

# **General purchase conditions of PF PLASTY CZ s.r.o.**

**valid since August, 26 2010**

Czech version of this document takes precedence over English version

These general purchase conditions are valid for every contract of purchase, in which is PF PLASTY CZ based in Masarykova 144, 747 24 Chuchelná, as purchaser (below just „purchaser“).

General purchase conditions (below just „conditions“) have priority against eventually conditions included in vendor documents. In the event that the contract of purchase from between purchaser and vendor doesn't determines other explicitly given regulation, is considered that it abides by the content of these conditions.

General purchase conditions may be individually, with particular supplier, filled of contract of „Quality agreement“and „PPM level agreement“

## **I. CONCLUSION OF A CONTRACT OF PURCHASE**

- a) **Contract of purchase meaning binding order of purchaser realized by written or electronic form. Order must contain all terms of a contract, especially I.D. of seller and purchaser (company registration number, registered place, place of business, authorized person), kind, price, quantity of required goods according to catalogue of seller, term of delivery, eventually other deliver conditions, if they differ from these conditions. If the order doesn't include sufficient specifications, purchaser completes the order to call of the seller. The call for complete is done till 2 days from the date of receipt the order.**
- b) **The seller is obligated to confirm an order within the limit of two working days since the day of its receiving, in writing form, or with stamp and sign the counterpart of order by authorized person on the part of seller. Along delivery of acceptance of order is the contract fixed. If the contract is not accepted this way, is considered, that the contract of purchase has not been concluded and no contract relation has generated.**
- c) **If the seller introduces any changes or additions in the order confirmation, this confirmation is considered as a new draft of contract. The contract of purchase will be concluded only in the case, as far as the purchaser confirm the acceptance of these changes and additions respectively till two days since the day of delivery. Than the form of acceptance is similar request the form of acceptance on the part of the seller.**

## II. DELIVERY CONDITIONS

- a) The seller enters into the engagement to make delivery of ordered goods in accordance with the legal regulations relating to such delivery in view of the character of the goods. Delivery of goods means delivery of ordered goods in requested quality, quantity, design and agreed price in accordance with legal regulations and with these conditions.
- b) If the seller is not able to deliver ordered goods properly (i.e. in requested quality, quantity, design, with agreed price and with requested documents) is obliged to notify this fact to purchaser immediately. At the same time the seller is obliged to notify the reason of the delay and the length of its duration to purchaser. The delay is considered as serious infraction of the contract and the purchaser is authorized to pull out of a contract. This doesn't affect other rights of the purchaser and the seller is aware of his responsibility for delay in delivery.
- c) The seller is obliged to pack the delivered goods and ensure it for the transfer with a view to character of goods in a way with a minimum of adverse effect to environment so that the goods would be protected and saved while transport.
- d) The localities for supply of goods are premises of purchaser, which are instrumental for receipt of goods. To the supply will be enclosed delivery note. In delivery note will be mentioned purchase order number, marking sign and delivered quantity.
- e) In case, that the seller doesn't supply products till delivery date, purchaser has the right for asking of paying the penal clause in an amount 1% of purchase price of the products. Paying the penal clause shall not affect the purchaser's claim for damages.
- f) The seller is obliged to pack the goods in the appropriate manner in a way that conforms to the standard of product and the form of transport that way the goods not damaged.

## III. FIRST SAMPLING

The seller is obliged to submit first samples for confirm before delivery of the first order. First sample means, if is not concluded otherwise: 6 sets of reference samples, 6 strokes out of the tool, minimally 5 kilograms of the material + measure, material record (secure sheet in Czech language – by the bulk materials – chemical substances towards delivery of the first samples. This everything is the seller obliged to provide out of charge and in the case of any change of the technology, construction of material repeatedly.

The seller undertakes deliver in accordance with agreed samples, conditions and documents (drawings, technical and material sheets...). Purchaser prefers document processing toward sampling in accordance to VDA regulations, eventually PPAP.

