

Article 1 – General

SC LEMAN INDUSTRIE SRL (hereinafter referred to as **LEMAN**) and any person / entity that will act as a supplier of LEMAN (hereinafter referred to as **Supplier**), being hereinafter individually referred to as the Party and together the Parties, will apply the current General Conditions of Purchase (GCP) of LEMAN, FOR all orders in the following cases:

- In all commercial relations developed between the Parties;
- In the confirmed absence of General Conditions of Sale (GCS) of the Supplier;
- To complete the GCS fine of the Provider;

Article 2 – Orders

The orders and any changes to them shall be in writing. Their communication can be valid also by computer data transfer.

The Supplier must confirm the receipt of order issued by LEMAN and accept the order within 10 working days from the date of its communication.

If the Supplier does not accept the order within a maximum of five (5) working days from the date of its submission by LEMAN, the offer under the order sent is no longer effective. A subsequent execution of the order by the Supplier (i.e. after expiry of 5 working days from the date of communication) may however be accepted by LEMAN under the original tender.

Any reservations and restrictions made by the Supplier after receiving the order from the LEMAN shall constitute a counter-offer, which requires the written consent of LEMAN.

LEMAN may make changes to the initial order, informing the Supplier on this.

Article 3 – Deliveries

The deliveries are made, unless the parties have expressly agreed otherwise, depending on the orders sent by LEMAN for products to be provided and any specific equipment.

The delivery terms are imperative. Both LEMAN and Supplier undertake to inform each other about any circumstances that may change the agreed delivery dates and quantities.

All costs arising from delays in delivery shall be charged to the supplier.

The large and / or anticipated quantities delivered to LEMAN shall be stored or returned on the Supplier's expense. If LEMAN choose for return of large and / or anticipated delivered products, which is the object of orders, shall inform the Provider in writing requesting their pick up. Whether the request has not been honored within 5 (five) working days, the goods will be returned on the Supplier's expense. During this period, the Supplier will be able to move in order to establish the facts and take appropriate actions.

If there is any provision to the contrary in writing, the products shall be delivered to the address indicated on the order, the shipping and packaging costs incurred by the Supplier, accompanied by shipping documents, as they are referred to in art. 4 of GCP.

Article 4 – Shipping documents

Each delivery will be accompanied by a delivery docket (delivery note) containing, as evident as possible the followings:

- full name of the Supplier;

- number of the document;
- order number of LEMAN;
- reference and product names;
- ordered quantity;
- delivered quantity, indicating the number of packages;
- gross and net weight (for packing in rolls);
- date of shipment made by the Supplier;
- delivery address (LEMAN address or of the subcontractors)
- where appropriate, the mention « A.Q.P. »
- invoice.

Article 5 – Packaging

Any delivery shall be made in accordance with the conditions agreed by the Parties, in order to have a delivery in perfect condition. Thus, the Supplier undertakes to ensure compliance of the products covered by the orders throughout the period until they reach to LEMAN (thus including stages of production, packing, handling and transportation).

The packaging / packs used by the Supplier will not be liable to oppose normal industrial waste reprocessing and will not put LEMAN in a mismatch situation against laws to protect the environment.

Each unit packaging / packing shall, to the extent possible, include outdoor and legibly, the particulars prescribed by the regulations in force concerning transport, indications of special storage conditions.

Any damage (resulted, but not limited, from the breakage, shortages, and damages) brought to the delivered products and which arises from the inadequate or faulty packaging / wrapping will be charged to Supplier.

Article 6 – Transfer of ownership and risk

If there is no agreement to the contrary between the Parties, the products forming the object of orders shall become the exclusive property of LEMAN from the time of allocation, at order, of the supplies made for its achievement and, at the latest, at the end of products or their incorporation into the product supplied by LEMAN.

The transfer of risks is operating at the reception, without reserves, of products in the place designated by LEMAN. This clause operates also when LEMAN take itself the delivery.

Article 7 – Price – Competitiveness

The agreed price cannot be amended only by written agreement of both Parties. Only a change in the initial order made by LEMAN shall allow establishing invoices at different prices from those originally agreed. The orders that have not been modified by LEMAN will be invoiced at the prices originally agreed.

The prices are without VAT.

The prices include the packaging and wrapping of products listed in the order.

The quality, the costs and the delivery period of products and the period of performance of services must remain competitive. In the absence of competitiveness, LEMAN and the Provider will agree

on terms and delivery period and other applicable criteria to be changed in the market, with reference to competing products (subject to the provisions of the Article 20).

