

Purchase Order General Terms and Conditions

effective date: 15th of September 2021

1. Scope

- 1.1. These *Purchase Order General Terms and Conditions* ("POGT&C") apply to purchase orders for goods placed with **Suppliers** where **LOTOS Oil Sp. z o.o.** of Gdańsk ("**LOTOS Oil**") is the Buyer. A **Supplier** and **LOTOS Oil** may hereinafter be individually referred to as a *Party* or collectively as the *Parties*.
- 1.2. These POGT&C shall apply to all **Suppliers** of goods. Any terms and conditions other than those specified herein, proposed by a **Supplier**, shall require prior written approval by **LOTOS Oil**. Such other terms and conditions shall be binding exclusively with respect to the Purchase Order concerned, and shall not be deemed by the **Supplier** to apply to any subsequent Purchase Orders placed by **LOTOS Oil**. In the event of any conflict between these POGT&C and such other terms and conditions applicable to a specific Purchase Order, such other terms and conditions shall prevail.
- 1.3. All agreements and documents relating to a Purchase Order shall bear the relevant number assigned by **LOTOS Oil** and shall be made in writing or else shall be deemed null and void. The Purchase Order number shall be provided, in particular, on delivery notices, invoices, stock issue confirmations and goods acceptance documents.

2. Subcontracting

- 2.1. If a **Supplier** intends to subcontract the execution of a Purchase Order to third parties, in whole or in part, this shall require prior written consent from **LOTOS Oil**. The above shall apply *mutatis mutandis* when the third party subcontractor is replaced during the execution of the Purchase Order and in the case of further subcontracting.
- 2.2. The **Supplier** shall be liable for the acts or omissions of the subcontractors executing the Purchase Order, in whole or in part, as for its own acts or omissions.

3. Delivery

- 3.1. Unless otherwise agreed by the **Parties**, the terms of delivery shall be DDP LOTOS OIL (Delivered Duty Paid – designated warehouse, storage yard or other location), as per INCOTERMS 2010. A **Supplier** shall insure goods, at its own expense, against all risks in transit, as per Institute Cargo Clauses A (ICC A 1/1/82). **LOTOS Oil** may request the **Supplier** to provide a document evidencing the taking out of such insurance along with assignment of rights to any compensation payable or insurance document for the benefit of **LOTOS Oil**.
- 3.2. A **Supplier** shall meet national and international requirements concerning carriage of dangerous goods, which shall include ensuring appropriate marking of vehicles and carried cargo items as laid down in:
 - the Act on Carriage of Dangerous Goods of August 19th 2011 (consolidated text: Dz.U. of 2021, item 756),
 - secondary legislation issued under the Act, concerning specific national requirements for training, reports, documentation and appointment of competent authorities, where required under the ADR,
 - "Manual of Tests and Criteria", 7th edition, published by the United Nations (ST/SG/AC.10/11/Rev.7),
 - Directive 2008/68/EC of the European Parliament and of the Council of 24 September 2008 on the inland transport of dangerous goods (OJ L 260, 30.9.2008, p. 13 and Commission Delegated Directive (EU) 2020/1833 of 2 October 2020 amending the Annexes to Directive 2008/68/EC of the European Parliament and of the Council as regards adaptation to scientific and technical progress (OJ L 408, 4.12.2020, p. 1) regarding road transport,
 - Government Statement of February 18th 2019 on the entry into force of amendments to Annexes A and B to the European Agreement concerning the International Carriage of

Dangerous Goods by Road (ADR), concluded in Geneva on September 30th 1957 (Dz.U. of 2019, item 769).

