

## GENERAL TERMS OF PURCHASE ZAKŁADY AZOTOWE CHORZÓW S.A.

### Article 1: GENERAL TERMS

#### 1. Definitions:

**GTP:** these General Terms of Purchase. If there are no other terms expressed directly in writing, these General Terms of Purchase shall constitute an integral part of every Agreement and shall be applied to all other activities between the Parties.

**Order/ Agreement:** a written order, also in the form of an e-mail, filed by the Recipient, approved by a person/persons authorised to incur obligations on the part of the Recipient, or an agreement concluded in written form between the Supplier and the Recipient with respect to the purchase of Goods.

**Recipient:** Zakłady Azotowe Chorzów S.A. ul. Narutowicza 15, 41-503 Chorzów, entered in the register of entrepreneurs maintained by the District for Katowice – Wschód in Katowice, 8<sup>th</sup> Economic Division, KRS 0000070509, State Statistical No. (REGON) 271515599, VAT Reg. No. (NIP) PL 627 001 16 43 BDO: 00011393 share and paid-up capital PLN 94,700,000.

**Supplier:** a domestic or a foreign entity, i.e. a natural person conducting business activity, a private person or an organisational unit without legal personality.

**Product:** movables, goods which are to be purchased on the basis of the Agreement/ Order.

**Party, Parties:** means the Seller, the Buyer or both parties.

- Provisions of the Order/ Agreement inconsistent with the GTP require observance of a written form under pain of nullity.
- These trade terms shall be applicable in a scope in which the Recipient did not make different written arrangements with a given Supplier, which clearly specify their precedence in reference to these General Terms of Purchase.
- In case of application of other language versions of the General Terms of Purchase than the Polish language version and any potential discrepancies among versions, the Polish version shall always take precedence.

### Article 2: OFFER AND PRICE

- The Recipient's Orders/ Agreements shall be binding only when they were filed in written form or in a documented form (also via fax or e-mail).
- Prices specified in the Seller's offer and confirmed in the Order/ the Recipient's Agreement shall be binding. The prices do not include VAT. The prices include costs of transport and insurance during transport, packaging, and in the case of import, also customs and other import-related fees.
- In the case of a trade relation the subject matter of which is regular collection of Products, the Supplier, irrespective of prior arrangements, shall take into account changes of prices for the Recipient's benefit, in particular if the Supplier lowers the prices with respect to all or a number of its recipients.
- Remuneration for visits, preparation of offers, brochures, cost-estimates, etc. shall be due to the Supplier exclusively when it was previously agreed by the Parties.

### Article 3: CHARACTERISTICS OF GOODS

- If, when filing an Order/ Agreement, the Recipient refers to the submitted orders, illustrations, settlements and tolerances, the characteristics resulting from them shall be treated by the Parties as contractually binding with respect to the Product which is the subject matter of delivery. This also refers to the external appearance and characteristics in line with the Recipient's guidelines.
- Provision by the Recipient of drawings, illustrations, settlements and tolerance ranges does not release the Supplier from the obligation of checking such documents with respect to their correctness and possibility of their application during the production and delivery of ordered Products.
- If the Recipient's Order/ Agreement relies on samples and templates, the Supplier guarantees compliance of characteristics of the delivered Products with the characteristics of samples and templates.

4. The Supplier shall inform the Recipient about any changes pertaining to the specification and the production process, composition and content of Products.
5. Any quality and quantity changes in relation to the Order/ Agreement shall be deemed agreed only after the Recipient has granted its explicit written approval.

#### **Article 4: PACKAGING**

1. Return of packaging requires separate arrangements. If return of packaging was arranged, packaging is returned at the Supplier's cost and risk.
2. Packaging unfit for recycling shall be collected at the Recipient's request or utilised at the Supplier's cost. If the Supplier fails to fulfil this obligation in spite of being summoned to do so, the Supplier shall return to the Recipient the costs incurred by the Recipient/ Buyer on this account.

#### **Article 5: DELIVERY AND DELAYS IN DELIVERY**

1. The delivery deadlines or processing periods specified in the Order/ Agreement shall be binding. Processing periods begin as of the day on which the Order was filed. The date of delivery of the Product to the Recipient or the place of collection designated by the Recipient shall be decisive for observance of the delivery deadline or the period of processing.
2. If any delays are expected, the Supplier shall immediately inform the Recipient about it by sending information about causes and expected time of delay to the e-mail address of an authorised employee of the Recipient who filed an order.
3. The Supplier shall attach the proof of delivery to every delivery and the quality certificate of the delivered Product.
4. In the proof of delivery and shipment specification, it is necessary to provide the Order/ Agreement numbers, quantities and unit of quantity, net and gross weight, designation of the item and number of items, and in case of partial deliveries, also the remaining amount.
5. In case of delays in deliveries, the Recipient shall have a right to charge the Supplier with a contractual penalty amounting to 1% of the agreed purchase price for every completed day of delay; the total amount of contractual penalty shall amount to 10% of the purchase price as a maximum. The Recipient is vested, pursuant to legal provisions, with other claims (in particular withdrawal from the Order/ Agreement, supplemental damages exceeding the amount of the stipulated contractual penalty upon general principles of the Polish Civil Code, etc.).
6. In case when delays in Product delivery threatens the production liquidity of the Recipient or exposes the Recipient to losses due to claims of third parties, the Recipient shall have a right to purchase the Product from another supplier without prior approval of the Court and the difference in price shall be charged to the Supplier and the Supplier agrees to it.

