GENERAL TERMS OF PURCHASE
INTERNATIONAL TOBACCO MACHINERY POLAND SP. Z O.O. v.07
valid from October 1, 2024

1. PRELIMINARY PROVISIONS

Supply of all Products and provision of all Services for International Tobacco Machinery Poland Sp. z o.o. is executed exclusively based on these General Terms of Purchase and purchase Order with the attachments indicated by the Buyer which constitute all documents specifying the mutual obligations of the Parties (agreement), unless otherwise agreed by the Parties in writing.

2. DEFINITIONS

2.1. **Agreement** – documents defining mutual obligations of the parties, i.e. these General Terms of Purchase and purchase order with the attachments indicated by the Buyer.
2.2. **Buyer** – means International Tobacco Machinery Poland Sp. z o.o. with its seat at the address: ul. Andrzeja Stanikowskiego 2, 26-600 Radom, Poland.
2.3. **Confidential Information** – means any information, materials and documents of the Buyer, obtained by the Seller during works connected with performing an Order, defined also in clause 8.2 of these General Terms.
2.4. **Data Protection Law** – means the General Data Protection Regulation (EU) 2016/679 dated 27th 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, and any laws that amend, update, or supersede the GDPR, together with the Polish law relating to the processing or protection of personal data and privacy.
2.5. **Order** – means the document such as purchase order or an equivalent document, that incorporates these General Terms of Purchase and based on which the Buyer orders Products and/or Services from the Seller.
2.6. **Products** – means any movable items ordered by the Buyer from the Seller in order to purchase them, in accordance with the generic, quantity and quality specification which specification is inserted in the Order or is enclosed as attachment to the Order.
2.7. **Seller** – means each entity being the seller or supplier of Products or Services for the Buyer.
2.8. **Services** – means the works that the Seller is to perform based on the Buyer's Order, to which the provisions of the Polish Civil Code concerning the contract for specific work shall apply.
2.9. **Written form** – whenever written form is mentioned in these general terms, it also means e-mail.

3. GENERAL PROVISIONS

3.1. Delivery of Products or performing Services can be based only on the Order issued by the Buyer and confirmed by the Seller within the deadline indicated in the Order and in a written-form statement expressing consent to concluding an Agreement on the conditions stated in the Order.
3.2. In case the Order is accepted for execution, the Seller is obliged to confirm its acceptance to Buyer within the term defined in the Order. Orders may be changed or modified only upon the parties mutual consent, under the pain of nullity.
3.3. Standard terms and conditions of any Seller's business forms, including those referred to by the Seller in its offer or quotations, confirmation or acceptance of orders, invoices or similar documents, do not apply to any Order. The addition of any attachments to the order or these General Terms by the Seller will be absolutely invalid and will not have any effect, and any unilateral clauses, changes, and reservations added by the Seller in the contents of the offers or any other document, are ineffective, unless they are expressed in the content of the Order (or in the written agreement of the parties under pain of nullity).
3.4. The Seller is obliged to place the Order number on all documents and correspondence concerning the Order execution.
3.5. The Seller declares that the Products constitute his property, are free from physical and legal defects, and, in particular, are not the subject of pledge, are free from any liens and encumbrances of third parties (e.g. encumbrances on title to the Product that could affect the transfer of title to the Buyer) and there are no proceedings pending against the Products, including enforcement proceedings.
3.6. The Seller accepts that the Products and/or Services will be used by the Buyer as elements of machines, works, products or systems being sent to customers with their registered offices and factories in various countries and Seller bears full responsibility for damages caused by Products' and/or Services' defects also revealed after sending the installed Products and/or realizing the Services to the Buyer's customer, in particular in accordance with the principles described in clause 6.12. of these General Terms.

4. DELIVERY

4.1. The Seller will deliver the Products and/or render the Services at the time and place specified in the Order and in accordance with the description therein. Together with the Product delivery and/or upon the Services completion, the Seller is obliged to provide the Buyer with all the documents required by the contract or by the applicable law, in particular:
   1) specification of the delivered Products, in the form of a goods dispatched note or a VAT invoice copy,
   2) technical documentation regarding the Services performed and/or Products (if required by the law or by the Buyer),
   3) quality inspection certificate (if required),
   4) Conformity certificate i.e. CE mark (if applicable).
4.2. The specification attached to shipment has to definitely comply with the type and quantity of the Products delivered to the Buyer. Otherwise, the Buyer reserves the right to send the entire shipment back to the Seller at the Seller's cost and risk in order for the Seller to eliminate the above-mentioned deficiencies.

