

PHILIP MORRIS POLSKA DISTRIBUTION SP. Z O.O. GENERAL TERMS AND CONDITIONS FOR CONTRACTS

I. Definitions

1. These general terms and conditions (hereinafter: **Terms and Conditions**) shall apply to contracts for sale (purchase) or supply of goods and provision of services to Philip Morris Polska Distribution Sp. z o.o.
2. Whenever these Terms and Conditions refer to:
 - a) **Seller** – this means a natural person, or a legal person or organizational entity without legal personality that conducts economic or professional activity in its own name that sells or supplies Goods to the Buyer;
 - b) **Buyer** – this means **Philip Morris Polska Distribution Sp. z o.o.** with its registered seat in Krakow, 31-982 Krakow, Al. Jana Pawła II 196 and office in Warsaw, 02-672 Warsaw, 52 Domaniewska str.;
 - c) **Service Provider** – this means a natural person, a legal person or organizational entity without legal personality that conducts economic or professional activity in its own court
 - d) me that renders Services to the Client;
 - e) **Client** - this means **Philip Morris Polska Distribution sp. z o.o.** with its registered seat in Krakow, 31-982 Kraków, Al. Jana Pawła II 196 and office in Warsaw, 02-672 Warsaw, 52 Domaniewska str.;
 - f) **Parties** – this means respectively: the Seller and the Buyer, or the Client and the Service Provider,;
 - g) **Goods** – this means any movable objects or transferable rights in non-tangible assets which the Buyer has ordered from the Seller for the purpose of purchasing them, in accordance with the specification of type, quantity and quality thereof;
 - h) **Services** – this means any services or other activities which the Client has ordered from the Service Provider;
 - i) **Contract** – this means a legal relationship created under:
 - (i) an order issued by the Buyer/Client and accepted by the Seller/Service Provider in accordance with these Terms and Conditions (**Order**),
 - (ii) a separate contract concluded between the Parties, including also a framework agreement and an Order to the framework agreement as a technical activity (unless otherwise agreed by the Parties) which was issued and accepted on the basis thereof;
 - j) **Price** – this means a net price for the Goods purchased/supplied in accordance with the Order as well as net compensation for the rendered and properly performed Services.
3. These Terms and Conditions shall apply, unless the Parties have agreed in writing to change them or exclude their applicability.
4. If the Order is issued and accepted on the basis of a separate contract (in connection with it), the Terms and Conditions shall be binding to the extent consistent with the provisions of such separate contract.
5. If the Order refers to the sale or supply of Goods, relevant provisions of these Terms and Conditions on the sale or supply of Goods shall apply, whereas in the event that the Order refers to the provision of Services, relevant provisions of the Terms and Conditions on the provision of Services shall be applicable. If the Order refers to both Services and Goods, relevant provisions of these Terms and Conditions on the sale or supply of Goods and the provision of Services shall apply.

II. Order Acceptance and Receipt of Goods/Services

1. Upon accepting an Order to sell/supply Goods or provide Services, the Seller/Service Provider shall confirm acceptance of such Order to the Buyer/Client in writing or via electronic mail (to an e-mail address indicated by the Buyer/Client) or via fax (to an indicated Buyer's/Client's number) within up to 3 business days following receipt thereof. If the time limit specified above expires, the Parties agree that the Seller/Service Provider has confirmed acceptance of the Order. In addition, an Order shall be deemed accepted in accordance with the terms set forth in the Order and these Terms and Conditions, if the Goods ordered by the Buyer/Client are delivered in whole or in part by the Seller or the Services ordered are delivered in whole or in part by the Service Provider.
2. If the Seller /Service Provider, constituting a legal entity without a registered seat or management in the territory of the Republic of Poland, has gained the following income as a result of completing an Order in the territory of the Republic of Poland:
 - a) from interest, copyrights or derivative rights, from rights to inventive designs, trademarks and decorative patterns, including from the disposal of these rights, from receivables for rendering a secret recipe or production process, for the use or the right to use an industrial device, including a means of transport, commercial or research device, for information related to industrial, commercial or scientific know-how acquired,

- b) from charges for spectator, entertainment or sports services provided by legal entities with their registered offices abroad, organized through the agency of natural persons or legal entities conducting their artistic, entertainment or sports businesses in the territory of the Republic of Poland,
- c) from consultancy, accounting, market research, legal consultancy, advertising, management and control, data processing, employee recruitment and human resources acquisition, warranty and guarantee services, as well as other similar services

they shall be obligated to provide the Buyer/Client with the original of their residence certificate (a certificate of the registered seat of the taxpayer for tax purposes, issued by a pertinent internal revenue authority of the country of the registered office of the taxpayer) until the date of issue of the first invoice.

- 3. If the Seller /Service Provider , constituting a natural person without a place of residence in the territory of the Republic of Poland, as within the meaning of tax regulations, has gained the following income as a result of completing an Order in the territory of the Republic of Poland:

- a) from personally performed artistic, literary, research, coaching, educative and journalistic activity, including from participation in science, cultural, artistic and journalistic competitions, as well as income from the practice of sports, sports scholarships awarded under separate regulations and referee income for conducting sports events,
- b) from interest, copyrights or derivative rights, from rights to inventive designs, trademarks and decorative patterns, including from the disposal of these rights, from receivables for rendering a secret recipe or production process, for the use or the right to use an industrial device, including a means of transport, commercial or research device, for information related to industrial, commercial or scientific know-how acquired,
- c) from charges for spectator, entertainment or sports services provided by legal entities with their registered offices abroad, performed by natural persons residing abroad and organized through the agency of natural persons or legal entities conducting their artistic, entertainment or sports businesses in the territory of the Republic of Poland,
- d) from consultancy, accounting, market research, legal consultancy, advertising, management and control, data processing, employee recruitment and human resources acquisition, warranty and guarantee services, as well as other similar services

they shall be obligated to provide the Buyer/Client with the original of their residence certificate (a certificate of the registered residence of the taxpayer for tax purposes, issued by a pertinent internal revenue authority of the country of the registered office of the taxpayer) until the date of issue of the first invoice.

