



## GENERAL TERMS AND CONDITIONS – PURCHASE OF RAW MATERIAL by PCC Group companies: PCC Rokita S.A., PCC Exol S.A., PCC PU Sp. z o.o., PCC Prodex Sp. z o.o., PCC MCAA sp. z o.o., PCC CP Kosmet Sp. z o.o., PCC Therm Sp. z o.o. dated January 1<sup>st</sup>, 2020.

These General Terms and Conditions apply to all purchases and orders for raw materials made by the following companies from the PCC Group: PCC Rokita S.A., PCC Exol S.A., PCC PU Sp. z o.o., PCC Prodex Sp. z o.o., PCC MCAA sp. z o.o., PCC CP Kosmet Sp. z o.o., PCC Therm Sp. z o.o.

### I. GENERAL PROVISIONS

**1.1** With regard to purchases and orders for raw materials (hereinafter collectively referred to as: orders) made by the following companies from the PCC Group: PCC Rokita S.A., PCC Exol S.A., PCC PU Sp. z o.o., PCC Prodex Sp. z o.o., PCC MCAA Sp. z o.o., PCC CP Kosmet Sp. z o.o., PCC Therm Sp. z o.o. hereinafter referred to separately or jointly as the Buyer, only these General Terms and Conditions of Purchase of Raw Materials (hereinafter referred to as GTP) shall apply, as available on the website: <http://files.pcc.pl/en/QWZS>

Any provisions different from these GTPs or statutory regulations, in particular those contained in the terms of sale of the

Seller, hereinafter referred to as the Seller, shall be binding for the Buyer only if they are confirmed in writing in accordance with the rules of representation of the Buyer.

Purchases or orders with no reservations do not mean that the Buyer accepts any different provisions.

**1.2** Whenever these Terms and Conditions refer to orders, purchases or other forms of purchasing of raw materials, it should be understood as an agreement concluded on the basis of the provisions of the applicable law, in particular the Civil Code.

**1.3** Whenever these terms refer to raw materials, they should be understood as substances purchased for the purpose of using them in the production processes of the Buyer or for the purpose of their subsequent resale by the Buyer.

### II. ORDERS

**2.1** When completing the order or accepting the order for completion, the Seller assumes all obligations resulting from the GTP. If the Seller does not agree with the GTP, he is obliged to immediately notify the Buyer in writing about this fact before confirming the received order or commencing its execution.

The Buyer may in this case cancel the order, and the Seller is not entitled to any claims against the Buyer.

**2.2** The Seller is obliged to confirm in writing the acceptance of the Order for execution within a maximum of 3 business days from the date of its receipt from the Buyer. Failure to provide a written confirmation of the order by the Seller within the given deadline, as well as the commencement of the order execution, shall be regarded by the Buyer as acceptance by the Seller of the order for execution on the terms specified in the Order and the GTP and conclusion of the Agreement.

**2.3** If the delivery date of the raw material (within the meaning of INCOTERMS conditions) has not been specified in the order, the Seller undertakes to carry out the shipment at the Buyer's request. The delivery of raw materials is accepted by the Buyer in time periods agreed in advance with the Buyer, and in the absence of such arrangements in time periods indicated by the Buyer.

**2.4** The order may be accepted by the Seller without reservations only. Any conditions, provisions or reservations contained by the Seller in the order confirmation or elsewhere that modify or supplement the order and/or GTP are considered ineffective and will be considered as non-reserved unless the Buyer agrees in writing. In case of Buyer's refusal to give such consent, the contract will be deemed concluded on the terms specified in the order.

**2.5** The Seller is not entitled to make changes to the confirmed order, unless the changes are made at the Buyer's request or the Buyer agrees to the changes in writing or the change is made at the Buyer's written request.

**2.6** The Seller is obliged to provide the Buyer with information about any planned production breaks, including holiday breaks or planned stoppages in advance, enabling the Buyer to place an order with another supplier without the need to bear any additional costs.

**2.7** The Seller is obliged to inform the Buyer in advance of any intention to withdraw the raw material from production or sale, allowing the Buyer to secure continuity of deliveries, including the time needed to fully test and accept necessary replacements for the withdrawn raw materials. If the Seller fails to fulfil this obligation, the Buyer has the right to demand remedy for the resulting damage, in particular to charge the Seller with costs related to



production downtime and to demand compensation for damage caused by the lack or delay of the Buyer's obligations towards his customers, including lost profits.

