

	General Commercial Terms for the Suppliers and Cooperation Companies with Stelweld. z o.o.	G03.P01.lxx.F01.R04
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1. Scope of application

Supply of goods and / or provision of services for STELWELD Sp. z o.o. (hereinafter: Customer) by any domestic or foreign entity (hereinafter: Supplier) is only based on the following General Terms and Conditions of Purchase (hereinafter: GTC). This applies to each delivery of the Supplier's products / services, including continuous deliveries from the Customer's framework orders.

The Supplier's own sales conditions, the provisions of which are in conflict with the provisions of the GTC, shall not release the Supplier from the validity of the GTC. The Supplier may be exempted from the validity of the OWZ or parts of it only in writing.

2. Contract with the Supplier

The contract with the Supplier takes effect on the basis of the Customer's order. If the Customer's order fully takes into account the conditions set out by the Supplier in its offer addressed to the Customer, the Customer's order is valid without the need to confirm it by the Supplier. If the Customer's order is based on terms other than those provided by the Supplier in his offer or the Customer's order realizes another delivery in continuous deliveries, the Supplier must confirm the acceptance of this order for execution. The supplier has 3 working days to confirm the customer's order, counting from the day after the receipt of the order from the customer. Lack of written confirmation / refusal / restriction of the scope of the order from the Supplier means for the parties acceptance of the order to be carried out by the Supplier on the terms specified in the order.

The Supplier accepting the Customer's order for execution confirms that:

1. has sufficient experience necessary for the correct implementation of the Customer's order, which experience exists in the industry of companies that professionally perform the ordered products / services,
2. has production resources (machinery, qualified employees and adapted production rooms) and an appropriate organization to manage them, necessary to perform the ordered products / services,
3. assumes full responsibility for the performance of ordered products / services and their compliance with the documentation provided by the customer and generally applicable norms and regulations, regardless of whether only the employees of the Supplier, or sub-suppliers of the Supplier or other suppliers cooperated in the performance of these products / services third parties acting on his behalf,
4. only the Supplier's employees, or also the Supplier's subcontractors or other third parties acting on his behalf, creates its employees and subcontractors with dignified and safe working conditions, provides protection against accidents at work and medical and social benefits required by labor law, fair and adequate remuneration, working hours specified in the regulations. Provides employees with the freedom of assembly and association,
5. moreover, it is particularly concerned about the lack of practices / behaviors having the hallmarks of:
 - bullying
 - discrimination based on beliefs, origin, religion, sexual orientation,

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- employing children / minors,
- forced labor,
- human trafficking

6. makes every effort to care for the natural environment at every stage of implementation and in particular for:

- reduction of greenhouse emissions,
- reducing water and energy waste,
- improving air quality,
- rational and efficient resource and raw material management,
- waste reduction,
- an informed, responsible policy on the use of chemical and hazardous substances,

7. All activities having the hallmarks of corruption, extortion, bribery, unfair competition are absolutely prohibited. Any suspicion of the above will be reported to the appropriate state institutions.

8. Since the parties act in good faith, it is assumed that the principles of fair play, integrity, trust and respect for mutual interests apply in the performance of the contract. The parties will also beware of conflicts of interest.

9. The Parties shall demonstrate commitment to respecting and protecting intellectual property, avoiding the possibility of fabrication / falsification resulting from the appropriation of intellectual property

10. All commercial practices should take into account international export restrictions, as well as applicable international economic sanctions, if any.

11. Relations between the parties should be conducted with full awareness of financial responsibility.

3. Deliveries of products / services and documents

1. The first order of the product / service is realized as IST - (initial sample test - examination of the first samples). The supplier should provide the following documents with it: Initial sample receipt report, preliminary sample measurement report and material certificate if required. The customer will define the scope needed to submit the documentation, in accordance with the procedure of Approval of materials, details and services from suppliers.

2. The supplier is obliged to deliver the subject of the order on time and in a condition consistent with the order. Delivery is always to the address given in the Customer's order.

3. Accepting the ordered products / services to the Customer's warehouse does not mean acceptance of the quality of products / services and their compliance with the contract. Admission to the warehouse only confirms the quantity and delivery date. Verification of the quality of ordered products / services and their compliance with the contract will take place later after their inspection and collection by the Customer Quality Department or the Customer's Customer Department.

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4. In the event of exceeding the delivery date indicated in the contract for seven business days, the Customer has the right to withdraw from the contract by informing the Supplier. In this case, the Supplier is not entitled to any claims for damages against the Customer. Withdrawal from the contract does not prevent the Customer from seeking any other claims due to him due to the delay of delivery.

5. When delivering metallurgical materials, it is required to present material certificates confirming the grade of ordered materials. The certificates are to be delivered together with the material in paper form or sent in electronic form at the latest until the material is delivered to the address: magazyn@stelweld.com.pl.

6. Invoices must be delivered to the address given in the order and must contain the following order data: order number and material index number acc. Customer's naming. Unless the parties agree otherwise, the invoice payment period is 60 days from the date of invoice or the date of delivery of the goods / service, whichever is later.

