

**Framework Contract No. ....**  
**concluded in Sanok on the day yyyy-mm-dd**

Between:

**Sanok Rubber Company Spółka Akcyjna**  
**(short name Sanok R.C.)**  
**Ul. Przemyska 24, 38-500 Sanok, Poland**  
Phone (switchboard) (0048) 13 46 54 444; fax: (0048) 13 46 54 455

hereinafter referred to as *Sanok R.C.*

url: [www.sanokrubber.pl](http://www.sanokrubber.pl)  
e-mail: [zakupy@sanokrubber.pl](mailto:zakupy@sanokrubber.pl)  
EU VAY Id: PL6870004321  
REGON: 004023400  
Register Court: District Court in Rzeszów, Department XII of National Court Register, entry No.  
in the National Court Register 00000 99813  
Company registered capital: 5.376.384,40PLN  
Company paid capital: 5.376.384,40PLN

and:

**Supplier name:**  
**Supplier address:**  
Phone 1, fax 1

hereinafter referred to as *Supplier*

e-mail

VAT Id:  
Register No.:

Registering body:

## **1. Subject of framework contract**

1.1 This framework contract shall be applied to any and all orders and contracts between the parties, unless otherwise agreed in writing. This framework contract shall be valid together with the *Detailed Delivery Conditions* (DDC) Enclosure No.1

## **2. Definitions**

- 2.1 Goods: shall mean materials, equipment, software, services, including parts, components and materials incorporated in them, together with documentation necessary to use them, including commercial documentation (specifications of delivery, technical specifications, descriptions, catalogues, producer's instructions, etc.)
- 2.2 Supplier – shall mean legal or natural person with the registered office in Poland or out of Poland, with whom Sanok R.C. concludes the sale or supply contract of the Goods

## **3 Quotation**

- 3.1 It is assumed that the conditions of quotation shall be the base for Sanok R.C. to begin the negotiations of the conditions of execution of the Delivery of Goods, however by putting the request for quotation Sanok R.C. shall in no circumstances be obliged to make the purchase and shall not be the ground for the quotation maker to make the claims towards Sanok R.C..
- 3.2 It is assumed that the Supplier's quotation put to Sanok R.C. shall cover all costs of delivery of the Goods to Sanok R.C. on DDP Sanok Incoterms 2010 basis, taking into consideration the terms and conditions of this framework contract, unless the parties agreed in another way in DDC.
- 3.3 The quotation shall include the detailed specification of costs per unit of Goods as required by request for quotation.
- 3.4 Unless otherwise agreed, it is assumed that the conditions set up in the quotation shall be valid within 90 (ninety) days from the day of submission of the quotation.

## **4 Ordering**

- 4.1 Deliveries of Goods shall be made under the order(s) put by Sanok R.C..
- 4.2 The order may be put as the single order (single order) or the open order (open order) put under this framework contract (framework contract).
- 4.3 It is assumed that the order shall be accepted by persons entitled to make the declarations of will on behalf of the Supplier within 2 (two) working days from the date of sending thereof by fax or electronic mail or EDI (keeping with the communication method accepted by the parties), unless the parties agreed other time or the order provides otherwise.
- 4.4 The approved way of the order acceptance shall be the return of the order with the comment on the Sanok R.C.'s order form or acceptance of the order on the Supplier's document or by electronic way. In any case the acceptance shall refer to Sanok R.C.'s order number.
- 4.5 In case the order shall not be accepted within the required time, Sanok R.C. reserves the right to cancel it by written notice (including faxed or sent by e-mail) given to the Supplier.
- 4.6 The acceptance of the order shall mean the approval both the details of the order as well as the provisions of DDC.
- 4.7 The additional or different Supplier's terms and conditions shall not be applied, unless confirmed in writing.

