

PROVISIONS FOR PARTICULAR TYPES OF DELIVERIES

§ 1 Definitions

The Buyer – the Group of LOTOS S.A. with its registered seat in Gdańsk, code 80-718, ul. Elbląska 135, entered to the Entrepreneurs' Register of the National Court Register at the District Court Gdańsk-Północ in Gdańsk, VII Economic Department KRS under reference number 0000106150, share capital amounting to PLN 129,873,362 (paid in full), the Management Board: Paweł Olechnowicz – Chairman, Marek Paweł Sokołowski, Mariusz Machajewski, Maciej Szozda – Vice-Chairmen, VAT payer, registered tax identification number NIP 583-000-09-60 and holding REGON number 190541636

OWZ – the General Terms of Purchases

The Product – the subject of the Agreement to deliver of which the Seller is obliged in accordance with the Order, with the characteristics and origin indicated in the Order

The Seller – addressee of the Order that confirmed thereof in the way stipulated in § 2 of the General Terms of Purchases

The Agreement – the sale agreement concluded between the Seller and the Buyer on the basis of the Order placed, comprising the Order, the General Terms of Purchases and statements of the Seller listed in the Order.

The Order – order placed by the Buyer to the Seller for delivery of the Product.

§ 2 Conclusion of the Agreement

1. Conclusion of the Agreement shall be executed by sending back by the Seller to the Buyer an approval of the Order placed, expressed by the persons authorised to represent the Seller, together with the statements required in accordance with the Order and the documents confirming the power of the persons signed.
2. Approval of the Order equals approval of the General Terms of Purchases taking into account the changes arising from the contents of the Order.

§ 3 Execution of deliveries

1. The deliveries will be executed on a one-off basis or many times basis depending on the contents of the Order.
2. In the case when the Agreement provides for a larger number of deliveries, the Parties' rights and obligations shall relate to each of the delivery separately.
3. In the case, when the Order does not stipulate the dates of all the deliveries, the Parties will agree a Schedule of deliveries not later than 7 working days prior to their commencement. The

schedule of deliveries approved by both of the Parties is binding in the scope of the deadlines arising thereof.

4. Quantity tolerance for each of the deliveries of the Product shall amount to +/-5% from the quantity indicated in the Order.
5. In the case of a Product not meeting the requirements of the Buyer, indicated in the Order, the Buyer has the right to refuse to accept the Product without incurring any costs related therewith.

§ 4 Payments

1. The Seller will issue an invoice in the proper time after due execution of the delivery.
2. Payments shall be made by a bank transfer within 21 days of the date of the VAT invoice issue to the Seller's bank account indicated on the invoice. The payment date shall be the date of charging the account of the Buyer.
3. Any payments shall be made after receipt by the Buyer of correct, reliable and issued in due time, in compliance with the provisions of the Act on VAT, executive regulations and the provisions of the Agreement, VAT invoices, confirmed with copies thereof at the invoice issuer. Every VAT invoice shall include the Order number (granted by the Buyer).
4. In the case of transgressions of the said terms, any negative financial consequences, in particular arising from the loss of the Buyer the right to deduct VAT as a result of:
 - infringement when issuing the invoice of Art. 88 section 3a of the Act dated 11 March 2004 concerning VAT (Journal of Laws of 2004, No. 54, item 535 with amendments);
 - failure to provide on the invoice the PKWiU (Polish Classification of Products and Services) number or the legal basis of applying an exempted VAT rate in the meaning of Article 5 section 7 of the Minister of Finance Regulation dated 28 November 2008 concerning return of tax to some taxpayers, issuing of invoices, the method of storing thereof and the list of goods and services to which exemptions from VAT do not apply (Journal of Laws of 2008, No. 212, item 1337 with amendments)

shall be borne by the Seller.

5. The Seller states that is a registered active VAT tax payer and is not a small tax payer making settlements on cash basis in the meaning of the Act on VAT dated 11 March 2004 (Journal of Laws No. 54, item 535 with amendments).

§ 5 Excise

The Product shall be delivered by the Seller to the Buyer while applying the procedure of excise collection suspension. In the case of applying the excise collection suspension procedure, the Seller is obliged to file an excise security (in relation with moving of the bio-

components to the Buyer) and is obliged to fulfill all the legal-official terms of the procedure application. Excise due from the over-standard transportation losses arising in relation with execution of the procedure of the excise collection suspension shall not charge the Buyer.

§ 6 Contractual penalties

1. The Seller shall pay the Buyer a contractual penalty for every commenced day of delay of delivery arising from the reasons other than force majeure, amounting to 0.5% of the net price for the Product, which the delay relates to.
2. In the case of suffering damage in the higher scope, the Buyer is entitled to claim damages in full amount under general terms.
3. Payment of the penalty shall be take place within 7 days of calling the Seller to make thereof.
4. The Buyer is entitled to deduct the contractual penalties due to him from the price which he shall pay for the Product.