### III. DELIVERY

**3.1** The delivery date is specified in the order. The delivery date is final and binding for the Seller. Earlier delivery or partial delivery requires the Buyer's prior written consent. For the avoidance of any doubt, it is assumed that the emergency unloading of the raw material by the Buyer, imposed by the requirements of safety rules is not treated as a receipt of the subject of the order.

**3.2** If the Seller finds it impossible to fulfil all or part of the accepted obligations resulting from the Order, in this he will not be able to keep the delivery deadline, he must immediately notify the Buyer in writing, along with an indication of the reasons for the impossibility of fulfilling the obligations/delay and the expected duration of the delay. Production breaks and downtimes do not exempt the Buyer from the obligation to properly execute the Order.

**3.3** The INCOTERMS conditions placed on the order always refer to INCOTERMS 2010. Deliveries shall be completed as follows:

**a)** in the case when the organization of transport is at the discretion of the Seller: INCOTERMS from Group D,

**b)** in the case when the organization of transport is at the discretion of the Buyer: INCOTERMS from Group F.

**3.4** In every case of the supply of raw materials the ownership title passes to the Buyer when the raw material is unloaded at the destination at the Buyer's premises or at another location indicated by the Buyer.

**3.5** The Seller is obliged to attach to each delivery a set of documents, in particular:

- quality certificate,
- document confirming delivery of raw material (specification/waybill (CMR)/other delivery document, e.g. CI).

**3.6** In the case of import, the Seller is obliged to provide the Buyer with:

- original documents necessary for applying preferential/reduced customs duty rates,
- other documents, if such are required for the import of raw materials.

**3.7** The Seller is obliged to deliver raw materials in the quantity consistent with the order. Partial deliveries are not allowed unless they have been ordered so or the Buyer has agreed to them in writing prior to delivery.

**3.8** The Seller is obliged to provide the Buyer's order number along with the order item number on the invoice. The lack of this data may be the basis for returning the invoice.

**3.9** The delivery of raw materials takes place to the warehouse specified at the individual items covered by the order.

**3.10** The Seller is obliged to immediately inform the Buyer of any circumstances that may cause the delay of delivery.

**3.11** In case of a delay in the delivery of the raw material the Buyer will be entitled to purchase the subject of the order from a third party, without the need to obtain separate consent of the Seller and without the need to obtain appropriate court authorization. In addition, the Buyer will be entitled, at his own discretion, to:

**a)** charge the Seller a contractual penalty in the amount of 1% of the gross value of a given order for each commenced day of delay,

**b)** withdraw from the contract in whole or in part without setting an additional deadline and to charge the Seller a contractual penalty for withdrawing from the contract in the amount of 30% of the gross value of the order. In addition, the Seller may be obliged to cover the damage exceeding the value of the contractual penalty, in particular to cover the additional costs of substituting the raw material order from a third party.

Contractual penalty and/or costs of executing a replacement order will be payable at the first written request of the Buyer.

The contractual right of withdrawal can be exercised by the Buyer within 90 days from the contractual date of completion of order.

**3.12** It is allowed to claim damages exceeding the amount of reserved contractual penalties.

### IV. GUARANTEE OF QUALITY

**4.1** The Seller warrants that the raw material conforms to the approved specifications and arrangements contained in the Buyer's contract/order, is free from any defects that would reduce its value or usefulness in terms of purpose of the contract or the intended use of the raw material.

**4.2** The Seller undertakes to inform the Buyer of any change in the production technology of the raw material, as well as any other changes, important in terms of quality and intended use of this raw material, specified in a separate document, such as. e.g. quality specification. None of the above circumstances exempts the Seller from the obligation to properly perform the contract, in particular from the obligation to supply the raw material which conforms to its purpose and purpose.

**4.3** The Seller is obliged to provide current quality specifications and Material Safety Data Sheets (MSDS) of raw materials purchased by the Buyer in the event of the first delivery and each time, if the Seller introduces changes to the extent specified in Title IV; Article 31; point 9 of Regulation (EC) No 1907/2006. The suppliers to update the safety data sheet without delay on the following occasions:



- a) as soon as new information which may affect the risk management measures, or new information on hazards becomes available,
- b) once an authorisation has been granted or refused,
- c) once a restriction has been imposed.

