

GENERAL TERMS AND CONDITIONS OF CONTRACTS
- PURCHASES & SUPPLIES, CONTRACT WORKS
FOR PFEIFER & LANGEN COMPANIES IN POLAND
(01.01.2020)

§ 1 GENERAL PROVISIONS

1. These General Terms and Conditions of Contracts apply to all contracts involving a purchase or supply of goods for Pfeifer & Langen companies, being:
 - Pfeifer & Langen Polska S.A. with its registered office in Poznań, ul. Mickiewicza 35, 60-837 Poznań, NIP 784-00-03-412, BDO 7693, District Court Poznań-Nowe Miasto i Wilda in Poznań, 8th Division – National Court Register, company no. 0000080986, share capital PLN 96,713,526.40 (fully paid)
 - Pfeifer & Langen Marketing Sp. z o.o. with its registered office in Poznań, ul. Mickiewicza 35, 60-837 Poznań, District Court Poznań-Nowe Miasto i Wilda in Poznań, 8th Division – National Court Register, company no. 0000149431, NIP 778-11-18-503, BDO116567, share capital PLN 10,000,000 (fully paid), where those companies are Purchasers or Customers.
2. As used in these General Terms and Conditions of Contract, the following terms shall have the meanings set out below:
 - a. **Purchaser / Customer** – Pfeifer & Langen Polska S.A. or Pfeifer & Langen Marketing Sp z o.o., hereinafter referred to exclusively as the Purchaser;
 - b. **Seller / Supplier** – an undertaking which has entered into a Contract with the Purchaser and which shall hereinafter be referred to exclusively as the Seller;
 - c. **Supply / Sale / Contract Works** – as agreed between the parties: the fabrication and handover of, and/or the transfer of title to, Goods by the Seller to the Purchaser at Purchaser's site or seat or at such other place as may be agreed by the parties;
 - d. **Goods / Object of Supply** – goods (*rzeczy*) supplied by the Seller whose description, specification, quantity and quality are as described in a Contract, and any required documentation and certificates, including safety certificates in Polish;
 - e. **T&C** – these General Terms and Conditions of Contracts with appendices and Manual, which are applicable to Contracts except to the extent a Contract provides otherwise;
 - f. **Contract** – a contract of sale or supply between the Seller and the Purchaser, specifying at the minimum the Goods, the price with payment terms and due dates, the terms, dates and place for handover of the Goods or assembly and launching (*rozruch*); if no such express contract is executed, a Contract shall be constituted by minutes from negotiations where a bidder has been selected as the Seller of Goods to the Purchaser, or by an Order where there is no prompt refusal of acceptance by the Seller;
 - g. **Order** – an order for Goods placed by the Purchaser with the Seller in writing or by fax or electronic mail or as generated by the Purchaser in SAP or PULSEDIRECT, which Order shall at the minimum specify the Goods, the price with payment terms and due dates, and the terms, dates and place for handover of the Goods;
 - h. **Manual** – Purchaser's Internal HSE (Health, Safety and Environment) and HACCP Compliance Manual which is an integral part of these T&C.
3. These T&C and/or the Contract shall be the only contractual regulations which bind the parties in relation to purchases/supplies of Goods for the Purchaser. Therefore, the parties exclude the application of any other standard-form contracts (general conditions of contract or warranty, terms of sale, by-laws, etc.), including standard forms used and/or created by the Seller. By making an offer/bid and commencing negotiations, the Seller acknowledges having familiarised himself with, and accepts, the T&C and Manual current for the time being. Changes to T&C or the Manual are made by the Purchaser posting the new version on www.diamant.pl and the Parties shall be bound by the version which is current as at the date of entry into the Contract. The Seller undertakes to make sure that his employees as well as his subcontractors and their employees are familiarised with the Manual.
4. The provisions of these T&C may be regulated by the Parties in a different manner in writing only, or else any such changes will be invalid.
5. No binding force shall be attached to any agreements, warranties, promises, undertakings or Contract amendments made in any form by unauthorised employees of the Purchaser in connection with an Order or with the execution of a Contract.
6. Unless a Contract expressly and unquestionably provides otherwise, the rights and duties under any Contract shall apply only and independently to a particular Pfeifer & Langen company acting as the Purchaser. Nothing in these T&C or any Contract shall create or be interpreted as creating joint and several liability between Pfeifer & Langen companies defined as the Purchaser, unless and only to the extent that the Contract expressly and unquestionably provides otherwise.

