the date of contract conclusion,
- these Terms and conditions,
- request for proposals by VWP,
- technical conditions and quality standards relating to the Goods.

3. Applicable law

Polish law, unless agreed otherwise, shall apply to all contracts subject to these Terms and conditions. The application of the UN Convention on International Sale of Goods and the Convention of the limitation period in the international sale of goods.

4. Request for proposals and offers

4.1

All requests for proposals made by VWP shall be deemed valid only when made in writing.

4.2

If along with a request for proposals, VWP sends an offer form used by VWP, the Seller shall be obliged to submit an offer on the form.

4.3

Offers shall be made either in Polish or in German. The offer shall be complete and contain all information that is required to assess if the goods offered by the Seller comply with the requirements specified in the request for proposal. With respect to offers submitted on the offer forms used by VWP, the Seller shall provide all information required by VWP in the offer. Along with its offer, the Seller shall submit a written statement that it has read and accepts these Terms and conditions.

4.4

If in its request for proposals, VWP has strictly specified the requirement to be satisfied by the goods, the Seller shall be obliged to identify any discrepancies between the requirements specified in the request for proposals by VWP and the submitted offer and reasons for deviation from the requirements or conditions specified by VWP. A list of such deviations shall be attached to the offer submitted by the Seller.

4.5

Responses to requests for proposals as well as offers and attachments to those responses or offers shall be submitted by the Seller to VWP free of charge. VWP may at any time request submission by the Seller or additional information or documents related to the offered goods free of charge.

4.6

The offer shall clearly specify the currency and the price. All prices shall be net of VAT as provided in the applicable law unless explicitly specified otherwise. Unless agreed otherwise, the prices specified in the offer shall include costs of loading, transport, dispatch, packaging, insurance, unloading until delivery of the goods to VWP at the premises of VWP or at a production facility of VWP designated in the request for proposals as well as the required documentation.

4.7

Offers shall be submitted to the address designated in the request for proposals, quoting the reference number of the request for proposals and offer number.

4.8

Requests for proposals made by VWP expire when the Seller fails to submit an offer within two weeks from receipt of the request for proposals unless the request for proposals specifies another deadline. If VWP fails to confirm acceptance of the Seller's offer in the form of an order, the offer shall be deemed as not accepted.

5. Seller's detailed duties relating to offer preparation

5.1

As soon as received from VWP, the Seller shall be obliged to inspect the completeness and cohesion of documents received from VWP in connection with the submitted request for proposals. Any missing documents and information shall be reported by the Seller in writing to the unit of VWP from which the request for proposals was received latest within 3 working days from receipt thereof.

5.2

The Seller shall prepare the offer on the basis of applicable law and the offer shall cover all deliveries and services required for correct performance of the contract, in compliance with best practices and best available technology and providing the highest quality and security standards and so that VWP achieves the intended economic effect.

5.3

Unless agreed otherwise, VWP allows submission of variant or alternative offers, deviating from the conditions specified in the request for proposals. However, if a variant or alternative offer is submitted, this should clearly be noted.

5.3.1

Variant or alternative offers submitted by the Seller shall be clearly and univocally marked as deviating from the conditions specified in the request for proposals. Submitting a variant or alternative offer, the Seller shall retain the structure and layout (including numbering of each item) as expected of an offer in the request for proposals. If due to the content of such variant or alternative offer, preservation of the structure or layout expected in the request for proposals is not possible, the Seller shall clearly mark all such deviations in the submitted offer.

5.3.2

Submission by the Seller of a variant or alternative offer shall be deemed as an assurance by the Seller that the variant and alternative offer submitted by it is completely equivalent in terms of legal, technical and time aspects to an offer submitted in compliance with the content of the request for proposals made by VWP.

5.3.3

In case of any modifications to the VWP documentation provided to the Seller, the Seller shall be obliged ensure that representatives of VWP and representatives of entities, if any, that developed the VWP documentation, can participate in all work related to modifying the documentation. The Seller shall be responsible for all costs related to such participation of the persons referred to above in work related to modifying the documentation.

