

**GENERAL CONDITIONS OF PURCHASE
GOVERNING THE SUPPLY OF RAW MATERIALS AND SERVICES
TO PROMAR PRZEDSIĘBIORSTWO PRODUKCYJNO HANDLOWE SP Z O.O.**

I. GENERAL PROVISIONS

1. These general conditions of purchase set down the terms and conditions of cooperation of the Supplier and the company called Promar Przedsiębiorstwo Handlowo Usługowe Sp. z o.o. with its seat in Łomianki (05-092) at ul. 11-go Listopada 96 ("**PROMAR**") relating to the supply of PROMAR with Goods for the production of Products and with all associated services.
2. These general purchase conditions form an integral part of an order for and supply of goods by Suppliers to PROMAR and of any associated services (i.e. in particular, but not exclusively, intestine wrinkling and dying, transport, shipping, customs, legal and other services) and are binding on both Parties of the Agreement, unless they agree otherwise in writing.
3. When used in these general conditions of purchase, the following terms shall have the following meaning:
 - a. **General conditions of purchase (the GCP)** – these general conditions of purchase;
 - b. **Goods** – movable things included in the commercial offer of the Supplier, including semi-finished products and auxiliary materials for the Products which are supplied and sold to PROMAR, and any services provided to PROMAR;
 - c. **Products** – movable things produced by PROMAR with the use of the Goods;
 - d. **Supplier** – any entity that supplies and sells the Goods or services to PROMAR;
 - e. **Agreement** – the agreement concluded between PROMAR and the Supplier as a result of the acceptance and fulfilment by the Supplier of an order for the Goods or services submitted by PROMAR;
 - f. **Business days** – five days of a week from Monday through Friday (excluding statutory holidays and Saturdays);
 - g. **Collective label** – a label affixed to collective packaging (eg. carton, pallet) which is supplied to PROMAR.
4. The conclusion of the Agreement means the Supplier has read the GCP and agrees for them to be incorporated into the Agreement. The Supplier shall become bound by the GCP upon the earlier of the following events: delivery of the GCP or the ability to read the GCP.
5. If PROMAR delivers the GCP to the Supplier prior to the conclusion of the first Agreement, it shall be deemed to apply to any future orders and Agreements concluded between the Parties. Fulfilment of an order shall mean the Supplier has read and fully accepts these GCP. The Supplier is obliged to sign the GCP and send them to PROMAR; failure by the Supplier to send the signed version of the GCP does not exclude their application.

II. ORDERS

1. PROMAR can make orders in writing or electronically (e-mail).
2. Within not more than 24 hours from the moment of receipt of the order (counting business days only) the Supplier shall confirm in writing or electronically (email) the receipt and acceptance of the order for fulfilment. Such confirmation shall be made by a person authorized to represent the Supplier.
3. Confirmation of the receipt of the order without reservations shall mean the Supplier's acceptance of the order for fulfilment in accordance with its terms. Any variation of or additions to the terms specified in the order shall require an approval and confirmation from PROMAR.
4. If the Supplier is not able to fulfil the order in accordance with its terms, the Supplier shall inform PROMAR thereof within 24 hours from the receipt of the order and simultaneously,

within the same time frame, provide PROMAR with its proposed terms of the order fulfilment. If PROMAR expressly accepts the terms of the order fulfilment modified by the Supplier in accordance with this section, and notifies the Supplier of such acceptance, the Parties shall be bound by the terms of the order made by PROMAR, modified by the Supplier, and ultimately approved by PROMAR.