- 4. In the event successive Orders are completed in any of the situations referred to in cl. 2 and 3 above, the Seller/Service Provider shall be obligated to provide the Buyer/Client with the original of a new certificate of residence:
 - a) for certificates of residence stipulating an expiry term – before the expiry term specified in the certificate of residence,
 - b) for certificates of residence without an expiry term – within 12 months from the date of issue of the preceding certificate of residence,
 - c) any other time – should the Seller/Service Provider change the registered seat/place of residence for tax purposes.
- 5. The Buyer/Client shall deduct a pertinent income tax rate from the Price, according to effective fiscal regulations applicable to the Buyer/Client.
- 6. The benefits and burdens pertaining to the Goods and the risk of their accidental loss or damage shall pass to the Buyer upon the Buyer's acceptance of such Goods, which shall be confirmed in any documented form (in writing, e.g. protocol of release and acceptance or via e-mail).
- 7. The fact of acceptance of the Goods or Services, and conformity of the same to the specification appended to the Order in terms of type, quantity and quality, shall be confirmed in a report of acceptance drawn up in any documented form, which shall also form the basis for the Service Provider/Seller to issue a VAT invoice. The Buyer/Client also declares that confirming acceptance shall not restrict their rights towards the Seller/Service Provider arising from the failure to perform or an improper performance by the Seller/Service Provider of their contractual obligations and the Buyer's/Client's rights under the warranty and guarantee or as regards indemnification.
- 8. The Seller/Service Provider shall bear all the costs involved in the supply of the Goods or performance of the Services, including without limitation the costs of release of the same, in particular the costs of insuring for the duration of transport, and the costs of dispatch or transport. The Buyer shall bear the costs of acceptance. The above shall also apply to Orders in international trade. Unless otherwise agreed by the Parties in the Order or otherwise, INCOTERMS 2010 shall be applicable to the sale/supply of the Goods.
- 9. Documentation.

- a) The Seller/Service Provider shall at all times be obliged to provide along with the subject matter of the Order all documents required by the provisions of law, including – if applicable to the subject matter of the Order – relevant declarations of conformity (i.a. CE Declaration of Conformity) and other documents necessary for the proper use of the subject matter of the Contract by the Buyer/Client (e.g. user's manual).
 - b) In addition, if the Order states the scope and form of the technical documentation pertaining to the works or Services performed on the basis of such Order or the Goods supplied, the Seller/Service Provider shall be obliged to provide it. The Buyer/Service Provider shall also acquire intellectual property rights related to this documentation, if the Parties agree so in writing (e.g. signed Order).
 - c) The requirement of providing documents referred to in items a) or b) shall constitute one of the conditions for acceptance of the Goods/Services by the Buyer/Client.
 - d) The ownership title to the documents referred to in items a) or b) shall pass to the Buyer/Client upon acceptance of the Goods/Services.
10. The Buyer may refuse to accept any surplus of the Goods above the quantity specified in the Order within 7 days of delivery of such Goods, and in the event of such refusal, the Buyer shall not be liable therefore in any manner whatsoever neither to the Seller nor to any third parties, and specifically the Buyer shall not bear any costs, expenses or risk involved in returning such unaccepted surplus of the Goods to the Seller. The Buyer's sole responsibility shall be to notify the Seller (in writing or via e-mail or fax) of the time and place where such Goods shall be made available to the Seller for collection. In the event of the Seller's delay in collection of such Goods, the Buyer may have such Goods stored at the Seller's expense and risk by a third party of the Buyer's choice.
11. The Client shall not be liable to pay the Price or cover any other costs or expenses either for the benefit of the Service Provider or any entity or third party, if the Service Provider performs the Services above and beyond the Service Provider's obligations specified in the Order.
12. The Seller/Service Provider shall **state the Order number in all documents and correspondence** relating to the Order and delivery of the Goods or performance of the Services, and it is specifically obligatory to state it in all VAT invoices (or other relevant accounting documents). Moreover, if the Order is issued in execution of or in connection with the previously concluded agreement [as referred to in Section I. 2. h) (ii)], reference to that agreement should be placed in the Order.
13. In the event of the Seller's/Service Provider's delay:
- a) in the delivery of a part or all the Goods ordered, or
 - b) in the performance of the Services for the Client,
- compared to time limits specified by the Buyer/Client in the Order, and accepted by the Seller/Service Provider in the Order confirmation or set otherwise by the Parties (respectively an Order for a given Good not performed within the Order's time limit or an uncompleted Service), the Buyer/Client shall have the right to demand that the Seller/Service Provider pay liquidated damages in the amount of 0.03% of the entire Price arising from the Order, calculated for each commenced day of delay. If the liquidated damages specified herein above fail to cover the entire damage suffered by the Buyer/Client, the Buyer/Client shall have the right to pursue supplementary damages pursuant to general provisions of law. The abovementioned right shall also be due in the event of delay of the Seller/Service Provider in the fulfilment of an obligation in whole or in part under the Order.
14. If the Seller/Service Provider declines to deliver under the accepted Order for reasons not attributable to the Buyer/Client, or in the event of the Buyer's/Client's withdrawal from the Contract for reasons not attributable to the Buyer/Client (in particular in situations described herein), the Buyer/Client shall have the right to demand that the Seller/Service Provider pay liquidated damages in the amount of 20% of the Price. If the liquidated damages specified herein above fail to cover the entire damage suffered by the Buyer/Client, the Buyer/Client shall have the right to pursue supplementary damages pursuant to general provisions of law.
15. The Buyer/Client reserves the right to withdraw from the Contract without setting an additional time limit to the other Party either in the event of the Seller's/Service Provider's failure to perform their obligation within the time limit set (in the Order or otherwise as agreed upon in writing), or if the Seller's/Service Provider's performance of the obligation after the time limit would be of no significance to the Buyer/Client due to the nature of such obligation or the purpose of the Contract known to the Seller/Service Provider. The Buyer/Client may withdraw from the Contract for the aforementioned reasons by giving written notice on withdrawal to the Seller/Service Provider within 14 days following the expiry of the time limit agreed for the performance of the Order.