- 3.3. A **Supplier** shall notify a planned delivery at least two days in advance. A Purchase Order shall be delivered in a single shipment, unless otherwise agreed by the **Parties**. If the **Parties** have agreed on part shipments, the two-day prior delivery notice requirement shall apply to each individual part shipment of the Purchase Order concerned. Goods acceptance shall take place on business days, between 07:00 AM and 02:00 PM.
- 3.4. A **Supplier** shall package goods adequately for the means of transport and the loading/unloading equipment to be used. The packaging shall be legibly and durably marked with an indication of the name and address of the Buyer (**LOTOS Oil**), the Purchase Order number assigned by the Buyer (**LOTOS Oil**), and symbols indicating precautions to be taken in handling, as per the applicable forwarding and transport standards. Each component inside a package shall be marked so as to ensure its full identification. When goods are delivered in multiple packages, the **Supplier** shall ensure that a detailed specification is attached to each package, with a summary specification included in the shipping documents.
- 3.5. Electrical and electronic equipment and, where justified by the size or function of the equipment, the packaging of such goods shall be marked in compliance with the regulations on waste of electrical and electronic equipment. In the case of non-typical, dangerous, oversize goods, etc., the **Parties** shall each time agree on the details concerning their packaging, marking, prior notice of delivery, and acceptance.
- 3.6. A delivery containing electrical or electronic equipment from a **Supplier** who has placed it on the EEA (European Economic Area) market shall be accepted provided that the invoice bears the registration number in the register of economic operators and organisations engaged in recycling of electrical and electronic equipment, as assigned by the Chief Inspector of Environmental Protection.
- 3.7. Chemical substances/mixtures shall be purchased on condition that the **Supplier** meets the requirements of the REACH Regulation and the CLP Regulation, as amended (Regulation (EC) No 1272/2008). An additional requirement is that the Buyer must obtain an OHS opinion and an environmental opinion in accordance with the Company's internal rules. Placing on the market of chemical substances/mixtures classified as carcinogenic or mutagenic is prohibited. Chemical substances/mixtures classified as carcinogenic or mutagenic may only be purchased upon fulfilment of guidelines laid down in OHS and environmental opinions and if no alternative options are available to the Buyer.
- 3.8. A delivery shall be deemed completed upon unqualified acceptance by **LOTOS Oil** of the goods and documents specified in the Purchase Order (e.g. technical documentation, quality assurance certificates, material certificates, and other certificates). Any deviation from the agreed terms and conditions or the absence of any relevant documents may result in refusal to accept or in returning the goods at the **Supplier's** expense. Should this be the case, the delivery shall be deemed not effected.
- 3.9. A **Supplier** shall be liable for damage resulting from any delay, loss or damage due to incorrect marking, packaging or identification of a shipment. A **Supplier** acknowledges its obligations under the Act on the Monitoring System for the Carriage of Goods by Road and Rail and on Fuel Oil Trading of March 9th 2017 (consolidated text: Dz. U. of 2020, item 859). In the case of any carriage of goods subject to the monitoring system for the carriage of goods by road under the said Act, the **Supplier** shall guarantee compliance with the relevant legal obligations by the **Supplier** and by its subcontractors.
The **Supplier** shall send the reference number to **LOTOS Oil** at the following email address: lotosoil.sent@lotosoil.pl
- 3.10. A **Supplier** shall also be liable for any damage, including in particular any fines or costs incurred as a result of non-fulfilment or improper fulfilment of any legal obligations, including those laid down in the Act on the Monitoring System for the Carriage of Goods by Road and Rail and on Fuel Oil Trading of March 9th 2017 (Dz. U. of 2020, item 859). If any contractual

terms provide for limitation of **the Supplier's** liability, it shall not apply to damage caused by non-fulfilment or improper fulfilment of the **Supplier's** obligations under the said Act.

- 3.11. **LOTOS Oil** is authorised to return to a **Supplier**, at the **Supplier's** expense and risk, any shipment delivered without a prior notice, or delivered before or after the delivery date specified in the notice, or to charge the **Supplier** with relevant storage costs. The risk of damage or loss of goods shall be borne by the **Supplier**.
- 3.12. If the scope of a Purchase Order is extended, the **Supplier** shall deliver additional or substitute goods on the terms and conditions applicable to that Purchase Order (with respect to unit prices, discounts, etc.).
- 3.13. A **Supplier** shall indemnify **LOTOS Oil** against liability arising from any third-party claims for infringement of a patent, copyright, licence, trademark, industrial design, or utility model, in connection with goods delivered.
- 3.14. In the case of intra-Community purchase or import of goods, a **Supplier** shall promptly, and at any rate before the loading of the goods commences, provide **LOTOS Oil** with the particulars of the carrier of the goods within the territory of Poland, along with the carrier's email address to which the notification reference number will be sent.
The **Supplier** shall promptly notify **LOTOS Oil** of the receipt of the notification reference number by the carrier and of fulfilment of the obligations set out in Section 3.12. The **Parties** shall cooperate with a view to ensuring adequate execution of a Purchase Order.
- 3.15. A **Supplier** guarantees fulfilment by the carrier of the relevant obligations set out in the Act on the Monitoring System for the Carriage of Goods by Road and Rail and on Fuel Oil Trading (Dz. U. of 2020, item 859):
- 3.16. A **Supplier** guarantees that, if the register is not available, the carrier will deliver to the competent authority a document substituting the notification supplement or update and will obtain confirmation of its receipt, which confirmation shall be promptly forwarded to **LOTOS Oil**.
- 3.17. If any carriage of goods is not commenced in the territory of Poland, the **Supplier** shall notify the authority of its cancellation.

