

CONTRACT

Entered into as of **xx.xx.xxx** by and between:

Sanden Manufacturing Poland Sp. Z o.o. with a registered office in Polkowice 59-101 at Fabryczna 11 street, entered into the register of entrepreneurs under number

KRS 0000203754, NIP [*Taxpayer Identification Number*] 5020002737, represented by:

1. Andrzej Michalski – Dyrektor Zakładu
2. Tomasz Karwatka – Dyrektor Finansowy

further called the **Customer**,

and

XXX with a registered office at ul. **XXX X**, **XX-XXX XXX**, entered into the register of entrepreneurs under number KRS: **XXX**, VAT: **XXX**, represented by

1. **XXX**

further called the **Carrier**

Whereas:

The Carrier declares that it is an entrepreneur who professionally and as a gainful activity provides services for the carriage of goods by road and that it holds an operating licence for the national and international carriage of goods by road

The Carrier declares that it has an appropriate number and type of means of transport and a qualified staff for the proper provision of the services covered by the contract,

The Carrier declares that the means of transport in its possession comply with at least EURO 5 or EURO 6 emission limit values or higher, enabling transport in the countries which require compliance with such standards,

The Customer is interested in starting cooperation with the Carrier within which the latter will perform for the Customer, with priority over all its other clients, the national and international carriage of goods by road,

The carrier has obtained the ISO 9001: 2009 certificate and optionally the AEO certificate - safety and security, it gives it to the Client at the conclusion of the contract and guarantees to the Client that he will hold valid certificates throughout the duration of the contract.

The Parties enter into the contract reading as follows:

§1

1. The Customer hires the Carrier, and the Carrier undertakes, within its business activity, to perform for the Customer the national and international carriage of goods by road, on the routes specified in annex 1 to this contract.

§2

1. The services covered by this contract will be performed by the Carrier on the basis of written transport orders.

Subject to the provisions of paragraph 3 of this clause, the Customer will deliver the transport orders to the Carrier via e-mail at xxx@xxx

To avoid any doubt as to whether the Carrier has received a transport order, the Carrier undertakes that within 30 minutes following receipt of such order it shall confirm to the Customer, via fax, e-mail or phone that it has accepted the order.

2. The Customer declares and the Carrier acknowledges and agrees that circumstances may occur where because of particular importance of a given transport for the Customer and/or a client of the latter, the Customer will not be able to deliver a transport order prior to collection of the cargo. With respect to such transports, a transport order may be delivered to the Carrier without observance of the sequence of actions specified in paragraph 2, and the Carrier undertakes to execute such an order. An accepted form of communication in case of special transport orders is a telephone communication and conformation by signing order by both parties and send by email to Carrier
3. In case of change of date of provision of a mean of transport for loading or cancellation of such provision at the Customer's facility, the Customer will inform the Carrier thereof as soon as possible, with no negative legal consequences for the Customer.

§3

1. The Carrier guarantees to the Customer that it will provide for loading such means of transport which are proper in terms of carrying capacity and the type of transport order made, including in particular with respect to the qualities of the transported goods - whereas the Customer undertakes to specify the requirements regarding transport of particular goods in the transport orders. Moreover, the Carrier guarantees to the Customer that it will provide for loading the means of transport in good technical condition that guarantee carriage of goods protected against any damage, loss and that guarantee their good appearance.
2. The Carrier undertakes to perform the services covered by this contract in compliance with the environmental protection laws. In particular, the Carrier undertakes to take any and all measures to prevent negative impact on the environment, prevent pollution and comply with provisions of waste law.

3. The Carrier confirms acceptance of goods for transport on a CMR waybill - in case of an international carriage or on a goods release note in case of carriage in the territory of Poland.
4. The Carrier is obliged to use the web transport portal based on Optilo system which is owned by Sanden. Sanden works on Optilo system with all shipping orders between supplier – Sanden – carrier.

