



PMPOLAND S.A. TERMS AND CONDITIONS OF PURCHASE

1. The Purchase Orders of PMPoland S.A. (hereunder Buyer) shall be exclusively governed by the following general and particular conditions of purchase unless overridden by specific conditions indicated on these orders. Buyer expressly rejects all conflicting terms contained in an offer, or any Seller general conditions of sale, and any deviations to said conditions cannot be recognized unless agreed to in writing.
2. The acknowledgement of this order by Seller implies the acceptance of the Purchase Order general and particular conditions as well as the subjected Terms and Conditions of Purchase. The copy of Buyer's Purchase Order countersigned by the Seller must be sent back to the Buyer.
3. Seller warrants that the goods furnished hereunder do not infringe any patent or trademark rights, and shall defend and hold harmless Buyer and its Customers against all claims, actions, judgments, costs and expenses resulting from any such claimed infringement.
4. Seller warrants that all goods delivered and work performed hereunder shall conform exactly to the description hereon and to Buyer's specifications and drawings, if any.
5. Furthermore the goods shall be free from all defects in materials and workmanship, be merchantable and of the highest quality commensurate with the grade and quality specified hereon and be fit and sufficient in all respects for their intended purposes. Seller agrees indemnify Buyer against all losses, damages or expenses arising from breach of any such warranties.
Seller hereby warrants that all goods and material furnished under this order are designed and manufactured to comply with all the safety regulations.
6. Unless otherwise indicated, the Seller guarantees the quality and performance of the goods delivered or the services rendered for a period of 24 months from the date of start – up or 36 months from delivery whichever occurs first.
7. The Seller is obligated to make at his own cost all necessary action, improvements in the goods or documents, in order to eliminate the failure resulting from incorrect performance of the Purchase Order, within 1 working day from receiving of Buyer's information. In case the Seller does not start to carry out the action within 1 working day from receiving Buyer's information about the defects, the Buyer is entitled to the right to have eliminate the defects by himself or by the third party, at the expense and risk of the Seller, without breaking Buyer's rights to guarantee or warranty. All Buyer's costs related to defects removal, together with Buyers administration cost in the amount of 75 Euro will be invoiced to Seller.
8. The goods delivered to Buyer will not be accepted in case of discrepancies in quality, quantity or shipping documents required by Purchase Order or technical documentation. The Seller is obligated to make all necessary corrections and/or improvements in the goods or documents to fulfill the Purchase Order and/or technical documentation requirements.
The Buyer has the right to claim to the Seller the compensation of additional costs borne and documented by the Buyer in relation with Seller's inferior delivery,
exp. additional quality control costs, delays or disorders in planned workshop flow. If not agreed differently, the Buyer has the right to make by himself necessary repairs of Seller's defective delivery on the costs of Seller, in case it is urgently required for further processing by the Buyer, and any delays in the workshop process would create additional high costs.
9. Seller accepts the deduction of the costs, made by Buyer on Seller's due payment, born and documented by Buyer, covering the repairs performed by Buyer as specified in item 7 and 8.
Additionally Seller accepts the subtraction made by Buyer from Seller's due remuneration related to the penalties as per item 10 and administration costs as per item 7.
10. Time is essence in performance of this order unless explicitly stated otherwise. Where delivery dates are specified herein failure to deliver in accordance with them shall constitute breach of this order unless such failure resulted from an unforeseen event beyond Seller control (force major). In case of delivery delay Seller will pay a penalty of 5% of the Purchase Order value per each week began of delay but maximum 20% .
Buyer reserves the rights to require from Seller the compensation exceeding the amount of penalties agreed.
11. The goods or services will not be accepted by Buyer in case of non conformity with Purchase Order, documentation, and quality issues.
12. Goods rejected and goods supplied in excess of quantities may be returned to Seller at its expense and, in addition to Buyer's other rights, Buyer may charge Seller the expenses of repacking and reshipping of such goods. In the event Buyer receives such goods whose defects or nonconformity are not apparent on examination, Buyer reserves the right to require replacement without any cost including customs duties. Nothing contained in this Purchase Order shall relieve in any way the Seller from the obligation of testing, inspection and quality control before goods shipping to the Buyer.
13. Buyer Purchase Order prices are final and no extra charge may be added for advanced costs of material, labor or other circumstances, unless otherwise agreed in writing.
14. These terms and conditions constitute a complete and exclusive provisions of this order. No prior written or oral agreement shall, in any way, modify these Terms and Conditions. In addition, Seller expressly agrees that any modification of this order will be only effective if agreed with Buyer in writing.
15. Unless otherwise agreed, this Order shall be governed by and construed in accordance with the Polish Civil Code. The Polish law application excludes the use of United Nations Conventions on Contracts for the International Sale of Goods (Vienna,1980)(CISG).
16. Seller's invoice is financially checked with Purchase Order regarding:
 - conformity of the invoice value
 - conformity of delivery time and terms
 - conformity of exchange rates, if applicable
 - conformity of payment terms and due dates
 - conformity of goods delivered with quality requirements