4.3. For the period of transportation, the Products should be protected against corrosion and mechanical damages. Lack of proper marking or package may be considered as the Product's defect. The Seller will insure the Products in transport until delivery moment, for an amount that is at least equivalent to their gross price. The risk of loss and the ownership title to the Products will pass from the Seller to the Buyer in accordance with the agreed INCOTERM, unless agreed otherwise by the Parties.

4.4. All the delivered Products have to be marked in a way enabling its unambiguous identification. For Products manufactured in accordance with the Buyer's documentation, its marking has to be in accordance with the respective description in the documentation. If no marking place has been indicated in the picture, suitable marking should be made on the tag. It is allowed to pack small Products in sets with the attached label stating the number of item and quantity of items in a package.

4.5. Lack of documents defined in clause 4.1. will be considered as non-performance of the contract and authorizes the Buyer to fulfil any or some claims defined in these General Terms, resulting from non-performance or improper performance of obligations (including the claims defined in clause 4.6., 6.8., 11.3., 11.4.) or to:

1) withdraw from the Agreement,
2) send the shipment back at the Seller's cost and risk, , in order for the Seller to complete the missing documents,
3) refuse to accept the delivery and place the delivery at the Seller's disposal, at the Seller's cost and risk, and to specify the time for addressing deficiencies, after the ineffective expiry of which the Seller will be entitled to withdraw from the contract and charge contractual penalties,
4) postpone the payment term, which will be renewed after eliminating deficiencies properly.

4.6. In the case of the Seller's delay to perform the Buyer's acknowledged Order, including breach of obligations specified in this clause 4., the Buyer may withdraw in full or in part from the contract without defining a further notice period. In case of the Seller's delay in performance of the contract, the Buyer has the right to charge contractual penalties in the amount of 0.6% of the value of the Order for each calendar day of delay. Free from defects and complete delivery of the Products or provision of the Services is considered by the Parties as performance of the contract.

5. ACCEPTANCE

5.1. The Buyer has the right to audit the process of manufacturing of Products or performance of Services and to control the quality acceptance at the Seller's premises or at the place of Services performance.

5.2. Prior to the commencement of the Order execution, the Seller is obliged to explain all ambiguities concerning Buyer's documentation, specification or identification of the Products.

5.3. The Seller acknowledges that the Buyer does not check all delivered Products and performed Services instantly, but only inspects them selectively, at random. Therefore, subsequent defect identification or detection does not deprive the Buyer of the right to lodge claims by this virtue provided under the law and these General Terms.

5.4. The fact that the Buyer receives and/or pays for the Products and/or Services, does not imply that:

1) the Buyer accepts the Products and/or Services or waives any of its rights,
2) the Seller complies with its obligations regarding the quality and other contractual requirements.

6. GUARANTEE, QUALITY AND COMPLAINT PROCEDURE

6.1. The Seller provides the Buyer with a guarantee under which the Seller will ensure that the Products operate in accordance with the Buyer's requirements, offer, Order and Documentation. In particular, the Seller warrants that the Products will be:

1) of first-class materials and workmanship,
2) of high quality and aesthetics,
3) suitable for normal commercial use,
4) free of any physical and legal defects,
5) manufactured in accordance with all specifications referred to in these General Terms and/or the Order with the attachments (including "Manufacturing standards of products for ITM Poland Sp. z o.o.", if applicable), all laws and standards of the countries of manufacture and intended use.

6.2. The guarantee is provided as part of the price for the delivered Products or Services performed (in accordance with the Order), and the Seller is not entitled to any additional remuneration for the provision of warranty services.

6.3. The guarantee period is two years from the date of receipt of the Products by the Buyer. Reporting a defect is considered effective if it is made before the guarantee period expires. The warranty period runs anew for the replaced Products or their replaced parts.

6.4. The guarantee does not exclude, limit or suspend the Buyer's rights arising from the provisions of law on warranty for defects in the work. The Buyer is entitled to exercise the rights of the statutory warranty, regardless of the rights arising from this Guarantee.

6.5. If the Products or the Services supplied by the Seller do not fulfil the requirements defined in the Order (or other mutually agreed documents), and in particular they have physical or legal defects, the Buyer at its discretion and without having to set an additional deadline, has the right to submit a complaint describing the observed defects. Complaints are based on all types of detected defects, including quality defects, quantitative deficiencies and missing documents.

6.6. By filing the complaint the Buyer has the right to request a price decrease or to reject the Products/ Services in full or in part. This right however is not contingent upon the replacement of a faulty Product or eliminating the defect by the Seller.

