

## **General Terms and Conditions of Development Projects of Paula Ingredients Sp. z o.o. (OWP)**

### **I. General provisions. Definitions.**

The purpose hereof is to specify terms and conditions of cooperation between the Ordering Party and the Contractor (hereinafter referred to as Parties). These terms and conditions constitute an integral part of the Agreement and are applicable unless the Agreement specifies otherwise. OWP document is available at the Contractor's website: [https://owp.paulaingredients.com/PAULA\\_Ingredients\\_OWP.pdf](https://owp.paulaingredients.com/PAULA_Ingredients_OWP.pdf)

**Formula** – a detailed composition of a product together with quantities of its individual ingredients.

**Contractor** – PAULA Ingredients Spółka z ograniczoną odpowiedzialnością (Limited liability company) with its registered seat in Kalisz.

**Ordering Party** – a legal person or a natural person conducting business activity, taking up cooperation with the Contractor on terms and conditions specified herein and in the Agreement.

**Agreement** – a written agreement made between the Contractor and the Ordering Party on providing a service in the form of a Development process. Signing of the Agreement shall be deemed a confirmation of this OWP document.

**Development process** – a process of creating of a new product (Developed Product (Test)/Subject of the Agreement) completed by the Contractor based on the order of the Ordering Party.

**Developed Product (Test)** – a developed food product, which properties shall be defined each time in a Development brief; also referred to as the Subject of the Agreement.

**Development brief** – a document specifying basic and detailed requirements of the Ordering Party as to a final form of a Developed Product (Test). Development brief constitutes a base for an initial evaluation of the feasibility of Development process by the Ordering Party and for the quotation of Development process. Development brief constitutes an Enclosure to the Agreement.

### **II. Development brief**

1. Development works can be commenced providing that the Agreement is signed. Signing of the Agreement is preceded by submitting a Development brief by the Ordering Party and its positive evaluation by the Contractor.

2. The Ordering Party sends to the Contractor a Development brief in the form of an e-mail message enclosure addressed to an e-mail address of a customer service consultant or to a general e-mail address of the Contractor's Sales Department.

3. The Contractor, by replying to the e-mail message, shall provide the Ordering Party with information about the result of verification of a Development brief and shall confirm a possibility to sign an agreement within 8 working days after receiving the said Development brief. Within the same time, in case of the positive verification of a Development brief, the Contractor shall submit to the Ordering Party a quotation for the execution of Development Process.

4. Lack of information about the result of verification of a Development brief within the time specified in point 3 above shall not be treated as a confirmation of the order acceptance by the Contractor.

### **III. Process execution. Acceptance of the Subject of the Agreement.**

1. The Agreement defines: a code of Development brief connected in the system with the order number (ZOS), a deadline for the execution of Development process, remuneration for the execution of Development process; in particular it specifies which Party shall provide a raw material and formula for the execution of the order. Development brief and OWP constitute enclosures to the Agreement.

2. Commencement of Development process shall take place after the Ordering Party pays the remuneration stipulated in the Agreement.

3. The Contractor shall notify the Ordering Party immediately about any obstacles that might affect Development process. Obstacles shall be understood both as circumstances beyond the Parties' control and circumstances for which the Ordering Party or the Contractor shall be liable.

4. Development process includes the performance of maximum 3 Tests within 6 months calculated from the day when the remuneration for commencing Development process was paid, with the stipulation that the above period of 6 months does not include: a) a waiting period for raw materials (from the order date to the delivery date), b) a waiting period for the results of Test evaluation sent to the Ordering Party (as mentioned in point 6 below) and c) a period resulting from the possible occurrence of obstacles for which the Contractor is liable, as mentioned in point 3 above.

5. Development process may be continued, which is understood as the performance of successive maximum 3 Tests within the next 6 months. Continuation of Development process depends on the previous payment by the Ordering Party of an additional, individually specified amount and on making an annex to the Agreement.

6. After the execution of each test, the Contractor shall provide the Ordering Party with a Developed Product (Test). Within 30 days calculated from the day when a Developed Product (Test) was provided to the Ordering Party, the Ordering Party, via an e-mail message addressed to an e-mail address of a customer service consultant or a general e-mail address of Sales Department, shall accept a Developed Product (Test) or submit its comments and suggestions. Submission of comments/suggestions is a condition for the execution of another Test from the pool of maximum 3 Tests that may be executed during Development process. Failure to meet the term for providing the Contractor with comments/suggestions results in finding a Developed Product (Test) accepted by the Ordering Party, and thus it results in the completion of Development process.