III. Terms of Payment

1. The Buyer/Client shall pay to the Seller/ Service Provider the Price at a date set by the Parties.
2. The Prices shall be provided in net amounts which shall be increased by the tax on goods and services due pursuant to the relevant tax regulations.

3. The Seller shall issue to the Buyer a VAT invoice on account of the Price either upon delivery/sale of the Goods to the Buyer or up to the 15th day of the month following the month in which the delivery of the Goods/completion of the Service took place or at other date arising from the applicable provisions of law.
4. If specific regulations indicate other forms of documenting sale transactions of the Goods/provision of the Services by the Seller/Service Provider or other time limits for issuing such documents, the terms set forth in such regulations shall apply.
5. The Buyer/Client shall pay the Seller/Service Provider the Price via wire transfer within 60 days, counted from the date of receipt of a VAT invoice issued correctly in terms of substance and form by the entity referred to in cl. 8 below, unless the Buyer/Client has specified a different term of payment in the Order. The terms of payment set forth herein are subject to change through individual agreements between the Buyer/Client and the Seller/Service Provider.
6. The Buyer/Client shall have the right to suspend the payment of the whole or any part of the Price until the timely and defect-free performance by the Seller/Service Provider of all of their contractual obligations towards the Buyer/Client. In the above circumstances, the Buyer/Client is not in delay or in default with paying the Price.
7. The Buyer/Client warrants and represents that it is a VAT taxpayer and a holder of a tax identification number (NIP) 675-13-73-354.
8. All invoices shall be issued to Philip Morris Polska Distribution Sp. z o.o., Al. Jana Pawła II 196, 31-982 Kraków, and sent to the following address:
 - a) Recipient's e-mail address specified in the Agreement on sending invoices in electronic form (*if applicable*), or
 - b) PMI Service Center Europe sp. z o.o., skrytka pocztowa 16, 30-969 Kraków.
9. The Seller/Service Provider agrees to provide written notification of each change of their bank account. Lack of information about any change of the bank account shall not cause any adverse consequences to the Buyer/Client, whether legal or financial, in particular liability to pay any late-payment interest by the Buyer/Client.

IV. Warranty and Guarantee of quality

1. General

1. These general provisions shall apply to the sold or supplied Goods and to the Services provided to the broadest extent permissible by law and the subject matter of the Contract concluded on the basis of these Terms and Conditions.
2. The Buyer's/Client's rights set forth in this Section IV Part 1 shall not exclude any other rights due in the event of failure to perform or improper performance of the Seller's/Service Provider's obligations provided for herein or in the Contract, and in particular the rights arising from warranty, liquidated damages, down-payment, substitute performance and claims for damages.
3. The Seller/Service Provider shall not be liable for faults or defects caused by improper handling of an item, provided that the Buyer/Client has been duly instructed by the Seller/Service Provider in advance as to the manner of handling the item, and in particular through performing an action and releasing documents stipulated by the law, their wear and tear as a result of normal use, and damaging the item by third parties, for which the Seller/Service Provider shall not be liable pursuant to these Terms and Conditions or the Contract and for circumstances arising due to force majeure.

2. Goods

1. The Seller warrants and represents that he owns the Goods and that the Goods are free from any physical or legal defect, in particular that they are not the object of any lien and are free from any third-party rights and claims, and no enforcement is pursued against the Goods with respect to any pending enforcement proceedings.
2. The Seller warrants and represents that the Goods do not infringe any third-party rights arising from industrial property rights, in particular patents, trademarks, copyright or any other intellectual or industrial property rights, and that the manufacture and sale of the said Goods is carried out in compliance with the prevailing legal regime and principles of decency.
3. If the Goods supplied by the Seller fail to meet the conditions set forth in the Order and herein, in particular if they have any physical or legal defects, then the Buyer shall, at their own free discretion and option, have the right to: either withdraw from the contract within 14 days following the event entitling the Buyer to give notice of withdrawal from the Order, **or** have the price reduced. The Buyer shall not be entitled to the above rights, if the Seller immediately replaces a defective item with an item that is free from defects, or rectifies defects immediately. The above right of the Buyer shall not exclude or restrict in any way any other warranty rights of the Buyer arising from the relevant provisions of law.