6.7. In case the Buyer does not exercise any of the rights defined in clause 6.6., the Buyer may request the Seller to replace faulty Products with Products free from defects, or may request the Seller to eliminate the defects by repair.

6.8. In situation described in clause 6.5. and 6.6., regardless of penalties for delay as defined in clause 4.6, the Buyer has the right to charge contractual penalties for delivering faulty Products or defective performance of Services, whereas if the defect elimination (or delivery of Products free from defects) commences:

a) within the deadline for contract performance by the Seller, the penalty amounts to 2% of the value of the faulty Products or defective Services,
b) later than the deadline for contract performance by the Seller, the penalty amounts to 6% of the value of faulty Products or defective Services.

6.9. In case of lodging a complaint and request by the Buyer to repair or replace the defective Product, the Seller is obliged to collect the faulty Product from the Buyer's premises without undue delay.

6.10. The Seller is obliged to process the Buyer's claim i.e. deliver the same quantity of Products free from defects or to eliminate the defect regardless of the costs and within the time not exceeding 7 (seven) calendar days. In case of failure to meet this deadline, the Buyer has the right to withdraw from the contract or have the price decrease without necessity of further notice.

6.11. If the faulty Product is not collected immediately, or in case of non-performance of the contract within deadline or non-performance of a claim within deadline defined in clause 6.10., the Buyer reserves the right to repair it by its own means (including the right to assign the repair to a third party) at the cost and risk of the Seller, without the necessity of obtaining a judicial authorization, in which case the Buyer will charge the Seller with repair costs or costs of sending the Product back.

6.12. If the delivered Products or performed Services become parts of machinery elements, works, products or systems being in turn delivered to the Buyer's customers, then if a defect in a Product or Service is discovered, the Seller shall cover all resulting costs, and the Buyer reserves the right to replace the faulty Product by its own means or to repair it, including disassembly and reassembly, and charge the Seller with the costs thereof, regardless the amount, without the necessity of obtaining a judicial authorization.

7. INVOICING AND PAYMENT

7.1. The Order number should be placed on each invoice or specification attached thereto (in accordance with clause 3.4.).

7.2. In case the price for delivered Products or performed Services has been determined in a foreign currency and the payment is effected in PLN, then it is necessary to place on the invoice: the currency exchange rate to PLN agreed contractually, the number of the exchange rate table and the bank name according to which the currency exchange rate has been determined.

7.3. Invoices sent via electronic message, should be sent to the following email address of the Buyer: invoice.itmp.in@itm.tembo.eu

7.4. After the Seller has delivered the Products and/or performed the Services, the Seller will promptly deliver to the Buyer (at the address specified in the Order) an invoice that accurately describes the Products and/or Services and complies with the Buyer's requirements for invoicing described in these General Terms of Purchase and/or an Agreement.

7.5. The condition of payment is delivery of Products and/or rendering Services free of defects and correct issuing of an invoice, in accordance with the Order and these General Terms of Purchase. Mutually agreed derogations from the terms stipulated on the Order entitle the Buyer to request a corrected invoice.

7.6. Unless the Parties agree otherwise, payment for the Products and/or the Services will be regulated by a bank transfer within 60 calendar days calculated from the date of delivery of the Products or performance of the Services in accordance with clause 7.5., but not less than 60 days from the date of delivery of a correctly issued invoice. If a corrective invoice is issued for an invoice received previously, the payment date of the invoice and of the corrective invoice shall run from the date of receipt of the corrective invoice. Should the Seller fail to comply with its obligations under this agreement, the Buyer reserves the right to defer payment in whole or in part until the Seller fulfills its contractual obligations.

7.7. The Buyer will pay the Seller the price as indicated in the Order. The Seller's invoice may include VAT at the rate applicable on the day of Order execution. Any additional expenses or fees not included in the Order must be agreed in writing by the Parties prior to incurring such expenses by the Seller. Otherwise, the Buyer is not obliged to reimburse the Seller any such expenses or fees.