- 4.8 All amendments and supplements of the order made by the Supplier should be agreed with Sanok R.C. otherwise being null and void.
- 4.9 Supplier may not, without the prior, written consent from Sanok R.C., assign his obligations, partially or totally, on other persons.
- 4.10 Unless the parties agreed otherwise in writing, DDC shall constitute the integral part of the framework contract made by and between Sanok R.C. and Supplier. In the DDC Sanok R.C. and Supplier may set up the additional terms and conditions of the execution of the deliveries.
- 4.11 Detailed Delivery Conditions (DDC) shall specify all detailed conditions of the execution of the deliveries of the particular Goods by the Supplier and relates to the individual Goods or group of Goods being the subject of the framework contract, particularly: (1) the deadlines for putting and execution of the orders, (2) the procedure of defining of the needs and forecasting of the needs, (3) detailed technical conditions, (4) conditions of manufacturing and financing of the tooling (if necessary), (5) detailed logistics conditions, particularly method of packaging and required safety stock. (6) other conditions different or additional to framework contract.
- 4.12 Together with the orders executed under the framework contract Sanok R.C. may submit the Supplier the forecasts of needs, concerning the dates and quantities of deliveries of the Goods.
- 4.13 In case material or good are non-standard and has been manufactured acc. to Sanok R.C.'s specific requirements Sanok R.C. will send to the Supplier updated forecasts of needs. Sanok R.C. will issue forecasts and orders on the basis of delivery schedules and forecasts given to Sanok R.C. by final customers.
- 4.13.1 The order describes Sanok R.C.'s needs for one month, while forecasts include the period described in DDC as "Time of realization of order" minus one month.
- 4.13.2 The supplier is obliged to manufacture goods in the quantity and delivery time described in placed order. Under the forecast of needs, the Supplier is purchasing materials and raw materials for manufacturing of Goods within time longer than defined by the current orders. The forecast shall define the needs accuracy within one month and quantities +/-20%.
- 4.13.3 In case Sanok R.C. finds the necessity to stop the deliveries of the Goods, Sanok R.C. shall be obliged to collect the Goods in form of the finished goods in quantities as defined in orders put by Sanok R.C.. Moreover, Sanok R.C. shall collect the Goods in form of the finished goods stored as the safety stock (provided that such a safety stock has been earlier agreed), manufactured until the day of the notification the Supplier of the necessity to stop the production. Sanok R.C. commits himself to buy the materials/raw materials for the manufacturing of the finished goods within the time defined by the parties in the DDC as "Time of realization of the order" unless parties agree in another way.
- 4.14 Sanok R.C. commits himself to buy the Goods in form of the finished goods or materials or raw materials only when: (1) the material or Goods are of non-standard nature and were produced for the specific needs of Sanok R.C., (2) in spite of the Supplier's

efforts the return or other disposal of these materials/raw materials at the price close to the price of purchase is not possible.

- 4.15 In case the deliveries are to be spread out in longer time Sanok R.C. may put the open order (open order) made under the forecast of needs, which shall also constitute the monthly schedule of deliveries. Sanok R.C. reserves himself the right to adjust the quantities and deadlines of the open order depending on the production plans and the stock of Goods; all adjustments of the open orders shall be made in form of up-dated forecasts of needs. Sanok R.C. reserves himself the right to adjust the open order within the scope of +/- 20% of quantities of the last forecast.
- 4.16 In case of the scheduled end of production /EOP/ of the Sanok R.C. products, for which are used the materials produced by Supplier, the Supplier is obligated not to apply any prices which are different from the offer (possibly later on corrected as both side agreed) and particularly not to charge Sanok R.C. any additional costs by way of not realized minimum raw material sizes or remaining in Supplier's company stocks, which were not the subject of Sanok R.C. order.