§ 7 Guarantee and warranty

1. The Seller guarantees that the Product delivered in the framework of the Agreement execution will be compliant with the Order and the norms relating thereto and will be fit for the intended use planned for it by the Buyer, free from any physical and legal faults.
2. The Buyer is entitled to make claims from the warranty regardless of the rights vested on the basis of the guarantee.

§ 8 Complaints

1. Failure to report faults at the collection of the Product does not deprive the Buyer of any rights to report thereof at a later time.

2. The Buyer shall lodge a complaint as to the quantity or quality of the Product delivered immediately after detection of the shortage or the fault. The Seller shall consider the Buyer's complaint within three working days.

3. In the case of complying with the complaint the Buyer has the right to refuse to accept the Product without incurring any costs related therewith. The Seller within three following days at its cost shall exchange the Product into a Product free from faults or shall supply the missing Product. In the case of not keeping to the deadline, the Buyer shall be entitled at his discretion to execute one of the following rights:

- to purchase the Product of the characteristics compliant with the Order from a third party and to charge the Seller with the purchase;

- a decrease of price;

- to charge the contractual penalty amounting to 1% of the net price due for the faulty Product for each day of delay in delivery of the Product free from faults;

- to withdraw from the Agreement.

4. Failure to present the opinion by the Seller with respect of the Buyer's complaint within the deadline indicated in section 2 equals complying with the complaint as of the lapse of the deadline.

5. In the case of not taking into account by the Seller the Buyer's quality complaint, then the results of the Product's examinations carried out by an independent laboratory agreed between the Parties shall be binding. The Buyer shall bear the costs of the examinations only when the complaint will turn out groundless.

§ 9 Withdrawal from the Agreement

1. The Buyer is entitled to withdraw from the Agreement due to the fault of the Seller in the case of a delay in delivery of the Product or the Product free from faults exceeding 5 working days. The Buyer may file a statement concerning withdrawal from the Agreement not later than within 30 days of disclosure of the reason justifying such withdrawal.

§ 10 Indemnity

The Seller shall be obliged upon first call to release the Buyer from the obligation of any benefit for third persons, including the State Treasury, arising from any personal damages or damages to the environment done by the Product in relation with its use as a result of the faults embedded in the Product.

§ 11 Confidentiality

The Parties shall be mutually obliged to treat as confidential and not to disclose nor use directly or indirectly for any purpose for its own use or third parties use, of any information obtained directly or indirectly in relation with conclusion of the Agreement, concerning the Parties of the Agreement, the contests of the Agreement and its execution, including in particular, but not only, the trade information, if the information: is not publicly known or the obligation to disclose thereof does not arise from the legal regulations or a request of the authorized state authorities or their disclosure is related with pursuing the rights arising from the Agreement.

§ 12 Communication

1. Any correspondence related with conclusion or execution of the Agreement and the rights arising thereof shall be made in writing or via electronic mail.

§ 13 Final provisions

1. Taking into account the quality of the Agreement execution, work safety and environment protection, the Buyer reserves the right to carry out audits at the Seller's in the scope constituting subject of the Agreement. These activities are aimed at assessment of meeting the

GENERAL TERMS OF PURCHASE OF BIOCOMPONENTS OF GRUPA LOTOS SA IN GDAŃSK.

requirements stipulated in the contract documents and other documents provided to be applied, as well as the legal regulations, norms and standards binding while executing the Agreement.

2. These terms and any agreements concluded on their basis are subject to the Polish law. In the case of agreements concluded with suppliers having their seat in a country other than the Republic of Poland, being a signatory of the United Nations Convention on contracts for international sale of goods prepared in Vienna on 11 April 1980 (Official Journal 97.45.286), the Convention shall apply in the scope that is not differently regulated by the Order or these General Terms of Purchases.

3. The formulas of INCOTERMS indicated in the Agreement shall be interpreted in accordance with the rules of INCOTERMS 2010.

4. Any disputes arising from the Order shall be settled by the common court competent for the Buyer's seat.

5. Any amendment of the provisions of the Order and these General Terms of Purchases shall be made in writing or deemed null and void.

6. In the case of any discrepancies between the contents of the Order and these General Terms of Purchases the Parties shall be bound by the Order.

§ 14 SPECIAL PROVISIONS FOR RAIL DELIVERIES FCA

1. The Seller executes delivery as of the moment of entrusting the Products with the carrier indicated by the Buyer at the place provided in the Order.

2. The time for loading starts as of the moment of putting on rail cisterns at the disposal of the Seller by the carrier unless the Parties agree otherwise.

3. The ownership and risk of losing of the Product shall be transferred from the Seller to the Buyer as at the moment of confirming completion of loading of train set and issue of the carriage document. It is the Seller who is responsible for the over-standard losses in the meaning of the tax regulations.