4. The Seller warrants and represents that he holds all relevant permits to carry out his business activity and all applicable certificates, declarations or attestations, or other documents required by the law (e.g. instruction manual describing the manner of using an item), relating to the Goods sold or supplied. All documents pertaining to the Goods, in particular such as: declarations of conformity (i.a. EC Declaration of Conformity) – the manufacturer's or their authorized representative's declaration confirming, at their sole responsibility, that the product satisfies the requirements (including the so-called minimum and essential requirements for machinery) that a marketed product should meet, as set forth in the Compliance Assessment System Act of 30 August 2002 (consolidated text: Journal of Laws of 2010, No 138, item 935, as amended) and new approach directives (i.a. Directive 2006/42/EC of the European Parliament and the Council of 17 May 2006 on machinery, amending Directive 95/16/EC), and also the user's manual in Polish and the technical documentation- shall be supplied by the Seller to the Buyer when the Goods are released to the Buyer at the latest.
5. All Direct Materials used in the Buyer's production process (DIM) must comply with the Materials Specifications and requirements imposed by the Philip Morris International group of companies, which are applied by the Buyer or these companies.
6. All hazardous substances and chemicals must be supplied in containers marked visibly in accordance with the relevant regulations. All substances and chemicals must be supplied together with their Material Safety Data Sheets (MSDS), and detailed provisions in this regard are set forth in Section IX hereof.
7. In the event that the packaged Goods are imported or supplied within the intra-community supply of Goods, the Seller shall be required to supply – along with the Goods – a document stating the total weight of the packaging of such Goods (i.e. the total weight of transport packaging, including palettes, bulk and unit packaging). Such information must specify data on the total weight of packaging of the Goods which is made of: plastic, paper and cardboard, aluminium, steel, glass, natural materials (e.g. wood, jute), and multi-material packaging.
8. If the Seller supplies the Goods which do not have the required declaration, certificate, attestation or document referred to in point 4 above, the Buyer shall have the right to set an additional time limit for the Seller to perform the Contract, and if the same expires without the desired effect, the Buyer shall have the right to withdraw from the Contract within 14 days following the expiry of the aforementioned additional time limit by giving written notice of withdrawal.
9. The Buyer may demand that the Seller place logos, trademarks, labels, markings, designs on the Goods or that the Seller use designs, patents, copyrights or any other intellectual property rights owned by the Buyer, or with respect to which the Buyer has relevant privileges, in the production thereof. The activities described above may be performed by the Seller solely on the basis of an authorization granted to the Seller by the Buyer and included in the Order exclusively for the purpose of performing the subject matter thereof. Neither the Order nor these Terms and Conditions grant the Seller any right to use any logos, trademarks, labels, markings, designs, patents, copyrights or any other intellectual property rights owned by the Buyer, or with respect to which the Buyer has relevant privileges.

3. Services

1. The Service Provider warrants and represents that he shall perform its obligations hereunder with due diligence applicable to performance of this type of Services, taking into account the professional nature of the Service Provider's business.
2. The Service Provider warrants and represents that it holds all relevant permits to carry out its business activity as regards the Services that it renders, as well as the certificates, attestations or other documents required by the law for the materials and products used in performance of such Services.
3. Unless otherwise agreed by the Parties, the Service Provider shall grant the Client a warranty to cover quality, correctness and reliability of the Services rendered on the basis of this Contract for its effective term, and also for the period of at least 1 year after the completion of the Service.
4. If the Service Provider performs any Services in a manner which is defective or fails to comply with the Contract, the Client shall have the right to demand of the Service Provider that it changes the manner in which such Services are performed, i.e. that the Service Provider restores the condition consistent with the Order, and to set an additional deadline for the Service Provider for this purpose. If, for a time limit of 14 days following the date of receiving a written notice from the Client demanding a change to the manner in which the Services are performed, the Service Provider fails to perform the Services in a manner which complies with the Order, the Client shall have the right to either: (i) withdraw from the Contract within 14 days from the expiry of the aforementioned time limit, or (ii) to demand a price reduction, or (iii) to have the subsequent Services performed by another person at the Service Provider's expense and risk (if this is the case, the Client shall issue a VAT invoice to the Service Provider, which the Service Provider shall pay within up to 10 days of issuing such invoice).
5. If the Services performed by the Service Provider does not meet the conditions set out in the Contract, the Client at its discretion and choice shall have the right to either: (i) to demand of the Service Provider the proper performance of Services on the time specified by the Client, if the time for performance of the Service has already expired, or (ii) to have the subsequent Services performed by another person at the

Service Provider's expense and risk (if this is the case, the Client shall issue a VAT invoice to the Service Provider, which the Service Provider shall pay within up to 10 days of issuing such invoice), or (iii) withdrawal from the Contract within 14 days from the date of detection by the Client that Services provided do not meet those conditions, or (iv) to demand the price reduction.

6. All costs involved in the Client's exercise of their warranty rights shall be borne by the Service Provider.
7. The Service Provider hereby gives their consent to the Client's deduction of amounts due on account of the exercise of warranty rights.
8. If, after detection and rectification of defects or faults by the Service Provider, it turns out that this has not been its liability, the Client shall compensate the cost of such Services performed to the Service Provider at the current rates.
9. The written consent of the Buyer/Client shall be required for the transfer of any warranty rights or obligations.