## **5 Execution of order**

- 5.1 The date of delivery or the service shall be understood as the date of handing over of the Goods to Sanok R.C. in place as set up in the framework contract or the order and after having stated this fact in document confirming actual delivery of Goods or rendering of service.
- 5.2 The execution of deliveries should be done in dates and quantities as set up in the order or, in case of open order, deliveries schedule.
- 5.3 Sanok R.C. reserves himself the right to change the delivery date: the earlier date shall be the subject to agreement with the Supplier, the later date shall not require the written agreement provided that it does not exceed one full cycle of execution of the order; in case the order sets up the delivery date without showing the cycle of execution of the order, the prolongation of the delivery time by 1 (one) month shall not require the agreement with the Supplier.
- 5.4 The date set up in the order shall mean that all obligations of the Supplier arising from the order should be performed at this date.
- 5.5 The partial deliveries, unless foreseen in the order, shall require the written consent from Sanok R.C.. In case of partial deliveries, unless otherwise agreed in order, as the delivery date shall be recognized the date of the last partial delivery.
- 5.6 Sanok R.C. reserves himself the right to refuse to receive the delivery executed before the agreed date or in quantities exceeding the ordered quantities.
- 5.7 In case of refusal to receive the delivery executed before the agreed date or in quantities exceeding the quantities as set up in the order, Sanok R.C. shall have the right to return the delivery at the Supplier's cost and risk.
- 5.8 In case of reception of the delivery executed before the agreed date or in quantities exceeding the ordered quantities, Sanok R.C. shall bear the Supplier with the costs of its storage.
- 5.9 In case the conditions of delivery have not been set up in the DDC or the order or the parties did not agreed otherwise in writing, the DDP Sanok R.C.

INCOTERMS 2010 shall be applied. The transfer of risk shall be defined according to INCOTERMS 2010.

## **6 Price and the terms of payment**

- 6.1 Unless otherwise agreed in the order, the price as set up in the order shall be the price DDP Sanok, Incoterms 2010.
- 6.2 Unless otherwise agreed in framework contract or in the order, the price as set up in the order shall cover all costs borne by the Supplier to execute the order, including the costs of tooling necessary to manufacture the Goods, costs of the implementation documentation, costs of the indispensable permissions and consents, costs of unit and collective packaging, costs of transportation, re-loading, insurance for the time of transportation.
- 6.3 In case of reception by Sanok R.C. the delivery executed before the agreed date the time-limit for payment shall begin as for the timely made delivery.
- 6.4 In case of reception by Sanok R.C. the Goods in quantities exceeding the quantities as set up in the order, the payment for the delivery exceeding the ordered quantities shall be done in term equal to double time-limit for payment for the quantities conforming with the order.
- 6.5 Time-limits for payment. Sanok R.C. commits himself to pay for the Goods, unless otherwise agreed by the parties, within 60 (sixty) net days after the date of the receipt protocol confirming performance by the Supplier of any and all obligation under the order. In case there is a consignment agreement between Sanok R.C. and Supplier, Sanok R.C. commits himself to pay for material or goods acc. to agreed consignment agreement.
- 6.6 Sanok R.C. shall not be responsible for delay in payment if the commercial documentation does not meet the requirements as set up in framework contract.
- 6.7 Any payments shall be done by bank transfer for the account shown in the invoice.
- 6.8 In case the defects in Goods are disclosed Sanok R.C. shall have the right to refrain from payment partially or entirely until the defects are removed or the Goods without defects are delivered.
- 6.9 The Supplier shall not be entitled to assign his receivables towards Sanok R.C. for third persons without the written consent from Sanok R.C..
- 6.10 In case the Supplier has the registered office out of Poland, the customs, tax, bank fees and other similar fees connected with the performance of this contract out of Poland shall be borne by the Supplier; however the same fees required in Poland shall be borne by Sanok R.C. unless parties agreed in another way.
- 6.11 Sanok R.C. shall have the right to set off against the payments due to Supplier his undisputed receivables resulting from the breach of the Supplier the terms and conditions of the order or the costs of prevention of Sanok R.C. from the outcomes of the breach by Supplier the terms and conditions of the order, acc. to this framework contract and DDC.
- 6.12 The reductions of prices or the payments due to Sanok R.C. shall be set off against the next installment of payment for Supplier or the payment shall be done within 14 (fourteen) days from the date of the debit note or the date of Sanok R.C.'s invoice, whichever is earlier.

