

**GENERAL CONDITIONS OF PURCHASE OF MATERIALS AND SERVICES – hereinafter referred to as GCP**

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This document defines the rules for the transparent and fair competition-based manner of purchases in ZE PAK S.A. (hereinafter referred to as: ZE PAK S.A.).

The General Conditions of Purchase of Materials and Services determine the rights and obligations of the Entities taking part in purchasing proceedings and in the completion/performance of the Order/Agreement and the rights and obligations of the Contracting Party.

## **1. Definitions**

The definitions used in the General Conditions of Purchase mean as follow:

**Electronic Auction** – a procedure, in which the Suppliers submit another more favourable offers (increments) subject to automatic classification on the basis of the price or other parameters defined by ZE PAK S.A. on the Purchasing Platform.

**Supply** – purchase of materials (objects) and rights on the basis of the following agreements: sale agreement, supply agreement, task-specific agreement, rental agreement, lease agreement, and other agreements of a similar nature.

**Supplier** – an entity, to which the enquiry is addressed, who submits commercial offers or takes part in Electronic Auctions as a seller of materials or services or has entered into the Agreement, has received the Order for execution of the Supplies, Services, or Construction Works. The name of Contractor may be used interchangeably instead of the Supplier.

**Materials** – all the objects within the meaning of the Civil Code, in particular raw materials, products, machinery, devices, spare parts, and fixed investment assets.

**Commercial Offer** – the Supplier's declaration of intent submitted within the deadline set by ZE PAK S.A. to receive offers in response to the Enquiry/Electronic auction on the Purchasing Platform.

**Purchasing Platform** – a website of a closed nature, within which Electronic auctions are organised, Enquiries are sent, Commercial offers are submitted, and other services related to trade are provided.

**Construction Works** – any works consisting in the execution of the works, assembly, repair, or demolition of buildings or their parts within the meaning of the Construction Law act ("Journal of Law of 2013, item 1409 – consolidated text Construction Law").

**Agreement** – a written civil-law agreement concluded with the Supplier, whose part are these Conditions.

**Services** – all benefits that are not Construction Works or Supplies of materials.

**Conditions** – The Conditions are these general conditions of purchase of materials and services by ZE PAK S.A.

**Purchase of Materials and Services** –the conclusion of the Agreement, on the basis of which ZE PAK S.A. purchases property of the Materials or of the Agreement on the provision of the Services. The Order (in the case, in which it is not necessary to conclude the Agreement) is also considered the Agreement.

**Contracting Party** – ZE PAK S.A. must be understood as such.

**Order** – a simplified form of the Agreement written mostly on a specified Order form, specifying the basic information important for the validity of this document required by the Civil Code.

**Enquiry** – asking the Supplier to present the conditions, information, or suggestions in relation to the needs and conditions in the enquiry.

## 2. Scope of Application of GCP

The provisions of the GPC apply to all Agreements and Orders, the object of which is the purchase of Materials, Services, and Construction works, including the activities related to the conclusion of or prior to the conclusion of these Agreements and with regard to the preparation and submission of the offers by the Supplier in response to the Enquiry (including the Electronic Auction).

Unless otherwise agreed, the GPC apply in the current electronic version during registration on the Contracting Party's Purchasing Platform.

In the event of a conflict between the provisions of the Agreement/Order concluded by ZE PAK S.A. with the Supplier and the content hereof, the provisions of the Agreement/Order shall prevail.

For the purposes of the interpretation of the Agreement concluded between ZE PAK S.A. and the Supplier, the following order of documents comprising the parts of the Agreement is adopted:

- Agreement/Order placed by ZE PAK S.A.,
- the protocol or protocols from negotiations between ZE PAK S.A. and the Supplier (whereas the content of protocols prepared directly before the day of conclusion of the Agreement is taken into account first),
- Offer,
- Enquiry of ZE PAK S.A.,
- these Conditions.