6. Contract conclusion

6.1

Contracts for purchases of goods shall be made in writing.

6.2

Contracts for purchases of goods are deemed concluded when delivered by VWP. Such delivery may also be made by fax or e-mail.

6.3

Orders under PLN 10 000 may be submitted by e-mail without signature by the Procurement Department of VWP.

7. Invoices; payment terms

7.1

Invoices for purchases of goods shall be sent by the Seller to the address designated in the VWP order. The invoice shall specify the tax identification number (NIP) or another equivalent identification number of the Seller, Seller's identification number assigned by VWP, order number and date, additional information concerning VWP, agreed by VWP and the Seller (e.g. place of delivery, waybill number and date, quantity and identification numbers of the Goods with index) as well as the contractual price of the Goods with the VAT amount as a separate item.

7.2

Unless agreed otherwise, the payment term will be 30 days from the date of the invoice. Invoices shall be issued on the basis of delivery of the goods in compliance with the contract. If an invoice has been issued incorrectly, upon a request of VWP, the Seller shall issue a corresponding corrective VAT invoice or a correcting note. With respect to delivery and receipt of delayed deliveries, payment term shall apply corresponding to the contractual delivery term of the Goods.

7.3

If the Parties have agreed a payment schedule, VWP shall make payments in compliance with the schedule.

If a downpayment has been agreed, the downpayment shall be made subject to delivery of a time unlimited, irrevocable, unconditional bank guarantee, payable on first demand, for the amount of the agreed downpayment plus VAT. The guarantee shall be returned when final settlement has been made for the delivery of the goods. The wording of guarantee and a list of entities that may issue a bank guarantee acceptable to VWP is available from the Procurement Department of VWP.

7.4

In case of incorrect performance of the contract by the Seller, VWP shall be entitled to suspend payment or a part thereof until the contract has been performed correctly.

7.5

The contractual price for the Goods shall be paid by bank transfer. The name of the bank and account number shall be provided by the Seller under separate cover before deliveries are commenced. Any change of the bank or account number shall be notified by the Seller forthwith, latest within 3 working days. Letters concerning changes to the bank account of the bank shall be signed by persons authorised to represent the Seller and shall provide information on the authorised contact person. The information referred to in the preceding sentences shall be provided by the Seller by fax and registered letter.

Failure by the Seller to provide the above information shall relieve VWP from any liability for the correctness of bank transfers.

8. Compliance with the law

When performing the goods purchase contract, the Seller shall be obliged to comply with the law and decrees of competent authorities. The obligation applies primarily to such designing, fabrication or manufacturing, transport and erection of Goods that they meet all safety requirements, quality standards and do not breach the regulations concerning OH&S, environment protection or third party rights. The Seller shall be fully liable for all penalties or personal and property damage resulting from breach of such regulations and standards.

9. Duty to collaborate; contract performance

9.1

The Seller shall be obliged to inform VWP regularly and forthwith of all material matters concerning purchase of Goods and to ensure the participation of its duly authorised representative in all negotiations concerning the performance of the Goods purchase contract.

9.2

In connection with the performance of the Goods purchase contract the Seller shall be obliged to take into account and respect all rights of VWP as well as regulations and decrees in force at the premises of VWP. In particular it shall be obliged to provide appropriate guidelines to all persons acting on its behalf in the performance of the contract in order to ensure correct performance of the Good purchase contract.

9.3

The Seller shall be obliged to arrange all procedures related to the performance of the Goods purchase contract so that they do not interrupt current operations of VWP.

9.4

VWP reserves the right to protest against commissioning the duties specified in 9.1 of these Terms and conditions to a designated person or to remove such person from the function.