5. The Supplier shall immediately inform PROMAR in writing or electronically (email) if any risk of delays in the fulfilment of the order occurs (after confirmation of the order by the Supplier). In such case it will be up for PROMAR to decide whether to accept or reject the new terms of the order. PROMAR has the right to seek compensation from the Supplier for any loss caused by delay in the fulfilment of the previously confirmed order, regardless of whether the Supplier informed of the occurrence of delays.
6. In the Supplier fails to confirm the receipt of the order and its fulfilment within the time limit specified in Section II Point 2, PROMAR shall have the right not to accept the Goods supplied by the Supplier.
7. Unless agreed otherwise, the time limit for the fulfilment of the order (supply of the Goods), counting from the moment of the acceptance of the order, shall be maximum 48 hours, counted in terms of business days.
8. The acceptance by the Supplier of the order placed by PROMAR shall be deemed acceptance of the GCP.
9. Prior to the first supply of the Goods the Supplier shall provide PROMAR with the current specification which PROMAR will have to accept. The specification must be delivered to PROMAR laboratory workers' email address.
10. The complete specification must contain the following information:
 - 1) exact name of the raw material (fully spelled out /with all numbers, and with the E number in case of food additives);
 - 2) description of the raw material;
 - 3) composition (with information about the percentage content of limited-use substances) (for flavour enhancers the nomenclature must comply with Regulation (EC) 1334/2008);
 - 4) organoleptic characteristics (colour, aroma, taste, texture);
 - 5) country of origin;
 - 6) source of origin (in the case of plant and animal raw materials);
 - 7) physical and chemical requirements (for chemical raw materials in accordance with Regulation (EU) 231/2012) (humidity, heavy metals – Cd, Pb), (parameters characterizing the raw material, e.g. colours – colour strength, starches, and fibres – viscosity/binding of water etc.).
 - 8) information on pesticides (if applicable);
 - 9) data sheet (including Material Safety Data Sheet) (if applicable);
 - 10) declaration on allergens (including allergens card which also contains information about the possibility of cross-contamination);
 - 11) declaration on GMOs;
 - 12) declaration that the product has not been subjected to ionizing radiation;
 - 13) declaration on detection of heavy metals;
 - 14) storage conditions and expiry date;
 - 15) type of packaging together with a declaration confirming that they are permitted to come into contact with food (statement that they comply with Regulation (EC) 1935/2004 and Regulation (EC) 10/2011, as amended);
 - 16) declaration that the product is free of colorants from Sudan Red and Para Red groups and other colorants not approved for use in food (if applicable);
 - 17) content of 3-MCPD (for hydrolyzates);
 - 18) mycotoxins (if applicable):
 - Ochratoxin A;
 - Aflatoxins;
 - B1;
 - The sum of B1 + B2 + G1 + G2;

- 19) microbiological requirements (as stated below or in accordance with the regulations applicable to a given raw material, including Regulation (EU) 231/2012:
- Salmonella not present in 25 g or in accordance with the regulations applicable to a given raw material
 - Listeria monocytogenes not present in 25 g
 - total number of bacteria in 1 g
 - E. coli or E.coli group bacteria in 1g
 - yeast and moulds in 1g
 - Staphylococcus aureus 1g
- 20) nutritional value in accordance with Regulation (EU) 1169/2011, Annex 13 / Part B.

The document must be authorized by the Supplier (company stamp, signature, current date).
Specification update (according to item VI, pt. 7).

III. CONDITIONS OF PURCHASE

1. Detailed conditions of purchase shall be set out in the order. These are in particular: the name of the Goods, quantity, net price, date of payment, terms and conditions and date of delivery, information about the specification, any other documents required for delivery and any other additional requirements.
2. Unless otherwise specified, the price of the Goods stated in the order shall include all the costs associated with its delivery to the place of delivery indicated by PROMAR in the order, in particular the costs of transport, loading and unloading, packaging required for a given type of Goods with an adequate means of transport, customs and transport duties, costs of insurance coverage for the duration of transport, and any other fees and expenses.

IV. PAYMENT

1. Payment for the Goods delivered shall be made in accordance with the terms of the order made, and with the full documentation of the Goods as per section V point 3, and after providing PROMAR with the original VAT invoice correctly made out, including stating PROMAR order number. The Supplier can only make out one invoice for each delivery of the Goods.
2. The payment term will not begin to run if the Goods delivered are incomplete or are not accompanied with the documentation, as referred to above, or if the Supplier fails to deliver PROMAR with a correctly made out VAT invoice.
3. Payment shall be made on the basis of the VAT invoice received, by a bank transfer into the Supplier's bank account indicated in the invoice. Payment shall be deemed made on the date on which PROMAR places a payment order.
4. PROMAR reserves itself the possibility of offsetting the claims it may have against the Supplier against any claims the Supplier may have against PROMAR, including debts resulting from deliveries and sales made.