4. Delivery date

- 4.1. The delivery date specified in a Purchase Order or – in the case of part shipments – the scheduled delivery dates shall be final as the date/dates when the goods are to be delivered at the designated place, subject to the delivery terms and conditions specified in the Purchase Order.
- 4.2. A **Supplier** shall promptly notify **LOTOS Oil** of any event or threatened event that could render delivery on the agreed date impossible, specifying the anticipated duration of the delay and its causes. If it appears from the information provided that the delivery cannot be effected on the agreed date, **LOTOS Oil** may cancel the Purchase Order and charge the **Supplier** with liquidated damages in the amount specified in Section 4.3. **LOTOS Oil** may exercise its right to cancel a Purchase Order, as referred to in the preceding sentence, within 30 days of becoming aware of the circumstances entitling it to such cancellation, but not later than within eight weeks of the agreed delivery date.
- 4.3. **LOTOS Oil** shall have the right to charge a **Supplier** with liquidated damages for late delivery equal to 0.2% of the Purchase Order (or delivery) value for each commenced day of delay, with a proviso that the total liquidated damages for late delivery shall not exceed 20% of the Purchase Order (or delivery) value. In the event of a delay exceeding eight weeks, **LOTOS Oil** may cancel the Purchase Order for reasons attributable to the **Supplier** and claim, in addition to liquidated damages charged up to the cancellation date, compensation for actual damage and lost profits, as well as reimbursement of the costs incurred on substitute performance.
- 4.4. A **Supplier's** obligation to pay liquidated damages shall not depend on the value of actual damage suffered by **LOTOS Oil** or on the fact of its occurrence or possible non-occurrence.

LOTOS Oil may claim liquidated damages from a Supplier also after the termination or expiry of the Contract/Purchase Order.

5. Prices and payments

- 5.1. The prices contained in a Purchase Order shall be VAT-exclusive fixed prices.
- 5.2. A Supplier represents that the bank account number provided in the Contract between the Parties or the Purchase Order:
 - a. is included in the list referred to in Art. 96b of the VAT Act,
 - b. is currently valid. If the number of the bank account to which payment is to be made is changed, the Supplier shall promptly (not later than within one day from the date of such change) notify LOTOS Oil thereof. A change in the bank account number shall require execution of an annex amending the Contract/Purchase Order, which must be signed by both Parties or else shall be deemed null and void.
- 5.3. If the Supplier's bank account to which payment is to be made does not appear in the list referred to in Art. 96b of the VAT Act, LOTOS Oil may withhold payment until the day on which the Supplier's bank account is included in that list, and the period over which payment is withheld shall not be considered a delay in payment.
- 5.4. Payments shall be deemed made on the date of debiting LOTOS Oil's bank account.
- 5.5. All payments shall be made upon receipt by LOTOS Oil of correct invoices, containing accurate data and issued on the proper date, as per the applicable provisions of the VAT Act, secondary regulations and the Contract/Purchase Order. The Supplier shall retain one copy of any such invoice. A Supplier shall quote the Contract/Purchase Order number assigned by LOTOS Oil on every invoice.
- 5.6. A Supplier agrees to compensate LOTOS Oil for any adverse financial consequences, including loss by LOTOS Oil of its right to deduct VAT, resulting from any non-compliance with the above requirements or from circumstances referred to in Art. 88.3a or Art. 96.9 and 9a of the VAT Act, on account of LOTOS Oil's liability referred to in Art. 117ba of the Tax Law of August 29th 1997, or its inability to classify any expenditure as tax expenses or necessity to reduce tax-deductible expenses or increase income, as prescribed in Art. 15d of the Corporate Income Tax Act of February 15th 1992.
- 5.7. A **Supplier** represents that it is a registered active VAT payer and that it is not a small taxpayer using the cash-basis method of accounting, within the meaning of the VAT Act of March 11th 2004. In the event of any change in its status, the **Supplier** shall promptly notify **LOTOS Oil** or, failing to do so, shall be liable for any adverse financial consequences resulting therefrom.
- 5.8. Unless the **Parties** agree otherwise, the **Supplier's** remuneration shall be payable by **LOTOS Oil** via a bank transfer to the **Supplier's** bank account within 30 days of the invoice delivery date. Failure to quote the Purchase Order number on the invoice may entitle **LOTOS Oil** to withhold payment.