7.8. The Seller declares that, in the situation where the currently applicable provisions of law impose an obligation on the Seller to register for VAT purposes in Poland, and the provisions result in the Seller's obligation to indicate the bank account number included in the list of VAT taxpayers (kept on the website by KAS, i.e. the National Tax Administration or other public authority authorized to do so), then the invoice issued by the Seller for the Products delivered and/or Services rendered will comply with Polish regulations (including the abovementioned regulations regarding the list of VAT payers) and these General Terms of Purchase. If the Seller makes a false statement in this regard and issues an invoice in breach of the above requirements, the Buyer shall have the following rights:
a) payment for Products and Services will be deferred until the date on which the Seller provides the Buyer with information on the bank account published in the online list of VAT payers. In such a case, the payment deadline for the Products delivered and/or Services performed runs from the date of indicating the appropriate bank account number, i.e. meeting the above requirements, or from the date of the previously indicated bank account number on the website of the list of VAT taxpayers.
b) The Buyer has the right to charge a contractual penalty of 5% of the total net value of the Order. Contractual penalties can be claimed jointly. In addition, the Buyer has the right to claim supplementary compensation in the event of damage arising on his part in connection with the submission of false data by the Seller. Contractual penalties and compensation will be payable within 7 days from the date of the request for payment.

7.9. The Buyer has the right to request from the Seller written confirmation of the bank account numbers indicated for payment by the Buyer for delivered Products or Services rendered, and the Seller undertakes to provide such confirmation within 7 days from the date of the Buyer's request. Any changes of the bank account numbers indicated for payment by the Buyer for the Products delivered or Services rendered must be in writing under the pain of withholding payments until these data are confirmed.

7.10. The Buyer may set off its receivables under the Order against the Seller's receivables, in particular for contractual penalties due to the Buyer.

7.11. Whenever the Seller is an entity incorporated outside of Poland, the following withholding tax clause applies:

Should the Buyer be required by any law or regulation to make any deduction on account of tax on any sum payable under this contract, the Buyer may deduct and withhold such amount from such payment, remit the amount to the proper revenue or other authorities and furnish the Seller with an official receipt evidencing such payment, together with such other documentation as the Seller may reasonably require while making submission to any revenue or other authority.

8. CONFIDENTIALITY AND BUSINESS SECRETS OF THE BUYER

8.1. The provisions of this clause 8. apply only if a separate confidentiality agreement has not been concluded with the Seller, which agreement takes precedence over the provisions of this clause 8. and excludes its application.

8.2. All the information provided to the Seller which refer to the Order subject, such as documentation, including technical documentation, blueprints, plans, description of the object of an order, as well as ideas, plans and concepts (regardless of the fact that it is qualified as Confidential Information hereunder), it constitutes the Buyer's intellectual property and at the same time Buyer's corporate secret. Thus, the information provided to the Seller within this Agreement is subject to legal protection, including protection by the provisions concerning counteracting unfair competition and protecting copyrights and industrial property rights (i.e. in particular the Act of 16 April 1993 on counteracting unfair competition, the Copyright Law of 4 February 1994, the Industrial Property Law of 30 June 2000 and any other legal acts repealing or amending the abovementioned). Confidential Information shall be provided exclusively for the purposes of cooperation with the Buyer and must remain confidential.

8.3. All the documentation referred to in clause 8.2. above is a work protected under the copyright law.

8.4. The Seller hereby undertakes to keep confidential, properly secure and not to disclose directly or indirectly, any Confidential Information, and to use it only for the purpose of executing the Order.

8.5. For disclosure of Confidential Information the Buyer considers also:

1) any culpable loss of Confidential Information, as a result of improper protection (also as a result of a theft), and its disclosure to an unauthorized person as a result of such loss;
2) any unauthorized disclosure of Confidential Information by Seller's employees or partners;
3) any disclosure of the Confidential Information to any third party for any purpose, including promotional or advertising purposes without the Buyer's prior written consent, under the pain of nullity.

8.6. The Seller limits disclosure of Confidential Information only to his employees connected with the Order realization. At the same time, the Seller will effectively inform his employees, to whom the Confidential Information have been disclosed, about the confidentiality obligation imposed on them pursuant to these terms as well as on obligation of not using Confidential Information for their own or anyone else's benefit. In case of breach of prohibition to disclose Confidential Information as defined by these terms by the Seller's employees, the Seller is obliged to take steps provided for by the law, attempting to enforce the compliance with the provisions of these terms in the future and enforcing sanctions for any breach hereof. Notwithstanding the above, the Seller is liable to the Buyer for all actions and omissions of its employees and associates and any third parties to whom it entrusted/ disclosed the Confidential Information, as for its own actions.

8.7. The Seller will not use the Buyer's Confidential Information for any purpose other than to perform its obligations under the Order and these General Terms of Purchase.

8.8. The Seller is obliged to inform Buyer about each attempt of obtaining Confidential Information by unauthorized persons or companies. The Seller will make all reasonable efforts in order to protect the obtained Confidential Information against its unintended takeover by unauthorized persons or companies.