V. DELIVERY

1. Deliveries of the Goods shall be made free to PROMAR warehouse, unless stated otherwise in the order. The Supplier is obliged to provide the Goods to the PROMAR warehouse specified in the order.
2. The Goods shall be delivered by the Supplier in accordance with the date and time specified in the order (if the delivery time is indicated). The delivery date and time specified in the order are mandatory, and are a key element of the order fulfilment. Unless the order requires otherwise, the Supplier shall complete the delivery on business days between 08:00-13:00 hours. In case of deliveries made after 13:00, PROMAR shall have no obligation to accept the delivery and does not guarantee acceptance of the Goods on the same day, and the delivery date shall be the date of the next business day.
3. The Supplier shall attach the following set of delivery documents to the Goods delivered:

A. With the delivery of the Goods to PROMAR warehouse:

- 1) certificate (approval or certificate of quality) comprising:
 - express confirmation of the compliance of the certificate with the specification accepted by PROMAR (the following wording: Document complies with the specification of).
 - exact name complied with the specification
 - lot number;
 - expiry date;
 - physical, chemical and microbiological tests for a particular lot, if applicable.

The certificate shall contain the following note "Document generated electronically, does not require a signature". If there is no such notice, the certificate needs to be authorized (stamp, signature, current date).

If the certificate has been issued by the manufacturer/distributor other than the Supplier/the entity paying for the Goods, authorization by the manufacturer/the entity paying for the Goods is required (stamp, signature, current date).

- 2) bill of lading;
- 3) Good Issued Note specifying: the name and quantity of the Goods, broken down into lots, the expiry dates for each lot, the number of packages and their unit weight,
- 4) pallet circulation document; or
- 5) records of returnable packaging (if applicable);
- 6) Commercial Identification Document for the Goods of animal origin.

B. In the email sent to PROMAR headquarters, to the following address: zakupy@promar.pl, not later than 2 hours prior to the physical delivery of the Goods, with PROMAR order number in the message title:

- 1) scan of the certificate (approval or a certificate of quality) being a true copy of with the document sent with the Good;
- 2) properly issued VAT invoice.

The Goods delivered must be correctly labelled, i.e. have a clear label on each unit package stating the following information: name, date of manufacture and expiry date, lot number, storage conditions, net weight, veterinary code of the manufacturing plant – for raw materials of animal origin.

In addition, the Goods must have a collective label when two or more different Goods are delivered at the same time. A summary label should contain the following information:

1. name of the raw material in accordance with the certificate and the specification.
2. lot number;
3. quantity – list all lot numbers.
4. expiration date for all lot numbers.
5. name of manufacturer/supplier.

4. If any of the following occurs:

- a) the documents necessary for identification of the Goods have not been enclosed with the Goods;
- b) there are no documents necessary for the acceptance of the Goods into PROMAR warehouse;
- c) there are no documents necessary for transferring the Goods to the production (including the necessary certificates, approvals and attestations),
– PROMAR shall be entitled to, at its option, refuse to accept the Goods, store the Goods at the expense and risk of the Supplier (until the Supplier delivers the full and proper documentation in accordance with PROMAR guidelines) or return the Goods already delivered at the expense and risk of the Supplier

5. The date of minimum durability of the Goods supplied must have at least 60% of their stated shelf life left, counting from the production date. In case of the delivery which does not meet this requirement, without prejudice to any other rights, PROMAR shall be entitled to return the Goods at the expense and risk of the Supplier without the obligation to pay any dues. In such case, the Supplier shall promptly deliver at its cost substitute Goods which meet the above requirement.
6. If the Goods have been delivered by PROMAR's carrier in accordance with the order, the acceptance of the Goods by the carrier shall not mean its acceptance without reservation. In such case the Goods shall be examined by PROMAR within 7 business days from their delivery by the PROMAR's carrier in a manner customary in such cases, and if the documentation referred to in point 3 above, which should be enclosed with the Goods being delivered, is missing, PROMAR shall be entitled to, at its option, refuse to accept the Goods, store the Goods at the expense and risk of the Supplier (until the Supplier delivers the full and proper documentation in accordance with PROMAR guidelines) or return the Goods at the expense and risk of the Supplier.