## 3. Supplier Selection Process

The selection process of the Suppliers is carried out in accordance with the principle of transparency and competitiveness. The Contracting Party applies the principle of information symmetry, which means providing the Suppliers participating in the tender proceeding with the same information needed to develop the Commercial Offers. The principle of information symmetry does not apply to a situation, in which the information will be a breach of the law and, in particular, a trade secret. In the case of proceeding conducted on the Purchasing Platform, the Supplier must go through the registration process on that platform, and then submits Commercial Offers on it in response to the Enquiries placed by ZE PAK S.A. or to participate in the Electronic Auctions. In order to register on the Purchasing Platform, the Supplier is required to accept the GPC and the Purchasing Platform Terms of Use. On the basis of the collected offers, the Contracting Party may select the Supplier after

post-auction trading in the form of negotiations (updated of the offer in response to the Enquiry) or the Electronic Auction. By joining to participate in the purchasing procedure, the Supplier proceeds in accordance with the procedure laid down by the Contracting Party.

**a. Enquiries and Offers**

Enquiries may be sent at the Supplier's email address or be available in an open form on the Purchasing Platform and on the website of the Purchasing Platform's operator. In special cases, the Enquiry may be sent to the Supplier in a different form (e.g. by e-mail, fax, or mail).

The Enquiry can also be sent to the Supplier via the platform's operator; ZE PAK S.A. is also informed about such an action.

ZE PAK S.A. may request confirmation of participation in the proceeding and will not accept the offers if such a confirmation is absent.

The Contracting Party includes information about estimated selection of the most favourable offer applying commercial negotiations or the Electronic Auction in the Enquiry.

The Supplier, after familiarising with the Enquiry's content, is obliged to check the completeness of the documents transferred by ZE PAK S.A. related to the conducted proceeding. The Supplier will ask ZE PAK S.A. for any missing documents and information in order to supplement them.

The Contracting Party allows the Supplier to ask questions only within the indicated period and it may not answer the asked questions after its elapse.

The Contracting Party may, at any time of the ongoing proceeding, ask a question to all or selected Suppliers.

The Contracting Party may, at any time, withhold (suspend) or cancel the proceeding related to a given Enquiry.

The Contracting Party is not obliged to give a reason of withholding, suspending, or cancelling the proceeding.

The Contracting Party, during the tender proceeding, can update the Enquiry.

Any information regarding changes in the Enquiry is sent at the e-mail address of the Suppliers taking part in the proceeding.

In the case of Enquiries submitted via the Purchasing Platform, the offers are deemed to be binding when they have been submitted via this platform.

The responses to the Enquiries as well as offers and attachments to those responses or offers submitted by the Supplier are free of charge for ZE PAK S.A.

At any time, ZE PAK S.A. may require the Supplier to provide additional information or documents related to the object of the offer free of charge.

The Offers submitted on the Purchasing Platform are accepted only on the offer forms of the Purchasing Platform, which comprise an integral part of the Enquiry.

The Suppliers may enclose attachments that are the part of the commercial offer and the documents required in the Enquiry to the offer forms.

In the case of submitting an incomplete Commercial Offer, the Contracting Party may inform about the need to supplement it. In the case of failure to supplement it within period indicated by the Contracting Party, the Contracting Party may reject the incomplete offer.

The offers that the Contracting Party will receive after the indicated term will not be accepted.

The Contracting Party does not have the right to access the Commercial Offers until the closing date for accepting the offers.

The Contracting Party may request a written confirmation of the submitted Commercial Offer on the Purchasing Platform signed in accordance with the Supplier's principles of representation.

The Commercial Offers in a traditional (written) form should be submitted in original or in a photocopy certified as a true copy of the original. In case of doubt, the Contracting Party may request the original for inspection.

Submission of the Commercial Offer is also the acceptance of formal terms and conditions of participation in the purchasing proceeding, the Purchasing Platform Terms of Use, the GCP and other terms and conditions specified in the Enquiry.

In some cases, the Contracting Party may allow to submit partial Commercial Offers or variants.

The submitted Commercial Offers must take into account all costs of supplying the Materials, providing the Service, or executing the Construction Works unless otherwise was formulated in the Enquiry.

The offers are submitted in net prices except for a situation, in which gross prices result from the provisions in the Enquiry.

The offers are submitted in PLN except for a situation, in which other currencies result from the provisions in the Enquiry.

The rate for the offers submitted in other currencies is the average rate of the Polish National Bank (NBP) unless other conversion method was indicated in the offer.