8.9. The Seller will also immediately inform the Buyer about any breach of confidentiality of Confidential Information or a threat of unauthorized access to or disclosure of such information and, in such a case, the Seller will take all actions and make every effort to remove the effects of such breach and prevent further breaches.

8.10. The Seller warrants that the Buyer's documentation will not be used for any purpose other than executing the Order for the Buyer. The Products manufactured by the Seller for the Buyer on the basis of the Buyer's documentation or by the use of such documentation, cannot be offered or sold by the Seller to third parties or used by the Seller for its own needs.

8.11. The Seller undertakes:

1) not make the documentation or any part thereof available to anyone – without the written consent of the Buyer under pain of nullity;
2) not to produce or manufacture anything on the basis of the documentation or any part thereof, either on its own or on behalf of anyone other than the Buyer;
3) inform the Buyer about any threat to confidentiality of the documentation, including any attempt by a person other than the above-mentioned Buyer to extract the above documentation or parts thereof or trying to obtain information about the ideas/ solutions contained therein.

8.12. The Seller acknowledges that the documentation provided by the Buyer is of such value that each breach of the obligations set out in these General Terms, including clauses 11.1.-11.3., will result in liability provided for in mandatory provisions of law, in these General Terms and in other documents specifying the mutual obligations of the Parties (in particular the confidentiality agreement, Order), the request for contractual penalties, and the need to pay compensation exceeding these amounts, including lost profits.

8.13. The Seller will return (or, at the Buyer's request, destroy, including permanent and effective deletion, from computer memory and other electronic storage media) the Confidential Information at the end of this Agreement (regardless of the reasons for terminating the cooperation) or at any other moment whenever the Buyer deems it necessary.

8.14. The confidentiality obligations hereunder will apply from the moment of entering into this agreement by the Parties and will continue to apply for a period of 30 years after the termination of the Parties' cooperation, provided that the Seller has the right to unilaterally extend this period for another period indicated by it. The extension of the confidentiality period is made by virtue of the Seller's declaration submitted to the Buyer. The extension of the confidentiality obligation may by renewed.

9. INTELLECTUAL PROPERTY. THIRD PARTY CLAIMS.

9.1. Upon the Products' delivery to the Buyer hereunder, the Seller transfers the ownership of each and every Product.

9.2. For the avoidance of doubt, in the event of expiration or termination of the Agreement for any reason, the Buyer retains all results of work transferred to it by the Seller and all acquired rights.

9.3. Nothing contained in these Terms will be construed as transferring, by license or otherwise, any rights of the Buyer, such as patent rights, copyrights or other intellectual property rights in respect of any Confidential Information or any other information provided by the Buyer under this Agreement.

9.4. All rights to the intellectual property created by the Seller in connection to this contract will be the exclusive property of the Buyer and the Seller undertakes to conclude an appropriate agreement on the transfer of such intellectual property rights (either ownership or license) free of charge in order to fulfil any additional legal requirements. In order to avoid any doubts, it is agreed that the exclusive owner of all intellectual property rights created in connection with the Agreement will be the Buyer. All rights arising in connection with the implementation of the Agreement, including copyrights to the results of the Seller's work, know-how to the results of the Seller's work related to the subjects of the Agreement and all industrial property rights are transferred by the Seller to the Buyer as part of the remuneration referred to in clause 7 at the time of their creation.

9.5. The Seller declares that the Products and/or Services performance do not affect or infringe the rights of third parties relating to patents, trademarks, copyrights or any other intellectual property rights, and their manufacturing, performance and sales is not conducted in breach of principles of fair competition, and is realized in accordance with the applicable law.

9.6. In the event of using the assistance of third parties in the implementation of the Agreement and if as a result of such assistance any copyrights are created, the Seller ensures and guarantees the effective transfer of such copyrights to the Buyer on the terms and to the extent necessary for the transfer of rights referred to in this clause, no later than on the date of their submission to the Buyer.

9.7. The Seller will defend the Buyer against any claims that the Products infringe any such intellectual property rights, and shall indemnify it (irrespective of whether the Seller is in breach of warranty) from any loss, damage, expenses, judgements incurred by the Buyer or any other entity deriving their right to use the Products from the Buyer. To avoid any doubts, it is agreed that the Seller shall be liable for any claims of third parties arising in connection with the agreed use of the Products by the Buyer, its legal successors or entities for which the Buyer disposed of the rights. The Seller is fully liable for claims of third parties addressed to the Buyer and the entities referred to in the proceeding sentence in connection with possible violations of intellectual property rights, personal rights and other rights of third parties, if they were violated in connection with the creation and use of the subject of the Agreement (Products and their elements) in a manner consistent with the Agreement.