VI. DETAILED TERMS OF DELIVERY

1. The fulfilment of the order shall be confirmed by one of the following documents: a proof of acceptance of the Goods (Good Issued Note from the Supplier signed off by PROMAR), bill of lading or other equivalent transport document bearing the date of receipt and signed off without reservation by a representative of PROMAR authorized to do so. Signing off of the above documents without reservation is without prejudice to any future claims PROMAR may have regarding quality complaints if it turns out there are shortages in quantity in a given delivery.
2. Signing off of the delivery document by PROMAR and payment for the delivery shall not be deemed acceptance by PROMAR of the delivered Goods without reservation or waiver by PROMAR of the right to take legal steps in order to obtain the Goods that comply with the terms of the order.
3. PROMAR shall be entitled to refuse to accept the Goods and return all or part of the Goods delivered if the Goods delivered:
 - a. are of the quality unacceptable to PROMAR,
 - b. do not meet the requirements set out in these GCP, the order or the Agreement, are incorrectly labelled or packaged,
 - c. are delivered untimely,
 - d. have not been ordered,
 - e. have been delivered in quantities exceeding those stated in the order.
4. If, following the exercise of the rights referred to in point 3, PROMAR refuses to accept the Goods, PROMAR shall notify the Supplier of the date when the Supplier shall be required to pick up the Goods, and the Supplier shall be obliged to pick up the Goods on such date. If the Supplier fails to pick up the Goods on the date specified by PROMAR, PROMAR shall be entitled to, at its option, return Goods to the Supplier or store the Goods in a place of its choice, subject to point 5 below. The delivery which is not accepted by PROMAR shall be deemed undelivered in whole or in the part not unaccepted, and as a consequence the Supplier shall be deemed to be in delay.
5. The picking up of the Goods by the Supplier, the return of the Goods by PROMAR or the storage of the Goods in accordance with point 4 above shall be at the expense and risk of the Supplier. If the Supplier fails to pick up the Goods to be returned on the date specified by PROMAR, the Supplier shall be charged the costs of storing the Goods to be returned for the period from the date of notification of the need to pick up the Goods to be returned until the day on which the Goods are picked up or the day on which the Goods are returned by PROMAR.
6. If the Goods are returned to the Supplier, the Supplier shall issue and promptly deliver to PROMAR one correcting invoice for a given return. If PROMAR does not receive the correcting invoice within 14 days from the return, PROMAR shall be entitled to withhold payment for the entire delivery which included the Goods being returned until it receives the correcting invoice.

7. The Supplier shall inform PROMAR about changes made by the Supplier in the specification of the Goods and about changes in the specification of free samples delivered to PROMAR. Responsibility for the compliance of the specification signed off (in accordance with the authorization) with the products delivered rests with the manufacturer/supplier. This arrangement is accepted by the recipient, i.e. PROMAR, and any changes in the properties of the product and in the specification itself must be notified in writing or electronically (email), subject to prior notice to and approval by PROMAR. The manufacturer/supplier shall be liable in law for any arbitrary changes
If PROMAR orders the Goods/free sample of the Goods whose specification has been changed by the Supplier, yet the Supplier has failed to give prior notice thereof to PROMAR, contrary to the above provisions, PROMAR shall be entitled to, at its choice, cancel the order, refuse to accept the Goods delivered or, if the Goods have been delivered, return the Goods at the expense and risk of the Supplier. Fulfilment of orders for the Goods whose specification has been changed by the Supplier must be expressly accepted by PROMAR.
8. The Supplier shall inform PROMAR in writing, by facsimile or electronically (email), at least 30 days in advance, of planned increases in the prices of the Goods that have been purchased by PROMAR in the past 12 months, counting backwards from the date of the increase, provided further that during these 30 days the price of the Goods to be ordered by PROMAR will not change for PROMAR.
9. The Supplier shall make every effort to ensure that one lot of the raw material is delivered to PROMAR in any single delivery, and if this is impossible, prior to making the delivery, the Supplier shall inform PROMAR of the number of lots, specific quantities of the raw material from each lot, and of the use-by dates of the raw materials from each lot, by sending the appropriate certificate (approval or quality certificate) to the email address (the above information must also be included in the Good Issued Note and the summary label).