## **7 Documentation of delivery**

- 7.1 All deliveries should be accompanied by:
- the original copy of the delivery note (DN)
  - the quality certificate confirming the required properties of the batch to be delivered when the direct production materials are concerned
  - material attests, certificates of acceptance or other documents required by law being in force within territory of Republic of Poland and European Union if the nature or destination of the Goods requires so.
- 7.2 The Supplier shall be obliged to provide the original copy of invoice to the seat of Sanok R.C. with the indication of the person who has placed the order.
- 7.3 All commercial documentation has to include the data indispensable to identify the delivery, particularly Sanok R.C.'s order number. Moreover, the invoice should include Sanok R.C.'s NIP, delivery note number (DN) or other delivery documents issued by the Supplier.
- 7.4 Regarding the delivery of Goods developed under Sanok R.C.'s requirements the Supplier shall be obliged to submit the documentation of the Goods in scope as required by Sanok R.C. covering: (1) the complete documentation required at the given reference level (2) material attests, dimension analyses, confirming of acceptance (3) furthermore the Supplier shall be obliged, following Sanok R.C.'s request, to prove the requirements of the provisions of the law being in force within Republic of Poland and European Union are met.
- 7.5 The Supplier shall determine the period of time during which the documentation, records and master sample are to be kept, while the minimum storage period of the product process documentation corresponds to the period in which the product is manufactured in serial production plus one calendar year. The remaining documentation should be stored for 3 years provided that the documentation related to safety parts is stored for the minimum period of 15 years.
- 7.6 The Supplier, at the request of Sanok R.C., shall grant access to the documentation referring to the design and development, production process and quality control of the product.
- 7.7 The Party commits himself to maintain secrecy towards third parties about the confidential information obtained from the other Party and to using this information only in accordance with this framework contract. Confidentiality clause remains in force both during the course of execution of the contract concluded by the parties and after its termination.
- 7.8 Lack of documentation of the Goods mentioned above shall be recognize as the lack of deliveries or uncompleted service, particularly Sanok R.C. reserves himself the right to stop reception or payment for delivered Goods until the documentation is completed.

## 8 Tooling

- 8.1 The Supplier shall be obliged to take all necessary measures to keep in proper conditions the technical means received from Sanok R.C., to maintain them at his costs and prevent them from loose or damage.
- 8.2 If Sanok R.C. requires so, the Supplier shall be obliged to insure the technical means passed by Sanok R.C. against the risks of loose or damage by the independent policy or within the general insurance of his business activity.

- 8.3 The reconstruction of the technical means being the Sanok R.C.'s ownership resulting from tear and wear shall be – unless the parties agreed otherwise – within Supplier's liability. In particular the Supplier shall provide, at his cost, the current maintenance and repairs of these means as well as their reconstruction and keep them until Sanok R.C. agrees to scrap them. The parties may agree other scope of Supplier's obligations.
- 8.4 Regarding the technical means belonging to the Supplier, if the deliveries have ceased before the depreciation period expired (eg. before the total number of parts as foreseen in the framework contract have been manufactured), Sanok R.C. shall be obliged to pay the outstanding amount of depreciation and then the technical means shall be passed to Sanok R.C. together with the documentation under which they were made.
- 8.5 The Supplier, except the needs connected with the execution of the Sanok R.C.'s order, shall have no right to copy or pass to the third persons the technical means or to allow the third persons to use the technical means without Sanok R.C.'s written authorization.

## 9 Claims, breach of conditions, corrective actions and limitation of Sanok R.C.'s responsibility for the results of defects in Goods