4. Confidentiality

1. The Supplier is obliged to keep confidential all information and documents provided by the Customer in connection with the performance of the contract. For this purpose, the Supplier undertakes, on the basis of its internal procedures, to impose the above-mentioned obligation on all of its employees, suppliers and suppliers that have access to this information and documents.

2. The supplier is obliged to use the abovementioned information and documents only for the delivery of products / services ordered by the customer.

3. Both commitments bind the Supplier throughout the period of cooperation with the Customer and for five years after the end of this cooperation.

5. Guarantees, warranty, complaint process, repair costs

1. For the delivered products / services, the Supplier grants a two-year warranty and one-year warranty (three years in total) for any defects. The warranty period counts from the date of delivery in accordance with the product / service order.

2. The defect of the product / service of the Supplier may be stated in the Customer's warehouse, in the Customer's production process, in the client's customer warehouse or in its production process and in the use phase of the finished product by the end customer. Immediately after discovering the defects of the product / service, the Customer will notify the Supplier. The supplier is obliged to immediately analyze the reasons for the defect found in his / her production / commercial process and implement short-term corrective actions to prevent the same or similar defects from arising again - these actions should be performed up to 24 hours. since receiving a complaint from the Customer, within this period the Supplier is also obliged to send the Customer a short information about the actions taken. Up to 14 days, the Supplier is obliged to describe in detail the corrective actions undertaken, the first analyzes of their effectiveness and the planned long-term corrective actions and send them to the Client on the Customer Complaint Report Form. Complaints should be analyzed using Ishikawa Diagram or 5x Why.

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3. In the event of defects of the products / services delivered in the Customer's warehouse, the Customer has the right to request one of the four following solutions: replacement of the defective product / service for free from defects, repair of defects on the delivered product / service, total return of the defective product / service or bearing the costs of scrapping by the customer. In each of these solutions, the cost of travel to the Customer's warehouse or the transport costs of the returned products / services is borne by the Supplier.

In the case of defects of the products / services delivered in the production process of the customer, at the customer's customer or the end customer, the customer has the right to:

- a. demand from the Supplier to remove the product / service defect with the reconstruction of already advanced welding, assembly and painting production; these works will be carried out in the place where the defective product / service is currently located or at the expense of the Supplier, it will be transported to the Supplier's seat and re-delivered to the same place,
 - b. independently remove the defect or order it to be removed by an external company (including the customer) using the cheapest technology available to ensure the quality specified in the documentation, the costs of these works are borne by the supplier, they will be transparently presented by the customer.
 - c. Scrap the product in the absence of repairs, reducing claim claims against the Supplier for the proceeds of scrapping.
4. Regardless of where the defect of delivered products / services is found, the Supplier shall bear the administrative cost of PLN 50 net for each complaint from the Customer. This amount is intended to cover part of the costs of testing and measuring defective products / services, issuing a complaint protocol and tracking the further complaint process.
5. The Customer reserves the right to charge the Supplier with further documented costs, which are a direct consequence of the defects of the products / services provided by the Supplier, in particular costs incurred at the customer's customer or end-customer.

6. Quality requirements for Suppliers

1. The supplier should have a certificate of compliance with ISO 9001 based on a third party audit carried out by an accredited certification body. In addition, the Supplier should accept the requirements of this document and develop its Quality Management System towards obtaining a certificate of compliance with ISO14001 and IATF 16949: 2016. Certificate for compliance with IATF 16949: 2016 is not required. The Supplier should also allow the Customer to conduct an audit at the place of manufacture of purchased products, before entering the Supplier into the List of Qualified Suppliers.

2. If the Supplier provides the Customer with standard products / services that are generally available on the market (eg sheets, rods, pipes, profiles), it is not required to conduct periodic audits with the Supplier in accordance with the Audit Plan.

In the case of a Supplier that provides products that are specifically made to order, in accordance with the requirements and design of the Customer, it is required that the Supplier is periodically audited in accordance with the Audit Plan.

3. The supplier should inform the customer well in advance so that the reaction and verification can take place in the case of changes concerning:

- a. the product being delivered,

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- b. changes in the place of production of the product being delivered,
- c. changes in the production process of the manufactured product, where there is an impact of the change on the quality of the manufactured product, characteristics, function, performance or durability, and obtain formal consent of the customer to deliver products subject to the change.
In addition, the Supplier should maintain records regarding changes and deadlines for their introduction.
- 4. All delivered products should be free from all kinds of contamination and dirt and will not be allowed to be used by the customer if they are inconsistent with the approved manufacturing process.
- 5. The supplier should have a system ensuring full identification and traceability of the delivered products.
- 6. The supplier should provide, as required, along with the first delivery (pre-test) of each product, a report containing the material composition of the product being delivered. The report should be generated from the IMDS system (www.mdssystem.com), while the data should be sent directly by the IMDS database (www.mdssystem.com) for acceptance by the customer.
- 7. The Customer will systematically analyze the Supplier in terms of precision of deliveries (timeliness and completeness) as well as the PPM (parts per million) ratio. In the case of quality problems, it will be covered by the escalation process, as shown in the diagram below