9.8. In the event that third parties make a claim against the Buyer in connection with the execution of Orders by the Seller, the Seller will make every effort to obtain appropriate ownership rights in favor of the Buyer or to modify or repair the Products or to re-perform the Services, in accordance with the Order (depending on which solution is best in a given situation).

9.9. If a third party makes a claim against the Buyer based on the statemetn that the use of the Products provided by the Seller infringes the intellectual property rights of that third party, the Seller will take steps to resolve the dispute and incur all costs and expenses as a result, including costs of legal representation incurred from the moment of filing the claim and will cover all documented costs and expenses incurred by the Buyer, including the costs of compensation and other liabilities.

9.10. Moreover, if, as a result of a decision of a court or other similar authority, the Buyer will not be able to use the Products or parts thereof, the Seller, without additional remuneration, immediately and at its own cost and risk, will modify these Products or replace them with new ones in such a way that they do not infringe third party rights.

9.11. The Seller will cover all damages and documented costs incurred by the Buyer as a result of claims made by third parties related to the subject of the Agreement. If the Products are found to infringe industrial or intellectual property rights in any respect, the Seller, at its own expense and at its option, will obtain for the Buyer the rights to continue the proper use of the Products.

9.12. The Seller is not entitled to use the trademarks or brands, logos neither other distinguishing marks of the Buyer, without its written consent.

10. PERSONAL DATA PROTECTION

10.1. The Parties undertake to comply with the Data Protection Law.

10.2. The Parties warrant that they have appropriate operational and technical processes in place to safeguard against any unauthorized access, loss, destruction, theft, use or disclosure of the other Party's Personal Data. In addition, the Parties will provide to each other any assurance in respect of the security of any data processed by the other Party as may be reasonably required by such Party to comply with its obligations under Data Protection Law.

10.3. For the avoidance of doubt, the Parties will acquire no rights in any of each other's Personal Data and will only be entitled to process it in accordance with these General Terms of Purchase or other mutually signed document. On termination of the agreement or other date as required by the applicable Data Protection Law, the Parties will immediately cease to use each other's Personal Data and will arrange for its safe return or destruction at the relevant time.

10.4. The Buyer informs the Seller that:

1) the controller of the Seller's personal data is International Tobacco Machinery Poland Sp. z o.o. with the registered seat in Radom, Andrzeja Stanikowskiego 2, and these data are processed for the implementation of this agreement and subsequent cooperation of the Parties (on the basis of a contract/ Order). The Seller may find detailed information on the principles of data processing and rights available on the website: http://www.itmgroup.pl/rodo/klauzula.pdf. Furthermore, a data protection officer has been appointed at International Tobacco Machinery Poland Sp. z o.o., who can be contacted via e-mail: IOD.PL@itm.tembo.eu
2) the Seller's personal data will be kept for the period of 3 years, which is necessary to protect the interests of the Buyer, and in the case of image – not longer than 45 days.
3) The Seller has the right to access, rectify, erase or restrict the processing of its personal data, as well as the right to object to the further processing of the data.
4) The Seller has the right to lodge a complaint with the Polish President of the Office for the Protection of Personal Data (PUODO) if the Seller considers that the processing of its personal data violates the provisions of the Data Protection Law.

11. LIABILITY

11.1. In the scope of performance of the contract, the Seller's liability is governed by the principle of full compensation (i.e. exceeding the amount of any contractual penalties). Moreover, the Seller is responsible for the actions and omissions of persons he uses to perform the Agreement as for his own actions and omissions. To the maximum extent permitted by the applicable law, the Seller's liability related to the implementation of the Agreement will be unlimited in particular (but not limited to) in the following cases:
   1) death or personal injury caused by negligence,
   2) fraud, willful misconduct or gross negligence,
   3) breach of provisions regarding confidentiality (clause 8.), intellectual property (clause 9.) or personal data protection (clause 10.), compliance (clause 12.).

11.2. Subject to further provisions, the Parties will be liable for non-performance or improper performance of the obligations specified in the Agreement on the general principles provided for in the Civil Code, however, in relation to the Parties, the degree of required diligence will be determined taking into account the professional nature of their activities. For the avoidance of doubt, the Parties agree that the warranty for legal defects of the Products is not excluded.