#### **Article 6: COLLECTION OF GOODS**

1. The Recipient is not liable for collecting the Products prior to the date of delivery.
2. The Recipient shall have a right to refuse to accept the Product fully or in part in case: the delivery deadline or the processing deadline was exceeded, incorrect quality of the Products was ascertained, not ordered Products were delivered, Products in an amount exceeding the quantity specified in the Order/ Agreement below 10% of the ordered quantity were delivered.
3. In case of any discrepancies between the quantity of Products indicated in the delivery document and the quantity actually collected by the Recipient, the Recipient's employee shall prepare a proper note on the delivery document which shall be a basis for invoice issue.
4. The Parties agree that the basis for quantity settlement shall be the mass of the Product specified on the basis of weight documents from a legalised car scales of the Recipient.
5. If the Recipient refuses to accept the Products in cases indicated in point 2 above, the Supplier shall collect the Products which the Recipient refused to collect and shall bear all costs related to it.

#### **Article 7: PAYMENT TERMS**

1. The Supplier shall specify quantities and quantity units, net weight, designation of articles and article numbers on all invoices. In case of absence of the data above, the Recipient shall not be liable for delays in settling payments.
2. The Recipient shall pay via a wire transfer on dates specified in the Order/ Agreement or on other dates agreed by the Parties. The payment deadline is calculated from the date of receipt of an indisputable, full delivery and receipt of a correctly issued invoice or bill. The date of payment shall be the date of debiting the Recipient's bank account.
3. In case of delays in payments, the Recipient shall be required to pay, upon the Supplier's request, statutory interest for delay in trade transactions.

#### **Article 8: DEFECTS**

1. The Supplier shall control the quality of delivered Products and shall attract the Recipient's attention to the existing doubts with respect to the potential quality defects.
2. In line with Art. 563 of the Polish Civil Code (obligation of examining items and notifying about defects), the Recipient shall only be liable for a minimum control of items on the basis of the proof of delivery and with respect to transport damages.
3. The deadline for lodging complaints pertaining to quantity defects amounts to five business days from the date of collection of Products. In case of quality defects, the deadline amounts to thirty days from the moment when the Recipient detected a defect.
4. In case of quality defects, the Recipient shall have a right to demand that the Supplier removes the defects or delivers a new Product.
5. If the Parties fail to reach an agreement with respect to justifiability of the complaint, disputes pertaining to the Product's compliance with quality requirements shall be settled by SGS Polska Sp. z o.o. ul. Bema 83, 01-233 Warsaw. The obligatory document shall be the Control Report of SGS Polska Sp. z o.o. The decision of SGS Polska Sp. z o.o., as an independent entity, shall be binding for both Parties, which does not deprive a Party that does not agree with the decision of the right to seek claims in court. If the expertise issued by SGS Polska Sp. z o.o. confirms the Recipient's claims, then all the costs related to the issue of the aforementioned expertise shall be borne by the Supplier, and in another case by the Recipient.

#### **Article 9: SUPPLIER'S LIABILITY**

1. Should any claims be lodged against the Recipient with respect to liability for the Product or any other claims within the scope of civil liability or liability for defects or damages caused by the Product, the Supplier shall bear such liability. In such case, the Supplier shall hold the Recipient harmless from any liability upon first summons and shall return any costs incurred by the Recipient in relation to this.
2. Assignment of rights and obligations resulting from an Order/ Agreement by the Supplier to another entity requires the Recipient's written approval.

#### **Article 10: CONFIDENTIALITY**

1. Any information and documents, technical and trade knowledge, and in particular drawings, illustrations and calculations received from the Recipient shall be kept confidential. The Supplier shall have a right to make them available to third parties only after receiving a prior written approval of the Recipient.
2. The Supplier shall use the confidential information exclusively for the purpose of Order/ Agreement performance.
3. The confidentiality obligation shall also be binding after performance of the Order/ Agreement.

#### **Article 11: RECIPIENT'S LIABILITY**

1. The Recipient shall bear contractual liability only in case of violation of the provisions of the Order/ Agreement, resulting from intentional acts or gross negligence up to the value of the Supplier's loss for a part of the order that has not been performed. The Recipient limits its liability related to the performance

of the Order/ Agreement exclusively to contractual liability in case of cumulation of contractual liability and tort liability - in line with Art. 443 of the Civil Code.

2. If a damage is covered by the insurance maintained by the Supplier and applicable to a given event, the Recipient shall be solely liable for potential increase of the insurance premium or interest charged until the moment of settling the damage by the insurance carrier.

