

**GENERAL TERMS OF PURCHASES OF IMPERIAL TOBACCO  
POLSKA MANUFACTURING S.A.**

version effective as of 01.01.2020

**I. General provisions and declarations**

1. Unless explicitly excluded, all purchases of all Goods, Services, and Rights for Imperial Tobacco Polska Manufacturing S.A. (hereinafter referred to as "ITPM", or "Buyer") shall be made in accordance with the General Terms of Purchases.
2. Any other terms or conditions may be established only in writing under the penalty of being invalid.
3. In performance of the responsibility resulting from art. 4c of the law of 8 March 2013 on preventing excessive delays in commercial transactions (Journal of Laws of 2013 item 403 as amended), ITPM hereby declares that it – pursuant to the aforementioned law – it is recognised as a large enterprise.

**II. Definitions**

1. The terms used in the General Terms of Purchases are defined as follows:
  - a) "Buyer" or "ITPM"- Imperial Tobacco Polska Manufacturing S.A.
  - b) "Seller" - a natural person, legal person, or any other organisational entity, from which the Buyer has ordered or purchased Goods, Services or rights.
  - c) "Item", "Goods"- movables or energy covered by the Agreement.
  - d) "Service" - ordered service constituting neither Goods nor rights.
  - e) "Right" - intangible assets defined in the provisions of law.
  - f) "Agreement" - the entirety of provisions between the Buyer and the Seller regarding the purchase of Goods, Services, or rights regardless of the mode of purchase (specifically but not limited to the Agreement document, order, accepted offer including all attachments and amendments).
2. If the content of GPC or the nature of the legal relation should not dictate otherwise, provisions regarding Services shall apply to the transfer of Rights appropriately.

**III. Quality of purchased Goods and Services**

1. Any Items or Services delivered to the Buyer should be of good quality, conform to legal regulations or standards pertaining to Goods or Services of the given type, not pose a threat to health, safety, or the environment, meet the requirements of the Buyer defined in the Agreement, and be free from third party rights or claims. The Seller guarantees that performance of the Agreement does not violate any third party rights.
2. Should the Goods or Services not meet the requirements described in point 1 herein and this fact is discovered prior to the collection of the Good or Service by the Buyer, the Buyer has the right to reject such Goods or Services and withdraw from the agreement or its part.

3. Reserved ownership rights to Goods or limited material rights for the benefit of third parties not approved by the Buyer did not agree shall be excluded.

**IV. Delivery**

1. Goods or Services delivery dates and locations are defined in the Agreement. If the Agreement does not define the location of delivery of the Goods or Services, the implied location is the seat of the Buyer.
2. Items must be properly labelled and packaged when delivered to the delivery location. If the appropriate labelling or packaging is missing, the Goods may be deemed flawed.
3. Unless established otherwise in writing, the cost of delivery to the Buyer shall be covered by the Seller. The risk associated with Goods and ownership of said Goods shall be transferred to the Buyer upon confirmation of receipt.
4. The Seller shall attach all documents required by specific regulations of the law or traditionally attached to the given Goods listed in the Agreement, specifically the following: invoice, consignment note with purchase order number, manufacturer's certificate of quality, instruction manual, safety sheet, material safety data sheet, etc.
5. The Buyer may reject partial deliveries or deliveries ahead of schedule.

**V. Prices and terms of payment**

1. The purchase prices of Goods, Services, or rights are established in the Agreement.
2. The price listed in the Agreement is fixed and includes all costs and fees associated with performance of the Agreement, including the costs of Goods packaging, securing, transporting, taxes (excluding VAT), intellectual copyright licensing charges, contributions, etc.
3. The Payment shall be made upon full and proper completion of the Agreement on the basis of the VAT invoice issued by the Seller to the bank account specified in the ITPM Bank Account Details Form. The Form may include only the number of the account disclosed in the List of Registered VAT Taxpayers (List) in accordance with the provisions of the law on value added tax (VAT), unless the Seller is entitled to use a bank account different from that published in the List due to the form of the operated business activity. The Seller must inform ITPM of all changes in the account number disclosed in the List. Before making payment, ITPM shall verify the account number with the current List and make payment to the account disclosed in the List. If no bank account of the Seller is disclosed in the List, ITPM shall summon the Seller to promptly disclose such an account in the List. If an account is not disclosed within 5 days, ITPM shall make the payment to the account listed by the Seller in the Form and not disclosed in the List and report this fact to the appropriate revenue authority. The payment deadline is suspended for 5 days counted from the aforementioned summons.
4. The date of payment is established in the Agreement.
5. Should there be no other arrangements, the payment shall be made within 60 days counted from the date of delivery

of the invoice confirming completion of the Agreement with reservation of the provisions listed below.