New information, dated and marked as „Update: (date)”, are provided free of charge in paper or electronic form to all recipients of a substance or mixture to which suppliers have delivered this substance or mixture within the last 12 months. Any updates after registration include the registration number.

The SDS should be drawn up in accordance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 as amended by Commission Regulation (EU) 2015/830 of 28 May 2015 and Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008.

By accepting the contract/order for performance, you declare that all required substances contained in the products we purchase from you have been registered and comply with the requirements of EU Regulation EC 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and establishing a European Chemicals Agency (OJ L396 of 30.12.2006; as amended). If you do not meet the above requirements of the REACH Regulation, please let us know immediately in writing.

**4.4** The Buyer carries out its own analysis of the quality of the received raw material, in terms of its compliance with the order or the agreed quality specification.

**4.5** If the result of the raw material analysis performed by the Buyer shows incompatibility of the raw material with the order or the agreed quality specification, the Buyer shall notify the Seller immediately after finding the defect.

**4.6** The Seller is obliged to respond to the complaint within 3 business days of its receipt. The lack of response will be treated as if the complaint was admitted.

**4.7** In the event of disagreement between the parties as to the legitimacy of the complaint, the dispute will be resolved by an independent verification entity. Its ruling will be final and binding on both sides. The costs of the ruling shall be borne by the Buyer only if the complaint is unjustified.

**4.8** In the event of a deviation from the agreed quality parameters, the Buyer may, at his discretion, without setting an additional deadline, withdraw from the contract or request replacement of the raw material free from defects or demand a reduction in the purchase price. The contractual right of withdrawal can be exercised by the Buyer within 90 days from the date a defect was found.

**4.9** The provisions of point 4.4-4.8 shall apply accordingly if the Buyer determines the quantity shortages of the received raw material, however, if the submitted quantity complaint is admitted, the Seller shall be obliged to reduce the sales price appropriately or send an appropriate supplementary delivery.

## V. PRICES AND PAYMENTS

**5.1** The net prices (excluding VAT) indicated in the order are not subject to change, unless the Parties agree such in writing. The above also applies to the basis for determining the price, if the parties have not fixed the price at the time of conclusion of the contract.

**5.2** The prices indicated in the order include all taxes (except VAT or other applicable tax), fees, insurance, all other costs related to the implementation of the Order (including delivery costs), packaging costs, security, costs of necessary documents and other necessary elements to utilize the sold raw materials.

**5.3** If the parties have not agreed otherwise, payments will be made within 60 days from the date of delivery to the Buyer of the original of the correctly issued invoice/bill. Payments will be made by wire transfer to the account indicated by the Seller on the invoice. The day of debiting the Buyer's bank account shall be considered as the day of payment.

Setting a payment period longer than 60 days from the date of delivery of the invoice/account to the Buyer may take place only in relation to Sellers having the status of a large enterprise within the meaning of the Act of 8 March 2013 on Counteracting Excessive Delays in Commercial Transactions, but this period may not in any case exceed 120 days from the date of delivery of the invoice/account. If a payment period longer than 120 days is agreed, the payment period of 120 days from the date of delivery of the invoice/account shall apply.

**5.4** The Seller is obliged to issue an invoice/bill in the currency indicated in the order. The change of currency may take place upon consent of the Buyer, who will determine the terms of conversion of this currency. When converting a foreign currency into the Polish zloty, the applicable exchange rate shall be the average exchange rate of the National Bank of Poland in effect on the day preceding the invoice issue date.

**5.5** The preferred form of invoice delivery is the e-invoice sent to the address indicated by the Buyer.

**5.6** If the delivery is not carried out in accordance with the conditions specified in the order, the Buyer has the right to suspend the payment, extend the payment date until full and correct performance of the order, or deduct the amount due from the Seller due to non-performance or improper performance of the subject of the order and failure to remove defects or faults. The Buyer will be entitled to make such a deduction before the payment due date on the basis of a unilateral declaration of intent. It does not exclude or limit the Buyer's right to enforce contractual penalties.



**5.7** The Buyer has the right to withhold payments to the Seller if - with respect to transactions subject to Polish VAT and at the time of payment - the Seller's account is not on the so-called "white list of VAT taxpayers".