VII. THE MOMENT OF THE TRANSFER OF OWNERSHIP AND RISKS

1. The ownership of the Goods shall transfer to PROMAR upon their delivery to the place specified in the order.
2. Unless the order specifies otherwise, the Supplier shall bear all the risk and responsibility for the Goods, including for loss, damage or destruction, until the Goods are accepted by PROMAR without reservation.

VIII. INDEMNIFICATION

1. The Supplier shall be liable for damage caused as a result of non-performance or improper performance of an obligation, in particular due to hidden defects in the Goods, as well as improper transportation, packaging, labelling and loading of the Goods. The Supplier accepts liability for any breach of the terms of the Agreement or the GCP by its employees, partners or subcontractors, as well as by the equipment and supplies owned by them that are employed in the performance of the Agreement, and for any damage resulting therefrom.
2. PROMAR reserves the right to engage an independent laboratory to test the quality of the Goods delivered by the Supplier compared to the Supplier's assurances as to their properties and quality. If such tests show that the quality or properties of the Goods are inappropriate, the costs of such tests shall be borne by the Supplier.
3. PROMAR reserves the right to audit once a year the Supplier or to engage an independent inspection company to carry out such audit. The purpose of such audit will be to inspect the Supplier's procedures relating to the production, packaging, storage and shipping of the Goods intended for PROMAR, in terms of their health safety. If the audit finds that the quality of the Goods is not as required, the costs of such audit will be borne by the Supplier. In justified cases PROMAR shall be entitled to perform more frequent audits.
4. The Supplier is required to obtain all permits, certificates and/or other documents required by the applicable law, needed for the authorisation of the Goods delivered for marketing. If such documents are not obtained, PROMAR shall be entitled to, at its choice, terminate the Agreement or withhold payment of the price for the Goods until the required documentation is

obtained. PROMAR shall be entitled to terminate the Agreement within 60 days from the date on which the delivery should have been fulfilled in accordance with the terms of the order.

5. The suppliers who have in place a certified quality management system, integrated with HACCP (i.e. in particular ISO, BRC or other), shall be suppliers of first choice for PROMAR. Suppliers who have a uncertified, but implemented and documented quality management system, or who are implementing such system, will be suppliers of second choice for PROMAR.

IX. WARRANTY; DEFECTS IN THE GOODS

1. The Supplier gives PROMAR warranty on all the Goods it delivers. The warranty period shall be in each case agreed by the Parties, except that if such agreement is not reached, the Supplier shall be deemed to give a warranty for the period not shorter than the shelf life of a given lot or one year, whichever is longer.
2. The warranty period shall run from the date the Goods are accepted without reservation.
3. The Supplier warrants that all the Goods delivered to PROMAR shall comply with the specification, samples, descriptions and previous offers made to PROMAR, and that they shall be of good quality, free from defects and of repeatable quality. In addition, the Supplier represents that it knows how PROMAR plans to use the Goods delivered and warrants that all the Goods delivered shall be suitable for PROMAR's intended use in food production. The Supplier also warrants that the Goods will be authorised for marketing within the European Union on the basis of relevant certificates/standards issued by the relevant public authorities.
4. During the warranty period the Supplier shall, upon PROMAR's first request, replace, at its cost, all defective Goods or make changes, corrections or render additional services that are necessary to ensure the Goods meet the terms of the order.
5. The exercise by PROMAR of the guarantee rights is without prejudice to PROMAR's right to exercise the statutory warranty rights. The Supplier shall bear the costs associated with the exercise of the statutory warranty rights and the warranty rights, including transportation costs etc.
6. If any quantitative and qualitative deficiencies, visible or hidden damage or defects in the Goods or their packaging are discovered, PROMAR shall write an appropriate Complaint Report and send it electronically to the Supplier with the complaint, promptly, however not later than 7 days from the date of the report.
7. The complaint must include:
 - a. designation of the Goods,
 - b. description of the defects, supported by Complaint Report.
8. The Supplier shall review PROMAR's complaint within 14 days from the receipt of the complaint document. Failure by the Supplier to respond to the complaint within this time limit shall be deemed acceptance of the complaint in its entirety.
9. If the complaint is accepted, the Supplier shall replace the Goods with Goods that are free from defects, and then shall deliver the replacement Goods to PROMAR. The time limit for the Supplier to fulfil the above obligations shall be 3 business days, unless the Parties agree otherwise. The above time limits shall count from the end of the time limit for consideration of complaints (in case the Supplier does not respond to the complaint submitted) or the time limit for acceptance of the complaint, whichever is earlier.