On the basis of the submitted offer, the Contracting Party may conduct negotiations.

No protests are stipulated within the ongoing purchasing proceeding. In the event of the Supplier's protest, the Contracting Party will leave it unconsidered.

The Materials that are an integral part of the commercial offer will not be returned.

The offers should be prepared in Polish, unless the Contracting Party has enabled to prepare the offer in other language. The offer must be complete and contain all the information necessary for its evaluation and should meet the requirements stated in the Enquiry.

The supplier is obliged to prepare an offer based on applicable law which will include all Supplies and benefits necessary for the proper performance of the Agreement in a correct manner, consistent with state of the art and the best available technology and ensuring the highest possible quality and safety standards, as well as ZE PAK SA's achieving the intended economic effect.

**b. Participation in Electronic Auctions**

The Electronic Auction is a mode of the Supplier selection, in which it submits the Commercial Offer via the Purchasing Platform. In the case of the Electronic Auctions conducted as post-auction trading, a detailed description of the object of the purchasing procedure can be found in the Enquiry. In this case, information that it is a continuation of the purchasing proceeding (a post-auction trading to a tender) will be in the invitation to the Electronic Auction.

In the case of the Electronic Auctions, the Supplier declares its participation using the Purchasing Platform, and the Contracting Party accept the application. The Electronic Auctions can be carried out in an open or closed form.

The Auctions can be conducted on the basis of a variety of auction models and rules. Detailed assumptions concerning the Electronic Auction are included in the invitation to the auction.

The Instructions for the auction are sent with the invitation to the Electronic Auctions or confirmation of participation in the case of open auctions.

By participating in the auction, the Supplier accepts all the assumptions of the Electronic Auction.

The Auctions conducted in accordance with these GPC are not Electronic Auctions within the meaning of the Civil Code.

The Supplier is obliged to report immediately to the operator any technical issues related to the auction available on the Purchasing Platform.

The Supplier is obliged to log in to participate in the auction no later than 5 minutes before the auction starts.

Net prices apply on the auction except for the situations described in the invitation to the auction.

During the Electronic Auction, the Contracting Party does not answer the questions about the object of the purchasing procedure.

The Contracting Party may request confirmation of the offer submitted on the Electronic Auction in the traditional (written) form, signed in accordance with the company's rules of representation.

The Supplier is bound by the offer submitted in the course of the Electronic Auction on the date indicated by the Contracting Party.

The Supplier is bound with the last Commercial offer submitted in the course of an auction regardless of the fact of submitting a better offer by another Supplier.

The offers submitted after the completion of the Electronic Auctions are rejected, which is not the case when the auction's rules allow for this.

In the event of non-participation in post-auction trading in the form of an auction, the offer submitted in response to the Enquiry is deemed to bind the Supplier.

**c. Additional information**

The Contracting Party reserves the right to cancel the proceeding at any time without giving any reason.

Decisions of the Contracting Party to reject the Commercial Offer, withdraw from negotiations, cancel or terminate the proceeding without selecting any of the Commercial Offers, as well as resignation from concluding the Agreement, may not constitute grounds for any claims on the part of the Supplier (offeror) or its subcontractors or other persons.

The Contracting Party reserves in particular the right to select one or several Suppliers, withdraw from the negotiations at any time without giving reasons, and to resign from concluding the Agreement with the selected Supplier without giving reasons.

The Contracting Party passes the information about the result of the proceeding immediately after its completion. This information also concerns the offers that have been rejected.

The Contracting Party determines the scope of the transferred information.

The information about the proceeding' results is not the basis for completing the Supply or providing the Service and does not entitle the Supplier to rise a claim for concluding the Agreement or granting the Order.

The basis for completing the Supply or providing the Service is the Order granted by the Contracting Party or the Agreement signed by the Contracting Party and the Supplier.

In the case of liabilities that exceed the value of PLN 100,000 net, the final decision on the granting the Order/Agreement will be made by the Management Board in the form of the Resolution.

#### **4. Conclusion of the Agreement/Granting the Order**

The conclusion of the Agreement/granting the Order is in writing.