## VI. FORCE MAJEURE

**6.1** The Buyer reserves the right to change or cancel the order if his business activity has been stopped, cannot be continued or has been significantly hindered due to circumstances beyond the Buyer's control, including those caused by force majeure, i.e. events which the Buyer could not foresee, in particular, such as riots, war, fire, floods, other natural disasters, restrictions or legal government regulations, legislative acts, strikes, outbreaks,

failures of installations, machines or equipment of the Buyer and others, as well as in the case of delay of carriers or other entities with the help of which the Buyer performs his obligation. In the above situations, the Buyer shall not be liable for non-performance or improper performance of the obligation, and all claims of the Seller in this respect are excluded. The Buyer shall immediately inform the Seller about the above circumstances.

## VII. JURISDICTION AND SETTLEMENT OF DISPUTES

**7.1** If the Seller's registered office is in the territory of the Republic of Poland, in matters not covered by the agreement and these General Terms and Conditions of Purchase, Polish law shall apply, and any disputes that may arise in connection with the performance of the contract, not settled between the parties amicably, shall be resolved by court with jurisdiction over the registered office of the Buyer.

**7.2** If the Seller's registered office is established outside the territory of the Republic of Poland, in matters not covered by the agreement and these General Terms and Conditions of Purchase, Polish law shall apply, and any disputes that may arise in connection with the performance of the contract, not settled between the parties amicably, shall be resolved by Court of Arbitration at the Polish Chamber of Commerce in Warsaw – in accordance with the rules of procedure before this court. Each of the parties is required to execute the decision of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw voluntarily and immediately.

**7.3** The application of the United Nations Convention on Contracts for the International Sale of Goods, dated 11/04/1980, is excluded (Journal of Laws 1997, No 45, item 286).

## VIII. STOCK EXCHANGE CONFIDENTIALITY

**8.1** The Seller acknowledges that the companies: PCC PU Sp. z o.o., PCC Prodex Sp. z o.o., PCC Therm Sp. z o.o. belong to the PCC Rokita Capital Group. The Seller acknowledges that PCC Rokita S.A. and PCC Exol S.A. as issuers of securities admitted to trading on the Warsaw Stock Exchange, are subject to a number of regulations in force in the European Union regarding the protection

of confidential information on the capital market, in particular they are subject to the regulations of the European Parliament and Council Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse, the Act of 29 July 2005 on trading in financial instruments and the provisions of the Act of 29 July

2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies. Therefore, information created as a result of the implementation of this Agreement may constitute confidential information within the meaning of art. 7 of the Regulation on market abuse. Disclosure and use of confidential information in a manner inconsistent with this agreement is prohibited. Prohibition of disclosing confidential information does not apply in a situation where they must be disclosed in connection with the performance of obligations resulting from the generally applicable provisions of law, in particular it does not apply to PCC Rokita S.A. and PCC Exol S.A. in connection with the obligation of these companies to immediately publicly disclose confidential information directly concerning them, the content of which and fact of publication of which are not required to be consulted with the Buyer.

Before disclosing to the public the confidential information described above, the Seller shall immediately notify in writing the content of the information and the planned date of its disclosure, respectively to:

- a) PCC Rokita S.A. e-mail: ir.rokita@pcc.eu) in the case of a purchase from companies: PCC Rokita S.A., PCC PU Sp. z o.o., PCC Prodex Sp. z o.o. or
- b) PCC Exol S.A. (e-mail: ir.exol@pcc.eu) in the case of a purchase from PCC Exol S.A.

At the request of PCC Rokita S.A. or PCC Exol S.A. the Seller undertakes to transfer to the following e-mail addresses: ir.rokita@pcc.eu or ir.exol@pcc.eu data necessary to create a list of persons having access to certain confidential information (in particular: first and last name, including family name, numer and series of identity card, registered address, date of obtaining confidential information, PESEL number, telephone number) in accordance with art. 18 of the Market Abuse Regulation.

**8.2** All information and documents regarding the contract and its execution constitute the trade secret of the Buyer and may not be disclosed to third parties without his written consent, or otherwise used by the Seller. This also applies to information the Seller learned on the occasion and in connection with the conclusion and performance of the contract.

## IX. PRINCIPLES OF SUSTAINABLE DEVELOPMENT

**9.1** One of the main strategic assumptions of the PCC Group companies is striving for balance between the economic profitability of the business and the broadly understood social interest and responsible management of the organization. The PCC Group runs its business in a sense of responsibility for



the effects of its activities. Respects and applies national and international standards and norms in assessing the ethical behaviour of various stakeholder groups, including Suppliers of raw materials, materials and services. The PCC Group pays special attention to areas such as respect for human rights, respect for workers' rights, environmental impact, and sustainable sources of supply, risk management and fraud counteracting.