7. In case if the Ordering Party submits comments/suggestions as to the last Test possible to execute in 6-month period of Development process, the execution of further Tests is possible only on terms and conditions mentioned in point 5 above. If the Ordering Party does not decide to continue Development process, the last Developed Product (Test) executed within the time of the original Development process shall be deemed compliant with the Ordering Party's requirements defined in a Development brief and accepted by the Ordering Party.

8. Providing that it is stipulated in the Agreement, after the final acceptance of a Developed Product (Test) by the Ordering Party, the Contractor shall commence internal durability tests and make their final results available to the Ordering Party. Durability tests shall be performed by the accelerated method in a temperature of 37°C, where 1 week equals to 1 month under normal conditions (of the surroundings). Tests shall last as many weeks as the "best before" term expected by the Ordering Party calculated in months. Durability tests shall be performed in packages corresponding to packages, in which a product will be delivered to the Ordering Party.

If the performance of durability tests exceeds 6-month period stipulated for Development process, they shall be treated as a continuation of this Agreement, within the Process's costs specified in the Agreement. In case if a periodical evaluation of a product during durability tests discloses unacceptable changes before the end of tests, such tests shall be stopped and their results delivered to the Ordering Party.

9. In case when the Ordering Party will require durability tests performed under normal conditions, i.e. tests lasting as many weeks as the Ordering Party expects in weeks as the best before term, they can be performed by the Ordering Party (Ordering Party will make their results available to the Contractor) or they can be performed internally by the Contractor. In the latter case, such tests shall be payable and the amount to be paid shall be specified individually and submitted each

time to the Ordering Party for acceptance; it also will require an annex to the Agreement.

10. The Ordering Party is liable for defining and specifying a final best before term for a product marketed by the Ordering Party.

11. Development process may be completed in one of the following ways:

a) By obtaining a Developed Product (Test) compliant with the Ordering Party's conditions specified in a Development brief and accepted by the Ordering Party,

b) By obtaining a Developed Product (Test) partially compliant with the Ordering Party's conditions specified in a Development brief and accepted by the Ordering Party, however this partial compliance may result in particular from the properties of used ingredients, what the Ordering Party is aware of and what cannot be treated as non-performance or improper performance of the agreement,

c) By a factual confirmation of an objective lack of possibility to obtain a product compliant with the Ordering Party's conditions specified in a Development brief, especially due to the properties of used ingredients, what the Ordering Party is aware of and what cannot be treated as non-performance or improper performance of the agreement,

d) By discontinuing Development process for the reasons attributable to the Ordering Party or to the Contractor, due to withdrawal from the agreement or termination of the agreement in line with the provisions described in a chapter called "Withdrawal from the agreement".

#### **IV. Liability of Parties.**

1. The Contractor is liable to the Ordering Party solely for the intentional damage, however:

- a) solely for non-performance or improper performance of the Agreement,
- b) to the amount of an actual damage of the Ordering Party; Contractor's liability cannot exceed however the net value of non-performed or improperly performed development service.

2. The Contractor is not liable for damages arisen due to the further use of the subject of the Agreement by the Ordering Party.

3. The Contractor is not liable for the results of durability tests and damages arisen due to their further use by the Ordering Party.

4. Tort liability of the Contractor towards the Ordering Party is hereby excluded.

5. Liability in respect of a statutory warranty is hereby excluded.

**V. Payment terms.** 1. For taking up Development process the Ordering Party shall pay the Contractor a remuneration based on an invoice issued in accordance with the agreement. Taking up Development process is understood as undertaking by the Contractor the first activity required for the performance of the first Test.

2. Remuneration shall be paid in advance, before the commencement of development works.

3. Remuneration shall be specified individually, however shall not be less than 1.000,00 EUR (said: one thousand EUR 00/100) net plus possible costs of purchase of raw materials or other items necessary to execute one Development process.

4. Remuneration shall be paid by money transfer to the Contractor's bank account indicated in a VAT invoice within 14 days after the date when such a VAT invoice was issued.

5. The payment date is the date when money is credited to the Contractor's bank account.

6. Unless specified otherwise in the agreement, VAT invoices shall be sent to the Ordering Party's address indicated in the agreement.

7. Without the Contractor's written consent, the Ordering Party cannot assign to a third party its receivables under the agreement.

8. Unless specified otherwise in the Agreement, the amount paid for the execution of Development process shall be returned to the Ordering Party providing that within the period not longer than 6 months after the completion of Development process the Ordering Party submits to the Contractor a production order for a Developed product (Test) covered by said Development process, however the value of a production order shall be at least equal to the amount specified individually in the Agreement.