7. Levels of Escalation

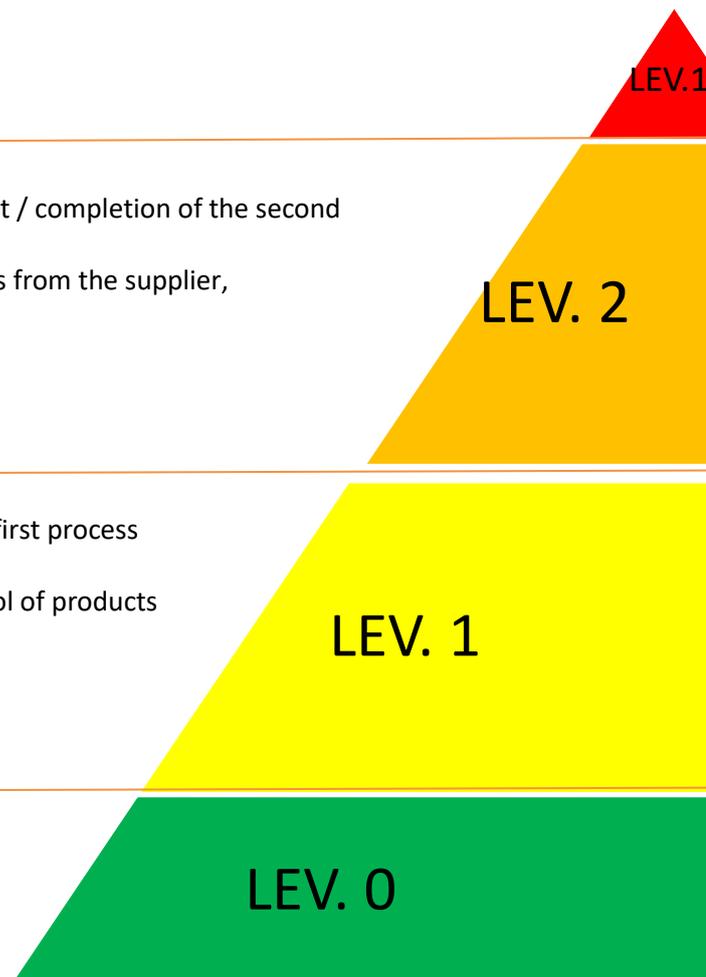
- supplier change

Sending to the supplier notification about the commencement / completion of the second escalation process by Purchasing,

- Introduction of a detailed 100% entry control for all products from the supplier,
- Visit to the supplier,
- Preparation of a new Action Plan,
- Stopping new projects,
- Start looking for an alternative supplier,
- The maximum period of escalation is 2-4 months

- Sending to the supplier notification of the start / end of the first process escalation by DZ,
- Introduction of strictly (in accordance with AQL) input control of products from the supplier,
- Preparation of Action Plan by the supplier,
- A monthly review of progress,
- The maximum period of escalation is 2-4 months

- Stable level, not requiring intervention
- Verification of accepted materials in accordance with AQL



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	Entry	Exit	Decision Maker
Level 1	- repeated complaints -exceeding logistic and quality indicator lack of response from the supplier within the set time limit to the problem	- improvement of results (reasons for entry)	Logistics and Purchasing Manager, SQA
Level 2	failure to submit a beach of corrective actions - ineffective corrective actions - logistic and quality indicators still do not meet the objectives	-- improvement of results (reasons for entry) -- long-term improvement of logistic and quality indicators - confirmation of process stability - supplier's audit.	Logistics and Purchasing Manager, SQA
Level 3	no improvement in results despite measures in steps 1 and 2 - improvement and achievement of all objectives,	- improvement and achievement of all objectives, - approved report 8D, -process stability, confirmed during the audit	Logistics and Purchasing Manager, SQA, Customer, Board member

8. Final provisions

1. Any deviations from these General Terms and Conditions of Purchase must be made in writing.
2. In matters not covered by these General Terms and Conditions of Purchase, the relevant provisions of the CCP shall apply.
3. The Supplier needs the written consent of the Customer to transfer the rights and obligations arising from the contracts with the Customer to a third party.
4. The Supplier and the Customer undertake to resolve any disputes arising in the implementation of joint agreements amicably. In cases where this is not possible, these disputes will be considered by a common court having jurisdiction over the Customer's registered office. This does not apply to cases where the Supplier is a consumer.
5. If any of the provisions of these General Terms and Conditions of Purchase prove / become invalid, this does not invalidate the remaining provisions and agreements already concluded on the basis of these General Purchase Conditions. Invalid provision will be replaced by provisions that are valid, which are the most void of the economic purpose.
6. Contact Supplier-Customer, Customer-Provider, will be held in Polish or English.