On special request of purchaser the supplier implements record and it's running updates in IMDS system.

#### **IV. DOCUMENTATION**

The seller is obliged transmit to purchaser documents, that are necessary for taking over and for using the goods, as well as documents laid down by these conditions. The seller shall give over to purchaser, with the first delivery of goods (according to the character of goods):

1. Material sheet
2. Safety data sheet
3. Declaration of conformity or CE certificate
4. Inspection certificate according to ČSN EN 10204 LEVEL 3.1.
5. Certificate of compliance with safety conditions

#### **V. PRICE**

Cost of goods results from the price list, catalogue, or from the offer of the seller, if it is not determined by other contract of purchase.

#### **VI. RESPONSIBILITY FOR DEFECTS**

- a) Responsibility for defects is agreed in accordance with provision of §422 and in consequence by Commercial Code of arranging party. Possible responsibility for defective goods will be solved on the basis of this statutory provision, if it is not determined other by contract of purchase or of these conditions.
- b) The seller is responsible for goods defects, for supply the goods in ordered amount, quality and design including form of transport. The seller is responsible for defect, which has the goods at the moment, when the risk of damage passes on purchaser, even if this damage becomes evident after this moment. The seller is not responsible for defects of goods, on

which the purchaser at the time of conclusion of a contract (therefore acceptance of order) knew, or with regard to circumstances, under which the legal relation entered, he had to know, unless that the defects concern characteristics of goods that the goods should have under contract.

- c) The purchaser is responsible to inform of the defects in writing (8D report) without reasonable delay after that the defects were detected, at the latest till the end of agreed warranty period.
  
- d) Purchaser's claim of defective goods:
  - 1) ask for elimination of defect with delivery of substitution goods for defective goods, delivery of missing goods and defect removing
  - 2) if defects are reparable, ask for remove of defects with repairing of goods
  - 3) ask for reasonable reduction in price
  - 4) pull out of a contract
  - 5) compensation for damage
  - 6) repair the goods to purchaser and charge these repair costs to the seller
  
- e) If delivered goods has defect, than the purchaser is not obliged to pay purchase price, eventually unrecovered amount of purchase price, till the time of total removing the defect or till delivery of substitution goods. The same applies if less than agreed quantity of goods is delivered.
  
- f) Purchaser reserves the right to conclude documents "Quality agreement" and "PPM level agreement". Purchaser reserves the right to complain the good while detecting of only one defect part in delivery. Defined year target PPM value is  $PPM < 100$ , if is not by "PPM level agreement" defined other.
  
- g) While presence of defective delivery is the seller obliged to determine immediate corrective actions in received 8D report (till 24 hours after complaint receipt) and the 8D report send to purchaser. The seller is obliged to eliminate the defect immediately, regardless of whether it was possible to detect defects earlier, either repair or replace defective parts for new ones, and at their own expense, including costs of transportation and payment of costs to seller's staff sent to repair.  
Rest points of 8D report is the seller obliged complete in accordance with the term determined in 8D report and send completed 8D report to purchaser.

- h) If the seller is not able to repair claimed product on the spot, than will be the product repaired by the seller on his expense. Preliminary level of costs will be notified to seller in advance, and the seller undertakes defray these costs. All demonstrably incurred cost for reason poor quality of delivered goods will be charged to supplier. For the issue of justified claim has company PF PLASTY CZ charged an administrative fee 100 Euro – see billing rates.

**BILLING RATES:**

- Repair and sorting defective goods (100% checking) tariff rate 15Euro/hour.
  - Stay time (machine + staff) 30 – 250Euro/hour (in accordance with size of machine).
  - Administration fee for issue of justified claim 100Euro.
- i) Inter damages concerning products falls within as well as damages asked by the third party – e.g.: damages of product in automotive field and damages to end user and draw back action damages.
- j) The supplier undertakes to the third party pay costs associated with justified claim, if damage is demonstrably caused by delivered product and purchaser couldn't find the defect (in case of hidden defect, or if wasn't possible find the defect while quality inspection made by input control in accordance with ISO 2859-1).