§ 2 ENTRY INTO CONTRACT

1. It shall be the rule that the final acknowledgment of an entry into a Contract shall be through authorised representatives of the Seller and of the Purchaser. The parties exclude the application of Article 68² of the Civil Code (Purchaser's silence shall not amount to acceptance).
2. Where the Seller makes an offer to enter into a Contract or accepts, or fails to refuse to accept, an Order from the Purchaser, the Seller shall be deemed to have accepted the T&C. A Contract is executed in writing by authorised representatives of the Parties in accordance with the form submitted by the Purchaser, as may be revised to include what the Parties agreed during negotiations, or on the basis of an Order, unless the Seller promptly refuses to accept the Order.
3. If the parties agree in their Contract any provisions that exclude or modify the T&C, these provisions shall expire on completion of the Contract and shall not apply to any other Contracts between the parties.
4. Where an offer is changed in any way or any comments or reservations/exceptions are introduced to it or in relation to the Order, no Contract shall be deemed to be concluded until the Purchaser acknowledges in writing his acceptance of such changes or reservations/exceptions.
5. The Seller must make sure that documents and information relating to his business are up-to-date and must give the Purchaser a notice of any circumstance which materially affects the Seller's financial condition. The Seller shall be liable for damages to the Purchaser for failure to give the Purchaser a notice that the Seller does not have, or has lost, the status of a taxable person for VAT purposes, and in particular the Seller shall pay a contractual penalty corresponding to charges imposed on the Purchaser and the amount of VAT the Purchaser did not recover and of interest payable for that reason.

§ 3 HANDOVER OF GOODS

1. Goods shall be delivered by the Seller at his risk and cost at such date and place for delivery thereof to the Purchaser as indicated in the Contract or in the Order or as otherwise communicated to the Seller by an agreed method. Where so provided for in the Contract, the handover of the Goods shall include also the Seller's duty to carry out or supervise assembly activities and launching of the Goods or training on their operation.
2. The Purchaser shall engage in Goods acceptance procedures and shall ensure the execution of acceptance certificates after completion of these procedures and proper launching (where required) within up to 14 days from start-up, by such representatives of each of the Parties as are indicated in the Contract. Unless agreed otherwise, each delivery shall be made on DAP terms as per INCOTERMS 2020 and on such date as indicated in the Contract. For partial deliveries, acceptance shall be acknowledged by means of partial acceptance certificates. If acceptance procedures reveal that the Goods are not ready for acceptance, this shall be acknowledged in the certificate and/or by raising objections with the Seller or by some other representation of the Purchaser. In the event of defects or objections, the certificates shall set out a time for their removal which shall be as short as technically practicable. A time agreed for removal of defects or objections may not operate to postpone any of the base deadlines set out in the Contract.
3. Where applicable, a delivery of the Goods shall be accompanied by documentation in writing and on such carriers and in such quantities as indicated by the Purchaser in the Contract, in Polish, *[and by]* warranty documents issued by the Seller or parts manufacturers, certificates of quality, safety or other which may be required by the Purchaser, software source codes. On delivery of software carriers or documentation, the Seller transfers to the Purchaser, for no additional consideration beyond the price of the Goods under the Contract, copyrights and derivative rights in any works (as defined in copyright law) created when performing the Contract, including design documentation and any other materials developed by the Seller for a purpose defined in the Contract, with respect to all the defined uses (*poli eksploatacji*) indicated in Article 50 of the Copyright and Related Rights Act of 4 February 1994. The Seller further transfers to the Purchaser title to all physical media in which such works have been fixed. Software and source codes shall be licensed within the same scope (unlimited and non-exclusive license with requirement to deliver software and source codes on physical media). In addition, the Seller undertakes to the Purchaser not to exercise his moral rights as author of any works created in connection with performing the subject-matter of the Contract and authorises the Purchaser to exercise those rights in the name of the Seller.
4. The Goods must conform to quality requirements specified in the Contract and, where the Object of the Contract involves the sale/supply of machinery, must have the status of a completed machine.
5. An acceptance certificate without Purchaser's objections shall operate as an acknowledgment of due completion of the accepted stages or of the entire Object of the Contract and shall constitute grounds for the Seller to issue an invoice where the Contract or the law provides for issuing an invoice.

§ 4 PRICE

1. The price of the Goods shall always be specified in the Contract and is the net amount, with VAT to be added to the price and/or accounted for in accordance with the applicable law.
2. Unless otherwise negotiated between the Parties, the agreed price includes packaging, loading and transport and, if applicable, also the fee for copyright transfer/license for each defined use of any copyright works.
3. No advance payment shall be made until the Seller submits such irrevocable guarantee issued by a bank or an insurance company which guarantees an immediate unconditional refund of the advance payment on Purchaser's first demand and is valid for a time specified by the Purchaser in the Contract, and the guarantee has been accepted by the Purchaser.
4. For single payments, the price shall be payable after the Goods are assembled on Purchaser's premises, pursuant to an acceptance certificate signed by the Purchaser without objections ("no-objections acceptance certificate"). For partial deliveries and/or assembly and launching activities, the price shall be payable in accordance with the schedule, pursuant to no-objections acceptance certificates signed by the Purchaser, in accordance with the progress of the deliveries and/or activities and the partial payments assigned to them.
5. Subject to §6 T&C (except for advance payment), the following due dates shall apply:

- a. advance payment – 14 days after submission of advance payment bond in accordance with §4(3) T&C;
- b. single payment – first Tuesday after a period of 30 days from delivery to the Purchaser of a VAT invoice or VAT correcting invoice (or a duplicate thereof) which meets the requirements of these T&C, with Goods acceptance certificate attached;
- c. partial payments – in accordance with the Contract, the first Tuesday after a period of 30 days from:
 - i. delivery to the Purchaser of a VAT invoice or VAT correcting invoice (or a duplicate thereof) which meets the requirements of sub-para 6 below, with the attached no-objections acceptance certificate signed by the Purchaser, provided that the invoice may be paid in parts and be due and payable in accordance with point ii below;
 - ii. delivery to the Purchaser of no-objections acceptance certificates signed by the Purchaser, in accordance with the progress of the deliveries and/or activities; as the case may be.

If a due date should fall on a non-business day, it shall be moved to the first business day thereafter.

6. A VAT invoice which meets the requirements of applicable laws and which must mandatorily contain the contract/order reference should be sent in the form of a PDF file in accordance with sub-para 10 below. If the above form cannot be used, it will be acceptable as an exception to use the written form and deliver the invoice to Purchaser's Finance and Accounting Department at the following address: ul. Fabryczna 2, 63-800 Gostyń. The time for payment shall begin to run on the date on which such a duly and properly issued document is delivered by such method and in such form as specified in T&C and/or the Contract.
7. The Seller shall bear all the consequences of a situation where the Purchaser receives an invoice that does not comply with all the conditions provided in the T&C, which the Seller undertakes to comply with. If this duty is not fulfilled, and in particular if the contract/order reference is not included, the Purchaser shall be entitled to receive the net amount of PLN 300.00 as a fee for his administrative and accounting service.
8. The Parties agree that payments under the Contract shall be made by a bank transfer to Seller's bank account whose number is indicated in the Contract. A payment shall be deemed to be made on the date on which the transfer instruction is submitted to Purchaser's Bank. The Seller must give such bank account number which has been notified to the tax office with jurisdiction of Seller's tax compliance and which will feature on the white list of non-exempt taxable persons, and shall give the Purchaser a written notice of any changes, failing which the Seller shall pay the Purchaser a contractual penalty corresponding to the amount transferred to a bank account given by the Seller which does not feature on the white list, without prejudice to the right to seek full compensation. If the Purchaser verifies Seller's bank account to reveal that the account or any other bank account recently given by the Seller does not feature on the white list, payment made into any of the Seller's bank accounts notified to the tax office shall constitute a discharge of Purchaser's obligation to pay the amount due to the Seller.
9. The Seller acknowledges and accepts that the Purchaser will pay using the split payment mechanism. Such a payment shall constitute a discharge of the Purchaser's obligation owed to the Seller.
10. Where the Purchaser has represented that he accepts receiving Seller's invoices in the PDF format, the following requirements must be complied with:
 - a) Seller shall indicate an email address from which his e-invoices will be sent.
 - b) Any email with a PDF invoice must have the subject line starting with the word *work faktura* (invoice) and the same word must appear in the PDF filename.
 - c) Any email with a PDF invoice must have separate PDF files attached which show the grounds for issuing the invoice, with the filename of each such PDF file to contain the word *załącznik* (attachment) but not the word *faktura* (invoice).
 - d) One email may contain only one PDF invoice file. Each PDF file must be legible. In the case of a larger number of attachments, they may be sent in more than one email but reference to the relevant invoice must be included.
 - e) PDF invoices for the Purchaser must be sent only to the following addresses, as appropriate for the given Purchaser:
 - if for Pfeifer & Langen Marketing Sp. z o.o. faktury.marketing@diamant.pl
 - if for Pfeifer & Langen Polska S.A. faktury.polska@diamant.pl

11. An invoice, a correcting invoice or a duplicate invoice shall be deemed to be received on the date shown in the confirmation of receipt sent from the Purchaser's system. If electronic issuance, dispatch or receipt of invoices is prevented by formal or technical obstacles, the affected Party must promptly (within 24 hours from an obstacle occurring) notify the other Party, in which case the invoices will be sent on paper. The notice must be sent to the email addresses or to such fax number as indicated by the Parties. If, for reasons attributable to him, the Seller fails to fulfil or duly fulfil his obligations described in this paragraph, the Seller shall pay the Purchaser a contractual penalty corresponding to the amount of the VAT the Seller did not deduct. In addition, the Purchaser shall have the right to seek damages in excess of the contractual penalty in accordance with the general rules.

