

**GENERAL CONTRACT TERMS AND CONDITIONS**  
effective as of 1 October 2013

**I. General information.**

1. These General Contract Terms and Conditions constitute an integral part of each contract concluded by Zakład Drobiarski Lech-Drób Spółka z ograniczoną odpowiedzialnością [limited liability company] registered in Zalewo as part of the business activity conducted by the company.
2. The following terms used herein shall mean:
  - a. **Lech-Drób-** Zakład Drobiarski Lech-Drób Spółka z ograniczoną odpowiedzialnością, ul. Tartaczna 20B, 14- 230 Zalewo, Poland, entered into the National Court Register in Olsztyn, VIII Commercial Division, under No. 0000053920.
  - b. **Counterparty** – any natural person, legal person or unincorporated organization with a registered seat in Poland or abroad, registered pursuant to the Polish law or the law of another state that concludes a commercial transaction with Lech-Drób or places an order at Lech-Drób concerning the scope of business activity conducted by Lech-Drób, confirmed by Lech-Drób.

**II. Applicability**

1. These General Contract Terms and Conditions cover: offers, sales contracts, deliveries and any other contracts and contracts concluded with counterparties, to which Lech-Drób is a party, and which are concluded in relation to the scope of business activity of Lech-Drób.
2. The General Contract Terms and Conditions do not apply only if Lech-Drób submits an explicit statement declaring the inapplicability of the General Contract Terms and Conditions in a specific contract with the counterparty. The statement on the inapplicability of the General Contract Terms and Conditions submitted by Lech-Drób shall apply only to a specific contract and cannot apply to other contracts with the given counterparty, unless it clearly results from the submitted statement.
3. Lech-Drób shall not be bound to any extent by the general terms and conditions of contracts, contract templates or rules which are applied by counterparties, unless Lech-Drób, by means of an explicit statement, consents to their applicability.
4. None of the employees of Lech-Drób are authorized to amend or to establish different provisions of the General Contract Terms and Conditions, unless through a written statement submitted by a **representative of the management board** of Lech-Drób.
5. In case the parties agree upon provisions excluding or modifying the General Contract Terms and Conditions for an individual order, they shall expire at the moment the contract has been performed and shall not apply to any other orders and contracts between the counterparty and Lech-Drób, unless it results from an explicit statement made by Lech-Drób.
6. Matters not regulated in these General Contract Terms and Conditions shall be governed by the provisions of the Civil Code Act of 23 April 1964 (Dz. U of 1964, No. 16, item 93 as amended) and other Polish legal acts effective in Poland, applicable to contracts concluded by Lech-Drób with Counterparties.

**III. Performance of the contract**

1. If the counterparty places an order, the contract shall be concluded only if Lech-Drób confirms order acceptance or delivers the goods ordered. Order placement is equivalent to acceptance by the counterparty of all provisions set forth in these General Contract Terms and Conditions.
2. It is acceptable for the counterparty [and] Lech-Drób to submit statements by electronic means (e-mail). In such a case, the parties are obliged to provide an e-mail address to which the other party is authorised to send relevant statements. Unless it has been specified in the previous correspondence, the counterparty is obliged to provide the proper e-mail address in the order, specifying the person to which statements by Lech-Drób are to be addressed.
3. If a counterparty places an order for the first time, the counterparty is obliged to provide valid copies of the following documents: an excerpt from the business activity record or the National Court Register or the register appropriate for the state of the registered seat of the counterparty, a decision on issuing a NIP number [Tax ID Number], statement of assigning a REGON number [Industry ID No.].
4. Lech-Drób offers deliveries in the territory of Poland to the address specified in the contract by its own transport or by means of carriers, in the amounts specified in the contract.
5. In case of export, international deliveries or Intracommunity Supply of Goods, the contract is performed according to INCOTERMS, unless provisions of these General Contract Terms and Conditions specify otherwise. ( pursuant to order confirmation by Lech Drób)
6. Lech-Drób shall not be liable for improper performance of the contract if it performs at least 80% of the contract.
7. Qualitative and quantitative acceptance shall take place in the receiving warehouse of the counterparty, as specified in the contract, at the delivery of goods if Lech – Drób delivers the goods by its own transport. In other cases, qualitative and quantitative acceptance of goods is accomplished at the place and time of issuing goods by Lech – Drób to the Counterparty or to the carrier.
8. Acknowledgement of the receipt or acceptance of the VAT invoice is equivalent to qualitative and quantitative acceptance and a waiver of quality and quantity claims.
9. Returnable packaging shall be returned by the counterparty to Lech-Drób on the delivery day. In case the packaging is not returned, Lech-Drób is entitled to issue a VAT invoice, within 30 days of the delivery date, covering the value of unreturned packaging according to the price shown on the packaging circulation document.