Neither Party will suddenly stop the execution of orders. The Party, whose prices proposal will be refused after negotiating in good faith, may terminate the order under this Act. If the Provider wants termination of the Agreement, the declaration of withdrawal must be notified to the LEMAN within a reasonable period of at least 6 months, so LEMAN can ensure continuity of performance of its obligations to customers. In case of breach of that obligation, the Supplier is obliged to repair all direct and indirect damages suffered by LEMAN.

Article 8 – Delay of payments

If the Supplier has been provided penalties for late payment, these penalties will be limited to the statutory rate set by the National Bank of Romania.

Article 9 – Regulations

The payment currency is the currency under which was made the order. A change in parity of estimates will not, under any circumstances, be taken into account.

If there is no contrary note written on the order, the purchases made by LEMAN under orders can be paid by bank transfer within 45 (forty five) days from the end of the month in which the invoice was issued.

The maturity date is determined by the date of receipt of the goods by LEMAN.

LEMAN may offset the amounts owed to the Supplier, in the terms permitted by law and in accordance with art. 11 of GCP.

Article 10 – Invoices

The invoices shall contain all the particulars provided by the law in force at the time of their establishment.

The invoice must reach LEMAN possession, in a copy, no later than 5 (five) working days from delivery.

The invoices will be sent, necessarily, to the accounting service unit that issued the order. The transmission of the invoice to LEMAN does not constitute its acceptance. The acceptance of the invoice can be made on behalf of LEMAN only by the persons authorized to do so.

The unit prices must be stated excluding VAT. However, separately, in the content of the invoice must be included the VAT rate and the amount and the way of payment of the tax.

The returnable packaging must be the subject of a separate invoice.

Article 11 – Compliance

The products delivered shall be fully compliant with the specifications, plans, standards, specifications contained in the order or any other document referred to them.

LEMAN reserves the possibility to submit on expertise the ordered products at all stages of order execution, without this exempting the Supplier of its obligations and responsibilities.

In clear case of failure to meet the terms or non-conformity of products (as this term is provided in paragraph 1 of this article), only for a part of the order, LEMAN will submit to the Provider a formal request in writing (i.e. a report of non-compliance), which indicate deficiencies noted and the estimated cost of repair and damage coverage. If after a period of 7 (seven) days from the date of submission of the application pre-specified, the Supplier has not taken the necessary measures, LEMAN can:

- cancel or suspend the current balance of supply;
- require to Provider the replacement of nonconforming product so that can be met the conditions and terms agreed by the Parties through orders and contracts, or underlying documents;
- perform or request to perform on the expense and responsibility of the Supplier operations required for sorting, recovery, repair, modification, correction and retouching;
- to purchase from another source to balance the order or program considered on the expense and risk of the original Supplier which will allow, in this case, to use its intellectual property or industrial possibly without any restrictions and reserves and totally on free.
- to charge the supplier the amount of 50€ as administrative costs for each claim

If LEMAN shall choose to make necessary repairs, either alone or through another company, shall send to Provider a notification with the incurred costs and shall close the report of noncompliance.

The Provider may make reasoned opposition in writing within 5 days of receiving the notification regarding the costs. In case of disagreement on the amount of damage, it will appeal to a specialized evaluator chosen by LEMAN; the costs incurred shall be borne entirely by the Supplier.

If the Provider has not submitted complaint, or did not comply within 5 days of placing it, LEMAN will be able to offset the cost amount mentioned in the notice, with any present or future debt that could be held for the benefit of Supplier. Thus, the Supplier gives LEMAN, expressly and irrevocably, the right to retain the amount of any sums due to the Supplier, operating as full as conventional compensation without having to make any additional formalities to operate compensation.

LEMAN may choose to apply one or more of the measures listed above, and the Provider has no right to object to LEMAN's option.

Choosing one or more of the measures listed above, is not a waiver of LEMAN to the right to request and obtain damages from the Supplier. Thus, LEMAN will be able to charge the Supplier all direct and indirect costs arising from incidents that caused a split flow and / or other problems within LEMAN and / or the customer, including LEMAN penalties imposed by their customers. The Supplier undertakes to pay such pecuniary consequences, since the receipt of the corresponding invoice.

Article 12 – Quality

The Supplier undertakes to comply with the rules and procedures of quality assurance required by LEMAN and that have been communicated.

LEMAN reserves the right to check, at any time, the compliance of quality assurance rules agreed by the Supplier, without exempting the Supplier of its obligations and responsibilities.