ZE PAK S.A. concludes the Agreement with the Supplier, when the object of the Agreement's value exceeds PLN 50,000 in the case of the service purchase, or PLN 100,000 in the case of the Materials purchase, or in other situations that are necessary regardless of the object of the Agreement's value. In other cases, it is sufficient to grant the Order.

The Contract is concluded at the moment of its signing by the parties. The Order is binding upon servicing to the Supplier. The Order can be serviced by mail or using fax or e-mail.

Difficulties and obstacles – the Supplier should immediately report any difficulties or obstacles concerning duly performance of the Agreement/Order to the appropriate unit in ZE PAK S.A. in writing. Failure to report the obstacles or deprive deprives the Supplier of the ability to rising any claims resulting from these obstacles or difficulties.

Applicable law – for all Agreements/Orders, to which these Conditions refer, the Polish law shall apply, unless expressly agreed otherwise.

Compliance with the law – The Supplier is obliged to comply with the law and regulations of the competent authorities when performing the Agreement. This obligation applies to the Supplier's meeting all safety requirements, quality standards, and non-infringement of safety, health and environmental regulations, or the rights of third parties. The Supplier bears all responsibility for all penalties and for personal and property damage caused by breach of these provisions and standards.

## **5. Invoices, Terms of Payment**

The Supplier sends invoices for the execution of the object of the Order to the address indicated in the Agreement or Order of ZE PAK SA. The invoice must include the Tax Identification Number (NIP) or other corresponding identification number of the Supplier, the Supplier's identification number granted by ZE PAK S.A., the number and date of the order, additional information agreed by ZE PAK S.A. and the Supplier (description of the invoice object, number and date of the packing list, the number of the service acceptance protocol) as well as the price specified in the Agreement or the Order, with the separately showed amount of value added tax.

Unless otherwise agreed, the payment period is 30 days from the date of receipt of the correctly issued invoice. The basis for issuing the invoice is supply of the Material or provision of the Service (acceptance protocol). If the invoice was issued incorrectly, the Supplier will issue a proper adjusting VAT invoice or an adjustment note.

When receiving and accepting advance Supplies, the payment term in accordance with the agreed term of executing the object of the Agreement or the Order applies.

If the parties have agreed a payment schedule, then ZE PAK SA makes payments according to this schedule.

In the event of unduly performance of the Agreement by the Supplier, ZE PAK S.A. is authorised to suspend the payment or its relevant part until the performance of this Agreement is duly executed.

The agreed purchase price is paid to a bank account. The Supplier is obliged to provide the bank name and bank account number on an invoice or a separate letter before commencing supplies.

The Supplier is obliged to inform immediately about every change of the bank or the account number but not later than within 3 business days. The letters concerning the changes in the bank account number or the Bank should contain signatures of the persons authorised to represent the Supplier and information concerning the person authorised to contact. The Supplier is obliged to provide this information via e-mail, fax, or a registered mail. Failure to provide information by the Supplier releases ZE PAK S.A. from liability for the correctness of the made bank transfers.

## **6. Obligations of the Supplier, Performance/Completion of the Agreement/Order**

The Supplier is obliged to inform ZE PAK S.A. immediately and on an ongoing basis about all relevant matters related to the implementation of the object of the Order/Agreement and to ensure the participation of its duly authorised representative in any talks about the implementation of the object of the Order/Agreement.

In relation the implementation of the object of the Agreement, the Supplier is obliged to take into account and respect all rights of ZE PAK S.A., as well as regulations and instructions in force in the enterprise of ZE PAK S.A.

The Supplier is obliged to organise any procedures related to the completion of the Agreement/Order so that they do not cause difficulties in the current activities of ZE PAK S.A.

The Supplier is obliged to inform ZE PAK S.A. immediately about any circumstances that may impact the timely performance of the Agreement/Order.

In the event of a change of completion deadlines of various stages of performing the Agreement or the final deadline of its performance, the parties will agree on new terms of the implementation of obligations arising from the Agreement; this is without prejudice to the powers of ZE PAK S.A. to request recovering loss as a result of the Supplier's failure to meet the deadlines.