9.5

In case of modified deadlines to complete any stage of performance of the Goods purchase contract or a final deadline of such performance, the parties W will agree new deadlines to perform their respective contractual duties; this shall be without prejudice to the right of VWP to claim damages resulting from the Seller's failure to keep the original deadlines.

10. Collaboration by VWP

10.1

VWP is entitled to supervise the performance of the goods purchase contract on an ongoing basis.

11. Difficulties and obstacles

11.1

All difficulties or obstacles affecting correct performance of the Goods purchase contract shall be reported by the Seller forthwith to the Procurement Department of VWP in writing. Failure to report such difficulties or obstacles shall result in the Seller losing any claims related to such difficulties or obstacles.

12. Assignment of receivables

12.1

Without prior written consent of VWP, the Seller may not transfer its receivables from VWP under a goods purchase contract to any third party or authorise any third party to claim such receivables.

13. Refraining from mutual consideration. Set-off

13.1

Any restriction to the right of VWP to refrain from performing mutual consideration in favour of the Seller or restriction of the possibility for VWP to set-off mutual claims shall be ineffective in relation to VWP.

13.2

The Seller authorises VWP to make deductions, including contractual deductions, of all receivables due to VWP from the Seller against all receivables due to the Seller from VWP.

14. Unfair competition; Liability of collective entities

14.1

The Seller shall be obliged to ensure that its employees or other persons acting on its behalf pursuant to other legal relationship, will not perform any acts to the damage of VWP as designated in chapter 2 of the Act of 16 April 1993 on counteraction to unfair competition (Dz. U. of 2003, No. 153, item 1503, as amended).

14.2

In connection with the performance of the goods purchase contract, the Seller shall be obliged to comply with the following rules:

- by its behaviour (action, acceptance or omission) it may not breach the applicable law. The duty applies also to employees, representatives of the Seller and other persons acting on its behalf or in its name and applies in particular to such behaviour that may result in committing offences specified in art. 16 of the Act of 28 October 2002 on liability of collective entities for prohibited acts (Dz.U. 2002, No. 197, item 1661, as amended). The above applies in particular such prohibited acts as: breach of confidence, capital fraud, posing problems in following claims, money laundering, maintenance of unreliable documents, posing problems to public tenders, bribery and paid protection, fraud, falsification of documents, attestation of untruth, use of attested untruth, computer sabotage, fiscal offences against tax liabilities and accounting for subsidies or subventions, fiscal offences against customs duties or rules of foreign trade in goods or services, export of hazardous waste contrary to applicable regulations, breach of company secrets, copying of products, falsification of currency, falsification of value marks;
- it shall be obliged to take all reasonable measures to protect the reputation of VWP and to avoid all actions and omissions that could impair the reputation of VWP;
- it shall be obliged to act within the framework of the tasks assigned to it (and granted power of attorney and other authority). Any deviation from the scope of entrusted tasks (or granted power of attorney and other authority) is possible solely subject to prior written consent of VWP;
- it shall be obliged to notify directly the Management of VWP or a person designated in writing by the Management of VWP of each fact known to it if as a result of such fact the interests of VWP may be harmed or endangered in any way. This in particular refers to information on any prohibited acts that may be committed on connection with performance of duties entrusted by VWP.

14.3

Upon each request by VWP, the Seller shall return all letters and documents that confirm or certify its authority or authorisation of other people to act on behalf of VWP. Request to return such documents shall be equivalent to revoking such authority unless provided otherwise in the request. Such document shall be returned latest after completion of the actions specified therein unless the original document had been submitted to a competent body of administration or court. In such situation, it is necessary to provide an official confirmation that the original of such document had been submitted as specified above.

14.4

Further powers of attorney may be granted by the Seller is permitted only when so provided in the

original power of attorney. Any further power of attorney shall be notified in writing to the Legal Department of VWP.

14.5

The parties agree clearly that any breach of the above rules and duties may be treated as a basis of Seller's liability to VWP. The Seller is aware that breach of the above rules may form a basis to terminate the agreement it has with VWP (or any other legal relationship).