## **VII. AUDIT OF THE SELLER**

The purchaser is entitled to prior written agreement and consent of the seller to carry out an audit of the quality system of the seller. Deficiencies identified during the audit will be recorded in writing and if deficiencies are not corrected within the agreed date, may be regarded as material breach of the contract. The purchaser requires the seller to develop and implement a quality system that complies with standard ČSN EN ISO 9001:2009 (idt ISO 9001:2008)

## **VIII. GUARANTEE**

- a) The seller is obliged to deliver the goods in required quantity, quality and design in accordance with agreed purchase order. Goods must meet the technical requirements of the legislation the Czech Republic with EU. In the event that the purchaser has a special technical quality requirements announced by the seller and the order is accepted, he's obliged to deliver goods in those technical quality requirements.
- b) The seller must at his own expense arrange for the necessary clearances or permits, approval of state authorities in the country of origin and the Czech Republic.

- c) Both sides agreed on acceptance of order that the seller provides to purchaser guarantee for a period minimally 24 months since time of consumption the final customer. The seller is also obliged to deliver goods to the purchaser with the certificate of warranty.

#### **IX. THE ENVIRONMENT**

The seller must ensure that the delivered goods and packing have always been in accordance with the laws relating to environmental protection.

#### **X. PAYMENT TERMS AND INVOICING**

If isn't agreed otherwise, the seller invoice with a maturity of 30 days.

#### **XI. PENAL CLAUSE**

Accepting order the seller undertakes to pay penal, if he's late in delivery, namely 1% of the price of goods for every day of this delay. The purchaser is entitled to count penalty as matured claim of the seller. The purchaser has the right to ask compensation for damage by the seller in full. This right doesn't relate the right of the penalty.

#### **XII. CONFIDENTIALITY OF INFORMATION**

- a) The seller and the purchaser undertake to handle all closed commercial and technical details that they learned through business relationship, as a trade secret. Both sides consider all closed commercial and technical details as confidential information.
- b) Obligation to maintain confidentiality of information under this article doesn't apply to the following facts:
- 1) Generally known or generally available information
  - 2) Information notified by third person, who is not bound of secrecy responsibility.
  - 3) Information disclosure required by law
- c) The seller and the purchaser undertake all documentation considered discrete. They undertake to no publication or disclose to third parties.

- d) The seller is aware of its responsibility in the event breach of confidentiality data on his part.
- e) The purchaser gives the seller a nonexclusive license to its intellectual property rights related with the subject of delivery.
- f) The seller is obliged to compensate any damage to the purchaser incurred in connection with a claim by a third person in breach of any intellectual property rights.
- g) The parties undertake to protect trade secrets and specific business and technical solution of the other party, with whom they learn about the bilateral trade.
- h) The seller can use the products, equipment, confidential data and other productive assets, which were supplied by the purchaser or were fully reimbursed by purchaser for their needs or benefit of any third party without the period written agreement of the purchaser.

### **XIII. DELIVERY**

Any notice shall be considered to the recipient as delivered on the date of receipt by fax, email, or personal delivery and the third day after written notice to the postal service in Czech Republic in delivery by covering letter to the address listed in the order or acceptance of order.

As delivery certificate of any notice are considered following documents:

- 1) In case of delivery by fax – fax printed report for such a service telephone number, which is listed on order or an acceptance of order.
- 2) In cease of email delivery – delivery confirmation to the appropriate email address that is listed on order or on acceptance of order.
- 3) In case of personal delivery – written confirmation of receipt.
- 4) In case of written delivery – postal receipt to the postal services of the document after a period of three days.

### **XIV. CHOICE OF LAW**

**These conditions and any contract between the seller and the purchaser are governed by the laws of the Czech Republic excluding international private law and the CISG (UN purchasing law). Any disputes will be resolved per curiam.**