V. Confidentiality Clause

1. Subject to the provisions of points 9 and 10 below, the Seller/Service Provider and the Buyer/Client mutually agree that upon accepting these Terms and Conditions by the Seller/Service Provider as well as during the transactions preceding or leading to a possible conclusion of the Contract, during the term of the Contract and afterwards, they shall not disclose to anybody, either directly or indirectly:
 - a) any information, materials or documents provided to each other in relation to the performance of the Contract,
 - b) any information, materials or documents obtained from third parties in relation to the performance of the Contract,
 - c) any results of the works received in relation to the performance of the Contract or any information, materials or documents related hereto.
2. Provisions of point 1 shall not apply to information, materials or documents that:
 - a) are publicly available,
 - b) must be disclosed by force of law provided that their confidentiality is safeguarded and that the other Party is immediately notified of such event.

Furthermore, the Seller/Service Provider agrees that the transmitted information, materials or documents referred to above in point 1 will be used by him to the extent necessary to perform the obligations under the Contract.

3. The Seller/Service Provider and the Buyer/Client shall exercise due diligence with respect to securing results of the works, information, materials or documents referred to in point 1 against unauthorized access of third parties to them, including in particular to duly securing in the IT systems.
4. The Seller/Service Provider hereby declares that he is aware that provided information, materials and documents referred to in point 1 above constitute a trade secret of the Buyer/Client and his know-how. Dissemination, disclosure or use of this information shall constitute an act of unfair competition pursuant to the provisions of Article 11 of the Act on Combating Unfair Competition of 16 April 1993 (consolidated text: Journal of Laws of 2003, No 153, item 1503, as amended).
5. In the event of either Party developing at least reasonable suspicion that any third party came into unlawful possession of the results of the works, information, materials or documents referred to in point 1 and remaining at its disposal, including in particular a situation of illegal breach of safeguards of the IT systems used by a given Party, such Party shall immediately notify the other Party about this and take all safety measures necessary.
6. In the event of termination or expiry of the Contract, the Seller/Service Provider shall return any provided materials or documents referred to in point 1 upon the first written demand of the Buyer/Client within 7 days following the receipt of such demand, and their permanent deletion from IT systems.
7. If disclosure of the information referred to in point 1 is legally required, the Seller/Service Provider shall immediately notify the Buyer/Client about this fact, in order to enable cooperation in preparing a reply to such request, or to keep the scope of the legally required disclosure to such minimum as indicated in the attached legal assessment, as well as to take any reasonable measures to ensure that such information referred to in point 1 is kept confidential.
8. The provisions of point 1 shall not exclude or restrict in any manner the provisions of Article 11 of the Act on Combating Unfair Competition of 16 April 1993 (consolidated text: Journal of Laws of 2003, No 153, item 1503, as amended).
9. If the Service Provider/Seller entrusts performance of the whole or a part of the subject matter of the Contract with third parties [**Subcontractors**], the Service Provider/Seller warrants and represents in accordance with Article 391 of the Civil Code that Subcontractors undertake to apply the provisions of this Section towards the Client/Buyer in an adequate manner.
10. If it was necessary to make available by the Service Provider/Seller to their business partners [**Business Partners**] any results of the works, information, materials or documents referred to in point 1 to ensure satisfactory performance of the subject matter of the Contract, the Service Provider/Seller warrants and

represents in accordance with Article 391 of the Civil Code that Business Partners undertake to apply the provisions of this Section towards the Client/Buyer in an adequate manner.

11. The provisions of this Section concerning the confidentiality clause shall be binding to both Parties since the moment referred to in point 1 and during the term of the Contract, as well as for the period of 3 years following its termination or discontinuation of cooperation between the Parties, and shall not be subject to termination. If the Contract is not concluded as a result of negotiations, the provisions of this Section shall be binding for the period of 3 years from the completion of the negotiations.
12. Information or data obtained by the Client/Buyer in relation to the performance of this Contract and information on the content of the Contract or the Terms and Conditions may be provided by the Client/Buyer to other entities from the Philip Morris International Inc. group of companies without prior consent of the Service Provider/Seller.
13. Unless otherwise agreed by the Parties in writing, in the event of violating the provisions of this Section, the Service Provider/Seller shall pay to the Client/Buyer liquidated damages amounting to PLN 30,000 (in words: thirty thousand zlotys) per each violation. The Client/Buyer reserves the right to claim compensation in the amount exceeding the amount of the above liquidated damages based on general rules.

VI. Conflict of Interest and Contacts with Public Officials

[this clause shall apply solely in the event when the Seller/Service Provider contacts a Government Official or government agencies for or on behalf of the Buyer/Client, as well as in the event when that was stated in the Order]