The Supplier is obliged to complete the object of the Agreement that is free of defects and flaws, in accordance with the Agreement, together with complete documentation in Polish (such as warranty cards, user's manuals, data sheets, declarations of conformity, certificates, etc.).

Cooperation of the parties – the parties are obliged to cooperate in completing the object of the Agreement or the Order.

The Supplier should immediately report any difficulties or obstacles concerning duly performance of the Agreement to the appropriate unit responsible for performing the Agreement/Order in ZE PAK S.A. in writing. Failure to report the obstacles or deprive deprives the Supplier of the ability to rising any claims resulting from these obstacles or difficulties.

If, during the completion of the object of the Agreement/Order, it is found that for technical or other reasons exemptions from the agreed conditions are required, each party is obliged to notify the other party about this fact in writing.

If the change affects the previously agreed purchase price, then the parties oblige to agree on the new price and introduce it into the content of the agreement in the form of an annex.

If meeting the previously agreed deadline of completing the object of the Agreement by the Supplier is impossible or significantly impeded due to the occurrence of a change in the manner of performing the Agreement, then the parties will agree on a new completion deadline.

Any changes in the manner of performing the Agreement may be effected only after notifying the change to the Agreement/Order in writing. This does not apply to those works, which are necessary to protect human life or health or to avoid significant damage to the property of ZE PAK S.A. or third parties.

If the condition of operation or building is to obtain a permit for their use or another official certificate or certificate allowing for operation, the Supplier, in cooperation with the Contracting Party, will obtain such decisions or certificates and submit them to ZE PAK S.A. at the latest on the day of completion of the performing object of the Agreement, unless the parties agree otherwise.

## **7. Unfair Competition. Liability of Collective Entities**

The Supplier is obliged to ensure that its employees or other persons acting on its behalf under other legal relationships has not committed deeds indicated in the against ZE PAK S.A indicated in the fair competition legislation provisions.

The Supplier, in relation to performing the agreement, is obliged to comply with the following principles:

- It may not breach the applicable law with its behaviour (acting, annulling, or omission). This prohibition also applies to the Supplier's employees and representatives and other persons acting on its behalf or for it and refers in particular to behaviours that may lead to commit the offences set forth in article 16 of the act of 28



October 2002 on the responsibility of collective entities for punishable offences (Journal of Laws of 2012, item 768, consolidated text);

- it is required to take all possible measures in order to protect the good name of ZE PAK SA and to avoid any actions or omissions that could lead to a breach of the good name of ZE PAK S.A.;
- it is obliged to act within the framework of the tasks entrusted to it (and the granted powers of attorney and other powers). Any withdrawal from the scope of the entrusted tasks (or the granted powers of attorney or other powers) is possible only after receiving a prior written consent of ZE PAK S.A.;
- it is obliged to inform immediately the Management Board of ZE PAK S.A. or of the person designated in writing by the Management Board of ZE PAK S.A. about any fact known to it if the interests of ZE PAK S.A. may be affected or threatened in any way because of this fact. This refers in particular to information on any of the prohibited deeds that may be committed in connection with the execution of the duties entrusted by ZE PAK S.A.

The parties agree jointly and unambiguously that any breach of the a/m conditions and obligations may be treated as the basis of the Supplier's responsibility towards ZE PAK S.A. The Supplier is aware of the fact that breaching these principles may be a basis for terminating the Agreement (or other legal relationship) connecting it with ZE PAK S.A.

ZE PAK S.A. reserves the right to seek compensation on the general principles provided in the civil code because of breaches of principles or obligations set forth herein.

The Supplier may not assign to the third-party claims entitled to it in relation to ZE PAK S.A. under performing the object of the Agreement or empower the third parties to pursue these claims prior written consent of ZE PAK S.A.

## **8. Copyright and Industrial Property Rights, Confidentiality**

The Supplier is obliged to treat any information, documents, and other items provided to the Supplier by ZE PAK S.A. in connection with the preparation of the offer, concluding and performing the Agreement and Order as ZE PAK S.A.'s enterprise secret. The secrecy obligation is also after performing the Agreement and the Order by the Supplier, provided that the information, documents, or other items included in the enterprise secret of ZE PAK S.A. were not generally available or known.