**9.2** The issues of sustainable production and consumption as well as social responsibility are important in all areas of the PCC Group's operations. By implementing management systems, Codes of Ethics and activating CSR objectives throughout the supply chain, we strive to promote among the stakeholders the values set out in the adopted Social Responsibility and Sustainable Development Policy.

**9.3** Ethical priorities in the PCC Group are mainly related to four pillars, which include: the market, the environment, society and the environment. The impact of the PCC Group's activities on each of these pillars is included in the decision-making processes related to the implementation of the organization's long-term business strategy.

**9.4** The PCC Group adheres to all laws, regulations and standards, including international rules that take into account the concept of Corporate Social Responsibility (CSR). Undertakes activities related to shaping the right economic and social relations and expects the same from its suppliers both in Poland and around the world.

**9.5** Key issues regarding the ethical culture of the PCC Group have been included in the applicable Supplier Code of Conduct: <http://files.pcc.pl/CodeofEthicalConductSuppliers>. The PCC Group therefore expects all Suppliers to respect the principles set out in the aforementioned document. Respecting the values and principles set out therein is an extremely important aspect of mutual cooperation, which should be based on mutual respect, transparency and accepted ethical standards and values.

## X. FINAL PROVISIONS

**10.1** The Buyer has the right to deduct from the contractual remuneration or from the performance bond any amounts due from the Seller including contractual penalties, due to non-performance or improper performance of the subject of the Agreement, as well as due to failure to remove defects and faults during the warranty period. The Buyer will be entitled to make such a deduction before the payment due date on the basis of a unilateral declaration of intent.

**10.2** The Buyer obtains from the Seller a declaration that the Seller has the status of a taxpayer of value added tax/the status of the active VAT taxpayer (the declaration may take the form of a provision in the cooperation agreement). The Buyer verifies the tax identification number for VAT/value added tax purposes in available databases in terms of its activity at the latest on the moment of the first purchase, and then periodically verifies the

activity of the above-mentioned number in accordance with separate procedures. In case of doubts, the Seller is obliged to provide the Buyer with explanations regarding the status of the above-mentioned number. The Seller will inform the Buyer immediately following the change in his tax status.

**10.3** If necessary, the Seller is obliged to provide the Buyer with the information required to determine the effects of excise duty arising in connection with the purchase of certain raw materials (e.g. CN code of raw materials, status held by the Seller for excise duty purposes, etc.).

**10.4** If the Seller is a new supplier or when the Seller's bank account is changed, there is a need to send a certificate from the Seller's bank about having a bank account or banking opinion which includes new account numbers or other document (e.g. supplier's declaration signed in accordance with the National Court Register), based on which it will be possible to confirm the correctness of the bank account number stated on the invoice.

**10.5** If the purchased raw material is a dual-use product (pursuant to the Regulation of the EC Council 428/2009 of 5 May 2009, as amended), the Seller will inform the Buyer about this fact in writing.

**10.6** In the event that the purchased raw material is subject to the Act on the system of monitoring of road freight transport (hereinafter also referred to as: „Transport Package”), the completion of the order sent by the Buyer is tantamount to the Seller's statement that the Seller, as a supplier, is aware of the obligations incumbent upon him under the Transport Package and undertakes to carry them out to the extent that it is imposed by the provisions of this Act. The Seller must not transfer its rights and obligations arising from the contract concluded with the Buyer to third parties, without the Buyer's written consent.

**10.7** The Buyer is entitled to claim damages exceeding the amount of contractual penalties reserved anywhere in the order or in these General Terms and Conditions of Purchase of Raw Materials.

**10.8** The Buyer's liability is each time limited to direct and actual loss and each time up to the net value of the order, excluding lost profits and indirect damages.

**10.9** The Buyer declares that it has the status of a large entrepreneur within the meaning of the Act of 8 March 2013 on counteracting excessive delays in commercial transactions. A Seller having the status of a large enterprise is obliged to inform the Buyer about this fact before concluding the contract. In addition, the Seller is obliged to immediately inform the Buyer about the loss of the status of a large entrepreneur. In case of doubt, each Seller is obliged to provide Buyer with information about having the status of micro, small, medium and large entrepreneur.

**10.10** These General Terms and Conditions shall apply from January 1<sup>st</sup>, 2020.