6. Split payment clause

- 6.1. Given the introduction of the split payment mechanism, **LOTOS Oil** informs its Suppliers that VAT will be paid in the Polish currency only, to a bank account maintained in accordance with the Polish banking law. A **Supplier** shall provide such bank account number on its invoice.
- 6.2. For detailed information concerning the split payment regulations, see: http://www.lotos.pl/2690/bip_strona_glowna/komunikaty_i_przetargi/lotos_wprowadza_mechanizm_podzielonej_platnosci

7. Quality guarantee and implied statutory warranty

- 7.1. Goods delivered by a **Supplier** shall be brand new, unused, free of any physical or legal defects, and compliant with the technical or quality requirements set out in the Purchase Order. Unless the **Parties** agree otherwise, throughout the guarantee or implied warranty

period, a **Supplier** shall remedy any defects and faults promptly, not later than within 14 days of the date when a relevant complaint is lodged. Thereafter, **LOTOS Oil** may take its own remedial action at the **Supplier's** expense. **LOTOS Oil** reserves the right to immediately remedy any defect, using its own technical staff at the **Supplier's** expense, without forfeiting the quality guarantee with respect to the goods delivered – in the case of machinery critical to **LOTOS Oil's** operations.

- 7.2. A **Supplier** shall replace any defective goods with new ones in the event of a second failure or when the defects and faults are such that, based on **LOTOS Oil's** technical opinion, the goods cannot be brought to a condition satisfying the technical or quality requirements specified in the Purchase Order.
- 7.3. **LOTOS Oil** reserves the right to reject any delivery where the 'use by' date of a given material/component, as specified by the **Supplier/manufacturer**, is shorter than six months (counting from the delivery date).
- 7.4. **LOTOS Oil** may request a **Supplier** to provide financial guarantees securing adequate remedy of any defects and faults.
- 7.5. A **Supplier's** other liability under a guarantee and statutory warranty shall be governed by the generally applicable provisions of law. The guarantee period granted by a **Supplier** shall be set in the Purchase Order or guarantee documents.
- 7.6. In the event of a delay in remedying any defects identified at the time of acceptance of a Purchase Order or during the guarantee/warranty period, the **Supplier** shall pay **LOTOS Oil** liquidated damages equal to 0.4% of the Purchase Order value for each day of delay, calculated from the expiry of the time limit set by **LOTOS Oil** for remedying the defects; with a proviso that the total liquidated damages shall not exceed 20% of the Purchase Order value. When actual damage suffered by **LOTOS Oil** is higher, **LOTOS Oil** shall be entitled to seek additional compensation in accordance with the general rules.
- 7.7. A **Supplier's** obligation to pay liquidated damages shall not depend on the value of actual damage suffered by **LOTOS Oil** or on the fact of its occurrence or possible non-occurrence. **LOTOS Oil** may claim liquidated damages from a Supplier also after the termination or expiry of the Contract/Purchase Order.

8. Cancellation of a Purchase Order

- 8.1. **LOTOS Oil** may cancel a Purchase Order with immediate effect due to the **Supplier's** fault in the event of a gross breach by the **Supplier** of the terms and conditions of the Purchase Order/Contract or these POGT&C, or if the **Supplier** is threatened by insolvency or a bankruptcy petition has been filed against the Supplier, or in the event that liquidation proceedings have been launched with respect to the Supplier's company providing the services.
- 8.2. In the case of intra-Community supply of electrical or electronic equipment subject to Directive 2002/96/EC, **LOTOS Oil** may cancel a Purchase Order with immediate effect if it is found – based on an inspection carried out pursuant to Section 10 or steps taken by administrative authorities – that the **Supplier** fails to properly fulfill its obligations as the entity placing such equipment on the market, as defined in the Act on Waste Electrical and Electronic Equipment of September 11th 2015 (consolidated text: Dz. U. of 2020, item 1893, as amended).
- 8.3. In the event of cancellation of a Purchase Order due to the **Supplier's** fault, **LOTOS Oil** shall have the right to charge liquidated damages equal to 20% of the VAT-exclusive value of the Purchase Order (pro rata to the non-performed part thereof). **LOTOS Oil** shall have the right to seek compensation in excess of the liquidated damages provided for herein, in accordance with the general rules. **LOTOS Oil** may cancel a Purchase Order on the basis of the above provisions within 30 days of **LOTOS Oil's** becoming aware of the circumstances entitling it to such cancellation, but not later than within six months of the agreed delivery date.