§ 5 CONTRACTUAL PENALTIES

1. The Goods shall be ready for handover to the Purchaser, and other agreed actions shall be taken, at dates indicated in the Contract.
2. In the event of a delay in performing a Contract (whether the whole or any stage thereof, including assembly, launching, or delivery of documentation, software, source codes etc.) or in removing a defect of the Goods, the Seller shall pay the Purchaser a contractual penalty of 0.5% of the net price of the Goods per each day of delay but in aggregate not more than 10% of the price of the Goods.
3. Notwithstanding any contractual penalty, where the delay exceeds 14 days, the Purchaser shall be entitled to rescind the Contract. In such a case, the Seller shall additionally pay the Purchaser a contractual penalty of 20% of the price of the Goods. The right to rescind shall also apply in the event of Seller's improper fabrication of the Goods or failure to deliver any required documentation, software or source codes, and the previous sentence shall be applicable in full.
4. A contractual penalty of PLN 50,000.00 per employee for the hiring in any form of any employee of the Purchaser for performing a Contract.
5. A contractual penalty of PLN 10,000 (ten thousand zlotys) for each breach by the Seller or his employees or subcontractors or subcontractors' employees of any of the duties under §7(1)(11) T&C or any of the rules or duties arising from the Manual or if health and safety at work regulations are breached three times.
6. The Seller shall pay the following contractual penalties to the Purchaser for the following violations by Seller's employees/subcontractors:
 - i. for failure to use individual protection measures, such as protective clothes, helmets, vests, footwear, hearing protectors, sight protectors, safety harnesses etc. – PLN 300 per breach per employee;
 - ii. for non-compliant workplace organisation, such as untidiness, disorder, failure to mark or delimit the area of dangerous work or work at height – PLN 500 per breach per employee; for such conduct of Seller's employees which violates health and safety at work (PWSW) regulations, sobriety control and maintenance duties or internal plant procedures so that repeat training will have to be provided on worksite hazards or HSW policies in the facility and the involvement of local site personnel will give rise to a charge for training costs and for such personnel's costs according to hourly rates – PLN 150 for each training session provided by local plant's HSW officer;
 - iv. if Seller's employee brings alcohol onto the premises or is removed from the premises on suspicion of being under the influence of alcohol or refuses to undergo a sobriety test – PLN 500 per breach per employee;
 - v. if Seller's employee is removed from the premises in the case of theft, i.e. in the case of him being detained by a local employee or security guard with a stolen item – PLN 500 per breach per employee.
7. The Purchaser shall be entitled to seek damages in excess of any contractual penalties specified in these T&C and/or a Contract. The Purchaser may set off a contractual penalty against remuneration due to the Seller.
8. The Seller shall be entitled to rescind the Contract in the event of a culpable payment delay (*zwłoka*) of more than 30 days. The Purchaser shall pay the Seller a contractual penalty for rescission due to Purchaser's fault equal to 20% of the price of the Goods.

§ 6 WARRANTIES AND BONDS

1. The Seller grants the Purchaser a warranty of quality for the Goods and the completed assembly work for a period of no less than 36 months from signature by the Purchaser of a no-objections final acceptance certificate with respect to the Goods or, if Seller's responsibilities include launching, from signature of a final acceptance certificate on completion of technological launching (*rozruch technologiczny*).
2. If the Purchaser discovers a defect in the Goods or any part thereof, the Seller must remove the defect at its own cost within a mutually agreed time promptly after the defect is notified by the Purchaser, provided that the remediation procedures should be undertaken within the maximum of 24 hours from the defect notification.
3. If for any reason other than force majeure the Seller fails to remove the defects within the agreed time, the Purchaser shall have the right and is authorised by the Contractor to engage, on prior notice to the Seller, a third party to remove the defects without the Purchaser losing his warranty rights while the Seller shall be liable for the related costs notwithstanding any contractual penalties due to the Purchaser or any damages.
4. If a request is made to remove a defect covered by the warranty, the warranty period shall be extended to include the entire time from notification of the defect until its removal. The warranty period for a repaired or replaced item shall reset and start anew as of the defect removal date.
5. As a security in the form of Contract performance bond and retention & maintenance bond (removal of defects and any objections), the Seller shall pay the Purchaser by way of deposit an amount equal to at least 10% of such net price of the Goods as specified in the Contract. The deposit amount shall be payable in accordance with the Contract on the due date

of the payment to be made to the Seller or, in the case of partial payments (other than advance payment), on the due date of each such payment, in such amounts as to ensure that the sum total equals the amount set out in accordance with the preceding sentence. The deposit shall remain in effect for the period of the statutory warranty period or the maximum warranty period set out in the Contract in accordance with §6(1) T&C, whichever is longer, plus 30 days (security deposit). If the Seller fails to pay the deposit amount on time as above, the Seller requires the Purchaser to make such withholdings on account of the deposit from each payment due to the Seller (other than advance payment) as to ensure that the sum total of the amounts withheld equals the full deposit amount. The details on how to make deposit payments shall be provided for in the Contract.