11.3. Apart from the cases specified in mandatory provisions of law and in these General Terms of Purchase, the Buyer may withdraw from the Agreement without the need to set additional deadlines for the Seller also in the following cases:
   1) when the Seller is in default in contract performance for more than 14 days or (when the deadline for the execution of the contract is shorter than 14 days) when the delay is so great that there is a reasonable belief that he will not perform the contract on time;
   2) when the Seller has not commenced the execution of the contract without justified reasons and does not undertake it despite the Buyer's request;
   3) when the Seller has stopped the execution of the contract without justification and this interruption lasts longer than 7 days;
   4) the occurrence of the Seller's insolvency within the meaning of Article 11 of the Act of February 28, 2003, Bankruptcy Law, i.e. if the Seller has lost the ability to perform its due pecuniary obligations (whereby it is presumed that he has lost the ability to discharge his due pecuniary obligations if the delay in the performance of his monetary obligations exceeds three months);
   5) in other cases provided for in these General Terms.

11.4. In case of withdrawing from the contract by the Buyer for reasons attributable to the Seller, the Buyer has the right to charge contractual penalties in the amount of 20% of the Order value, regardless of contractual penalties for contract performance delay charged up to the moment of withdrawal from the contract.

11.5. The Buyer has the right to expect the Seller to indicate the data of subcontractors (if any), and the Seller is obliged to provide all necessary information in this regard. If the Seller refuses to cooperate in this respect, the Buyer has the right to withdraw from the contract and/or claim compensation.

11.6. The Seller is fully liable towards the Buyer for acts and omissions of employees, subcontractors and other associates, engaged by the Seller to execute the Order, and he is responsible for their actions as for his own actions. The Seller is obliged to inform its' employees, associates and subcontractors about these General Terms of Purchase of ITM Poland Sp. z o.o.

11.7. The Seller ensures that persons engaged by it to execute the Order will comply with all rules and principles binding at the Buyer's and at the Buyer customer's – in case the Services are performed at the premises of the Buyer's customer. In order to perform the Services safely and properly, the Seller undertakes to make himself familiar with and observe the "OHS, Environmental Protection and Fire Protection Regulation for Services Providers and Subcontractors Performing Works at the Premises of International Tobacco Machinery Poland Sp. z o.o.".

11.8. The Seller is obliged to purchase at its own cost a civil liability insurance policy valid for the entire period of cooperation with the Buyer, proper for the scope of the Seller's business activity and appropriate as regards the scope of the contractual obligations towards the Buyer. The Seller undertakes to present the policy at the Buyer's first request. In the event of refusal to provide the policy or its failure, the Buyer has the right to withdraw from the contract.

11.9. In any case the Buyer has the right to claim damages exceeding the contractual penalties stipulated in these General Terms of Purchase, including demanding reimbursement of any costs related to any sanctions against the Buyer (e.g. administrative, customs or tax sanctions). Moreover, the Buyer has the right to deduct contractual penalties directly from the remuneration due to the Seller, to which the Seller agrees.

12. COMPLIANCE

12.1. The Seller is obliged to:

a) comply with generally applicable law, as well as any specific sector regulations applicable to the scope of deliveries of Products and/or Services to the Buyer,
b) inform the Buyer about any criminal or civil proceedings that may adversely affect deliveries made to the Buyer,
c) exercise due diligence in selecting subcontractors.

12.2. The Seller declares that it bears full responsibility for all activities related to the production of Products and the provision of Services (including those related to the purchase and use of raw materials) and their dissemination, and declares that it conducts its business in accordance with the provisions of law relating in particular to:
a) environmental protection (including, among others: regulations on energy and water consumption, greenhouse gas emissions, biodiversity, raw materials management, pollution and waste),
b) labor law, occupational health and safety of employees and that it does not employ children or use them for forced labor,
c) corporate governance, anti-corruption, privacy protection and data security.

12.3. Sectoral and personal economic sanctions:
If the Seller purchases Products and/or Services from sub-suppliers outside Poland, the Seller is obliged to comply with all national and international regulations regarding trade control (export control). The Seller should also bear in mind that the Buyer purchases goods for sale abroad. This means it is absolutely necessary for the Seller to comply with the trade control regulations of the Republic of Poland, the European Union and the United States of America. The Seller is obliged to inform the Buyer about the possible obligation to have permits to export and/or re-export its Products, in accordance with applicable customs regulations. For this purpose, after receiving the Order, the Seller must provide, at the Buyer's request, unless he has previously included it in his offer, the following information: statistical number of the goods (HS Code), export list number in accordance with the currently applicable EU regulations on dual-use goods ("dual-use"), Export Control Classification Number (ECCN) under US export laws. The Seller is obliged, at the Buyer's request, to inform in writing about any other commercial data regarding the Products and their components, as well as to inform in writing about any changes to the information indicated above.
Sankcje ekonomiczne sektorowe i osobowe:
If it is necessary to enable the relevant state authorities or the Buyer to verify the transaction in terms of export control, the Seller, at the Buyer's request, will immediately make available information regarding the Products/ Services. In the event of failure to provide information or incorrect information regarding the above-mentioned data, the Buyer is entitled, without prejudice to further claims, to withdraw from the contract.

