

## **FABIOS SA GENERAL TERMS AND CONDITIONS OF SALE**

### **1. DEFINITIONS**

- 1.1. The General Terms and Conditions of Sale are hereinafter referred to as the GTCS.
- 1.2. Seller –FABIOS S.A. Białka 556, 34-220 Maków Podhalański, Poland.
- 1.3. Buyer – a corporate person, natural person or any other organisational unit having legal capacity, purchasing the product of the Seller in the course of business or within a profession related to cold cuts and/or meat products.
- 1.4. The Seller is entered in the Register of entities marketing packaged products and managing waste (Polish abbreviation BDO) as number BDO 0000230669.

### **2. SCOPE OF APPLICATION OF THE GENERAL TERMS AND CONDITIONS OF SALE**

- 2.1. When placing an order, the Buyer or any person duly authorised by the Buyer shall certify that the Seller's GTCS are known to them and that they accept them. The compliance with the said condition is required to start business cooperation.
- 2.2. The conditions for carrying out contracts with different contents applicable at the Buyer's site shall not be accepted by the Seller.
- 2.3. The Seller permits entering into individual commercial contracts by way of mutual negotiations between the Parties thereto. The accepted solutions other than those included in the GTCS shall have precedence over the GTCS provisions.

### **3. PURCHASE ORDER**

- 3.1. The purchase of a product from the Seller shall require submitting the purchase order signed by the Buyer or an authorised person.
- 3.2. The purchase order shall be placed at the Sales and Marketing Department by the 10<sup>th</sup> day of the month preceding the month of its carrying out via e-mail (e-mail address: [fabios@fabios.com.pl](mailto:fabios@fabios.com.pl)). The Purchase Order shall contain:
  - a. The sort of the ordered range of products (gauge, type, colour, packaging and customisation type, any other information),
  - b. The quantity of products ordered,
  - c. The expected date of collecting the ordered items.
- 3.3. The placement of the purchase order shall not be binding to the Seller and the absence of reply shall not be deemed as implied acceptance of the order. The acceptance of the order by the Seller shall require written confirmation by the Seller. Where the order is accepted by the Seller with any reservations, the Buyer shall be bound by the content of the said reservations unless the Buyer's remarks, if any, are presented without delay, within maximum 3 (three) business days. The order, order acceptance, and order acceptance with reservations may be submitted by e-mail from the addresses agreed by the Parties.
- 3.4. When the order involves the casing that requires special packaging or in a rare colour, prior to the preparation of the contract, the Seller shall have the right to request a prepayment from the Buyer for the ordered goods.
- 3.5. The acceptance of a purchase order shall not be binding to the Seller in the following situations:
  - a. Where the delivery and sale of products (goods) are impossible or excessively impeded due to reasons not attributable to the Seller, in particular due to the circumstances of Force Majeure,
  - b. Where the Buyer's overall obligations towards the Seller have exceeded the amount of the merchant credit awarded to the Buyer by the Seller or the limit of the merchant credit granted by the insurance company,
  - c. Where the Buyer is in default with any payments due to the Seller or where the Buyer does not collect the goods despite the notice to do so,
  - d. Where no collateral has been established on demand or where it has expired,

e. In the situations described in 6.6 and 7.4.

#### **4. DELIVERY TERMS: LEAD TIME, TRANSPORT, INSURANCE, TRANSFER OF RISK**

- 4.1. The Delivery of Goods shall take place through the effort of the Buyer or using forwarding companies on FCA terms, destination, Poland (INCOTERMS 2000).
- 4.2. The lead time specified in the order confirmation should be considered to have been agreed between the Parties. Failure to meet the lead time by the Seller shall authorise the Buyer pursue the Buyer's rights exclusively where the Seller fails to perform the delivery despite the new dates agreed in writing.
- 4.3. The Buyer shall have the right to collect the products (goods) or to accept them within 7 (seven) days from receiving the notice about the product availability at the Seller's warehouses. In the event of any delay in collection of the goods, the Buyer may be charged with warehousing costs. The Seller reserves the right to withdraw from the contract if the foregoing deadline has not been kept.
- 4.4. Each partial delivery shall constitute a separate transaction and may be invoiced separately by the Seller.
- 4.5. A confirmed order may only be withdrawn by the Buyer, in whole or in part, with the consent from the Seller.

#### **5. PRICE**

The price of the product (goods) shall be established on the basis of the price lists or the arrangements applicable on the date of the order confirmation.