VWP reserves the right to claim damages in accordance with the law as a result of breach of the rules or obligations specified in these Terms and conditions.

15. Copyright and industrial property right; confidentiality; advertising

15.1

VWP or Volkswagen AG holds all rights, including intellectual property rights, in particular to all drawings, sketches, calculations and other documents as well as models and templates provided to the Seller in connection with conclusion of the contract. The subjects of such rights may not be disclosed to third parties without prior written consent of VWP. The Seller may use them solely in order to perform the contract concluded with VWP and after completion of the contract they shall be returned forthwith to VWP without a separate request on the part of VWP.

15.2

Logos and trademarks as well VWP part numbers shall be placed on the Goods if this is required by documents provided by VWP in connection with performance of the contract or if VWP instructs the Seller to do that. Goods marked as specified above may be delivered solely to VWP. In case of justified return of the Goods marked with the logo or trademark or part number of VWP, the Seller shall take all reasonable actions that the Goods may not be used unless VWP instructs the Seller otherwise.

15.3

The Seller shall be obliged to treat all information, documents and other objects provided to the Seller by VWP in connection with preparation of an offer, conclusion and performance of the contract as a secret of VWP within the meaning of art. 11.4 of the Act of 16 April 1991 on counteraction to unfair competition (Dz.U. of 2003, No. 153, item 211, as amended). The confidentiality obligation shall survive the completion of the contract by the Seller unless such information, documents or other objects constitute secrets of VWP are not generally accessible or known.

15.4

The Seller shall further be obliged to keep the fact of having concluded the contract with VWP in confidence unless the applicable law requires disclosing the fact to persons who have statutory authority to

obtain such information. The Seller may publish information on collaboration with VWP for advertising purposes solely subject to prior written consent of VWP. Such consent will be granted by VWP solely for a specific advertising action detailed by the Seller in its request to VWP.

15.5

Pursuant to art. 11.4 of the Act of 30 June 2000 – Industrial property right, the parties agree that VWP shall be solely entitled to patents to inventions or protection rights for utility models as well as the right to register industrial models with reference to inventions and models developed in connection with the performance of a goods purchase contract. The Seller shall be obliged to incorporate corresponding provisions in its contracts with employees or other persons who are involved in the performance of goods purchase contracts.

15.6

The Seller shall provide VWP with complete documentation related to the models and inventions referred to in item 15.5 of these Terms and conditions.

15.7

The Seller shall transfer forthwith to VWP all copyright as long as such rights relate to works developed in connection with the performance of equipment purchase contracts.

15.8

If in the performance of goods purchase contracts the Seller uses objects or software protected under copyright to industrial property right held by third parties, it shall take all reasonable efforts to prevent breach of such rights. The Seller shall be fully liable for any claims for damages or other claims raised by third parties related to infringement of their rights.

15.9

Breach by the Seller of the provisions of items 15.1-15.8 hereof shall be deemed as a material breach of the contract between the Seller and VWP which will constitute grounds for termination of the contract by VWP with immediate effect.

15.10

If as a result of breach by the Seller of third party rights as referred to in item 15.8 of these Terms and conditions, an entitled third party demands that VWP discontinues to use the Goods, the Seller shall be obliged to remedy such breach and effects thereof at its own expense and refund to VWP the received remuneration for the purchase of the Goods along with penalty interest at the rate of 10% p.a. The above shall be without prejudice to further claims by VWP for damages or any other claims in order to remedy or mitigate the damage caused by such breach by the Seller to third party rights.

15.11

All means of production manufactured by the Seller on the basis of data or documents provided by VWP, such as swages, moulds, templates, models, standards, tools, welding templates, programs, etc. may be used by the Seller solely for the performance of orders placed by VWP. The Seller may not use such means of production for its own purposes or offer or provide access thereto to third parties.