9. Safety provisions

If any act or omission by a **Supplier**, its employees or any other individuals performing work on behalf of the **Supplier**, irrespective of the legal basis of their engagement, violates in any way the rules applicable on **LOTOS Oil**'s premises with respect to ensuring safe and healthy working conditions, including the fire regulations or any other regulations or requirements governing safety on **LOTOS Oil**'s premises, **LOTOS Oil** shall be entitled to charge the Supplier with a contractual penalty of PLN 1,000.00 (one thousand złoty) for each event involving such act or omission. Authority to check compliance with the above requirements shall rest with persons supervising work on behalf of **LOTOS Oil**, the **LOTOS Oil** OHS personnel, and employees of security service providers on **LOTOS Oil**'s premises. Whenever a **Supplier** is found not to comply with the occupational, fire or physical safety regulations applicable on **LOTOS Oil**'s premises, the **LOTOS Oil** OHS personnel or the security service provider on **LOTOS Oil**'s premises shall apply the relevant sanctions provided for in the tariff. The tariff shall be provided to a Supplier upon each request by the person in charge of the execution of the Purchase Order at **LOTOS Oil**.

A **Supplier** represents that it has reviewed the tariff and agrees to the sanctions specified therein. In the event that a **Supplier**'s employees or other individuals collaborating with the **Supplier**, regardless of the legal basis of their engagement, are refused entry to **LOTOS Oil**'s premises, any consequences of such refusal shall be borne by the **Supplier**.

A Supplier represents that it has reviewed the OHS clauses applied by companies of the LOTOS Group in the procurement process, as posted on https://www.lotos.pl/1654/poznaj_lotos/dla_biznesu/dla_dostawcow/wspolpraca_z_kontrahentami_-_wartosci_i_zasady/klauzule_csr, and accepts and undertakes to comply with them.

10. Confidentiality

A Supplier agrees to treat all terms and conditions of a Purchase Order/Contract, as well as any information otherwise obtained from **LOTOS Oil** in connection with the Purchase Order/Contract, including, but not limited to, any organisational, commercial or technical information relating to **LOTOS Oil** which is not in the public domain, as strictly confidential, and to use such information exclusively for the purpose of executing the Purchase Order/Contract. In particular, the **Supplier** shall treat as confidential all information concerning the volume of trading, pricing, rebates, product specifications, agreements and technological data. In the event of any breach of the terms of this clause by a **Supplier**, **LOTOS Oil** shall have the right to claim from the **Supplier** a contractual penalty of PLN/EUR 1,000.00 (one thousand złoty) for each individual breach, which shall not preclude **LOTOS Oil**'s right to seek additional compensation in accordance with the general rules.

11. Personal data protection

11.1. Each **Party** shall comply with the applicable laws on the protection of personal data, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27th 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 (General Data Protection Regulation), shall be obliged to safeguard such data through appropriate technical and organisational measures, and shall be liable for any damage caused in connection with the processing of personal data.

11.2. A **Supplier** confirms that any personal data transferred to **LOTOS Oil** has been collected in a lawful, fair and transparent manner. A Supplier represents that it has obtained the consent of all persons through whom the Supplier will execute a Purchase Order to the processing of their personal data for the purposes of executing the Purchase Order.

12. Inspections and audits at a Supplier

12.1. **LOTOS Oil** shall have the right to inspect, test and examine any materials used to produce goods covered by a Purchase Order at any stage of its execution. The **Supplier** shall be

obliged to take into account any comments made or reservations raised by **LOTOS Oil** as a result of an inspection, as long as that does not lead to a substantial change of the Purchase Order.