If the Supplier refuses to accept the complaint, the Supplier shall inform PROMAR, in writing or electronically (email), stating the reasons for such refusal.
10. If the Supplier refuses to accept the complaint, PROMAR shall be entitled to subject the contested Goods to an expert examination by an independent body to find out if the complaint is justified. If such expert examination confirms the complaint submitted by PROMAR is justified (i.e. confirms the defectiveness of the Goods), the Supplier shall replace the Goods with Goods that are free from defects and shall deliver the replacement Goods promptly to PROMAR and cover the costs of such expert examination.
11. The Supplier represents and warrants that all the Goods are suitable for use in the production of food products and meet all the requirements laid down by the legal regulations governing approval of goods for such production and proper marking of packaging and labels of the Goods to be purchased.

X. CONTRACTUAL PENALTIES

1. Subject to the other provisions of the GCP, PROMAR is entitled to impose a contractual penalty on the Supplier in the following cases:
 - a. the delivery of the Goods is delayed compared to the dates set out in the order – 1.5% of the gross value of the Goods not delivered on time for each day of delay;
 - b. the delivery of the Goods which were to be replacement Goods under the complaint is delayed compared to the time limits specified in section IX – 1.5% of the gross value of the Goods not replaced on time for each day of delay;
 - c. the Supplier delays to deliver together with the Goods all the documents referred to in section V point 3 of the GCP – 1.5% of the gross value of the Goods covered by the delivery completed without all the required documents attached for each day of delay.
 - d. failure to notify the variation of the specification and failure to fulfil the obligation to promptly send the current version of the specification to PROMAR – 500 Euro for each such case,
 - e. inconsistency between the delivery certificate and the specification – 150 Euro for each such case,
 - f. inconsistency between the delivery certificate and the Goods delivered – 150 Euro for each such case.
2. The Parties mutually agree that if the delivery is delayed by more than 8 calendar days, in addition to charging the contractual penalty PROMAR shall also have the right to cancel the order at issue (to refuse to accept the Goods). All the costs incurred on account of this shall be borne by the Supplier, including the costs of transportation, customs duties etc.
3. The Supplier shall bear full liability for any damage incurred by PROMAR or its customers and cooperating entities in direct or indirect consequence of the delivery of the Goods by the Supplier, in particular if the Goods are of poor quality or defective. The Supplier agrees to pay all costs and make good all damage incurred by PROMAR due to poor quality or defectiveness of the Goods; in particular the Supplier shall indemnify PROMAR from all expenses and liability (including contractual penalties) that PROMAR incurs in connection with third party claims.
4. If an independent testing laboratory finds differences between the parameters of the Goods delivered by the Supplier and the parameters and properties warranted to PROMAR by the Supplier, PROMAR reserves the right to impose on the Supplier a contractual penalty equal to 25% of the value of sales between the Supplier and PROMAR in the quarter preceding the date of the test, and if it is impossible to determine such value, 25% of the value of sales between the Supplier and PROMAR in the past 12 months preceding the date of fulfilment of the last order placed by PROMAR.
5. The contractual penalties provided for in these GCP are without prejudice to PROMAR's right to seek compensation greater than the value of the stipulated contractual penalties

XI. CONFIDENTIALITY

1. The formula, composition and scope of use of the Products are the intellectual property of PROMAR, and the Supplier cannot violate it in any form or scope, either directly or indirectly. The Supplier shall not violate PROMAR's rights to trademarks, utility designs, copyrights and patents.
2. If the Supplier obtains in any way (directly or indirectly) information regarding the formula and composition of the Products, or any other information constituting the business secret of PROMAR, the Supplier shall keep such information confidential and shall not disclose or pass on such information to any third party without an express prior written consent from PROMAR. The business secret shall in particular mean any information relating to PROMAR or its operations which is not recorded in the public registers and is not publicly known, and if it is publicly known, it is not as a consequence of a breach of the confidentiality. In particular business secrets include: commercial, technical and technological information, including the composition and formula of the Products, manufacturing, financial and organizational information, know-how, lists of business partners and customers.