The Supplier is responsible for the quality of the product delivered and should define and implement a strategy involving products without any defect, in any case, and whatever the degree of control, audit or assistance conducted by LEMAN to Suppliers and / or to subcontractors.

The Supplier is not entitled to modify, in any case, the product or its manufacturing process without obtaining the prior written consent of LEMAN.

Article 13 – Warranty - Responsibility

The Supplier warrants that the goods supplied are in conformity with the specifications, with orders and contractual specifications and the legal provisions in force.

Supplier warrants that the goods supplied are new, are of high quality, without any defect in material, design or manufacturing and are perfectly adapted to the use for which they were intended.

The Supplier is responsible for both defects and flaws that affect its products in accordance with applicable law and contractual obligations. It will ensure LEMAN against any claims made on product quality, and against all consequences, direct or indirect, made to LEMAN and / or third parties.

The Supplier shall inform, without any delay, LEMAN on any deficiency which has established itself for its products in order to limit the negative consequences.

The Supplier shall undertake to ensure the proper functioning of its products and services over a period of at least 2 (two) years, unless otherwise expressly agreed by the Parties, period to be counted from the date of receipt of the goods or service delivery. Thus, the Supplier undertakes to ensure, on the entire period, exclusively at its own expense and at the simple request of LEMAN, the maintenance, repair or replacement of products, parts or defective services. The supplier is responsible for all costs of correcting the deficiencies (including, but not limited to labor costs, travel, accommodation) and, if applicable, any penalties, damages imposed on LEMAN by its customers, and for any other damages incurred by LEMAN due to Provider's product failures.

The Supplier warrants LEMAN against any claims from third parties regarding the products and services delivered and undertakes to take, on its own risk and expense, the defend in the Court, paying or reimbursing since the first request, any fee , expense or damages requested by LEMAN.

Article 14 – Responsibility for Defective Products – Insurances

The Supplier warrants its solvency, both when signing the contract with LEMAN and throughout it. Also, the Supplier undertakes to immediately notify LEMAN when encountering difficulties that in any way affect the interests of LEMAN.

Also, the Supplier will conclude insurance contracts for various types of liability. Provider's liability insurance shall cover the subsequent period after which the products were supplied.

The amount of compensation determined according to insurance contracts must be sufficient to fully repair the body, material or immaterial damages, consecutive or not, direct or indirect, caused to LEMAN, LEMAN customers or third parties in the performance of one or more commands.

The Supplier undertakes to prove the existence of such contracts and the payment of insurance premiums corresponding to the first request issued by LEMAN.

The Supplier shall be responsible for ensuring its own suppliers regarding the liability on deficiencies of products.

Subscription of these insurances is not a limit of Supplier's responsibility.

Article 15 – Execution of works

The Supplier's collaborating individuals that work in LEMAN's buildings or in the LEMAN customer's buildings, within the order, shall comply with the rules of procedure of each location. In this respect, shall be fully respected also the rules on the entry and exit of the building.

It is excluded LEMAN responsibility for accidents that have incurred Supplier's collaborating individuals.

Article 16 – Specific equipment

The specific equipment or other supports that are funded partially or entirely by LEMAN may be used only to execute its orders, unless there is an express agreement, prior written from LEMAN. To extend in which the specific equipment belong to LEMAN, they must be returned when required. The supplier shall, at its own expense, ensure the renewal of specific equipment and its operation so that on the duration of the contract or on the commercial relationship, to maintain the same conditions of quality that the products met the agreement conclusion.

This specific equipment will be identified as belonging to LEMAN by placing a wafer or inscription that cannot be deleted.

The supplier will have to establish complete and updated list with specific equipment, or the supports funded by LEMAN and it will be kept available for LEMAN.

Both the preservation, maintenance, restoration to working and the subscription of required insurances on specific equipment shall be provided by the Supplier under the provisions agreed by the Parties or, if they are missing, according to the legal provisions applicable to storage contracts.

In the event of a failure to meet its obligations, the Supplier shall expressly authorizes LEMAN to use its specific equipment required to produce, to order the manufacture or to put in conformity the products that have been already shipped, on the entire period when the Supplier is not complying with its obligations, regardless the Provider's rights on the specific equipment or products. Thus, in this case, LEMAN shall be able to take including the equipment used by the Supplier to manufacture or modify the products ordered and to provide them to another provider that shall use them to execute the orders accordingly.

None of this specific equipment and / or any other support shall not be subject to modification or destruction without the prior written consent of LEMAN.