- 12.2. Seeking to ensure the quality of execution of a Purchase Order, occupational safety, environmental protection and corporate social responsibility standards, **LOTOS Oil** reserves the right to carry out audits at the **Supplier** in the area relevant to the Purchase Order. The purpose of such audits will be to assess compliance with relevant requirements set out in the contractual documents and other documents delivered for implementation, as well as appropriate laws, regulations and standards applicable to the execution of a Purchase Order.
- 12.3. **LOTOS Oil** holds certificates covering the requirements of the ISO 9001 and AQAP-2110 standards. Accordingly, **LOTOS Oil** reserves the right to audit compliance with the requirements of the above standards by the Supplier in the area relevant to a Purchase Order.

13. Force majeure

- 13.1. Neither Party shall be liable for late or improper performance of its obligations to the extent that such late or improper performance is caused by *force majeure*. *Force majeure* shall be understood by the Parties as any extraordinary event beyond the Parties' control which could not have been predicted at the time of conclusion of a Purchase Order and could not have been prevented by economically reasonable means, including, without limitation: a flood, fire, hurricane, earthquake, state of epidemic, state of epidemic emergency, state of natural disaster, state of emergency, and production stoppage due to the introduction of restrictions or measures imposed in connection with, or for the purpose of counteracting, any phenomena recognised by the World Health Organisation or government authorities as a pandemic or epidemic (including those related to COVID-19, the SARS-CoV-2 virus or its mutations). Production stoppages due to disputes between a Supplier and any natural person, group or organisation, legal person or other organisational unit, such as strikes, pickets, etc., shall not be considered *force majeure*.
- 13.2. A Party shall promptly notify the other Party of the occurrence, expected duration, proposed course of action and cessation of *force majeure*.
- 13.3. As soon as *force majeure* ceases, the Parties shall agree on new terms and conditions for the execution of a Purchase Order, including in particular appropriate extension of the time limit for its execution.
- 13.4. In the event that *force majeure* or its consequences continue for more than 60 days, the Parties shall have the right to terminate a Purchase Order by giving a two weeks' notice. A Purchase Order termination notice shall be given in writing, otherwise being null and void. Neither Party shall have the right to claim any compensation from the other Party for damage suffered due to *force majeure*. If a Supplier is unable to meet its contractual obligations due to *force majeure*, the Supplier shall retain the right to receive remuneration only for the deliveries actually made.

14. Credentials and advertising

Without prior written consent of LOTOS Oil, a Supplier shall not be entitled to use any materials or information relating to its cooperation with LOTOS Oil, in particular as credentials or for advertising purposes.

15. Ethics clause

- 15.1. As a LOTOS Group company, **LOTOS Oil** conducts its business with a sense of responsibility for the consequences of its actions and applies uniform standards in ethical assessment of the conduct of its employees and third parties, respect for human rights, respect for employee rights and respect for the natural environment.

- 15.2. As a LOTOS Group company, **LOTOS Oil** is committed to the respect for human rights along the entire value chain relevant to its business. In a spirit of social responsibility for the entire communal life and care for the common good, **LOTOS Oil**, as a LOTOS Group company, makes every effort to ensure compliance with the relevant rights and laws, including international rules, in its activity, taking into account the concept of Corporate Social Responsibility (CSR). **LOTOS Oil** is committed to shaping appropriate economic and social relations. **LOTOS Oil**, as a LOTOS Group company, seeks to create a working environment based on mutual respect and tolerance. **LOTOS Oil** ensures the protection of personal data and discretion to all persons who decide to report a suspected infringement of rules applicable at the LOTOS Group, as set forth to in the *LOTOS Group's Code of Ethics*, or other regulations related to the Corporate Social Responsibility concept implemented and applied by the LOTOS Group companies.
- 15.3. The *LOTOS Group's Code of Ethics* can be viewed at www.odpowiedzialny.lotos.pl.

16. No conflict of interest clause

- 16.1. A **Supplier** represents that, to the best of its knowledge, as at the date of signing a Purchase Order, there exists no conflict of interest which could hinder proper execution of the Purchase Order by the **Supplier** or affect the Supplier's impartiality, the quality of work or services performed by the Supplier, or the Supplier's independence or reliability.
- 16.2. A **Supplier** declares that it shall exercise utmost care as required in its business activity and shall take steps to avoid any conflicts of interests.
- 16.3. A **Supplier** declares that if, during the Contract term, there is a suspicion of the risk that a conflict of interests may arise affecting the declaration referred to in Section 16.1, the Supplier shall immediately advise **LOTOS Oil** in writing of such suspicion, indicating grounds on which it is based, and shall propose any requisite actions to be taken in order to avoid the conflict of interests, bearing in mind the interests of **LOTOS Oil** in a broad sense and its business ethics.