1. For the purposes of these Terms and Conditions and the Contract concluded on the basis hereof, the Seller/Service Provider and the Buyer/Client assume that a Public Official shall be any official or employee acting on behalf of any State entity (government, local government, or a government international organization) as well as any such State institution (government, local government, or a government international organization), and including: (i) elected members of the Parliament; (ii) ambassadors and Embassy employees; (iii) members of political parties authorities; (iv) civil service employees; (v) public and self-government administration representatives, the judiciary and army representatives; (vi) employees of international organizations such as WTO and WHO; (vii) candidates to political positions; (viii) employees of State Treasury organizational units and agencies or self-government units, among others: employees of the educational sector and public health care services; (ix) as well as other state entities, including in particular the staff members and representatives of the Police, customs and tax authorities; (x) employees of companies controlled by the State by holding of shares or otherwise, including commercial companies, State hospitals and universities.
2. The Seller/Service Provider hereby declares that:
 - a) in the case of occurrence of conflict of interest which could have adverse effect on Seller's/Service Provider's ability to execute various provisions of the Contract/Order or reasons to suspect that such conflict has occurred or may occur, the Seller/Service Provider undertakes to immediately notify the Buyer/Client thereof in writing and refrain from further actions until receipt of written position of the Buyer/Client regarding this matter;
 - b) neither the Seller/Service Provider nor any partner of the Seller/Service Provider, member of the Seller's/Service Provider's body nor employees of the Seller/Service Provider or the Seller's/Service Provider's subcontractors who actively participate in performance of this Contract are Public Officials with powers of direction regarding actions constituting subject matter of this Contract and they do not and will not have such relations with Public Officials which could affect activities of the Buyer/Client covered in the Contract unless the Buyer/Client has been earlier notified thereof in writing and has subsequently given consent in writing to commencement/continuation of collaboration with the Seller/Service Provider despite occurrence of factors specified above;
 - c) the Seller/Service Provider shall never apply any illegal, unethical or inappropriate methods nor act in an illegal, unethical or inappropriate manner in relation to the performance of the Contract, and in particular the Seller/Service Provider shall never:
 - (i) provide any financial benefits, including but not limited to any part of the Price paid by the Buyer/Client, directly or indirectly to Public Officials in order to receive illegal, unethical or inappropriate favors of the Public Officials, or receive any other benefits for the Buyer/Client;
 - (ii) offer or provide to Public Officials any donations in cash or other means of payment (gift vouchers, tradable vouchers or vouchers exchangeable for cash, bank checks, payment orders, etc.).
3. Without written consent of the Buyer/Client, the Seller/Service Provider shall not provide or offer on the Buyer's/Service Provider's behalf or in connection with the Contract any payments or other benefits directly, indirectly or in any other manner for the benefit of Public Officials or employees of state entities, local self-governments, administrative or legislative bodies, unless such payments are required by the provisions of law in relation to the performance of the Order (e.g. court fees). Before incurring

any expenditure for the benefit of a Public Official on behalf of the Buyer/Client, even a symbolic one, the Seller/Service Provider shall obtain the Buyer's/Client's consent thereto in a documented form.

4. The Seller/Service Provider shall keep any fiscal documentation confirming the amount of the expenditure incurred, and shall enclose to the next invoice sent to the Buyer/Client pursuant to the Terms and Conditions a copy of documentation along with an information describing the purpose of a given expenditure and a copy of consent referred to above.
5. The Seller/Service Provider shall familiarize their personnel or subcontractors with whom they shall entrust the performance of the Contract arising from the Contract/Order as well as the Seller's/Service Provider's consultants with the rules set forth in this Section VI, and shall oblige their personnel or subcontractors as well as consultants to observe the rules stipulated therein.
6. The Seller/Service Provider shall pay to the Buyer/Client liquidated damages in the amount of PLN 50,000.00 (fifty thousand zlotys) per each breach for failing to perform or for improper performance of the obligations under this Section. If the damage exceeds the liquidated damages specified herein the Buyer/Client, the Buyer/Client shall have the right to claim compensation higher than liquidated damages pursuant to general provisions of law.

VII. Document Review

[this clause shall apply to Orders which make the Seller's/Service Provider's Price conditional on the cost incurred by them, in particular remuneration for subcontractors, or when the Order allows for performance of services by subcontractors, as well as in the event when the clause referred to in Section VI is applicable]

1. The Seller/Service Provider shall keep complete and correct documentation and settlements of any works performed and expenses incurred in relation to the Order (including documentation on working time during which works for the Buyer/Client were performed, tender documents and contracts on selection of subcontractors, documentation on supplies deliveries/performance of services by subcontractors, invoices issued to subcontractors) for a period of time specified in a relevant act from the area of tax law applicable in the Republic of Poland.
2. The Buyer/Client shall have the right to examine such documentation and settlements and to copy it within working hours after prior notification of the Seller/Service Provider by the Buyer's/Client's Internal Control Department or entity providing audit services indicated by the Buyer/Client.
3. These rights to information and audit shall cover all documents, systems and electronic data necessary to assess proper performance of the Order and issue invoices.

VIII. EHS Clause (Environment, Hygiene, Security)

[this clause shall apply solely in the event when the Service Provider provides services in the area managed by the Client, as well as in the event if this was stated in the Order]

1. The Service Provider declares that while performing services, he shall procure that his employees, employees of his subcontractors and other persons and third parties with the assistance of whom he provides the Services or with whom he entrusts provision of such Services ("persons") comply with safe working methods, EHS and fire protection regulations and internal procedures of the Client, including: *EHS requirements for contractors* or relevant *OPTIMUM instructions (integrated management system in the area of quality, environment, and EHS)* information on which was provided to the Service Provider. All procedures and instructions shall be available upon the Service Provider request at the Client's Coordinator.
2. The Service Provider shall appoint their representative responsible for EHS, environmental protection and fire protection regulations in accordance with the principles set forth in the aforementioned *OPTIMUM* instructions. Within the meaning of Article 208 of the Labor Code, a person agreed between the Service Provider and the Client shall be the EHS Coordinator.
3. The Service Provider assures that the Service shall be provided in compliance with all appropriate legal provisions in force, including regulations on occupational health and safety and environmental protection. The Service Provider also assures that the provisions and obligations of the *Contractor Sheet* shall be observed.
4. The Client may at any time demand from the Service Provider that the Service Provider replaces any person performing works as part of the Service at a date indicated by the Client with another person who shall meet the Client's requirements, if:
 - a) a threat to people or property exists in relation to the Services provided by the Service Provider or to the manner of their provision,
 - b) the Service Provider or persons referred to in point 1 fail to comply with the applicable provisions of law, instructions, procedures, practices referred to in point 1. Otherwise, the Client shall be entitled to: (i) withdraw from the Contract within 14 days from the expiry of the time limit for

