

# **Terms and Conditions of supplier cooperation with SITECH Sp. z o.o. in terms of purchasing parts' disposal**

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## 1. Applicability

These Terms and Conditions apply to supplier cooperation with SITECH Sp. z o.o. in terms of logistics and transport.

## 2. Orders

SITECH undertakes to issue orders until Friday of each week. The order is sent on the agreed day of the week through electronic data interchange (EDI). In the case of companies that do not transmit data via EDI, orders are sent via e-mail.

✓ The AMOUNT – the amount of the ordered material is specified in the order document (*called LAB*). The order is adjusted to a multiple of one container. The forecast of daily amounts covers the current and the following week. The amounts for further periods are presented as cumulative weekly demand.

✓ The DATE ON THE ORDER – is understood as the date of loading of the parts at the supplier. The parts should be available in supplier's warehouse from 6.00 a.m. on the day of loading.

In cases where transport is organised by the supplier, the DATE ON THE ORDER is understood as the date of delivery of the parts to SITECH.

✓ In the order SITECH predicts the volume of supplies for the period of at least 12 weeks. The annual demand for the parts is specified in the KP (concern forecast) which is sent by SITECH once a year at the request of the supplier.

✓ The suppliers are obliged to check whether the forecast of orders has been received and if not – to notify the appropriate administrator of the lack thereof.

- ✓ The latest order is ALWAYS the binding one. This means that upon sending a new delivery schedule, the previous one ceases to apply. If in a given week SITECH fails to send the order, the schedule sent in the previous week will be the binding order.
- ✓ The supplier is obliged to send the parts in accordance with the order. The supplier must comply with both the ordered quantity and the date of loading.
- ✓ The supplier has one business day to send information about declining the order and to provide reasons for the non-acceptance.

Non-executed orders:

- ✓ SHORT DELIVERIES – in the case of non-execution of the order, or in the case of sending a short delivery, the supplier undertakes to send the material at its own expense, irrespective of the INCOTERMS specified in the contract.
- ✓ EXCESS DELIVERY – in the case of sending a larger amount of parts than ordered, SITECH does not guarantee the availability of space in the dedicated transport and reserves the possibility of returning the received parts at the expense of the supplier.
- ✓ The supplier is obliged to immediately notify SITECH of each shipment of short delivery or a delivery non-compliant with the amount ordered.

### **3. Rules for loading – transport issues.**

The rules for loading and transport issues are governed by special provisions on transport service in force at SITECH Sp. z o.o.

- ✓ The form of packing slips is agreed between the administrator of SITECH and the supplier.

- ✓ In the cases where transport is organised by the supplier, the vehicles that are to be unloaded at SITECH must be reported in due advance.
- ✓ The supplier is obliged to issue the necessary transport documents: shipping document (WZ), the completed bill of lading (CMR).
- ✓ Loading at the supplier takes place in previously agreed time windows. In the case of postponement of or prolonged loading at the supplier, the SITECH administrator must be immediately notified of that fact.
- ✓ The place of loading at the supplier is the place indicated by the supplier in the contract. The change of the place of loading must be agreed upon and accepted by the Purchasing Department of SITECH.
- ✓ The form of notification and the need to issue it is directly agreed between the supplier and the transport unit of SITECH.
- ✓ The supplier should follow the driver's suggestions regarding the distribution of goods on the trailer so that the goods are transported safely and in accordance with traffic regulations in force.
- ✓ If the trailer provided by the carrier is in bad state, the supplier is obliged to withdraw from loading and to immediately notify the SITECH administrator.
- ✓ The supplier is obliged to designate a contact person – a warehouse worker.
- ✓ The supplier should read and and comply with Incoterms regulations which the supplier agreed upon in the contract with SITECH (including the question of the obligations of the loader).