§4

1. Subject to the provisions of paragraph 2 and 3 of this clause, the Carrier guarantees that it will perform the carriage within the time-limit specified in annex no. 1 to this contract as a maximum transit time, provided that no force majeure event occur during performance of the carriage which would prevent carriage of the goods within the prescribed time-limit.
2. If in a transport order the Customer specifies each time a time of transit, and the Carrier confirms such order with no reservations, it means that the Carrier will perform the carriage within the time-limit specified in the order.
3. If in the transport order the Customer defined a date and a time of loading and/or unloading, the risk of earlier provision of a vehicle for loading and/or unloading will be borne entirely by the Carrier.
4. None of the parties will be liable for non-performance or improper performance of this contract if such non-performance or improper performance results from Force Majeure. Force Majeure means circumstances which occurred after conclusion of the contract as an external extraordinary event which could not have been predicted by a party, in particular: wars, riots, fires, floods, earthquakes or other disasters, as well as acts of public authorities, national or industrial strikes, excluding a strike in the establishment of a party. A party who is not able to fulfil its obligations as a result of Force Majeure, should notify the other party thereof within 7 days. The other party should also be informed of the cessation of the circumstances considered Force Majeure. If the above mentioned circumstances last longer than 1 month, the parties should jointly decide on further performance of the contract.
5. The Carrier undertakes also to:
 - a. proper, and in particular timely performance of the transport orders of the Customer (in the absence of clear instructions from the Customer, the Carrier will choose, at its option, the most appropriate method of organisation of carriage),

- b. immediately inform the Customer of any occurred and/or predicted obstacles during the carriage and to use best efforts to properly remove the obstacles as soon as possible or to avoid them,
- c. keep permanent, daily telephone contact with the Customer,
- d. keep strictly confidential any and all information of which it became aware in connection with conclusion and performance of this contract and not to disclose it to any third parties, as well as not to use such information for any purpose other than for the performance of this contract.
- e. give written clarification regarding each and every improperly performed transport order, not later than on the next working day following completion of the order, with no separate demand of the Customer for such clarification.

§5

1. The scope and the principles of liability of the Carrier for non-performance or improper performance of this contract, in particular for partial or total loss of a cargo, for its shortfall or damage, for delay in performance of the carriage are set out in the CMR Convention and provisions of the carriage act with exception to the responsibility of the Carrier for the subcarriers and chain carriers he uses.

§6

1. The Carrier declares that it holds a carrier's third-party liability insurance in an international transport of **XXX EUR/\$/PLN**. A copy of the insurance policy no. **XXX** issued by **XXX** constitutes annex no. 3 to this contract. The Carrier undertakes to maintain the carrier's third-party liability insurance under the similar or not worse terms and conditions during the entire term of this contract, and not later than on a day preceding expiration of the policy referred to above to present to the Customer the policy for the next period.

In the next years of the term of this contract the Carrier undertakes to submit to the Customer a copy of the insurance policy upon each demand of the Customer.

2. The vehicles to be used for the carriage of goods will be equipped with GPS monitoring system. Moreover, the Carrier will hold, during the entire term of the contract, an insurance providing for total coverage of damage in case of theft of the transported goods by third parties at the time when the transported cargo was at the disposal of the Carrier.

3. The Carrier is obliged to submit to the Customer, for inspection, all the certificates necessary for the performance of the contract - upon demand of the latter.

§7

1. The loading and unloading of the goods on the mean of transport provided by the Carrier is performed by the loader or unloader of the goods respectively.

§8

1. For the provision of the services covered by this contract, the Carrier is entitled to receive remuneration from the Customer, the amount of which for particular routes - determined taking into account the carrying capacity of a mean of transport to be used for carriage as per the instructions of the Customer given in the transport order - is specified in annex no. 1 to this contract. The Carrier will charge to the Customer the amounts payable for the performed carriage in accordance with the rates referred to above, subject to the provisions of paragraph 2 of this clause.
2. Each invoice issued by the Carrier to the Customer should contain all data necessary for the identification of the carriage to which it refers, and in particular: PO number, DN (delivery note) number, customs clearance number - if applicable. The Carrier must attach to each invoice: one, correct copy of CMR waybill - in case of international transport or goods release note bearing a stamp and a signature of the recipient as a proof of carriage and release of the goods to the recipient; one, correct customs clearance document (SAD), if applicable.
3. The amounts due to the Carrier for the properly performed carriage services will be paid within 30 days from the date of receipt of a correct VAT invoice accompanied by all the documents referred to in paragraph 2 of this clause. The Customer reserves the right to send the invoice back if it fails to meet the requirements specified in this clause. The Customer reserves the right to send the invoice back if it fails to meet the requirements specified in this clause. As properly performed carriage the Parties recognize as delivering the scan of the CMR documentation and its copy as attachment to the invoice. The lac of the documentation stops payment of the invoice.
4. The remuneration specified in annex no. 1 is agreed in EUR converted into PLN at the rate applicable on the day preceding the loading.
5. 5. The prices agreed by both parties, constituting Annex 1 to this contract, may change, only due to the fuel adjustment. The base value for the fuel price and the range of possible changes in freight prices are described in Annex 6.