12.4. The Seller ensures that he became acquainted with the Statement of International Tobacco Machinery Poland Sp. z o.o. on the so-called Conflict Minerals (available at http://www.itmgroup.pl/terms/ITM-CM_Statement.pdf), and undertakes to ensure due diligence throughout the supply chain, aiming to eliminate minerals in their Products supplied to the Buyer, the extraction of which may lead to social and environmental abuse.

12.5. The Seller assures that he familiarized himself with the Anti-Corruption Policy of International Tobacco Machinery Poland Sp. z o.o. (available at: http://www.itmgroup.pl/terms/Anti-Corruption_Policy_of_ITM_Poland.pdf) and undertakes to comply with it in all business relationships with the Buyer.

12.6. If the cooperation concerns Services, unless otherwise agreed in a separate agreement, liability under waste law passes to the Seller at the time of waste generation.

12.7. For all Products requiring CE marking, the Seller is obliged to deliver them in accordance with CE safety standards and marked accordingly. The Seller should provide the Declaration of Conformity at each request of the Buyer.

12.8. The packaging of goods delivered to the Buyer must comply with European standards EN 13427:2004 and must meet the criteria for the permissible content of heavy metals.

12.9. In the case of deliveries of Products to which Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (WEEE) applies, the Seller is obliged to ensure compliance of the delivery containing electrical or electronic equipment with the requirements of the above Directive, in particular to ensure that the delivered products are marked with the symbol of selective collection.

12.10. All Products delivered by the Supplier must meet the applicable guidelines regarding environmental protection, hazardous, toxic and prohibited materials. Products should comply with the REACH Regulation (i.e. 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 a European Agency Chemicals, 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) and the RoHS Directive (i.e. Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical equipment and electronic). For the purposes of such compliance, the Seller must assure the Buyer that the delivered Products do not contain articles containing substances prohibited under Annex XVII of the REACH Regulation, the current candidate list (SVHC) or which are subject to authorization under Annex XIV of the REACH Regulation, as well as substances prohibited under the directive RoHS. The Seller is also obliged to provide the Buyer with all current Safety Data Sheets (SDS) in Polish, at the latest with the first delivery of products, and to provide updated SDS immediately after their update. The information contained in the Safety Data Sheets is the sole responsibility of the Seller, the Buyer is not obliged to check their content.

12.11. The Seller is obliged to provide, at the Buyer's request, a RoHS certificate together with Products that require it when introducing them to the Polish market, in accordance with the provisions of the RoHS Directive and any regulations that amend, update or replace the RoHS Directive, as well as Polish law regarding hazardous substances in equipment. The delivered Products should be appropriately marked.

12.12. If the relevant legal provisions change between the conclusion of the contract and its performance, which affects the performance of the contract, the Seller will immediately inform the Buyer in writing about the change and the related consequences in terms of schedule and costs. Changes to the order/ contract become legally effective only with the written consent of the Buyer. The Buyer will decide on the order taking into

account the above-mentioned changes within a reasonable time. If the Buyer does not accept the change in deadlines and/or costs resulting directly from the above-mentioned changes in legal provisions, both parties have the right to terminate the contract.

13. FINAL PROVISIONS

13.1. Provisions of Polish law apply to execution of Orders by the Seller hereunder. The application of the Convention on Contracts for the International Sale of Goods (CISG) is explicitly excluded.

13.2. In case of a dispute, the Parties will bring it to an ordinary court appropriate for the Buyer's premises.

13.3. Assignment of rights or obligations of the Seller resulting from the Order require prior written approval of the Buyer, otherwise null and void.

13.4. If any of the provisions of these General Terms of Purchase of ITM Poland Sp. z o.o. is found to be invalid, the remaining provisions thereof will remain valid and enforceable to the maximum extent permitted by law.

13.5. These General Terms of Purchase may be amended only by written agreement of both Parties, under the pain of nullity.

13.6. Any general terms and conditions of the Seller do not apply and will be overruled by these General Terms of Purchase of ITM Poland Sp. z o.o. and express terms indicated in the Buyer's Order.