Article 17 – Industrial, intellectual property – Advertising

LEMAN owns the results of studies, prototypes, models and specific equipment, documents and data, which have funded and which were made for LEMAN. The supplier is not entitled to any industrial property rights, the savoir - faire or manufacturing secret of these items.

Assuming that LEMAN agreed, expressly, a property right of the Provider on one of these items, the Supplier acknowledges and grants to LEMAN a free license operating for its own needs.

Studies, plans, drawings, models and specific equipment may not, without prior written permission from LEMAN be used by the Supplier, for any other purpose. They may not be recopied, reproduced or disclosed to third parties.

The Supplier warrants that its products can be sold freely and do not infringe the intellectual and industrial property rights of third parties. The Supplier undertakes to represent LEMAN, upon request, in any action on industrial / intellectual property rights of third parties and to repay all amounts expended in such a situation.

Under no circumstances the orders of LEMAN cannot be used, directly or indirectly, for purposes of advertising without prior written consent of LEMAN.

Article 18 – Ownership of raw materials, components, assemblies or subassemblies

If, for executing an order, LEMAN has provided to the Supplier raw materials, components, assemblies or subassemblies, the Supplier undertaking to maintain and keep them in the best conditions.

The Supplier shall take all measures for conservation and individualization necessary to avoid mixing with other goods so that LEMAN be able to exercise at any time, the attributes of ownership, including, without limitation, in the case of collective proceedings.

The Supplier undertakes not to constitute, thereof, any guarantees, such as the collateral. The Supplier shall not prejudice in any way, directly or indirectly, the ownership of LEMAN. In case of non-compliance, the Supplier shall be obliged to pay related damages.

Article 19 – Assignment - Transfer - Subcontracting - Change of Control

The orders shall not be made partially or totally by a subcontractor of the Supplier without the prior written consent of LEMAN.

The Supplier shall be unable to change the manufacturer or subcontractor without prior written authorization from LEMAN.

The Supplier is solely responsible towards LEMAN for proper execution of orders and contracts terms and in deadlines provided.

If direct or indirect change of control of the Supplier, or assignment of property used to carry out its orders, whether those transactions could be, or might become injurious to LEMAN, the Supplier shall, in advance, require written consent from LEMAN to be able to continue the execution of orders. In the absence of an agreement, LEMAN may terminate the contract from the time of the operation, without paying to the Supplier any compensation.

Article 20 – Contract Termination

If the Parties have not agreed otherwise, the issuance by LEMAN of several successive orders by the Supplier shall not be assimilated to a single contract, each order representing a new contract (the "**Contract**"), unless agreed otherwise by signing a Product Contract.

LEMAN shall notify the Supplier a notice in the absence of renewal of one or more orders, LEMAN being able to change the order depending on the Supplier. If a Product Contract, the products and quantities that LEMAN require are those covered by the orders.

In case of noncompetitive products or their nonconformity shall apply the provisions of art. 7 - Price, respectively those of art. 11 - Control of conformity of GCP.

LEMAN has the right to terminate the contract, without prior notice or other formality (pact of termination clause) if the Supplier:

- fails to fulfill or improperly fulfill its obligations. In this case, the termination operates within 5 days from the written notice issued by LEMAN to the Supplier on the execution of its obligations;
- is in a state of default or liquidation proceedings or insolvency were initiated against him;
- assign its rights and obligations under the Contract without the prior written consent of LEMAN;

LEMAN, on its sole discretion, may continue conducting contractual relations in the occurrence of one of the situations described above, expressly informing the Supplier about the continuation of the Contract. LEMAN option to continue the development of contractual relations does not exempt the Supplier in respect of non-performance or improper performance of its duties.

Contract is terminated by operation of law:

- (a) if expires, unless the Parties agree to extend it, at least 30 days in advance;
- (b) by agreement of both Parties;
- (c) by withdrawal from the Contract made by LEMAN at any time by sending a registered letter with acknowledgment of receipt, subject to prior notice of six (6) months. This notice may be reduced by consent of the Parties or in case of force majeure.

Termination of the Contract shall have no effect on already existing obligations between the Parties, subject to contrary agreement.

Article 21 – Health - Safety - Environment

Products, goods and services must meet the requirements in force in Romania and the EU Member States in matters of health, safety and environmental protection.

In the product design, its packaging, choice of materials, any intervention in the location (internal or external) of LEMAN, the supplier undertakes to take measures to protect the environment, comply with the legal provisions on the protection of health, safety, environmental protection, and the substantive requirements of LEMAN.