- 9.1 The Supplier guarantees in form of this independent guarantee the quality of his Goods. The Supplier guarantees the quality of his deliveries according to the specified requirements; it means that the delivered Goods shall be free from apparent or latent defects and that the Supplier shall be fully responsible for the damage caused by use of the Goods by Sanok R.C..
- 9.2 The Goods shall be recognized as the defective, if:
- 9.2.1 they are not suitable for the purpose defined by Sanok R.C.
- 9.2.2 there are some deviations from applicable specifications, drawings or other documents describing the part and given characteristics, which are enclosures to this framework contract
- 9.2.3 the part does not conform with the proper sample which has been submitted by the Supplier for approval,
- 9.2.4 they do not meet the safety standards given in Para. 9.2.
- 9.2.5 the design of the Goods has been found as defective or will become defective in terms of reliability (if the Goods are designed by the Supplier),
- 9.2.6 the Goods breach any intellectual or industrial property rights of any third party (if the Goods are designed by the Supplier).
- 9.3 At the first Sanok R.C.'s demand the Supplier within 24 hours from reception of information of the defective Goods shall be obliged to take the steps aiming to release Sanok R.C. and his customers from this problem. The Supplier shall nominate the persons personally responsible for execution of the corrective actions at Supplier. The acceptable form of the response shall be the 8D report filled in the part identifying the root cause, identification and verification of the corrective actions as well as the description of the preventive actions. These actions shall cover:
- 9.3.1 immediate replacement of the defective batch of Goods for the batch of Goods free from defects or selection thereof; the Supplier shall be responsible for the entire selection

- process (training, equipment, infrastructure, supervision). The selection can be made by the Supplier, third company or Sanok R.C. – according to the price list, which is available and updated Supplier Portal.
- 9.3.2 providing all information concerning the cause of the defects and proving the origin of the Goods, material specifications and production operations applied in the Goods being the subject of the delivery;
  - 9.3.3 assuring the additional deliveries to guarantee the continuity of production at Sanok R.C.;
  - 9.3.4 keeping Sanok R.C. informed about all deliveries to be suspected of having defective units of the Goods;
  - 9.3.5 assuring the required quality of Goods being in transportation at the moment of reception of the information about the defects of Goods;
  - 9.3.6 keeping SANOK R.C. SANOK SA informed in writing about the actions taken – 8D report filled in the part defining assembly, problem description and the immediate and temporary actions.
  - 9.3.7 Immediate actions (including those the Sub-supplier is ordered to execute) shall be taken at the cost of the Supplier and on his responsibility and these actions shall be taken until the Supplier is able to prove his ability to supply the Product conforming to the requirements of Sanok R.C., and until he ensures that within the supply chain no Products can be found which arouse suspicion as to their defectiveness.
  - 9.3.8 In an exceptional case (e.g. risk of a halt at Sanok R.C. or at his customer's plant) or at mutual consent of the Parties, Sanok R.C. is authorized to perform a sorting operation or repair by his own means and to charge the sorting cost to the Supplier. However it does not release the Supplier from his responsibility for the product.
  - 9.4 Supplier commits himself to make, within 14 days from reception from Sanok R.C. the first information about disclosure of defect, the corrective actions aiming to eliminate the root cause and to seal up the control system developed by the Supplier. The Supplier shall be obliged to take the preventive actions aiming to eliminate the recurrence of the defect also in other Goods delivered to Sanok R.C.. Other time to remove the inconsistency shall require the written approval from Sanok R.C.
  - 9.5 As the defects shall be also recognized the discrepancy in terms of quantity (number or weight of Goods deviated from the documentation), quantity and delivery date not conformed with the order, type of Goods not conformed with the order, packaging not conformed with the order or the framework contract.