6. The security deposit may be replaced with an unconditional, irrevocable, first-demand guarantee issued by a bank or an insurance company for at least 10% of the net remuneration due to the Seller as set out in the Contract, such guarantee to remain in effect for the period of the statutory warranty period or the warranty period set out in the Contract in accordance with §6 T&C, plus 30 days, whichever is longer. The form of such guarantee requires a written approval of the Purchaser, or else the guarantee will not be accepted and the deposit will not be refunded. The deposit amount will be refunded to the Seller within 14 days from delivery to the Purchaser of the bank's or insurance company's guarantee whose terms have been approved by the Purchaser.

7. The Purchaser shall be entitled to draw on the performance bond referred to in sub-paragraphs 5 and 6 in order to recover the costs of defect removal, warranty repairs or damage he incurs if the Seller fails to remove a defect on the terms of the Contract within the time agreed by the Parties, and to recover any other amounts due to the Purchaser.

8. The duty to provide a bond under §§ 6(5) and 6(6) shall not apply to such obligations where the total deposit in respect of the price of Goods under a Contract/Order would not exceed PLN 5,000.00 in aggregate, i.e. where the net price is not more than PLN 50,000.00, unless such duty is provided for in the Contract/Order. In the case of obligations relating to periodic supplies to which these T&C apply, the above-mentioned duty shall not apply where the deposit amount on the given supply would not exceed PLN 5,000.00.

9. If the Purchaser draws on the security deposit or the bank/insurance guarantee furnished by the Seller, the Seller shall, without request and within a time of not more than 14 days from when the Purchaser so draws on the bond, reinstate the bond to its amount required under §§ 6(5) and 6(6) T&C.

§ 7 GOODS ASSEMBLY SERVICES

1. It shall be a responsibility of the Seller to do whatever is conducive to proper achievement of the Object of the Contract, and in particular:

- 1) take custody of assembly work sites by executing relevant certificates;
- 2) give the Purchaser a written notice of any additional work that may be necessary, within 3 business days from taking notice of such necessity;
- 3) ensure that property at the site is protected, including especially against fire;
- 4) execute and maintain all throughout the duration of the Contract the following contracts of insurance: insurance covering all risks in connection with achieving the Object of the Contract with sum insured of at least PLN 1,000,000.00 (one million zlotys zero grosz) per occurrence. The insurance shall include in particular:
 - public liability cover in connection with the works (property damage, personal injury);
 - personal accident cover for own employees or for the employees of any subcontractors.The scope of cover must be approved by the Purchaser. The Seller shall furnish to the Purchaser a photocopy of the policy and of a confirmation of premium payment.
- 5) keep the site tidy during the works and on completion of the works falling within the Object of the Contract; having taken custody of the work site by executing relevant certificate, the Seller shall assume the responsibilities of the site host and shall be responsible for property damage, death or personal injury at the site caused to his employees or subcontractors or to third parties; the Seller shall immediately notify the relevant authorised representative (HSE Coordinator) of the Purchaser and the owner's representative (*inspektor nadzoru*) of any damage or injury discovered at the site, including damage caused by a third party;
- 6) the Seller shall assume the environmental responsibilities and costs relating to the site, including the costs to remove packaging, waste and sewage generated in connection with work on the Contract. The Seller shall be responsible for environmental and waste management compliance at the site. Packaging, waste and sewage should be removed regularly so that the site is tidy and such things are not stored there; any waste generated due to performance of works falling within the Object of the Contract shall be property of the Seller who is required to transfer it to authorised waste collection firms;
- 7) report readiness for acceptance procedures to the Purchaser within Contract timeframes;
- 8) ensure that all Seller's employees who do work falling within the Object of the Contract:
 - have professional qualifications adequate for the scope of the Contract;
 - have current medical examinations;
 - have been trained in HSW and fire regulations;
 - are covered by personal accident insurance;
- 9) the Seller shall do any such additional work associated with the Object of the Contract which the Purchaser may deem necessary. In consideration for additional work, the Seller will be entitled to remuneration specified in the relevant amendment to the Contract and the additional work shall be settled in accordance with the as-built priced bill of quantities, which the Seller shall issue on the basis of a quantity survey of the works, approved by Purchaser's representative;
- 10) the Seller shall require his employees (or subcontractors etc., collectively the "employees") to fully and unconditionally comply with HSW regulations, including sobriety control & maintenance, fire protection, sanitary, environmental and HACCP duties, having special regard to Purchaser's internal site regulations in accordance with the terms of the Manual;
- 11) the Seller must take reasonable measures to protect the environment (whether in or outside Purchaser's facility) and reduce hazards and nuisance to people or property arising from pollution, noise or other effects of his actions. The Seller shall not permit the use of any dangerous or noxious materials.
- 12) the Seller shall provide the Purchaser with any operating instructions, operation and maintenance documentation (*DTR*), safety certificates, technical approvals, test reports, attestations, type approvals, source codes etc.
- 13) Considering the need to ensure the safety of people and property in Purchaser's facilities, the Seller shall ensure that none of his employees enters or remains in Purchaser's facilities while under the influence of alcohol or narcotic substances. Where there are reasonable suspicions as to the level of sobriety or intoxication of Seller's employees entering or remaining in Purchaser's facilities and this is reported to the Seller, the Seller must immediately remove any such person from the site and take action to verify the person's level of sobriety or intoxication and prevent them from working in Purchaser's facilities. The Purchaser is entitled to administer preventive or random sobriety tests to persons entering or remaining on the premises. The Seller must notify this to his employees/subcontractors and ensure compliance with sobriety control and maintenance duties. The foregoing shall not affect Seller's duties associated with performing the Contract, including without limitation the duty to ensure timely and due completion of work falling within the Object of the Contract, unless the Seller unquestionably proves that Purchaser's suspicion as to the level of the given person's sobriety or intoxication turned out to be groundless.