The Supplier undertakes to authorize LEMAN to operate on its premises, any kind of control on the level of protection of health, environment, and safety and take measures envisaged by LEMAN, without this exempting the Supplier of obligations and responsibilities.

The supplier undertakes to inform its employees regarding their obligation to respect a certain behavior on the platform SC.LEMAN INDUSTRIE SRL company, more exactly they must respect the selective waste collection, they must not abandon hazardous waste (tires, waste oil, lights etc.), they must inform SC Leman Industrie SRL employees if spills occur (due to machine failures or material transported), they must not discharge hazardous substances in rainwater, they must comply with the rules of labor protection and fire.

The Supplier warrants that the obligations on health, safety, environmental protection shall be respected by its authorized subcontractors by LEMAN, just as they were defined in Article 19 above.

The Supplier undertakes to cooperate actively with LEMAN for taking measures on protection of health, safety and environment.

Article 22 – Dissimulated work

The Supplier undertakes to comply with all applicable legal requirements, particularly those relating to concealed work, the provisions of the United Nations International Convention on the Rights of the Child dated 20 November 1989 prohibiting the employment of children below 15 years.

The Supplier undertakes to provide LEMAN with all documents attesting compliance with these provisions, within 30 days of receipt of a written request from LEMAN (e.g. Rules of Procedure of the Supplier, the Supplier honor the commitment which expressly states that national and European labor is respected).

Article 23 – Provide of spare, backup parts

The Supplier undertakes, unless expressly agreed otherwise by the parties, to ensure delivery of spare parts for a minimum period of 10 years, which begins from formal notice to stop the production of material goods in which are integrated the products delivered.

If activity stops, the Supplier undertakes to inform LEMAN, in the shortest time on this decision. It also undertakes to manufacture or cause to manufacture, use, sell and repair the parts of products ordered. In this respect, the Supplier will provide the necessary documents.

Article 24 – Confidentiality – Non-Competition

All information provided by LEMAN is confidential. Disclosure of any information to persons involved in the performance of the Contract shall be made in confidence and shall contain only the information necessary to fulfill the orders.

The Supplier shall take all measures necessary to ensure that any information submitted by LEMAN or any other information accessible to the execution of one or more orders and their outputs or results are not disclosed to third parties.

The Supplier shall not develop, manufacture, market, for himself or for others, products subject to technical files of LEMAN.

Article 25 – Progress commitment

The Supplier undertakes to continuously seek improvements in the technical definition of product (s) and service (s) which is/are subject to its control and industrial process in order to reduce manufacturing costs and improve quality, so to keep, throughout LEMAN the collaboration, the market standards.

Article 26 – Divisibility

If one, any of the terms or provisions of the present GCP is invalid or not enforceable, the other provisions shall remain applicable and enforceable in all their effects. The Parties shall establish a replacement clause that allows keeping the spirit of the original text.

Article 27 – Notifications between the Parties

If notification is by mail, it will be communicated in a way that allows acknowledgement of receipt.

If notification is sent via e-mail or fax, it is considered received on the first working day following that on which it was sent, if there is a confirmation of transmission.

The verbal notifications shall not be considered by either Party, unless confirmed by one of the procedures laid down in the preceding paragraphs.

Article 28 – Force majeure

The Force majeure, as defined by law, as evidenced by a certificate issued by the Chamber of Commerce at the event, exonerates the Party invoking it, only by providing written notification made by the other Party within a period of 2 days after the occurrence of force majeure, failure to comply that period results in ordering to the guilty Party to pay the amounts required to cover the damages caused by failure to notify the other Party within the situation.

The Force majeure exonerates both Parties from liability for inadequate performance or late obligations.

The Force majeure means an event beyond the control of the Parties, unpredictable and insurmountable appeared upon acceptance of orders which prevent the Parties to perform their obligations. Such events are: wars, revolutions, fires, floods or other natural disasters, restrictions arising from quarantine, embargo, and the list not being exhaustive.

Article 29 – Applicable law– Allocation of jurisdiction

By execution of the order by the Supplier, it accepts without reservation the exclusive jurisdiction of the Arbitral Tribunal of the Chamber of Commerce, Industry and Agriculture Timis regarding disputes arising from the conclusion, interpretation, performance, termination of contractual relations, regardless of the delivery and payment method and regardless of what was provided in the GCP of the Supplier or other documents emanating from it (order confirmation, delivery notes, invoices, etc.).

The applicable law is the Romanian law being expressly excluded the applicability of international conventions.

In case of divergence between GCS and GCP, GCP shall prevail.