  - 9.6 The Supplier shall be obliged to monitor the quality level of delivered Goods and to take the actions aiming the continuous improvement in this area.
  - 9.7 In case of repeatable quality problems of Goods delivered by the Supplier the systemic actions procedure shall be launched aiming the improvement of occurred causes of nonconformities. The details of such a procedure is included in QR.
  - 9.8 Sanok R.C. shall have the right to cancel the order put or withdraw partially or entirely from the contract notifying it the Supplier and without additional notice summoning him to perform his obligation in case of failure to perform by the Supplier any of his obligations under the order, framework contract or DDC.
  - 9.9 The Supplier commits himself not to allow Sanok R.C. to come any harm, personal injury, direct, indirect or consequential damages, including damage of reputation, as well as to reimburse Sanok R.C. for all direct and indirect costs arising from infringement by the Supplier his obligation to deliver the Goods free from defects in quantity and delivery date according to the order, and, if any, arising from infringement by Sanok R.C. his obligations towards Sanok R.C.'s customers as a result of the defective deliveries; Sanok R.C. reserves himself the right to debit the Supplier and the Supplier commits himself to cover the following costs:
    - 9.9.1 Administrative costs
    - 9.9.2 Costs of selection, re-control, reworks, scrapping, etc, if such operations have been done by Sanok R.C.'s personnel or third party acting on Sanok R.C.'s behalf;
    - 9.9.3 Logistics costs (packing, storage, additional transportation)
    - 9.9.4 Costs of machinery stoppage.
    - 9.9.5 Costs of laboratory tests or checks made or commissioned by Sanok R.C., and, in case of destructive tests, costs of samples collection when the outcomes of these tests are inconsistent with the requirements;
    - 9.9.6 Handling costs in amount of 10% of value of defective Goods in case of repeated claims concerning the same defect in the same Goods.
  - 9.10 In case, when as a result of defect in delivered Products by Supplier, Sanok R.C. or his customers or competent authorities make the decision to withdraw the Goods or the products having the Goods incorporated in them from the market, the Supplier shall reimburse Sanok R.C. for all costs borne by Sanok R.C.; in particular the Supplier shall be obliged to bear the costs of information campaigns connected with withdrawal of the Goods or the products having the Goods incorporated in them from the market, penalties and damages to be paid by Sanok R.C. due to this reasons as well as the costs of execution of the deliveries from the third persons, including the costs of manufacturing of the tooling necessary to execute such deliveries
  - 9.11 The Supplier commits himself not to allow Sanok R.C. to be responsible for any claims from the third persons as a result of infringement of the above mentioned provisions and commits himself to be solely liable for any direct or indirect consequences resulting from such an infringement, releasing whereby Sanok R.C. from any liability and from all problems connected with it.
  - 9.12 Sanok R.C. shall have the right to cancel immediately the order without any legal consequences in case the Supplier declares the bankruptcy, liquidation as well as in case of ceasing of the further activity or division of his enterprise, merger with other company or any other disposal thereof.
  - 9.13 In case of delayed deliveries of Goods (delivery date after date stated in order) the Supplier shall be obliged to pay the penalty calculated on the total value of ordered Goods basis, for each day of delay.
  - 9.14 The rate of conventional penalty shall be 1 % (one percent) of the total value of the ordered Goods.
  - 9.15 The penalty shall be paid within 14 (fourteen) days from the date of debit note and may be set off against the next payment due to the Supplier.
  - 9.16 To secure the Sanok R.C.'s damage claims as defined above the Supplier shall keep the insurance coverage in amount equal to tenfold of yearly value of Goods delivered. At Sanok R.C.'s request, the Supplier shall provide Sanok R.C. with the insurance certificate confirming keeping such an insurance.