The Supplier is obliged to keep secret the fact of concluding the Agreement with ZE PAK S.A., unless the obligation to reveal it in relation to the persons entitled to receive such information by law results from the unconditionally applicable law. The Supplier may inform about the cooperation with ZE PAK S.A. for advertising purposes only after prior written consent of ZE PAK S.A. Such a consent is granted by ZE PAK S.A. solely for the purpose of a specific advertising activity or concerning providing references, as described by the Supplier in the request addressed to ZE PAK S.A.

If the Supplier uses items or software covered by copyright or industrial property rights entitled to third parties when performing the Agreement, it is obliged to make every effort in order not to breach these rights. The Supplier bears full responsibility for claims for compensation or other claims pursued by authorised third parties in connection with a breach of their rights.

The Supplier's breach of the provisions hereof is considered a significant breach of the Agreement concluded between the Supplier and ZE PAK SA, which may be a reason for immediate termination of this Agreement by ZE PAK S.A.

If the authorised third party requests from ZE PAK S.A. to cease to use the Materials as a result of the Supplier's breach of third-party rights, the Supplier is obliged to remove this breach and its effects on its cost and to return the remuneration received under the Materials' purchase with statutory interest to ZE PAK S.A. The above is without prejudice to ZE PAK S.A.'s ability to request compensation to the further extent and file other claims in order to remove or diminish damages caused by the Supplier's breach to the third-party rights.

Any means of production, spare parts, tools, software, etc. manufactured by the Supplier on the basis of the data or documents provided by ZE PAK S.A. may be used by the Supplier only to complete the orders placed by ZE PAK S.A. The Supplier must not use these means of production for its own purposes or offer or make available to third parties.

## **9. Passing of Risk**

Unless otherwise agreed, loading, shipping, transport of materials ordered by ZE PAK S.A. shall be at the Supplier's risk. The Supplier is obliged to enter into a transport insurance agreement.

Unless otherwise agreed, the supplied Materials must be packed according to the manners of trade and the properties of the packed item. The Supplier is responsible for damage resulting from the faulty packaging. The Supplier undertakes to receive all the packaging materials.

## **10. Acceptance of the Agreement/Order Object**

The supplier is obliged to carry out quality inspections and other acceptance activities before supplying the object of the Agreement to ZE PAK S.A.

The Supplier is in particular obliged to verify whether the object of the Agreement meets the requirements in the Order/Agreement. The scope and content of the quality inspection or other acceptance activities may be established in the Agreement concluded by the parties or in an additional agreement.

ZE PAK S.A. is obliged to carry out the acceptance of the object of the Agreement/Order no later than 7 days from the supply date.

The Supplier is obliged to inform in writing 7 days in advance about the supply or acceptance date of the object of the Agreement/Order.

The receipt of the ordered Materials/Services will be confirmed on the proof of their supply issued by the Supplier. The person authorised to act on behalf of ZE PAK S.A. makes confirmation.

The delivery note shall include the following data:

- the object of the order,
- order number,
- the quantity and unit of the order,
- ZE PAK S.A.'s plant (Pałnów Power Plant, Konin Power Plant, or Adamów Power Plant) and the unloading address.

The Service completion will be confirmed on a Service acceptance protocol. The Supplier is obliged to issue an acceptance protocol.

The person authorised to act on behalf of ZE PAK S.A. makes the acceptance.

The service acceptance protocol should contain the following data:

- the object of the order,
- order number,
- acceptance scope (partial, final),
- the scope/description of the works that are completed and subjected to acceptance,
- the cost/price of the completed scope of works,
- the assessment of the quality of service included in the acceptance scope,
- the settlement of materials that were entrusted but not used,
- the settlement of waste formed during the completion.

The above findings are applicable, unless the parties have agreed otherwise on the basis of other documents.

## **11. Liquidated Damages**

The agreed term of performing the Agreement is binding for the Supplier. The Supplier is obliged to immediately inform ZE PAK S.A. in writing about intention to perform the object of the Agreement earlier and the expected delay.