§ 8 SUBCONTRACTORS

1. The Seller undertakes to complete the work falling within the Object of the Contract personally / using his employees.
2. No third party may be engaged to perform any strictly specified parts or all of the works falling within the Object of the Contract unless the terms of the relevant subcontract are submitted to the Purchaser in writing along with any other documents requested by the Purchaser and prior written consent is obtained from the Purchaser. The Purchaser may refuse to approve the engagement of a subcontractor or make his approval conditional on provision of additional bond in the form of a bank's/insurance company's guarantee or an additional deposit withheld from amounts paid to the Seller to secure reimbursement of any fees paid by the Purchaser to the subcontractor. The Seller shall report to the Purchaser on the liabilities he owes to subcontractors, with such report to accompany each invoice submitted to the Purchaser and to set out each subcontractor's name with the amount due and the due date, and shall promptly provide any other information requested from the Purchaser. If that duty is not complied with or in situations set out in sub-para 6, the Purchaser may request explanations from the Seller, suspend outstanding payments for the Seller equal to the amount due and payable to the subcontractor, and/or demand additional security for his recourse claim against the Seller. Such payment suspension shall not entitle the Seller to claim interest from the Purchaser.
3. The fact that the Seller has engaged any third party to perform part of the works shall not lead to any increase in the price of Seller's Goods supplied to achieve the Object of the Contract.
4. Where the Seller relies on subcontractors, he must use only professional entities and shall be fully responsible on a strict liability basis for the acts of any entities whom he has subcontracted, as if he himself acted or omitted to act.
5. Where any work has been completed by subcontractors, the Seller shall timely pay the amounts due to them. Where any amounts due to the subcontractors are paid by the Purchaser, the Purchaser shall deduct such amounts first from the remuneration due to the Seller and then from the security deposit. If the Purchaser takes notice of any overdue payments from the Seller to any subcontractor, the Seller shall be required to provide security for any recourse claim the Purchaser may have against the Seller by reason of the Purchaser meeting the subcontractor's claims, or else the Purchaser may rescind the Contract due to Seller's fault.
6. The Seller shall ensure that the above duties will be complied with by his subcontractors in relations with their subcontractors (counterparties). The above clauses shall apply in full to subcontractors' counterparties, and the Purchaser shall be entitled to withhold payments to the Seller, demand security from the Seller, in connection with liabilities owed by Seller's subcontractors to their counterparties.

§ 9 SPECIAL PROVISIONS ON THE PURCHASE OF PACKAGING (FOR PRE-PACKAGING OR COLLECTIVE PACKAGING OF SUGAR)

1. The Seller shall provide the Purchaser with data on packaging delivered by the Seller, i.e. technical specifications of the paper and other materials used in the manufacture of packaging for goods produced and/or sold by the Purchaser.
2. The Seller shall submit the following documents to the Purchaser before the first delivery, or else the Contract

may be rescinded and/or Order acceptance refused due to Seller's fault:

- a) an attestation authorising the packaging to come into contact with food,
- b) a representation that the law and the good manufacturing practice are complied with during the production of food packaging,
- c) a representation on REACH compliance,
- d) a representation on environmental compliance, e.g. in relation to recyclability, reusability, biodegradability, disposal method,
- e) a declaration of conformity with EU and Polish laws applicable to packaging intended to come into contact directly with food.