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In case of essential discrepancies the Buyer reserves the right to send the invoice back to Seller and require necessary correction. The invoice payment will be performed by wire transfer in due date agreed in the Purchase Order, counting from the date of complete delivery received by Buyer, or performed to other place indicated in the Purchase Order. If the commercial invoice is received after delivery of the goods, the payment will be effected according to the terms stipulated in the Purchase Order, counting from the date of invoice receiving.

The Seller's bank name, address, account and swift number should be clearly indicated on the invoice for payment.

17. According to Terms and Conditions the delivery of goods is complete when all documents (exp. material certificate, quality measurements records, maintenance instructions in the language defined in the order etc.) required by the Purchase Order are delivered together with goods.
The missing documents will be treated like delivery delay and be subject to penalty as per item 10 of these Terms and Conditions.
18. Buyer reserves the rights to conduct the goods inspection and testing at Sellers site at any stage of manufacturing and before shipment to the Buyer.
19. In case of Purchase Order withdrawal by one of the Party, due to the reason not attributable to the other Party, the withdrawn Party should pay back all costs born and documented by the other Party.
20. Seller's advise note to be sent to Buyer one week before goods dispatch and must bear the Purchase Order number, goods description, quantities, weights, dimensions, packing, delivery time and terms.
21. Quotations, correspondence, specifications, drawings, designs, plans and sketches submitted by the Buyer to the Seller, and the information contained therein, and information otherwise submitted to the Seller shall remain the property of the Buyer. The Seller undertakes to keep confidential, and not to disclose the same to any third party without the Buyer's written consent, except to the extent, as may be necessary for proper performance of the Purchase Order and then-only subject to the recipients giving similar undertakings of confidentiality and non-disclosure.
Nothing contained above shall apply to any information :
 - a) in Seller's possession prior to receipt from Buyer, or
 - b) which Seller may receive from a third part, or
 - c) which is, or later becomes, public knowledge other than by breach of this clause.

At any time before or after termination of Buyer's Purchase Order with Seller, within ten (10) days after Buyer's written request, Seller shall return all information in written printed or tangible form, and all copies thereof; it being understood, however, that such termination shall have no effect on Seller's continuing obligations hereunder. Seller definitively destroy any information, documentation, instructions, howsoever received, including, without limitation, in electronic format, and will confirm it to the Buyer by official statement.
22. All disputes arising from the present order be settled by the Court of Arbitration, in accordance with the rules of that court, at the Polish Chamber of Commerce, Warsaw, Trębacka 4.
23. Machinery produced by Buyer is designed and manufactured to comply with the following European directives:
2006/42/EC - Safety of Machinery Directive ,and where applicable:
2006/95/EC - Low Voltage Equipment Directive,
2004/108/EC - Electromagnetic Compatibility Directive (EMC),
2009/105/EC - Simple Pressure Vessel Directive,
97/23/EC - Pressure Equipment Directive, together with further amendments or respective changes, and any other applicable European directives which should be used.
24. Any equipment and components supplied for this Purchase Order must be designed and made in a way Buyer can declare the compliance with directives for assembled machinery.
Seller will provide the Buyer the "Declaration by the manufacturer" on the form named "Declaration of Incorporation" as indicated in Annex II of the Machinery Directive.
As required in Annex II, Seller will provide the " Declaration of Conformity " in case of delivery of safety components listed in Annex IV – according to EN ISO/IEC 17050-1:2010.
25. Goods and services supplied to the Buyer should comply with environment protection in regard to product and packaging.
Wood packaging material in international trade should comply with IPPC- ISPM 15 standards, subject of import country requirements.