#### **VI. Performance of the Agreement.**

1. Parties shall indicate in the Agreement contact persons with regard to the execution of the agreement.

2. All statements and information related to the performance of the Agreement shall be delivered to the other Party in writing or in an electronic form - to an e-mail address of a contact person mentioned above.

3. Any changes of the address for services (including an e-mail address) shall be communicated to the other Party in a proper form or otherwise deliveries to the Party's address indicated in the Agreement shall be deemed effective.

#### **VII. Termination of the Agreement.**

1. The Ordering Party has a right to terminate the Agreement. Effective enforcement of this right requires a written statement made by the Ordering Party and delivered to the Contractor's address for services indicated in the Agreement. Termination of the Agreement amounts to the discontinuation of Development process. In such a case remuneration paid in accordance with this OWP document is not refundable.

2. The Contractor has a right to terminate the Agreement during the entire period of Development process (understood in accordance with p.4 of „Execution. Acceptance of the Subject of the Agreement“ (OWP)), if after taking up Development process some technical, technological, personal, etc. circumstances will occur on the Contractor's side, which are not related to the tested product's properties and which result in objectively understood lack of possibility to execute Development process. In such a case remuneration paid in accordance with this OWP document shall be returned in full to the Ordering Party.

3. The Agreement may be terminated at any time by agreement of the Parties.

#### **VIII. Copyrights.**

1. The Contractor has all rights to a technology used by the Contractor for the execution of Development process.

2. Unless otherwise specified in the Agreement, the Contractor has all rights to a Developed product (Test).

#### **IX. Confidential Information.**

1. At the period of the Agreement and after its expiration, neither Party can disclose any confidential information (as defined below) to any person other than its professional advisors or such managers and employees and collaborators of the Party for whom such information is necessary in their duties in order to fulfill the rights and obligations under the Agreement and who were informed by a given Party about a confidential character of such information. Both Parties ensure that each person authorized to obtain confidential information will be aware of these provisions and will comply with them in the same way as if this person would contract these obligations on its own.

2. „Confidential Information“ refers to the Agreement (including its amendments), any information related to the Contractor and the Ordering Party, in particular: technical and technological, trade, marketing, organizational and financial information, as well as other communications, information and data obtained in relation with cooperation and referring to a business activity conducted by the Contractor, which in its entity or in its special configuration or collection

of elements are not commonly known to people who usually deal with this kind of information or are not easily available to them.

The Ordering Party undertakes not to disclose to third parties (during the cooperation period and after its expiration) and to keep confidentiality as to the content of the Agreement and any information, data and documents received from the Contractor for the purpose of the Agreement (Confidential Information).

**X. Force majeure.** Parties shall not be liable for the effects of force majeure, including but not limited to flood, fire, earthquake, other natural disasters, military actions, acts issued by governments, parliaments or country presidents, as well as any other events which are beyond Parties' control but impede either in part or in whole the fulfillment of contractual obligations and which cannot be avoided despite the utmost care of Parties. A Party, for which such circumstances created impediment, is obligated to inform immediately in writing the other Party when such circumstances start or cease to exist.

**XI. Personal data.** A basis for personal data processing for the purpose of the Agreement is a legitimate interest of Parties. The Contractor is a controller of personal data. The Ordering Party shall become familiar with information about personal data protection available at the Contractor's website: <https://paulaingredients.com/pl/dane-osobowe/> and forward this information to natural persons cooperating with the Ordering Party for the purpose of the Agreement.

**XII. Final provisions.**

1. Parties undertake to solve any disputes resulting from their mutual cooperation first of all by agreement. Parties decide that disputes shall be settled by a competent common court in Poznań and governed by the Polish law.
2. In case if some provisions hereof become legally ineffective, other provisions shall remain in force.
3. In case if provisions hereof are contrary to the provisions of the Agreement, the latter shall prevail, however it does not exclude the application of other OWP provisions.
4. Any amendments of the Agreement or OWP shall be made in writing or otherwise shall be null and void.

**XIII. Ethics.**

1. The Contractor is convinced of a necessity to comply with binding legal regulations and provisions in its business activity, in accordance with own good ethical standards. Therefore the Contractor requires from itself and from its Business Partners:
  - a) care for the highest work standards,
  - b) no tolerance for corruption,
  - c) acting in accordance with fair competition principles,
  - d) care for employee relations,
  - e) business partnership,
  - f) respect for natural environment,
  - g) commitment to pro bono activities.
2. The Ordering Party undertakes to adhere to good ethical standards, including but not limited to standards mentioned in p. 1. hereinabove.

**Kalisz, November 14, 2022**