15.12

All technical documentation (drawings, plans, calculations, spare part lists, programs, etc.) which in particular may be required for assembly, operation, use, repair, fabrication or obtaining the required permits, shall be provided to VWP by the Seller at the right time in the number of counterparts as required by VWP and in appropriate format. Such documentation will be delivered latest at the time agreed in the contract.

16. Other obligations of the Seller

16.1

Before delivery to VWP, the Seller shall be obliged to verify the quality of the Goods. The Seller shall in particular be obliged to verify if the Goods have the agreed properties and if they can be used as specified in the contract or in a way customarily accepted for such Goods. The scope and control of quality control to be performed by the Seller may be specified in the contract between the parties. The Seller shall be obliged to perform quality control in accordance with the type and kind of the Goods and best available know-how with respect to technical properties of the Goods.

16.2

The Seller shall apply and enhance or update its quality assurance system to keep up with most recent technical know-how, appropriate for the type and properties of the Goods supplied by the Seller.

16.3

With reference to spare parts to equipment or motor vehicles that are specifically marked in technical documentation or in separate agreements, the Seller shall be obliged to record in a specific manner when, how and by whom the deliveries were inspected with respect to features that need to be documented and the results of the required and necessary quality tests. Such control documentation shall be stored in compliance with applicable regulations and delivered to VWP upon each request. The Seller shall be obliged to require its employees to keep such records as far as permitted by the law.

16.4

Breach by the Seller of the duties specified in items 16.1 – 16.3 shall be deemed to mean that the Goods have latent effects to which the Seller consents herewith.

17. Verification by VWP

17.1

VWP shall be obliged to perform a preliminary inspection including only verification of compliance of the Goods with the order, visible defects and failures, damage during transport and quantity control. Any defects or short shipped quantities detected by VWP during such preliminary inspection shall be reported to the Seller as soon as detected. The timeframe to remedy such defects shall be agreed with VWP.

17.2

Additionally, the Goods will be inspected by VWP during inspections accompanying the production process and during final inspections. Defects detected during such inspections shall be reported to the Seller as soon as detected by VWP.

18. Production of Goods; reporting of modifications

18.1

If during the term of the contract it is found out that for technical or other reasons modifications are required to the agreed properties of the Goods, either party shall be obliged to notify the other thereof in writing.

18.2

If such modification affects the agreed purchase price of the Goods, the parties shall negotiate a new price.

18.3

If due to the time when a modification to the performance of the contract is made, the Seller is not able or it is very difficult to keep the delivery date of the Goods, the parties shall agree a new delivery date of the Goods.

18.4

All modifications to the manufacture of the Goods may be implemented only when a written order change is received. The above does not apply to work that is required to be performed in order to protect human life or health or to prevent material damage to the property of VWP or third parties.

19. Tools

VWP may provide the Seller with tools required to manufacture the Goods. The tools shall remain the property of VWP and the amount of remuneration for such provided tools shall be included in the price agreed by the parties. The Seller shall be obliged to use the tools solely to perform the contract with VWP. The Seller shall be obliged to enter into an insurance contract covering the provided tools with cover against fire, flood and theft and to transfer to VWP all claims due to the Seller under such insurance contracts. Additionally, the Seller shall be obliged to

perform all repairs to such provided tools at its own expense. The Seller shall notify VWP forthwith of any damage to the tools.

20. Performance of obligations

20.1

Delivery of the Goods by the Seller shall be deemed as assurance by the Seller that the Goods have the properties specified in the contract and that the Goods are free from defects.

20.2

The Seller shall be obliged to deliver the Goods free from any defects, compliant with the contract and with complete documentation in the Polish language (such as: warranty cards, operating manuals, specifications, certificates of compliance, certificates, etc.) unless the Goods purchase contract specifies otherwise. The Goods covered by the contract shall contain all parts and elements as required for correct, appropriate and faultless operation even if not directly specified in the request for proposals or order.