3. In each delivery the Seller shall include an attestation with quality specifications of the delivered packaging.
4. If the Purchaser discovers any quantity or quality issues with any packaging that has been delivered, the Purchaser shall raise a complaint within a maximum of 14 business days from such discovery. Seller's failure to respond to the complaint within 14 business days from its submission shall be treated as Seller's agreement with the complaint. The Seller shall at its own cost take the defective batch of packaging and issue a correcting invoice for the defective or missing quantity of goods in the delivery, without prejudice to any further-reaching damages claims the Purchaser may have in respect of his loss.
5. If it is found that the quality of any packaging is substandard in terms of hygienic requirements (e.g. presence of foreign bodies, hair, insects etc.) or that any declarations or duties arising from the representations referred to in §9(2) T&C have not been fulfilled, no payment shall be due for the questioned packaging while the Seller shall be required to:
 - a) pay the cost of recalling the questioned packaging from Purchaser's sugar plants and customers;
 - b) pay the purchase cost of third party products used to replace the questioned packaging, equal to the difference between the cost incurred and the price under the given Contract or Order;
 - c) indemnify the Purchaser for any expenses or losses incurred by him in connection with Seller's failure to comply with the requirements contained in his representations under §9(2) T&C;
 - d) refund the price paid by the Purchaser, no later than within the time indicated in Purchaser's notice.The Purchaser is entitled, and the Seller hereby authorises the Purchaser, to rescind the contract with respect to such questioned packaging and to deduct said expenses or losses or the packaging price paid by the Buyer from any outstanding amounts due to the Seller.
6. An Order shall be fulfilled within a maximum of 7 days from submission.
7. The Goods shall be delivered on pallets and duly secured and labelled, with the label to contain such barcoded information as the Buyer may specify.
8. Appendices to the Contract or Order, which are incorporated therein, shall set out the basic quality specifications of the goods, the prices per class of goods according to due dates, the treatment of exchange differences and the delivery terms. Any changes to such appendices must be in writing to be valid.

§ 10 CONFIDENTIALITY

1. The Parties hereto must treat as confidential any information, in particular the prices of the Goods, which they have obtained at the occasion of performing any Contract. This restriction shall not apply to information that is generally available or that must be disclosed by a party at the request of a relevant state authority pursuant to mandatory rules or in order to duly comply with a Contract.
2. The Parties shall continue to adhere to the secrecy obligations for five years after the Contract comes to an end for any reason.

§ 11 FINAL PROVISIONS

1. The Seller must maintain the secrecy of, and must not disclose, any confidential information relating to the Purchaser which he learns in connection with performing the contract, or relating to the subject-matter of a Contract, and shall not use such information for his own purposes or for those of any third party. The Seller declares that he shall impose that obligation on his employees, subcontractors and others acting in his name or on his behalf. This obligation shall remain in effect in accordance with §10(2) T&C.
2. The Purchaser shall have the right to set off any amounts due to him from the Seller against any current or future amounts due to the Seller as a payment of price.
3. If any individual provisions hereof are or become wholly or partly invalid or ineffective, this shall not affect the effectiveness of the other provisions hereof. Such invalid or ineffective provisions shall be appropriately replaced with those that are effective or supplemented with new ones in a way which best approximates the provisions of the Contract and the parties' intended business objective.
4. The Parties agree that any disputes arising from performance of the Contract shall be resolved amicably.
5. Where all dispute resolution opportunities have been exhausted, disputes will be submitted to the jurisdiction of Polish courts – the court of jurisdiction at the location of Purchaser's registered office. The law of the Republic of Poland shall be the law applicable to this contract and any rights and duties of the parties hereunder. The Parties exclude to the fullest extent the application of the United Nations Convention on the Contracts for International Sale of Goods dated 11 April 1980.
6. The transfer of any debt-claims (*wierzytelność*) the Seller may have against the Purchaser hereunder requires prior consent of the Purchaser which must be given in writing to be valid.
7. No change to a Contract shall be valid unless it is made upon a mutual agreement of the parties expressed in writing in the form of a contractual amendment (*aneks*).
8. A notice of rescission in relation to a Contract must be in writing to be valid.
9. Where these T&C or a Contract are executed in any other language versions, the Polish version shall prevail.

Appendix:

- 1) form of contract

Contract no. _____

entered into on _____ by and between:

PFEIFER & LANGEN, a company with its registered office in Poznań, ul. Mickiewicza 35, 60-837 Poznań, registered in the register of businesses kept by the District Court Poznań - Nowe Miasto i Wilda in Poznań, 8th Commercial Division of the National Court Register, under the number _____, NIP: _____, BDO: share capital: PLN _____ (fully paid), hereinafter referred to as the **Purchaser**, represented by:

and

company: _____ (business name), a company with its registered office in _____, registered in the register of businesses kept by the District Court _____ Commercial Division of the National Court Register, under the number _____, Tax Office: _____, share capital: PLN _____, represented by:

sole trader: _____ doing business as _____ in _____, NIP _____, Tax Office: _____, PESEL _____

hereinafter referred to as the **Seller**

This Contract is entered into pursuant to the General Terms and Conditions of Contracts - Purchases & Supplies, Contract Works for Pfeifer & Langen Companies in Poland ("T&C") which have been accepted by the Seller, as well as pursuant to note no. ___ dated ___ and the offer/bid dated _____, with provisions of the Contract to take precedence.