17. Anti-kickback clause

A **Supplier** represents that it has not offered or provided to anyone any financial or personal benefits in order to influence **LOTOS Oil's** decision to select its bid. The **Supplier** has not influenced **LOTOS Oil's** choice in any way that would be incompliant with the law or good practice, nor has it entered into any agreements or arrangements with third parties with a view to influencing **LOTOS Oil's** choice. The **Supplier** represents that no part of its remuneration for the Contract performance will be applied to cover the costs of the provision of any such financial or personal benefits by either **Party**.

18. Environmental protection

A **Supplier** represents that it complies with all the applicable laws concerning environmental protection in general, especially with regard to the required permits, notifications and filings, as well as restrictions on the use of the natural environment and implementation of a circular economy concept, including in particular appropriate waste management. Moreover, the **Supplier** represents that it operates in a sustainable way and takes steps to mitigate any negative environmental impacts of its operations.

19. Respect for human rights

A **Supplier** represents that, with respect to employment, the **Supplier** complies in its business activity with all the applicable laws, including, in particular, the provisions of the Labour Code and implementing acts issued thereunder.

20. Social impacts - integrating activities

A **Supplier** declares that it takes social impacts into consideration in its business activity and seeks to integrate social, environmental, ethical and human rights values into its own

activity, as well as the activity of other stakeholders and society as a whole, to the extent possible.

21. AQAP Clause for military domestic Purchase Orders

All Purchase Order requirements may be subject to assessment as part of a military acceptance process carried out by Local Military Representatives. A **Supplier** shall be notified of any actions to be performed as part of a military acceptance process.

22. Obligations under the REACH Regulation (Regulation (EC) No 1907/2006) (if applicable)

22.1. A **Supplier** represents that the substance/components of the mixture it supplies have been registered in accordance with the REACH Regulation, if required to be so registered.

22.2. A **Supplier** represents that the substance/components of the mixture it supplies are not subject to a permitting procedure or restrictions on use in accordance with the REACH Regulation.

22.3. The **Supplier** shall in each case (including when the substance being supplied on its own, in a mixture or in an article is not subject to a registration procedure, a permitting procedure or restrictions on use in accordance with the REACH Regulation) complete and provide to **LOTOS Oil**, to the email address specified in the Purchase Order, not later than 14 days prior to the date of the first delivery and within 12 months from the date of the last delivery of the product, statements in the form published on <http://lotosoil.pl/pl/home/materialy-dopobrania/>.

22.4. The **Supplier** shall deliver a valid and correct safety data sheet (product name) in electronic form and in the Polish language to the email address of the **LOTOS Oil** representative specified in the **Purchase Order**, no later than 14 days prior to the date of the first delivery, unless a safety data sheet valid as at the date of execution of the **Purchase Order** has been delivered by the **Supplier** before that date. If the safety data sheet is updated within 12 months from the date of the last delivery of the product under the **Purchase Order**, the **Supplier** shall, without undue delay, provide the updated safety data sheet in the form and manner referred to in the preceding sentence.

22.5. If under Article 31 of the REACH Regulation a Safety Data Sheet is not required, the **Supplier** shall provide **LOTOS Oil** with information prepared in accordance with Article 32 of the said Regulation, and Section 22.4 above shall apply accordingly.

23. Obligations under the CLP Regulation, as amended (Regulation (EC) No 1272/2008) and the Delegated Regulation (Commission Delegated Regulation (EU) 2020/1677):

23.1. Dangerous substances/mixtures shall be delivered by the **Supplier** in appropriate packaging carrying an appropriate label (if applicable in accordance with the CLP Regulation (Regulation (EC) No 1272/2008); the label should be consistent with the provided safety data sheet.

23.2. The Supplier represents that it has submitted the Poison Centres Notification (PCN) for the supplied dangerous mixture(s) and provided a generated Unique Formula Identifier (UFI) relating to the notification made to the ECHA Poison Centre and:

23.2.1. The PCN specifies Poland as the country of application,

23.2.2. The **Supplier** shall provide the UFI by placing it on the label (if applicable) for each delivery or in the safety data sheet (where the obligation to label does not apply).