20.3

If operation or incorporation of the Goods is subject to permit for use or another official certificate or declaration admitting the Goods for operation, the Seller shall obtain such decisions, certificates or declarations and submit them to VWP latest at delivery of the Goods.

20.4

Delivery by the Seller of Goods that are not free from defects shall not be accepted as performance of obligations.

By delivery of Goods that are not free from defects shall be understood as instances when the Seller delivers other goods than those specified in the contract or delivers Goods in incorrect quantity or delivers defective Goods or delivers goods without the required documentation.

20.5

VWP shall not be obliged to accept Goods that are not free from defects.

Without prejudice to the rights held by VWP under the law or the contract, VWP reserves the right to accept Goods that are not free from defects.

21. Transfer of risk

21.1

Unless agreed otherwise, loading, dispatch, transport, unloading of the Goods ordered by VWP shall be at the Seller's expense. The Seller shall be obliged to enter into an insurance contract covering transit of goods.

21.2

Unless agreed otherwise, the delivered Goods shall be packed in accordance with trading customs and suitably to the properties of the goods. The Seller shall be responsible for damage resulting from incorrect packaging. The Seller agrees to collect all packaging materials.

21.3

Acceptance of the Goods shall be acknowledged on the Goods delivery document issued by the Seller. Such acknowledgment shall be made by a person authorised to act on behalf of VWP. The delivery document shall specify the following details:

- Order number
- Quantity and units of the order
- Specification of the Goods
- VWP facility and unloading place
- VWP material indices.

22. Deadlines; delay

22.1

The delivery time of the Goods shall be binding upon the Seller.

22.2

The Seller shall be obliged to notify the Procurement Department of VWP in writing forthwith of an intention to deliver the Goods before the agreed time and about any delay in delivery of the Goods. VWP may refuse acceptance of Goods before the contractual delivery time. In case of such refusal, the Seller shall be responsible for all costs and risks related to storage of the Goods until the contractual delivery time of the Goods.

22.3

If the Seller is late with delivery of the Goods, it shall pay VWP a contractual penalty of 0.2% of the net value (net of VAT) of the order for each day of delay. If a delay by the Seller, production at VWP is interrupted, the Seller shall additionally pay a contractual penalty for each instance of production interruption as follows: for production interruption in the Paint Shop – EUR 160 per minute, in the Assembly area – EUR 390 per minute, in the Body Construction area – EUR 420 per minute, in the Head Foundry area – EUR 328 per minute, in the Pressure Foundry – EUR 73 per minute. VWP reserves the right to claim damages in accordance with the law and related to delays in delivery of the Goods by the Seller, in particular damages related to damage suffered as a result of production interruption, in excess of the contractual penalty specified above.

22.4

If as a result of force majeure, VWP is not able to accept the Goods at the agreed location, the Seller shall not be entitled to any claims for damages from VWP due to delay in collecting the Goods. In this situation, the Seller may not demand that VWP performs its reciprocal contractual obligation. Force majeure within the meaning of these Terms and

conditions shall be understood as all unforeseeable, unavoidable and major events, such as natural catastrophes, war, riots, unrest, administrative measures, etc. As far as possible, VWP shall notify the Seller of the anticipated duration of force majeure circumstances. For the duration of such obstacles, the Seller shall be obliged to store the Goods properly at its expense and risk.

22.5

VWP shall be relieved from its obligation to collect the ordered Goods in whole or in part and will be authorised to terminate the contract in this respect within two months from expiry of force majeure circumstances if the Goods due to the delay caused by force majeure within the meaning of item 22.4 of these Terms and conditions have become unnecessary for VWP – subject to economic aspects.

23. Seller's liability for defects in the Goods

23.1

The Seller shall be liable for defects in the Goods in accordance with the applicable law, in particular in compliance with the regulations concerning statutory warranty for defects in sold goods.