4. Quality of the Product will be determined on the basis of samples taken from the land containers at the place of the loading.

5. The establishments concerning the quantity and quality of the Product made at the loading and unloading shall not deprive the Buyer of the right to lodge quantity or quality complaints.

6. The cost of the Product loading shall be borne by the Seller.

§ 15 SPECIAL PROVISIONS FOR RAIL DELIVERIES DAP

1. The Seller executes delivery as of the moment of putting on the rail cisterns with the Product compliant with the

Order for unloading at the place provided for in the Order at the time when the Buyer carries out unloading.

2. The ownership and risk of loss of the Product shall be transferred from the Seller to the Buyer as of the moment of the Product crossing the valve of the rail cistern.

3. In the case when the means of transportation carrying the Product is technically malfunctioning, which may influence the safety of the unloading, the Buyer has the right to refuse to unload due to the reasons at the side of the Seller.

4. It is the Seller that is responsible for over-standard losses in the meaning of the tax regulations.

5. The quality of the Product shall be determined on the basis of the samples taken from the land containers at the place of loading.

The Buyer is entitled to refuse to unload in the case when the Product supplied does not meet the terms stipulated in the Order. In such case delivery shall not be deemed executed until delivery of the Product compliant with the Order.

6. The establishments concerning the quantity and quality of the Product carried out at loading and unloading do not deprive the Buyer of lodging quantity and quality claims.

§ 16 SPECIAL PROVISIONS FOR SEA DELIVERIES FOB

The Seller executes delivery as of the moment of loading the Product on a ship of the carrier indicated by the Buyer at the place provided in the Order.

The cost of the Product insurance shall be covered by the Buyer.

The ownership and the risk of loss of the Product is transferred from the Seller to the Buyer as at the moment of the Product crossing the ship's board.

Quality of the Product shall be determined on the basis of the samples taken from the tanker's containers at the port of loading by an independent control company inspector approved by both Parties.

The establishments concerning the quantity and quality of the Product made at the time of loading do not deprive the Buyer of the right to lodge quantity or quality complaints.

Appointment of the ship by the Buyer shall take place 7 days prior to loading date. The Buyer is entitled to change the appointed ship to other ship of similar parameters. The Buyer shall inform the Seller about the change.

Unless indicated otherwise in the Order, the time for loading constitutes a half of the total time for loading and unloading determined in the agreement with the carrier (including Saturdays, Sundays and Holidays). The time for loading starts from the earlier of the two events: the moment of the ship mooring at the dwarf or after the lapse of 6 hours from issuing NOR by the ship. However, the

time for loading shall not commence earlier than as at 6:00 hours on the first day of the agreed lay can.

The Buyer is entitled to stoppage in the amount compliant with the agreement with the carrier. The stoppage shall be payable within 30 days of reporting of the documented claim by the Buyer. In no event the stoppage, to the payment of which the Seller is obliged, shall not exceed the stoppage which the Buyer is obliged to pay the carrier.

**§ 17 SPECIAL PROVISIONS FOR SEA DELIVERIES
CFR**

The Seller executes delivery as of loading the Product on the carrier's ship indicated by the Seller at the port of loading and after ensuring at its own cost carriage to the port of unloading indicated in the Order.

The cost of insurance of the Product shall be covered by the Buyer.

The ownership and risk of loss of the Product shall be transferred from the Seller to the Buyer as at the moment of crossing by the Product of the ship's board at the port of loading.

The quality of the Product shall be determined on the basis of samples taken from the tanker's containers at the port of loading, by an independent control company inspector approved by both Parties.

The establishments concerning the quantity and quality of the Product do not deprive the Buyer of the right to lodge quantity and quality complaints.

Appointment of the ship by the Seller shall take place 10 days prior to delivery, the appointed ship is subject to approval by the Buyer. The Seller is entitled to change the appointed ship to other ship of similar parameters. The Seller is obliged to inform the Buyer about the change and obtain his approval that shall not be unreasonably refused.

Unless the Order indicates otherwise, the time for unloading shall constitute a half of the total time for unloading and loading determined in the agreement of the Seller with the carrier (including Saturdays, Sundays and Holidays). The time for loading starts from the earlier of the two events: the moment of the ship mooring at the dwarf or after the lapse of 6 hours from issuing NOR by the ship. However, the time for loading shall not commence earlier than as at 6:00 hours on the first day of the agreed lay can.

The Seller is entitled to stoppage on the condition of reporting of the documented claim within 60 days after completion of the unloading. Unless it has been agreed otherwise in the Order, the Buyer is responsible for the stoppage up to the amount compliant with the agreement of the Seller with the carrier, however no higher than market rates commonly used in such cases. In no event the stoppage, to the payment of which the Buyer is obliged, shall not exceed the stoppage which the Seller is obliged to pay the carrier.