#### **6. PAYMENT**

- 6.1. The Seller's invoices shall be payable at the bank stipulated in the invoice. Unless provided otherwise in the contract, the bank fees related to the payment shall be covered by the Buyer. The payment shall be made on the terms provided for in the contract. In the event of any default, irrespective of the default interests the Seller is entitled to, the Seller may suspend and cancel remaining deliveries and charge the Buyer with the documented costs. The Seller reserves the title to the delivered products (goods) until the full payment for the said goods is received.
- 6.2. Where the content of the arrangements between the Parties does not indicate whether specific prices are net or gross prices, they shall always be deemed as net prices to be increased by the VAT amount as per the rate applicable at the time for the given product (goods).
- 6.3. The payment shall be made by the deadline indicated in the contract or the invoice, or the pro-forma invoice, as agreed by and between the Parties, while in the absence of such agreements, it shall be made no later than within 14 (fourteen) days from the date of releasing the goods to the Buyer.
- 6.4. Where the Buyer does not carry out the Buyer's obligations within 6 (six) weeks of the agreed date, the Seller may withdraw from the contract in writing without having to provide any additional notices to the Buyer.
- 6.5. The payment date shall be the date of crediting the specified amount at the Seller's bank account. In the event of any default in payment, the Seller shall have the right to claim default interest from the Buyer in accordance with the applicable regulations or the contractual terms.
- 6.6. Where there are reasonable grounds to suppose that the Buyer will not fulfil their payment obligations, prior to releasing the product (goods) and irrespective of the previously agreed payment term, the Seller may request the payment of the whole amount by money transfer as per the pro-forma invoice or submission of specific guarantees or collateral for payment or may change the payment term.
- 6.7. Any complaints from the Buyer shall not affect the payment term.

#### **7. QUANTITY AND QUALITY**

- 7.1. The product (goods) is sold by quantity as per the units specified in the contract (metres, kg, pieces or other).
- 7.2. The Seller guarantees that the quality of the delivered casings is as per the technical sheets Ref. J-DKJiL-605 through 610. Technical sheets are available from

Seller at the request of the Buyer; the Buyer shall be notified about any changes thereto.

- 7.3. The Buyer shall store the purchased collagen casings in a manner ensuring that they maintain their performance characteristics and in compliance with the "Instruction for use of FABIOS casings" J-TP-407 placed in each box.
- 7.4. The Seller sells the following goods within the Seller's business:
  - a) manufactured by the Seller under the FABIOS brand;
  - b) manufactured at the Seller's plant under the Fcase brand;
  - c) purchased from Fcase Sp. z o.o. Sp.K. and sold under the Fcase brand;
  - d) other goods.
- 7.5. The Buyer undertakes to sell the products:
  - a) collagen casings manufactured by FABIOS S.A. and branded with the FABIOS brand exclusively under the Seller's brand name.
  - b) Products manufactured by FABIOS S.A. and branded with the Fcase brand exclusively under the Fcase brand name.
  - c) other products in the Seller's offer exclusively under the brand name of the manufacturer.

In the event of a breach of the obligation by the Buyer, the Seller shall have the right to impose a contractual penalty on the Buyer in the amount of EUR 100,000.

## **8. COMPLAINTS AND WARRANTY**

- 8.1. The Seller shall be liable to the Buyer if the sold item is defective (warranty) as per Article 556 and following of the act of 23 April 1964 Civil Code (consolidated text: Polish Journal of Laws 2020.1740, as amended).
- 8.2. The Parties limit the liability under warranty to the request to replace the defective goods to non-defective goods at the Seller's expense, or to obtain a price discount.
- 8.3. The Parties limit the Seller's liability term under warranty for quality defects:
  - a) casings for contact with food indicated in 7.4a and 7.4b - to 6 (six) months from the date of their sale to the Buyer,
  - b) casings for contact with food of RTU (ready-to-use) type, as indicated in 7.4a - according to the information at the label on the packaging,
  - c) casings and collagen foil for consumption, as indicated in 7.4a - according to the information at the label on the packaging;
  - d) products indicated in 7.4.c - as per declaration of their manufacturer on the label.
- 8.4. Any claims brought by the Buyer related to defects to the sold products shall be handled by the Seller according to the quantity and/or quality complaints procedure provided they are reported to the Seller on the applicable form made available by the Seller and sent by e-mail at the address: [fabios@fabios.com.pl](mailto:fabios@fabios.com.pl). The complaints must be justified, in particular through relevant descriptions, attached photos, or other documents.
- 8.5. The Buyer shall be obligated to examine the product (goods) with respect to the quantity and quality upon reception.
- 8.6. In the case of any complaint as to the quantity, the Buyer shall send the complaint to the Seller by e-mail at the address: [fabios@fabios.com.pl](mailto:fabios@fabios.com.pl) within 48 hours of unloading of the goods.
- 8.7. Complaints shall be handled by the Seller within 14 (fourteen) days of the date of confirming to the Buyer that the kit of information necessary to handle the complaint has been received (including accurate labelling of the complained product, product sample). If the ticket is materially incomplete, the Buyer shall be summoned to provide the missing data by the individually defined deadline. The lead time to handle the complaint shall be suspended by the time necessary to perform tests, and complete the dataset by the Buyer (e.g. send the photos, samples), or to perform other necessary verification activities, whereas the Seller shall inform the Buyer about the reason for suspending the lead time to handle the complaint. The date of complaint handling shall be the date of sending the information to the Buyer about handling the complaint. The Seller shall leave complaints unhandled if the Buyer fails to provide the missing data in time, according to the Seller's notice.