If the Supplier goes into default in performing the object of the Agreement/Order, it is obliged to pay liquidated damage in the amount of 0.2% of the net value of the non-performed object of the Agreement/Order to ZE PAK S.A. for each day of delay, not higher than 10% of the total net value of the Agreement/Order. At the same time, ZE PAK S.A. reserves the right to claim compensation under the act – Civil Code and related to the delay in the completion of the object of the Agreement by the Supplier, in particular compensation for suffered damage, when the amount of the suffered damage exceeds the indicated above liquidated damage.

The Contracting Party reserves the right to deduct possible liquidated damages from the Supplier's remuneration.

If ZE PAK S.A. cannot accept the object of the Agreement on the agreed term due to force majeure, the Supplier is not entitled to any claims for compensation under delay in acceptance of the object of the Agreement in relation to ZE PAK S.A. In such case, the Supplier may not also demand that ZE PAK SA performs a counter-performance under the Agreement. The force majeure, within these Conditions, means any unforeseeable, inevitable, and serious events, such as e.g. natural disasters caused by the forces of nature, war, civil commotion, riot, strikes, operating appropriation, and others. As far as possible, ZE PAK SA will notify the Supplier in writing of the expected duration of the obstacles caused by the force majeure.

## **12. Supplier's Liability for Defects and Faults Related to the Object of the Agreement, Warranties**

The Supplier is liable for defects and faults of the object of the Agreement in accordance with the content of the Agreement and the applicable law. Unless otherwise agreed, the warranty rights expire 24 months after the completion of the object of the Agreement.

If the Supplier performs the object of the Agreement in a defective manner, ZE PAK S.A. should enable the Supplier to remove the defects or to exchange the materials for the ones free of defects within the deadline set by ZE PAK S.A., unless the parties agree otherwise as a result of technical possibilities of removing the defects. If the Supplier is unable to execute the request submitted by ZE PAK S.A. within the deadline set or agreed by the parties, ZE PAK S.A. may withdraw from the Agreement. The Supplier incurs the costs resulting from this. ZE PAK S.A. is entitled to deduct costs related to removing defects and faults as well as the ones related to the substitute performance of the defects entitled to the Supplier in relation to ZE PAK S.A.

In the event that the defects and faults of the object of the Agreement completed by the Supplier may cause or are direct threat to the life or health of people or may cause significant damage to property, ZE PAK S.A. is entitled alone or with the assistance of a third party to immediate removal of the defects and faults of the object of the Agreement at the Supplier's cost and risk. ZE PAK S.A. will inform the Supplier about the found defect as immediately as possible and, if possible, will ensure the Supplier's participation in removing these materials' defects.

ZE PAK S.A. is entitled to claim for reduction of the object of the Agreement/Order's price and for repair of the occurred damage under the faulty completion of the object of the Agreement.

Defects, faults, and nonconformities will be reported to the Supplier immediately after their finding by ZE PAK S.A. ZE PAK S.A. is not obliged to accept the object of the Agreement which has defects or faults.

Unless otherwise agreed, the Supplier obliges to enter into a civil liability insurance agreement with respect to its own enterprise, damages caused by a dangerous product, and environmental damages. The above insurance agreement should be maintained throughout the entire term of the Agreement between ZE PAK S.A. and the Supplier. ZE PAK S.A. may demand to submit an insurance policy together with detailed terms and conditions of insurance.

The insurance agreement will also cover property and all risks in transport.

ZE PAK S.A. shall be liable only for damages caused to the Supplier by an intentional fault.

### **13. Final Provisions**

Any changes in the content of the legal relationship between ZE PAK S.A. and the Supplier require the written form in the form of an annex.

The Parties are obliged to cooperate in completing the object of the Agreement or the Order.

The Parties are obliged to collect, store, and process all personal data in such a manner that it does not breach the applicable law in each case.

The place of performance of benefits resulting from performing the Agreement is the registered office of ZE PAK S.A. or its organisational unit, unless the Parties have clearly agreed other place of benefit performance.

A court competent to settle disputes arising from performing the Agreements/Orders is the common court competent for the registered office of ZE PAK S.A.

### **14. Severability Clause**

Should any of the provisions hereof and other arrangements binding the Parties to the Agreement is or is to be ineffective or unenforceable in the future, it does not affect the validity of remaining provisions of the Agreement/Order. The above applies, as appropriate, to potential gaps in an agreement.