23.3. If the Supplier benefits from a transition period for submitting information on mixtures to ECHA Poison Centre, the **Supplier** shall notify **LOTOS Oil** of this fact in writing. After the end of the transition period, the **Supplier** shall promptly provide **LOTOS Oil** with information confirming the submission of PCN with the UFI.

24. Requirements concerning biocidal products under Regulation (EU) No 528/2012 and Dz.U. of 2015, item 1926 (if applicable)

- 24.1. The **Supplier** represents that it holds a specifically numbered, valid permit for the trade in the product within the territory of the Republic of Poland, issued by the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products, and that the product is entered in the List of Biocidal Products.
- 24.2. The packaging of a biocidal product should comply with the guidelines laid down in the CLP Regulation (Regulation (EC) No 1272/2008).
- 24.3. The label should be consistent with the provided safety data sheet, as well as extended and consistent with the provisions applicable to biocidal products.

25. Packaging requirements

25.1. In order to confirm compliance with the requirements of the *Act on Packaging and Packaging Waste Management of June 13th 2013*, a (domestic and foreign) **Supplier** of packaging and packaged products to be placed on the market by **LOTOS Oil** shall submit a representation to the effect that the packaging containing products and the empty packaging it delivers:

- a) contains no harmful substances in quantities posing any hazard to the product, the environment or human health,
- b) that the volume and weight of the packaging has been limited to the minimum necessary to ensure that the packaging performs its function and to guarantee an appropriate level of product safety, taking into account user expectations,
- c) that the packaging has been designed and made in such a way as to enable its repeated use and subsequent recycling, or – if reuse is not possible – at least its recycling, or another form of recovery if recycling is not possible.

A **Supplier** of packaging shall also provide a test report drawn up in accordance with the requirements of the said Act, presenting the results of tests carried out to establish the lead, cadmium, mercury and hexavalent chromium content in the packaging delivered.

A **Supplier** of packaging (e.g. barrels, plastic containers, pallets, cardboard boxes) shall provide, with the first delivery and whenever there has been any change therein, data concerning the type and weight of the material from which the packaging is made.

In order to confirm compliance with the requirements of the *Act on Packaging and Packaging Waste Management of June 13th 2013*, a (domestic and foreign) **Supplier** of raw materials which are to be used by **LOTOS Oil** to produce packaging, shall provide a test report drawn up in accordance with the requirements of the said Act, presenting the results of tests carried out to establish the lead, cadmium, mercury and hexavalent chromium content in the raw materials delivered.

26. EU supply chain due diligence regime

26.1. A Supplier shall comply with the provisions of Regulation (EU) 2017/821 of the European Parliament and of the Council of May 17th 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas (the “Regulation”).

26.2. In order to confirm compliance with the requirements of the Regulation referred to in Section 26.1, a (domestic, foreign) **Supplier** of materials delivered to **LOTOS Oil** shall submit a **Declaration of Materials Originating from Conflict-Affected Areas**, including information to the effect that the materials it delivers:

- a) do not contain the following metals : tantalum, tin, gold and tungsten originating from conflict-affected and high-risk areas;
- b) contain the following metals : tantalum, tin, gold and tungsten originating from conflict-affected and high-risk areas, but the annual import volumes of the individual minerals or metals are below the thresholds set out in **Annex I to the Regulation**, available at

- <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX%3A32017R0821>
- c) contain the following metals : tantalum, tin, gold and tungsten originating from conflict-affected and high-risk areas, and the annual import volumes of the individual minerals or metals are equal to or higher than the thresholds set out in **Annex I to the Regulation**, available at <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX%3A32017R0821>. A Declaration of Materials Originating from Conflict-Affected Areas must contain the full range of detailed information on the metals specified in the Regulation.

The Supplier must submit a Declaration of Materials Originating from Conflict-Affected Areas containing the relevant clause referred to in a), b) or c).

27. Final provisions

- 27.1. Polish law shall be the governing law for the **Parties** and the court having jurisdiction over the registered office of **LOTOS Oil** shall be competent to settle any disputes relating to a Purchase Order.
- 27.2. This document is enclosed with a Purchase Order, forming its integral part. To the extent not provided for in the Purchase Order, provisions of this document shall apply accordingly.