replacing the person set by the Client, or (ii) have the Service performed by other entities at the Service Provider's expense and risk.

5. In the event of violating provisions of this Section by the Service Provider or persons referred to in point 1, the Service Provider shall be liable for damages towards the Client. In addition, upon a written request of the Client, the Service Provider shall return to the Client the value of all penalties or ticket fines imposed on the Client in relation to violating provisions of this Section by the Service Provider or persons referred to in point 1.

IX. Substances and Chemicals

[this clause shall apply solely in the event of supplying/selling the Goods constituting or containing substances/chemicals, as well as in the event if this was stated in the Order]

1. As part of the agreed Price, the Seller/Service Provider shall supply the Goods packaged and marked in accordance with the legal provisions in force, and the Seller/Service Provider shall also provide the Buyer/Client, together with the Goods, with current Material Safety Data Sheets on chemical substances/mixtures for each chemical substance/mixture included in the Order pursuant to generally applicable provisions of law.
2. Material Safety Data Sheets referred to in point 1 above shall be drawn up on the basis of the legal regulations applicable as at the date of accepting such Service by the Seller/Service Provider.¹ If there are not relevant legal provisions specifying the content of the Material Safety Data Sheet of the chemical substance/mixture, the Seller/Service Provider shall provide the Material Safety Data Sheet of a given chemical substance/mixture, unless the Buyer/Client expressly released them from this obligation, stating the following information about the chemical substance/mixture: a) manufacturer/distributor, b) first aid – eye contact, skin contact, inhalation, consumption, c) fire-fighting measures, d) procedure in the event of unintended release to the environment, e) substance/mixture handling and storing, f) exposure control and personal protective equipment – protecting eyes, hands, skin, respiratory tract, hygiene measures, g) physicochemical properties, h) stability and reactivity, i) toxicological information, j) ecological information, k) waste management, l) transport information.
3. In the event of:
 - a) failing to provide by the Seller/Service Provider, along with the chemical substances/mixtures included in the Order for the provision of such Service, the Material Safety Data Sheets or detailed information referred to in point 2 above, or
 - b) providing by the Seller/Service Provider the Material Safety Data Sheets which are contrary to the legal provisions referred to in point 2 above,the Buyer/Client shall have the right to suspend payments for the chemical substances/mixtures supplied by the Seller/Service Provider until the receipt of the Material Safety Data Sheets on chemical substances/mixtures that comply with the aforementioned provisions of law or other relevant regulations.
4. The Buyer/Client also reserves the right not to accept the Goods in the cases referred to in point 3 items a) and b) above.
5. As part of the agreed Price, the Seller/Service Provider shall unload the supplied Goods at a spot indicated by the authorized employee of the Buyer/Client and collect, as well as load, empty replacement packaging, as appropriate in a given situation, to the vehicle by themselves.

X. EHS Clause regarding commissioning organization of an entertainment

[this clause shall apply solely in the event when the Service Provider is commissioned to organize an entertainment, as well as in the event this was stated in the Order]

1. An entertainment shall mean *inter alia* entertainment events as well as business meetings (conferences) organized by or on behalf of the Client, for the people indicated by the Client.
2. The Service Provider shall organize and conduct an entertainment in compliance with the binding legal provisions, including EHS and fire protection regulations. The Service Provider shall ensure conditions in which all entertainment organized due to Client's Order meet safety requirements concerning persons taking part in them or property stipulated in the relevant legal provisions.
3. The Service Provider warrants and represents that he shall ensure an adequate level of safety to all participants of the entertainment by preparing and conducting the entertainment in a professional manner

¹Including in particular the provisions of: the Act on chemical substances and their mixtures of 25 February 2011 (Journal of Laws of 2011, No 63, item 322) and Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), establishing the European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC, or other relevant provisions issued in addition to or in place of the above-mentioned.

consistent with the requirements of the relevant legal provisions and EHS and fire protection regulations. In addition, the Service Provider assures that any equipment used in order to conduct the entertainment meets the requirements provided for in the law and its technical condition guarantees that the entertainment is conducted safely.

4. The Service Provider shall obtain a permit for organizing a mass event, respectively for the Service Provider or for the Client, if a given entertainment is subject to such requirement under relevant regulations, and any other permits or decisions required under relevant provisions of law.
5. The Service Provider shall secure the entertainment by taking any coordinated measures in order to ensure safety and public order.
6. In particular, the Service Provider shall provide the Client with the following documents: Program and Rules and Regulations of the entertainment, Graphic plan of the facility/premises, where the entertainment is to be held along with its description and a list of information and emergency telephone numbers to the representatives of the Service Provider's personnel:
 - (i) Organizer of the entertainment, (ii) Security Manager, (iii) medical personnel, (iv) security personnel, (v) information personnel.
7. The Service Provider shall also perform a risk assessment by completing the received checklist.
8. The Service Provider shall be liable for maintaining safety at the place and time of the entertainment, including full liability for damages for failing to perform or improper performance of the subject matter of the Contract.
9. If any third party files a claim against the Client in relation to the organization or the course of the entertainment, the Service Provider shall take any steps aimed at indemnifying the Client from liability, including participation in the proceedings conducted by state and judicial authorities instead of or along with the Client.
10. The Service Provider is required to have a valid policy of insurance from civil liability against damage incurred to participants of the entertainment organized due to Order.