#### **IV. Prices**

1. Prices shall be established by Lech-Drób.
2. The prices provided do not include returnable packaging.
3. All prices are expressed in Polish zlotys, unless a different currency results from the records or price lists.
4. The price of goods delivered in the territory of Poland by Lech - Drób includes the transport cost - the cost of goods delivery, unless otherwise agreed by the parties.
5. In case of an extraordinary increase in costs of Lech-Drób resulting from an increase in prices of Lech-Drób suppliers or changes in foreign exchange rates, Lech-Drób is entitled to withdraw from the contract concluded with the counterparty, unless the counterparty consents to the change of previously agreed upon prices.

6. The price of goods shall be increased by a VAT tax applicable in Poland in case of export or Intracommunity Supply of Goods if within.....days as of issuing the goods Lech – Drób is not provided with all legally required signed documents allowing the VAT tax exemption.

## **V. Payment**

1. Payments shall be made on the basis of VAT invoices issued by Lech-Drób after releasing goods to be received by the counterparty, and paid by bank transfer to the bank account specified, within the time specified in the VAT invoice, unless the parties specify another payment due date in the contract. The date on which the due amount is credited to the bank account of Lech-Drób is considered to be the date of payment. Costs related to the bank transfer shall be borne by the counterparty.
2. The counterparty, while placing an order or concluding a contract, is obliged to provide accurate data necessary for issuing a proper VAT invoice. Lech-Drób shall not be held liable for issuing a VAT invoice according to the data provided by the counterparty.
3. Lech-Drób reserves the right to charge VAT tax according to rates applicable in Poland in case the counterparty does not immediately return export documents allowing VAT calculation at 0% rate.
4. When issuing a VAT invoice to the entity other than the entity placing the order, the entity that has placed the order guarantees payment by the other entity. In such a case, the General Contract Terms and Conditions are considered to be a surety contract.
5. Should the counterparty fail to make a payment or be late with the payment of the entire or a part of the price by the payment due date specified in the contract or in VAT invoices, Lech-Drób is entitled to withhold subsequent deliveries of goods without being liable for improper performance of contractual obligations, until the outstanding payments are fully settled.
6. Lech-Drób can grant discounts and credit limits to counterparties at its own discretion, and it is entitled to unilaterally withdraw rebates and credit lines previously granted to the counterparty in case the counterparty is late with payment. A delay in payment can provide a basis for unilateral termination of the contract by Lech-Drób without notice of termination.

## **VI. Set-off, assignment**

1. The counterparty, without the explicit consent of Lech-Drób, is not authorised to make payment by setting off its liabilities towards Lech-Drób against any liabilities Lech-Drób has towards the counterparty.
2. Lech-Drób is authorised to assign its rights resulting from the contract concluded with the counterparty, in particular, amounts receivable from the counterparty, to any third party chosen.

## **VII. Cooperation of the counterparty**

1. If the nature of the order requires it, the counterparty is obliged to cooperate with Lech-Drób according to its best knowledge and will.
2. If the goods are exported out of Poland, the counterparty is obliged to return the necessary documentation to Lech-Drób.
3. If the counterparty does not cooperate, which prevents or hinders proper performance of the order, Lech-Drób will be authorised to terminate the contract without notice through the fault of the counterparty

## **VIII. Complaints, liability**

1. In relations with entrepreneurs, statutory warranty of Lech-Drób is excluded. Towards other counterparties, Lech-Drób shall be liable under statutory warranty pursuant to the principles specified in the Civil Code.
2. The counterparty is obliged to check goods, in particular, to examine whether the goods delivered comply with the confirmed order, immediately after receiving it. If the counterparty finds any defects of goods or quantity differences, the counterparty is obliged to immediately notify Lech-Drób of this fact, describing defects or deficiencies found.
3. After reselling or transferring the goods to another recipient, the counterparty assumes full liability for any quality and quantity defects. The same applies to goods subject to further treatment.
4. Lech-Drób shall only be liable for up to an amount equal to the price of goods, and only towards the counterparty. Any liability towards third parties is excluded, unless it results from mandatory provisions of statutory law.

## **IX. Security**

1. If Lech-Drób grants a credit limit to the counterparty, the counterparty is obliged to provide security for the benefit of Lech-Drób, in the form specified by Lech-Drób.
2. Costs resulting from establishing the security shall be borne by the counterparty.
3. Lech-Drób is entitled to refrain from its own performance (issuing the goods) until effective security is established.

## **X. Confidentiality**

1. Parties to the contract are obliged not to disclose any information they acquire while performing the contract. This restriction does not apply to generally-available information or information that must be revealed at the request of a competent state authority.
2. The confidentiality obligation shall also be observed by the parties after termination of the contract, regardless of the reason for this termination.

## **XI. Final Provisions**

1. Any amendments to these General Contract Terms and Conditions require a written form to be valid.
2. If Lech-Drób amends the General Contract Terms and Conditions, the amendments shall be effective seven days after their publication on the Lech-Drób website.
3. Any contracts concluded by Lech-Drób shall be governed by Polish law.
4. The Polish court of proper jurisdiction for Lech-Drób shall be the competent court for settling cases resulting from concluded contracts.