- 8.8. Where the Buyer has found any quality defects to the collagen casings, the Buyer shall immediately inform the Seller about the above fact in writing and keep the remaining part of goods intact, in the original packing, until the complaint is handled by the Seller.
- 8.9. In the case of the quality complaint regarding the collagen casings at the Buyer's customer's, the remaining unprocessed portion of the casings must be secure, and the Seller's representative shall be called in to handle complaint. The Buyer shall be responsible for allowing the Seller to carry out technological tests of the casings at the Buyer's customer's facility to confirm the defects to the casings. If the above conditions are not met, there shall be no grounds for making any claims for damages.
- 8.10. In the event of a groundless quality complaint, the factual costs of inquiry into such complaint by the Seller shall be borne by the Buyer.
- 8.11. The Seller's liability shall be disclaimed in whole in the event where the Buyer fulfils his contractual obligations improperly, particularly by storing the collagen casings in inappropriate storage conditions or does not keep the identification of the casing Seller.
- 8.12. Where any quality defects are found at the Buyer's or at the Buyer's customer's premises, the Buyer shall have the right to have the goods replaced with new items free of defects at the expense of the Seller or to obtain price discount.
- 8.13. With regard to the collagen casings subjected to printing and shirring at the Buyer's facility or third party's premises, the Seller requires that his identification data must be preserved on the casings.
- 8.14. The Seller shall not be liable for any consequential damages and any lost economic benefits on account of the complaint lodged by the Buyer.
- 8.15. If the Buyer fails to make available to the Seller the product forming the object of the complaint, the Seller shall consider the complaint to be unjustified.

## **9. FORCE MAJEURE**

The Parties shall bear no liability for non-performance or improper performance of the contract caused by the Force Majeure occurring after signing the contract and remaining entirely beyond the control of the Parties.

Force Majeure shall mean any circumstances of extraordinary nature, such as fire, natural disasters, war, embargo, blockades, strikes, bans on export or import, or any weather conditions affecting the manufacture of the casing, including in particular extremely high humidity (over 12g/m<sup>3</sup>) preventing the expected efficiency, or absence of the raw material for the manufacture for reasons not attributable to the Seller. The time for fulfilling the obligations shall be extended by the period equalling the duration of such circumstances. The party unable to perform its contractual obligations shall notify the other Party within 7 (seven) days about the occurrence and the cessation of the circumstances preventing the said obligations from being duly performed. Either Party may claim the occurrence of Force Majeure provided that the other Party is notified about the aforementioned circumstances.

## **10. SCOPE OF LIABILITY**

- 10.1. Any Seller's liability connected with entering into contract or sale of goods, except for the deliberate violations, irrespective of the title of such liability, shall not include redressing the damages related to the expected benefits, lost profit, production losses, loss of market repute, etc.
- 10.2. The Seller shall be liable with respect to specific performance characteristics of the product or its fitness for the intended use by the Buyer exclusively on condition that the Buyer has received written assurance that the products (goods) feature specific performance characteristics or are fit for the intended use.
- 10.3. Except for the liability for product defects, as described above, the Buyer shall have no right to any compensation for any damage caused by the product (goods), including hazardous goods or in connection with its possession or use – except for the mandatory liability resulting directly from the applicable legal regulations.
- 10.4. If any third party files any pursues any claims against the Buyer which may be related to the product sold to the Buyer by the Seller or with the products

manufactured using the products (goods) sold to the Buyer by the Seller, the Buyer must inform the Seller about the above fact without delay and enable the Seller to take part in the proceedings related to the claims lodged by such a party, as otherwise any Seller's liability related to the said claims shall be excluded.

10.5. The Seller reserves the right to claim compensation to such an extent as the damage sustained by the Seller exceeds the value of the reserved contractual penalties.