23.2

Unless agreed otherwise, the rights under the statutory warranty shall expire 24 months after delivery to VWP.

23.3

If the Seller delivers defective Goods, VWP shall enable the Seller to remedy such defects or perform another delivery of the Goods within the time designated by VWP unless such repeated delivery is of no importance to VWP. If the Seller is not able to comply with the request made by VWP within the timeframe designated by VWP, VWP may terminate the contract and return the Goods at the risk and expense of the Seller. Any resultant costs shall be borne by the Seller. VWP shall be entitled to deduct (also under the contract) any costs related to performance of the repairs referred to above from the receivables due to the Seller from VWP.

23.4

If the Seller delivers defective Goods again, VWP shall be entitled to terminate the contract without designating the Seller an additional time to deliver Goods free from defects. Any resultant costs shall be borne by the Seller. VWP shall be entitled to deduct (also under the contract) any costs related to performance of the repairs referred to above from the receivables due to the Seller from VWP.

23.5

If despite ineffective expiry of the time designated by the Seller by VWP in accordance with item 23.3 of these Terms and conditions VWP does not terminate the contract, then VWP may remedy or have the defects in the Goods remedied. Any resultant

costs shall be borne by the Seller. VWP shall be entitled to deduct (also under the contract) any costs related to performance of the repairs referred to above from the receivables due to the Seller from VWP.

23.6

When the defects in the Goods delivered by the Seller may cause or pose direct threat to human life or health or may cause major material damage, VWP shall be entitled to immediately remedy or have the defects in the Goods remedied at the Seller's expense and risk. Any defects shall be notified as soon as possible by VWP to the Seller and as much as possible shall ensure Seller's participation in remedying such defects in the Goods.

23.7

In case of deliveries of defective goods, VWP shall be entitled to claim price reduction of defective Goods and to demand remedy of the resultant damage. If as a result of deliveries of defective Goods, production is interrupted at VWP, VWP may claim contractual penalties as specified in item 22.3 for each case of production interruption. The Seller shall be further obliged to indemnify and hold VWP harmless against all claims for damages due to deliveries of defective Goods that may be made by third parties and to repair the resultant consequential damage.

24. Liability / Civil liability insurance

24.1

Unless agreed otherwise, the Seller shall be obliged to cover damage incurred by VWP directly or indirectly as a result of defects in the Goods, breach by the Seller of administrative regulations concerning safety or otherwise for reasons for which the Seller is responsible even if it may not be held guilty.

24.2

Unless agreed otherwise, the Seller shall enter into a civil liability insurance contract covering the operation of its business, product liability and damage caused to the natural environment. Such insurance contract shall be maintained throughout the term of the contract between VWP and the Seller. VWP may request submission of such insurance policy along with detailed terms and conditions of such insurance.

24.3

Any claims for damages due to lack of features of the Goods the presence of which was assured by the Seller and claims related to product liability by the Seller shall remain unaffected.

24.4

VWP shall be liable to the Seller solely for damage caused as a result of wilful misconduct.

25. Personal data protection

The parties shall be obliged to collect, store and process all personal data in a manner that would not breach the applicable law.

26. Final provisions

All modifications of the legal relationship between VWP and the Seller shall be made in writing. Delivery of the contract in the form specified in item 6.1 of these Terms and conditions shall be deemed as equivalent to written form.

27. Severability clause

Should any provision of these Terms and conditions and other agreements between the parties become or may be invalid or ineffective in the future, this shall not affect the validity of the other provisions of the contract. The above applies to any contractual gaps respectively.

28. Place of performance. Competent court

28.1

Unless the parties have agreed otherwise the offices of VWP shall be the place of performance of the obligations resulting from the Goods purchase contract.

28.2

Any disputes shall be resolved by a court of law competent for the registered office of VWP. However, VWP may file its claims in a court of law competent for the Seller's registered office.

28.3

In case of disputes, the Polish version of these General Terms and Conditions of Purchas shall apply.