3. If the Supplier breaches the provisions of this section, PROMAR shall have the right to impose on the Supplier a penalty equal to five times of the value of the sales between the Supplier and PROMAR in the last 12 months prior to the completion date of the last order placed by PROMAR (the value of such last order shall be also included in the value of such sales). PROMAR shall have the right to claim compensation in the amount exceeding the amount of the stipulated contractual penalty according to generally applicable provisions of law.

XII. FORCE MAJEURE

1. The Parties shall not be liable for non-performance or improper performance of the Agreement resulting from the events of force majeure.
2. Force majeure within the meaning of the GCP shall mean an external event beyond the Parties' control which prevents the performance of the contractual obligations, which is impossible to predict and prevent, and if it was predictable, it was inevitable, which occurred after the signing date of the Agreement, in particular war, natural disasters, general strikes or strikes of entire industries, with the exception of strikes at the factories of the Supplier or its suppliers etc. Difficulties in obtaining raw materials and auxiliary materials shall not be considered force majeure.
3. In case of the force majeure event the Parties shall enter into good faith discussions to agree on further action, in particular possible renegotiation or termination of the Agreement.

XIII. TERMINATION OF THE AGREEMENT.

1. If the Supplier fails to perform its obligations under the Agreement or the GCP, PROMAR shall have the right to issue a notice of violation of the terms of the Agreement or the GCP to the Supplier. In such case the Parties shall agree on an appropriate action plan within 14 days from the date of such notice. If no agreement is reached or if the agreed on action plan is not implemented within the time limit prescribed by both Parties, PROMAR shall have the right to terminate the Agreement without prejudice to its rights to claim compensation or impose the contractual penalties after discovering a breach of the terms and conditions of the Agreement.
2. PROMAR shall also have the right to terminate the Agreement with immediate effect (without having to apply the procedure set out in point 1 above) in the following cases:
 - the Supplier files for bankruptcy,
 - the Supplier's capital ownership structure changes, or
 - the Supplier becomes insolvent,
 - the Supplier commits a gross breach of the Agreement or the GCP,
 - the Supplier delays the fulfilment of the order by more than 7 days.
3. If the Supplier is unable to perform its obligations arising from the Agreement or these GCP, PROMAR shall have the right to appoint a third party and instruct such third party to perform the Supplier's obligations at the Supplier's cost and risk, including when such cost is higher than the amount agreed in the Agreement, without prejudice to PROMAR's rights to claim compensation and the contractual penalties referred to in section X of the GCP.

XIV. FINAL PROVISIONS

1. The Parties agree that the place of performance of the obligations arising from the Agreement (in particular the obligations connected with the pending orders) shall be the registered seat of PROMAR.
2. PROMAR shall have the right to unilaterally modify the GCP. In such case the existing provisions of the GCP shall bind the Parties to the extent of the orders placed until then, i.e. the orders placed prior to the entry into force of the new GCP. If the GCP are modified, the Supplier shall become bound by the new GCP once it is delivered the modified GCP, including by email to the Supplier.
3. In case of any inconsistency between the provisions of the GCP and the provisions of the Agreement, the provisions of the Agreement shall prevail.

5. The Parties exclude the application of the provisions of the Convention signed in New York on 11 April 1980 on Contracts for the International Sale of Goods.
6. The governing law for the GCP, the fulfilment of orders and the performance of the Agreement shall be Polish law. Any disputes arising from the performance or interpretation of the GCP, orders or the Agreement shall be governed by Polish law, regardless of where the Supplier's registered seat is located.
7. The Supplier shall have no right to assign its rights or obligations vis-à-vis PROMAR resulting from the cooperation of the Parties, including the completed orders, without a prior written consent from PROMAR.
8. If any provision of these GCP becomes for any reason invalid or ineffective, this shall not affect the validity or effectiveness of the remaining provisions of the GCP.
9. Any disputes arising out of the performance of the GCP or the Agreement shall be referred by the Parties to a court of competent territorial jurisdiction for the registered seat of PROMAR.

Date and signature of the Supplier