§9

1. On the part of the Customer, contact persons on significant issues related to the subject of the order, in particular for the purpose of signing transport orders, are persons from the logistics department.
2. On the part of the Carrier, the contact persons for any substantial issues relating to the object of the contract, authorised in particular to confirm transport orders, are person listed in the Annex no. 5

§ 10

1. **The Carrier** undertakes to pay a single deposit (hereinafter: a deposit) in the amount of EUR 10,000.00 (in words: ten thousand euros) to **the Customer's** account at No. 33221000090000000000104243EUR within 14 days from the date of signing the Agreement.
2. The deposit shall be withhold by **the Customer** for the duration of the Agreement on the bank account indicated in sec. 1.
3. In case of damage to the goods due to fault of **the Carrier** or its subcontractors during the transport, **the Customer** may deduct the amount corresponding to the amount of damaged goods, up to the amount of the deposit. In order to make the deduction, **the Customer** undertakes to inform **the Carrier** about this within 3 days from damage to the goods due to the fault of **the Carrier**.

In addition the Customer has to provide to Carrier an official claim including:

- I. Shipment specification
 - II. Damage description
 - III. Photo and quality documentation
 - IV. Document showing the value of the damaged goods
4. The deduction shall be deemed made upon the delivery of the deduction statement to **the Carrier's** address.
 5. The deposit can also be use in situation when:
 - The carrier will not guarantee the truck on the route to which he won the tender. Each time, the penalty will be 3 times the rate.
 - In the case of organizing the auction in the 2nd stage of the tender procedure, the title of winning the auction for a particular route and not commencing cooperation. The penalty will be 1000 Euro for each auctioned and not taken route.
 6. **The Customer** undertakes to return the deposit within 14 days from the date of termination or expiration of the Agreement by any of the Parties

§ 11

1. The parties agree that following the every 6 months of term of the contract, the Customer will prepare a written report including evaluation of performance by the Carrier of the services covered by this contract (further called transport company service evaluation which constitutes annex no. 4 to this contract). In such evaluation the Customer will specify whether the transport orders were properly performed during particular months, taking into account in particular the timely performance and calculating the order performance indicators.
2. The Customer is obliged to submit the evaluation to the Carrier within 14 days from the date of its preparation, failing which the services of the Carrier will be deemed to have been performed 100% properly.
3. The Carrier is entitled to make reservations or clarifications to the half year evaluation submitted to it by the Customer.

§ 12

4. This contract has been concluded for an unspecified period.
3. Each of the parties may terminate this contract upon one month's notice.
4. Each of the parties may terminate this contract with immediate effect if the other party fails to properly fulfil the obligations under this contract.
5. The Customer has the right to terminate this contract with immediate effect, in particular in case where:
 - a. The Carrier provides the services which are the object of this Contract without a valid ISO 9001:2000 or AEO certificate,
 - b. The Carrier fails to pay the deposit referred to in clause 12 point 2 of the Contract and uses subcontractors.

§ 13

1. The Carrier has no right to transfer its rights and obligations under this Contract to third parties without a written consent of the Customer.
2. If the Carrier wishes to use subcontractors, the Carrier is obliged to pay once by concluding contract, to a bank account of the Customer, a deposit in amount 10.000 EUR. A subcontractor includes also a successive carrier
3. In matters not regulated in this Contract relevant provision of CMR Convention, carriage act and implementing rules for the carriage act, as well as the provision of Civil Code and other relevant legislation will apply.
4. Any disputes which may arise in connection with the performance of this contract will be resolved by the parties in the first place through amicable negotiations. If the

amicable resolution of the dispute proves impossible, the dispute will be resolved by a Commercial Court competent for the registered office of the Customer.

5. Any and all amendments to this Contract must be made in writing in a form of a bilateral annex, otherwise null and void.
6. The Contract has been drawn up in two counterparts, one for each of the Parties and is effective from **xx.xx.xxxx**

§ 14

The following annexes constitute an integral part of this Contract:

Annex no. 1 – table of transport routes, freight rates and transit times

Annex no. 2 – carrier's liability policy

Annex no. 3 – ISO or AEO certificate

Annex no. 4 – transport company evaluation template

Annex no. 5 – list of person contact

Annex no. 6 – fuel adjustment table

The Customer

The Carrier