§ 1 Object of the Contract (Supplied Assets or Goods)

- The Seller shall fabricate / supply / sell _____ to the Purchaser at Purchaser's site at _____, together with _____ documentation in Polish and with software (the "Supplied Assets") and shall assemble them / supervise their launching. Specifications of Supplied Assets: _____
- Place of delivery of Supplied Assets: _____
- Documentation / Specifications:
 - to be provided by the Purchaser: _____
 - to be provided by the Seller and delivered to the Purchaser:
 - language: _____, form: _____
 - language: _____, form: _____
 - language: _____, form: _____
 - language: _____, form: _____
- Completion deadlines for Supplied Assets:
 - Start date: _____
 - End date: _____
 - Assembly date: _____
 - Test run date: _____
 - Schedule of Works and Expenditures: attached / none
- The Seller represents that the Object of the Contract will not involve the carrying out of any construction works.

§ 2 Other duties of the Seller

- The Seller shall:
- remove any defects in the Supplied Assets (or any subassemblies thereof) which are discovered during acceptance procedures, within a mutually agreed time of not more than _____ from when the defects are notified by the Purchaser;
 - remove defects in the Supplied Assets (or any subassemblies thereof) during the related quality warranty period, within a mutually agreed time of not more than _____ from when the defects are notified by the Purchaser;
 - report readiness of Supplied Assets for acceptance and test run procedures to the Purchaser in writing at least _____ days in advance;
 - assemble the Supplied Assets within _____ from the date _____; the assembly services include: _____;
 - conduct mechanical test runs of the Supplied Assets within _____ from the date _____; conduct technological launching within the following time:
 - ensure employees indicated by the Purchaser are trained in operating the Supplied Assets within the following time:
 - pay contractual penalties in accordance with T&C.

§ 3 Seller's remuneration / price

- The Parties agree that the Seller's total lump-sum remuneration for completing all the activities contemplated in the Contract / the price of the Goods shall be _____ (_____); This is a net amount which shall be increased to account for goods and services tax in accordance with applicable regulations and at the applicable rate / the tax will be settled in accordance with applicable regulations. The amount also includes the grant of software license and the delivery of source codes to the Purchaser as well as all Seller's costs.
- The remuneration/price shall be paid as follows (~~delete as applicable~~):
 - single full payment
 - partial payments:
 - _____ % of the amount defined in sub-para 1 plus goods and services tax, i.e. the amount of _____ - as **advance payment** payable within 14 days from submission by Seller of the original of an irrevocable bank guarantee securing refund of the advance payment, which guarantee shall include unconditional payment at Purchaser's first demand and shall be valid until _____, and which has been approved by the Purchaser
 - _____ (_____) on delivery/completion _____
 - _____ (_____) on delivery/completion _____
 - _____ (_____) on delivery/completion _____

subject to the security deposit indicated in §5(1) of the Contract.

- With respect to amounts specified in §3(2) (other than that in §3(2)(a)), the due date shall be the first Tuesday falling after a period of 30 days from:
 - service on the Purchaser of a VAT invoice or VAT correcting invoice (or a duplicate thereof) with the no-objections acceptance certificate attached;
 - the date of the no-objections acceptance certificate comprising duly invoiced amounts;as the case may be.

Payment to be made into Seller's bank account _____, subject to §§ 4(8) and 4(9) T&C.

- In accordance with §4(10) T&C, the Purchaser represents that, as of the date of the Contract, he accepts receiving Seller's invoices issued as PDF files and sent by the Seller from the following email address: _____

If any obstacles described in §4(10) T&C occur, the notice shall be sent:

- if to Seller, then to the following address: _____; fax: _____;
- if to Purchaser, then to the address set out in §4(6) T&C; fax: 65 575 02 56.

§ 4 Statutory and contractual warranty, removal of defects by or on behalf of Purchaser

- Warranty period: _____
- Time to remove defects - as per §§ 2(1)(1) and 2(2)(2).

§ 5 Contract security, penalties

- Bond equal to _____ in force pursuant to T&C.
- Security deposit payable as follows: _____ / as per T&C.
- Contractor to pay contractual penalties in accordance with T&C and in such cases as indicated therein.

§ 6 Insurance

Seller represents that he has valid liability insurance in respect of his business with the sum insured equal to PLN _____.

§ 7 Persons in charge

- Persons in charge of activities in pursuance of the contract, including acceptance procedures:
 - on the part of the Purchaser:
 - with respect to: _____;
 - with respect to: _____;
 - on the part of the Seller:
 - with respect to: _____;
 - with respect to: _____;
- Each Party to the Contract appoints a health and safety coordinator:
 - on the part of the Purchaser: _____ tel. _____
 - on the part of the Seller: _____ tel. _____

§ 8 Other provisions

We declare in the name of the Purchaser that the Purchaser is a large enterprise as defined by law.

Purchaser:

Seller:

Appendices:

- Schedule of works and expenditures for completion of project constituting the subject-matter of Contract
- Staff note dated _____;
- Offer/Bid no. _____ dated _____;
- Seller's liability insurance policy
- _____