XI. Other Rights and Obligations of the Parties

1. Due to performance of the obligations under the Contract, the Seller/Service Provider shall be deemed to either hold or produce waste within the meaning of the Waste Act of 14 December 2012 (Journal of Laws of 2013, item 21, as amended), unless the Order provides otherwise.
2. Waste resulting from the Seller's/Service Provider's performance of the Contracts for and on the premises of the Buyer/Client shall be adequately segregated. Waste can be removed from the Buyer's/Client's facility solely by an entity which holds a permit from the relevant authority to carry out business activity involving the management of waste of such type. The Buyer/Client reserves the right to monitor the process of waste removal, including but not limited to the right to take photographs.
3. Waste should be removed from the site indicated by the Buyer/Client immediately, without the necessity to give a separate notice in this regard to the Seller/Service Provider, however not later than within up to 7 business days after the day when its removal is demanded by the Buyer/Client.
4. If exclusivity is reserved for the Buyer in the Order – by stating either that the Seller shall not supply movable objects of a specific type to any other persons or that the Buyer shall be the exclusive reseller of the Goods within a specific territory – the Seller shall not, to the extent for which such exclusivity is reserved, directly or indirectly, enter into any sale or supply contracts with similar effect, which could violate the exclusivity that the Buyer is entitled to.
5. The Seller/Service Provider shall not be entitled to transfer to any third party any of the rights under the Contract held in relation to the Buyer/Client without a prior written consent of the Client/Buyer. The Client/Buyer shall be entitled to transfer their rights and obligations under the Contract concluded on the basis hereof held in relation to the Service Provider/Seller to an entity from the Philip Morris International Inc. group of companies without consent of the Service Provider/Seller.
6. The Seller/Service Provider may not subcontract the performance of the obligations under the Contract concluded on the basis hereof to any third party (subcontractor) without express written consent of the Buyer/Client. The Seller/Service Provider shall be liable for the actions or omissions of subcontractors as if they were their own actions or omissions.
7. The Seller/Service Provider shall observe all of the Buyer's/Client's procedures. It is the Seller's/Service Provider's responsibility to become familiar with the required procedures.
8. If the Service Provider/Seller or a member of the Service Provider's/Seller's managing or controlling bodies or any person or organizational unit having control over the Service Provider/Seller has been entered or will be entered:
 - a) in the list of Specially Designated Nationals and Blocked Persons (SDN) as drawn up by the USA Office of Foreign Assets Control;

- b) or in the consolidated list of persons, organizations or countries being subject to European Union sanctions in accordance with the Common Foreign and Security Policy;
 - the Client/Buyer shall have the right to terminate the Contract with immediate effect, which shall become effective upon submitting such notice.
- 9. While performing the obligations under the Contract, the Seller/Service Provider shall:
 - a) exercise due diligence and comply with the legal provisions, in particular as regards on employing youth workers regulations.
 - b) if the Goods/Services dedicated to or with specific purpose for the Buyer/Client or other company from Philip Morris International Inc are produced/provided outside of Poland, then the Seller/Service Provider agrees not to employ children below 16 years of age to produce/provide them. If the local law of the country where such work is performed provides for a higher age limit, the Seller/Service Provider shall ensure compliance with such regulations. The Seller/Service Provider also represents that no forced labor shall be used to produce such Goods or provide such Services.
 - c) If the Seller/Service Provider is in breach of the obligations specified in items a) and b), the Buyer/Client shall have the right to terminate the Contract with immediate effect.
- 10. In accordance with Article 391 of the Civil Code, the Seller/Service Provider shall be fully liable for actions and omissions of the Subcontractors as regards the obligations specified herein as if they were their actions and omissions.

XII. These Terms and Conditions, Governing Law and Dispute Resolution

- 1. These Terms and Conditions, documents, guidelines, principles or other documents provided by the Buyer/Client and accepted by the Seller/Service Provider shall apply and are binding in the cooperation between the Seller/Service Provider and the Buyer/Client, unless stipulated otherwise in writing.
- 2. Any general terms and conditions, contract templates or documents of similar nature used by the Seller/Service Provider shall not apply and their application shall be hereby excluded.
- 3. Any amendments or supplements hereto must be made in writing, or otherwise they shall be null and void.
- 4. Any and all matters not regulated herein shall be governed solely by relevant provisions of the Polish law, in particular the Civil Code, save for the provisions concerning conflicts of Private International Law.
- 5. The Parties agree to submit any and all disputes arising in performance of the Contract concluded on the basis of these Terms and Conditions for resolution to the competent court having jurisdiction over the registered office of the Buyer/Client.
- 6. Pursuant to Article 6 of the United Nations Vienna Convention of 11 April 1980 on Contracts for the International Sale of Goods, the Parties have agreed that the Convention shall not apply to the Contracts concluded on the basis hereof.