## **10 Guarantee**

- 10.1 The Supplier as the professional subject on the field of his activity declares that he knows the Sanok R.C.'s requirements in terms of quality, costs and dates for performance of the obligations.
- 10.2 The Supplier commits himself to deliver the Goods according to Sanok R.C.'s requirements, as well as to provisions of law being in force and the standards of health, safety, environment, labour law, particularly in Poland and within European Union territory.
- 10.3 The Supplier as the professional subject, shall take the full responsibility for the Goods, their construction, manufacturing processes applied, technical decisions made in course of the production and their usefulness for the purpose for which the Goods are intended. The Supplier guarantees that he shall take this responsibility independently on Sanok R.C.'s share in development process of the Goods.
- 10.4 The Supplier guarantees that the Goods will conform with the order and the documentation valid in delivery time of Goods and that the Goods will have no defects apparent and latent regardless of the defect comes from wrong design, materials or manufacture process.
- 10.5 The Supplier shall not, without the prior written acceptance of Sanok R.C., change in any way the specification of Goods, particularly through the change of components, materials, applied processes or the place of manufacturing.
- 10.6 The Supplier agrees to continue manufacturing of the Goods for the need of after market within 10 years after the last part with the Goods has been sold.

## **11 Supplier's actions for improvement of productivity**

- 11.1 In order to keep the continuous competitiveness of Sanok R.C.'s products the Supplier shall take the actions aiming the continuous growth of the productivity.
- 11.2 The minimum level of the growth of productivity shall be mutually agreed.
- 11.3 The Supplier commits himself to make available all necessary data and provide assistance of the competent personnel in order to cooperate with Sanok R.C. on improvement of Supplier productivity.

## **12 Intellectual property rights, confidentiality and prevention from breach of third persons rights.**

- 12.1 All technical data, specifications, standards, drawings, sketches, schemes, prices and other information disclosed orally, in writing or other form and on any medium as well as models, samples and technical equipment (technical means) to be passed by Sanok R.C. at the Supplier's disposal shall become the exclusive ownership of Sanok R.C. and may be used only for the purpose of the execution Sanok R.C.'s orders.
- 12.2 The Supplier, except the needs connected with the execution of the order, shall not have the right to copy and pass to the third persons the technical means or allow the third persons to use the technical means without the written authorization from Sanok R.C.
- 12.3 The Supplier commits himself not to manufacture and market, except the Sanok R.C.'s orders, the

Goods manufactured under Sanok R.C.'s documentation or manufactured by using technical means received by the Supplier from Sanok R.C. or manufactured by the Supplier for Sanok R.C.'s order.

- 12.4 The Supplier shall be responsible for usage, without Sanok R.C.'s consent, of his business name, trade marks or Sanok R.C.'s or his customers' logo.
- 12.5 The content of the framework contract, orders and any and all specifications, technical data, samples or other materials, drawings, sketches, schemes, prices and other information disclosed orally, in writing or other form and on any medium by one party to another in connection with the conclusion of the contract or during its performing shall be recognized as the confidential and shall not be made available to the third persons, including the employees of both parties not engaged in performing or preparing of the contract.
- 12.6 In case the subcontractors are appointed within the frame of performing of provisions of this contract the Parties may disclose the confidential information to these subcontractors provided they shall be obliged to observe the provision of this clause.
- 12.7 The obligation to keep the confidentiality of information shall remain valid also after this contract has been expired regardless of the reason.
- 12.8 The Supplier declares that the properties of the Goods and the delivery of Goods to Sanok R.C. do not infringe the third persons patent and similar rights, trade marks, reserved rights, copyrights and other intellectual property rights.
- 12.9 In case the Goods or the Supplier, by delivering the Goods, unintentionally have infringed the above mentioned third parties' rights the Supplier shall make efforts at his cost to protect Sanok R.C. against all legal actions made by the third parties towards Sanok R.C.
- 12.10 In case of breach of any rights mentioned above the Supplier, at his cost and efforts shall assure the unlimited right to use the Goods by Sanok R.C. or make the change in Goods, without worsening their quality, so that the breach of the right ceased or replace the Goods or their part for other of the same quality, not infringing the rights.

## **13. Modification or termination of the delivery conditions**

- 13.1 If any Party wishes to apply for changing of the delivery conditions, especially the price of the part, he shall have to do it 6 (six) months before the valid conditions expire.
- 13.2 If no Party applies for changing of the delivery conditions in the due time it shall be deemed that the hitherto binding conditions are still valid within the next period not shorter than the last one.
- 13.3 If any Party applies for changing of the delivery conditions, and the new delivery conditions are not accepted by both Parties to the contract, each Party may apply for termination of the contract in part covered by the quotation, which then expires.

## **14. Transportation, packaging and insurance**

- 14.1 The Supplier shall be obliged to execute the deliveries in packaging and manner preventing against the damage, contamination and corrosion during transportation, re-loading and short storage under the roof or other cover.