#### **4. The management of containers.**

- ✓ The supplier undertakes to inform weekly about the number of containers needed to execute SITECH orders.
- ✓ SITECH undertakes to supply empty containers to the supplier in accordance with the specified delivery schedule.
- ✓ The number of containers provided by SITECH is defined in accordance with the internal regulations between SITECH and the supplier.
- ✓ SITECH undertakes to inform the supplier every month about the balance of the containers.
- ✓ The supplier undertakes to carry out a year-round inventory of the containers on the date(s) indicated by SITECH Sp. z o.o.
- ✓ The supplier undertakes to send back the documents confirming the receipt of empty containers.
- ✓ The supplier with price A is obliged to clean the containers and remove any sheets of paper and container markings from them, and to supply the parts in clean packaging (details will be in packing instruction).

#### **5. Methods of packing.**

- ✓ The supplier is obliged to pack the parts in accordance with the packing instruction accepted by SITECH. (A signed company document of the supplier or of SITECH).
- ✓ The methods of packing should be suggested by the supplier, taking into account the following requirements:
  - during the transport and storage the parts must be properly secured and meet quality requirements;

- the used method of protection should protect against mechanical damage and atmospheric conditions inside and outside warehouse building(s) / production halls;
- the method of packing must meet the requirements of ergonomics and cannot hinder taking the parts from the container;
- packaging including the protection of the parts must be designed/planned so that the packaging is used to the maximum in terms of weight or volume, taking into account the environmental aspects (minimising the use of paper/cardboard spacers – taking into account the appropriate level of quality security of components against damage in transport and storage).
- ✓ The supplier is obliged to provide / apply a substitute packaging in the absence of the main container.
- ✓ The supplier is obliged to inform SITECH of the substitute packaging 3 days before delivery.
- ✓ The marking of / label on the container must be compliant with the VDA 4902/4 standard (standard template to be provided by SITECH).

## **6. Cooperation and communication.**

- ✓ Administrative working hours at SITECH are: 7:30 – 15:30. Outside of these hours, administrators are available under business phone numbers.
- ✓ The supplier is obliged to inform SITECH about administrative working hours and working hours of the warehouse. If for some reasons the

working hours change, the supplier must immediately inform SITECH of same.

- ✓ The supplier must inform SITECH about non-working days at the supplier's company at least 4 weeks in advance.
- ✓ The supplier should indicate the person who will be available via telephone outside the working hours of the company (e.g. in the afternoons, at the weekends).
- ✓ The supplier undertakes to immediately inform SITECH Sp. z o.o. about any problems with supplies, material, loading, etc.
- ✓ After each completed month the supplier will receive a report with an assessment of logistics. The following 4 logistic criteria will be assessed: timeliness, completeness, operational logistics, communication and flexibility.
- ✓ On each request of the supplier, the SITECH administrator sends a confirmation of delivery arrival – Gelangensbestätigung.

## **7. Information flow – EDI.**

Data is transferred electronically. It is the exchange of structured commercial data between the information systems of the supplier and the system of the SITECH plant.

- ✓ Data exchange must be ensured 24 hours a day, 7 days a week.
- ✓ The supplier undertakes to receive orders from SITECH via the EDI.
- ✓ After completion of loading, the supplier sends the electronic bill of lading (MAT).

## 8. Financial burdens.

- ✓ In the case of sending SITECH more than 3 special shipments per week due to the fault of the supplier, SITECH will charge the supplier with settlement costs of € 50 for each special shipment.
- ✓ In the case of shipping goods in a manner inconsistent with VDA 4902 container marking standards, the supplier will be charged € 75 per packaging/wrong label.
- ✓ For each case of a failure to send EDI MAT electronic bills of lading the supplier will be charged with costs of € 75.
- ✓ In the case of an incorrect shipment of the parts (logistic incompatibilities, e.g. lack of transport documents, the number of parts in the documents inconsistent with the actual number of parts delivered, etc.), the supplier will be charged € 75 for each incompatible shipment.