#### **Article 12: GDPR**

Pursuant to Art. 13.1 and 2 of Regulation 2016/679 of the European Parliament and of the Council (EU) of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Processing Regulation, hereinafter also referred to as the GDPR), we hereby indicate that:

1. The data controller is Zakłady Azotowe Chorzów S.A. 41-500 Chorzów, ul. Narutowicza 15, entered in the District Court Katowice Wschód in Katowice, 8th Economic Division of the National Court Register under entry No. KRS 0000070509, VAT Reg. No. (NIP) 627-001-16-43, share capital PLN 94,700,000 (fully paid-up).
2. ZACH designated a Data Protection Officer. With respect to all issues related to the processing of personal data of persons responsible for the performance of the goods transport services by the Data Controller, as well as in the case of exercising rights specified in this clause, you can contact us by sending a relevant application in written form to the following address: Zakłady Azotowe Chorzów S.A., 41-500 Chorzów, ul. Narutowicza 15, with a note "Personal Data Protection", to e-mail address: [iod@azotychorzow.pl](mailto:iod@azotychorzow.pl), or via telephone at No. +48327362000.
3. The processing shall encompass data of persons responsible for the performance of the concluded Agreement or activities prior to the conclusion of the Agreement (GDPR, Art. 6.1b), including first name, surname, telephone number, e-mail address, for the purpose of:
  - a. performance, for the benefit of Zakłady Azotowe Chorzów S.A., of sale and/ or supply agreements, and shall be stored for a period preceding conclusion of an agreement and the period of agreement performance;
  - b. servicing complaints and notifications and shall be stored for a period of 3 years from the completion of a case.
4. Data of persons responsible for performance of the Agreement may be processed on the basis of the Data Controller's legitimate interest (GDPR, Art. 6.1f), for the purpose of:
  - a. performance of audit and control activities and shall be stored for a period of 5 years from the end of an activity;
  - b. determination and seeking of potential claims or defence against potential claims and shall be stored for the duration of proceedings or a period of expiration of potential claims;
  - c. debt recovery and performance of seizures of receivables and shall be stored for a period of 10 years from the end of a calendar year in which the receivable was settled.
5. Data of persons responsible for the processing of sale and/ or delivery agreements for the benefit of Zakłady Azotowe Chorzów S.A. may be processed in relation to performance of obligations imposed by legal provisions on the Data Controller (GDPR Art. 6.1c) for the purpose of and within the scope necessary to perform the obligations resulting from tax provisions, accounting provisions and other legal provisions.
6. Data of persons responsible for the performance of sale and/ or delivery agreements for the benefit of Zakłady Azotowe Chorzów S.A. may be made available to:
  - a. companies providing accounting, invoicing and contract settlement services, service quality audit, receivables recovery, legal and analytical services;
  - b. suppliers of IT systems and IT services;
  - c. postal operators and couriers;
  - d. entities authorised to receive data of persons responsible for the performance of transport services for the benefit of Zakłady Azotowe Chorzów S.A. on the basis of legal provisions.

7. Persons responsible for the performance, for the benefit of Zakłady Azotowe Chorzów S.A., of sale and/ or delivery agreements shall have a right to access the content of data and to demand data rectification, removal of data, limitation of processing, a right to transfer data and a right to file an objection against data processing, as well as a right to withdraw the consent at any moment without affecting the compliance with the law of the processing made on the basis of the consent prior to its withdrawal.
8. Persons responsible for performance, for the benefit of Zakłady Azotowe Chorzów S.A., of sale and/ or delivery agreements shall be vested with a right to file a complaint to the President of the Personal Data Protection Office, handling personal data protection if they decide that the processing of personal data violated the GDPR provisions.

Contact data of supervisory authority:

Personal Data Protection Office

ul. Stawki 2, 00-193 Warsaw

Tel. No. +48 22 531 03 00, <https://www.uodo.gov.pl/pl/p/kontakt>

9. Data of persons responsible for service performance shall not be subject to profiling.

Provision of personal data of persons responsible for performance of the agreement/ service provision is voluntary, yet the consequence of failing to provide personal data required by ZACH is no possibility of implementing the subject matter of the agreement.

#### **Article 13: FINAL PROVISIONS**

1. If any of the GTP becomes invalid, such invalidity shall not affect other terms. In line with the content of this article, if any of the GTP becomes invalid, the Parties shall initiate negotiations to agree on substitute terms.
2. The General Terms of Purchase shall be interpreted in line with the Polish law. Issues not regulated by the General Terms of Purchase shall be governed by the relevant provisions of the Polish Civil Code.
3. The place of performance of all obligations resulting from an Order/ Agreement shall be the Recipient's seat.
4. The court competent for settling disputes resulting from the trade relations binding the Parties shall be the court of local competence for the Recipient's seat.
5. These GTP may be revised and changed by the Employer. The most recent version of these General Terms of Purchase is available at the Recipient's website: [www.azotychorzow.pl](http://www.azotychorzow.pl).