#### **11. MISCELLANEOUS**

11.1. Any disputes that may arise between the Parties where the provisions of these GTCS would apply shall be resolved by the Polish Common Court with the subject-matter and territorial jurisdiction over the Seller's principal place of business.

11.2. Each and every sales contract under which the Seller sells any products (goods) to the Buyer shall be governed by these GTCS (provided that the Buyer has been informed about the foregoing in any form or manner or could easily get familiar with the contents thereof, and the Parties have not excluded the application of all or any of the terms and conditions in writing), as well as – to the extent not regulated herein – by the appropriate regulations of the Polish Civil Code and other mandatory Polish legal acts in force.

#### **12. APPLICATION OF THE GTCS TO INTERNATIONAL CONTRACTS**

12.1. The provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply to the international sales contracts.

12.2. International sales contracts shall be governed exclusively by the laws applicable in the Republic of Poland.

12.3. The provisions of these GTCS shall apply to the international sales contracts subject to the following:

a. Unless otherwise agreed in the written contract, all fees, including bank fees, taxes, customs duties, and other such charges shall be borne by the Buyer provided that the Seller shall pay his charges for the activities performed as per the contract on the territory of the Republic of Poland and which, according to the law, must be paid in the country of the Seller;

b. All statements and correspondence shall be made in the language of the contract agreed in the written agreement. Where there is no such agreement, the language shall be English or Polish; however, the Polish version shall prevail where any discrepancies or disputes arise.

#### **13. CONFIDENTIALITY CLAUSE**

During the term of the Contract, the parties undertake not to disclose to any third party any information received from each other which is related to the contract or the carrying out thereof or any other confidential information transferred to each other save where the obligation to disclose such information results from the regulations of law and is carried out in favour of the authorised state authorities.

#### **14. PERSONAL DATA PROTECTION**

By accepting the foregoing GTCS, the Buyer agrees to have the Buyer's personal data processed by FABIOS SA in connection with carrying out the contracts of sale of goods offered by FABIOS SA and for marketing purposes related to the business carried by FABIOS SA in line with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). General Information Clause on GDPR is available at the website: [www.fabios.com.pl/odo](http://www.fabios.com.pl/odo)

## SANCTIONS RELATED TO THE RUSSIAN INVASION IN UKRAINE

15.1 The Seller represents that:

- a. As an entity having its registered office in Poland, the Seller is covered by the European Union regulations regarding the sanctions, in particularly stipulated in:
  - Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (OJ L 78 of 2014, p. 6, as amended);
  - Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus (OJ L 134 of 2006, p. 1, as amended);
  - Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229 of 2014, p. 1, as amended);
  - as well as national regulations: Act of 13 April 2022 on special solutions with respect to counteracting the support for invasion of Ukraine and aimed at protecting national security (Polish Journal of Laws, item 835, as amended).
- b. The regulations imposing the sanctions mean that, in line with the European Union regulations, the collagen casings for sausages, sold by FABIOS (code CN 39.17.10), are covered with export sanctions that prohibit the following:
  - sales, deliveries, handover or export, either directly or indirectly, of collagen casings to any natural or corporate persons, entities or authorities in the Russian Federation or to be used in the Russian Federation;
  - provision of technical aid, dealership services, or other services related to collagen casings, and related to the delivery, manufacture, maintenance, and use of such casings, either directly or indirectly, with respect to the above ban.
- c. The regulations imposing the sanctions mean that FABIOS cannot make available any business resources (including the sold collagen casings) to any natural or corporate persons, entities, or authorities, or natural or corporate persons, entities, or authorities related thereto, or for their benefit, either directly or indirectly, if they are listed on sanction lists published at <https://www.gov.pl/web/mswia/lista-osob-i-podmiotow-objetych-sankcjami>, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0269-20220721> and <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX%3A02006R0765-20220720&qid=1666006151973>

- 15.2 With respect to the legal regulations applicable to the Seller, the Buyer represents that:
- collagen casings purchased from FABIOS shall not be subject to sale, delivery, handover, or export, either directly or indirectly, to any natural or corporate persons, entities or authorities in the Russian Federation or to be used in the Russian Federation;
  - the Buyer shall not provide technical aid, dealership services, or other services related to collagen casings purchased from FABIOS, and related to the delivery, manufacture, maintenance, and use of such casings, either directly or indirectly, to any natural or corporate persons, entities or authorities in the Russian Federation or to be used in the Russian Federation;
  - the Buyer shall not make available the collagen casings purchased from FABIOS to any persons or entities, or authorities in the manner stipulated in 15.1c.
  - the Buyer shall immediately notify the Seller about any even potential threat of violating the provisions of section 15.