- 14.2 Each unit package should contain on the outer side the legible information as required by transport regulations, as well as all instructions concerning the particular way of storage. Such an information should include the order number, batch number, full name of the Goods, full names and addresses of the sender and recipient, the delivered quantity, gross and net weight. Label should include bar codes acc. to Packaging Instruction – Enclosure no.2.
- 14.3 Furthermore, the Supplier shall be obliged to assure the delivery is marked in way enabling to identify the production batch is scope as agreed with Sanok R.C. In case of lack of such an agreement each delivery is required to be attached with 2 (two) detailed freight documents enabling to identify the deliveries, check in terms of quantity and, if any, also safety data.
- 14.4 The Supplier shall load and make the necessary protection of the Goods on the transport means; the Supplier shall be responsible for proper loading and protection of Goods on the transport means during transportation.
- 14.5 Any and all packing costs necessary to execute the deliveries shall be borne by the Supplier. The Parties may agree to use the return packaging belonging to one of the Parties. In case the return packaging belonging to Sanok R.C. is agreed the Supplier may not use the packaging for other purposes than execution of the deliveries.
- 14.6 In case using return packaging, which are Sanok R.C. property, the Supplier shall keep the record stating the current status of using and location of the return packaging.
- 14.7 The Packaging shall be meant as all materials necessary for proper protection of the Goods for transportation.
- 14.8 The deliveries to Sanok R.C. shall be made in working days: Monday-Friday 7.00-15.00.
- 14.9 In exceptional circumstances the deliveries within other hours are allowed, however is shall in any case require to agree with the contact person showed in the order.

## **15. Force majeure**

- 15.1 The Parties shall not be responsible for partial or total nonperformance of the contractual obligations resulting from the circumstances of "force majeure". The circumstances of "Force majeure", which may appear after the contract has been signed shall be those which are the consequences of the occurrences of extraordinary nature not foreseeable or avoidable by the parties, especially: fires, floods, hurricanes, earthquakes, hailstorms, epidemics, military violence – wars, riots, rebels, governmental or international authorities acts – bans of exportation, embargoes, currency limitations, transfer of capitals limitations.
- 15.2 In no case the delay of subcontractors or co-operators, shortage of raw materials, labour and the breaks in work caused by other factors shall be recognized as a circumstance of force majeure.
- 15.3 In case the force majeure occurs the Supplier shall be obliged to notify Sanok R.C. immediately of the appearance and cessation of force majeure and take any actions aiming to limit its results The circumstances of force majeure should be properly proved, especially Sanok R.C. may demand to be submitted with the certification from the competent local authority.

- 15.4 Nonperformance or improper performance of the contractual obligations shall not be recognized as the breach of the contractual provisions or the withdrawal from it if they are caused by the circumstances of the force majeure and provided that the Party concerned made the best efforts aiming to perform its obligations.
- 15.5 If due to circumstances of the force majeure the Party cannot perform its contractual obligations within more than 30 days the Parties shall enter into the negotiations aiming to agree and take the actions enabling to perform or terminate the contract.

## **16. General provisions**

- 16.1 No obligation or right arising from or connected with the order received from Sanok R.C. may be assigned on the third person without the written consent from Sanok R.C.
- 16.2 Unless the parties agreed otherwise in written, this framework contract may be terminated partly or entirely by each Party, keeping 6 (six) month of termination period.
- 16.3 Unless the parties agreed otherwise, in matters not regulated in this Contract the provisions of Polish civil code shall be applied.
- 16.4 The parties agree that the provisions of the United Nations Convention on Contracts for International Sale of Goods shall not apply to any transaction covered by this Agreement.
- 16.5 The would-be disputes arising from performance of provisions of this Contract shall be decided by the law of court competent for the seat of Sanok R.C.
- 16.6 Contract has been made both in Polish and English languages. In case of disputes conclusive is Polish language version.
- 16.7 This contract shall be governed by Polish law.
- 16.8 Internal part of this framework contract are Enclosures No. 1 – No. 4 and their provisions are valid for Supplier together with conclusions of this framework contract.
- 16.9 This framework contract is agreed for undeterminate period of time.
- 16.10 Enclosure No. 1 – Delivery Detailed Conditions (DDC) may be changed, after the agreement of Parties, while agreed framework contract will not be negotiated, only terminated by the Party.
- 16.11 Enclosures:  
Enclosure No. 1 – Detailed Delivery Conditions (DDC)  
Enclosure No. 2 - Packaging Instruction  
Enclosure No. 3 - Material Specification  
Enclosure No. 4 - Drawing

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