6. The date of payment is the date on which the bank of ITPM confirms acceptance of the payment order.
7. If the Agreement is incomplete or subject to a complaint filed towards its performance, ITPM – in addition to other rights resulting from the Agreement or provisions of the law – has the right to withhold payment or its part until the Agreement is completed properly.
8. The Seller undertakes to enter the number of the order covered by the invoice on all invoices issued to ITPM.
9. Unless the Parties should establish that invoices shall be delivered by e-mail, all invoices issued to ITPM are to be sent to the following address:

Imperial Tobacco Polska Manufacturing S.A. ,  
PO BOX 061A3G004;  
Al. Jana Pawła II 25 ;  
00-854 Warszawa

#### **VI. Complaints regarding purchased Goods and Services**

1. The Seller provides a 12-month guarantee for the delivered Goods or Services.
2. The Buyer may choose to execute the rights under the guarantee by returning the faulty Goods and withdrawing from the Agreement, demanding that the Goods to be replaced with Goods free from flaws, demanding that the Service be repeated, demanding that the Goods be repaired or the flaws be removed, or demand an appropriate discount.
3. If any flaws in quality or quantity of the Goods or Services are discovered after the acceptance of the Goods or Services, the Buyer shall launch a complaint procedure according to the following standards:
  - a) The Buyer shall inform the Seller in writing or by e-mail of the flaws within 3 days of their discovery and specify the expected method for their removal (complaint form).
  - b) The Buyer gives the Seller the right to inspect the Goods subject to the complaint in question within 3 days of filing the complaint.
  - c) The Seller shall remove the flaws or defects, replace the Goods with Goods free of flaws, perform the Service again, or return the money within 7 business days of receiving the complaint form.
  - d) Should the Seller fail to meet the deadline stipulated above, the Buyer has the right to withdraw from the Agreement or its part and pursue compensation from the Seller for any losses or expenses incurred in relation to the situation.

#### **VII. Delays**

1. In the event of Goods delivery or Service performance being delayed for any reason attributable to the Seller, the Buyer has the right to charge penalty fines in the amount of 0.2% of the gross value of the ordered Goods or Services for each calendar day of delay, which does not exclude the right to pursue compensation exceeding the value of the penalty fines under common standards.

2. Should the delay exceed 5 days, the Buyer shall have the right to reject the Goods or Services and charge the Seller with all associated expenses.

#### **VIII. Personal data protection**

1. In reference to the data obtained through performance of the Agreement, the Parties undertake to obey all regulations towards personal data protection resulting from unconditionally effective provisions of the law, specifically from Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter "GDPR") and the Law of 10 May 2018 on personal data protection (Journal of Laws of 2018 item 1000).
2. Should the terms of handling personal data be breached, the Seller shall pay a penalty fine to ITPM in the amount of PLN 10 000 for each instance. The reserved penalty fine does not preclude the right to pursue compensation exceeding the penalty fine in court.
3. In relation to the conclusion and performance of the Agreement, the Parties shall share the data of their representatives or individuals associated with performance of the Agreement. In this scope, both Parties serve as the controllers of the entrusted personal data pursuant to the provisions of the law, specifically GDPR, and undertake to ensure proper security of the obtained personal data.
4. The Parties have implemented appropriate technological and organisational means of security in reference to the processed personal data, ensuring – with consideration of probability of occurrence and significance of the hazard – a security level proportional to the risk of having the rights and freedoms of natural persons breached.

#### **IX. Force majeure**

1. Instances of force majeure include random events beyond the control of the Parties, the occurrence of which could not be foreseen upon conclusion of the Agreement. In particular, such instances may include earthquakes, floods, hurricanes, fires, thunderbolts, warfare, riots, acts of sabotage, embargos, and bans on import or export. In the event of doubts, the provisions of the Civil Code pertaining to force majeure shall be apply.
2. If due to the effects of force majeure a Party is not able to fulfil the conditions of the Agreement, said Party shall promptly inform the other Party of this fact in writing. The circumstances of force majeure should be adequately documented.

#### **X. Intellectual property. Confidentiality**

1. All property rights, including intellectual or industrial property rights (including but not limited to material property rights (including but not limited to material copyrights) to any type of work or materials such as specifications, plans, drawings, samples, process information, documents, etc. transferred to the Buyer by the Seller in relation with this Agreement are transferred to the Buyer upon their release.

IMPERIAL TOBACCO POLSKA MANUFACTURING S.A., ul. Tytoniowa 2/6, 26-600 Radom

KRS (national court register): 0000075408, NIP (taxpayer identification number): 796-10-02-877

BDO (waste database): 000025333.

2. The Seller guarantees that the Goods or/and Services do not infringe upon the rights of third parties. The Seller shall secure and release the Buyer from liability for any claims, damages, losses, or expenses resulting from infringement of third party rights. If the Goods should be the subject of claims due to infringement of third party rights, the Seller shall – in agreement with the Buyer – either obtain the rights to use the Goods for the Buyer or modify or replace the Goods to remove the infringement in question without loss in scope of compliance of the Goods with the Agreement. The Seller shall be held exclusively liable for the consequences of such actions potentially leading to payment of the compensation, including for negative impact of such actions towards the corporate reputation of ITPM.
3. All documents, materials, samples, etc. lent to the Seller for the purpose of preparing an offer or performance of the Agreement shall remain property of the Buyer and cannot be used for purposes other than those associated with performance of the Agreement, made available to third parties, or published in any other way without the Buyer's consent. Goods produced on the basis of drawings, models, etc. provided by the Buyer or alternatively made with the Buyer's tools cannot be used by the Seller or offered or provided to third parties.
4. Throughout the duration of the Agreement and following its completion, the Seller shall preserve full confidentiality of all information, images, documents, and other materials concerning ITPM, its employees, or business partners obtained in relation to the Agreement. The Seller is not authorized to use the name or logo of ITPM or its products without explicit written consent of the Buyer. If the provisions of this section are violated, ITPM may demand payment of a penalty fine in the amount of PLN 10 000 for each instance of violation. Reservation of the penalty fine does not exclude the right to pursue compensation exceeding the value of the penalty fine stipulated in the Agreement under common standards.

#### **XI. Imperial Brands Group Code of Conduct. Professional regulations**

1. The companies of the Imperial Brands Group, which includes ITPM, conduct their business in an ethical and professional manner, with respect of provisions of the law and the Imperial Brands Group Code of Conduct. We expect our business partners to abide by high standards, hence we ask you to get acquainted with the Code of Conduct for Suppliers, which is available online at <https://imperial-tobacco.pl/imperial-tobacco/nasze-standardy/>.
2. We want our business partners to know that the Buyer operates in the tobacco industry, which is subject to strict legal regulations, specifically in scope of advertising and promotion of tobacco products and public distribution of tobacco brand images. All entities doing business with ITPM in scope of the broad understanding of tobacco product marketing or advertising are asked to get acquainted with the International Marketing Standards for tobacco products of the Imperial Tobacco Group, which are available online at

<https://imperial-tobacco.pl/imperial-tobacco/nasze-standardy/>.

#### **XII. Settling disputes**

1. Any disputes arising from this Agreement shall be settled by the common court of law with jurisdiction over the seat of the Buyer.
2. This Agreement is governed by the provisions of Polish law.

#### **XIII. Miscellaneous provisions**

1. The Seller shall repair losses incurred by the Buyer or the Buyer's business partners as the result of improper performance of the Agreement, including e.g. inadequate item quantity, flawed Service provision, late delivery, etc.
2. The Seller guarantees that both the Seller and the individuals used by the Seller for purposes of the Agreement shall abide by all legal regulations and standards enforced by the Buyer, of which they are informed in order to ensure safe and correct performance, specifically performance within the premises of the Buyer.
3. Due to the fact that the premises of the Buyer constitute a tax warehouse, said premises are subject to special standards concerning human and vehicle traffic and inspection.
4. The Sellers performing Agreements within the premises of the Buyer undertake to hold valid third party liability insurance for their business activity in amount corresponding to the conducted business activity, minimum PLM 500 000, throughout the effectiveness of the Agreements. The Seller shall present proof of insurance upon request of the Buyer.
5. All amendments to the Agreements must be made out in writing.
6. Transfer of rights or responsibilities of the Seller resulting from the Agreement requires written consent of the Buyer or is otherwise invalid.
7. If the Seller uses subcontractors for purposes of the Agreement, the Seller is held fully liable for their actions and negligence towards the Buyer. The Seller undertakes to inform the subcontractors in question about the provisions of the General Terms of Purchases.
8. These General Terms of Purchases take effect on the date of 01.01.2020 and shall apply to all Agreements concluded by ITPM from this date onwards.