

**TERMS AND CONDITIONS FOR THE PERFORMANCE OF ORDERS MADE BY  
MICHL POLSKA SP. Z O.O.**

**The performance of orders made by MICHL POLSKA sp. z o.o.  
with its registered office in Katowice, ul. Misjonarzy Oblatów 11, 40-129 Katowice,  
(KRS number 0000210563, REGON 278246501, NIP 634-252-71-79),  
hereinafter referred to as the Employer, shall be tantamount to the approval and  
implementation by the Contractors, hereinafter referred to as the Subcontractors, of the  
terms and conditions specified hereinbelow.**

1. 1. The Subcontractor declares to hold, as of the date of order acceptance, a valid forwarder's or carrier's civil liability insurance policy of at least USD 50,000 or EUR 40,000 or PLN 150,000.
2. 2. In the event there arise problems before an order is accepted or while it is being completed, the Subcontractor shall be obliged to notify the Employer of such problems in writing and by telephone.
3. 3. In the event of withdrawal from the performance of that order, either before or on the day of loading, the Employer shall reserve the right to charge the difference in the freight costs resulting from the use of another means of transport to the Subcontractor. If the employer of MICHL POLSKA procures a substitute means of transport on his/her own and consequently contractual penalties are imposed, the Subcontractor of MICHL POLSKA shall receive a copy of a relevant notice and the contractual penalties will be charged to him/her.
4. 4. Both the loader and the unloader shall have 24 hours to complete loading and unloading operations, which shall be free of any additional charges. An additional charge for demurrage longer than 24 hours shall be negotiable and must be crucially based on a demurrage card duly filled in (the dates / registration number / time / seal of the company and signature of the authorised person) and stamped by the loader or the receiver. The lack of a demurrage card duly stamped and filled in excludes the possibility of claiming damages because MICHL POLSKA is obliged to present conclusive proof of the ship's demurrage to its employers. The above conditions shall apply also to demurrage in non-EU countries, with the proviso that demurrage can last there as long as 48 hours without any additional charges (allowances are made for the slow work of the customs service). Demurrage charges shall not be levied on off-work days (e.g. at the weekends) and public holidays.
5. 5. The Employer shall reserve the right to cancel an order one day before the scheduled loading always by telephone and in writing. He/she shall be also obliged to provide the

reasons for the cancellation. / An order may be cancelled not later than at 6 p.m. on the day preceding the scheduled loading.

6. 6. The Subcontractor, under pain of a contractual penalty of EUR 50,000, shall undertake to remain neutral towards the customers of the Employer and not to disclose any trade secrets for 3 years from the last shipment. By no means may the Subcontractor disclose an order issued by the Employer to third persons/parties.
7. 7. Upon the receipt of the cargo and signing of the delivery note or/and the CMR waybill, the driver, acting as a representative of the Subcontractor, shall declare that the cargo has been duly loaded, secured and arranged, the number of belts and other protection elements is sufficient, and, consequently, it can be safely shipped. From this moment on, the Subcontractor shall be responsible for the goods entrusted.
8. 8. Any damage to goods of a negligible value ( up to EUR 500 / about PLN 2,000) shall be deducted from the amount of the freight on the basis of a debit note. The Subcontractor shall be OBLIGED to immediately notify his/her insurer about such damage in his/her own interest.
9. 9. As regards any damage of a greater tangible value, the same procedure shall be applied, with the proviso that the insurance company of the Employer shall be involved if required.
10. 10. In the event of any damage, it shall be in the interest of the Subcontractor to require his/her representative (the driver or a person representing his/her insurer) to draw up a shipping damage report including the value of the damage. Photographic documentation must be necessarily appended to the report. The report itself may be deemed invalid without it!
11. 11. At the loading point, the driver, as a representative of the Subcontractor, shall have the right to refuse to load the goods and demand that they be reloaded / discharged / transferred if he notes that the way the goods have been loaded poses a threat to his/her and others' safety; the weight of the goods is excessive and overloads the vehicle, the goods are not duly arranged and overload the axle, or he is unable to secure them duly and legally. If the driver does not make any complaints and our company is not notified about this in writing, the Subcontractor shall take full responsibility for the goods received and the consequences of their undue loading / weight or axle overload and the resulting costs. The Employer shall be then free from any liability. The Subcontractor

shall be obliged to reload the goods and pay any penalties that may be charged on his/her own.

12. 12. If an order states that a specific number of belts, protection pads, angle shafts, non-slip mats and any other specified safety measures must be used, this means that the specified number of such measures must be actually used in a proper way, and not only placed in the vehicle.
13. 13. If an order specifies that reversible EP pallets without the PKP sign are necessary for the goods to be loaded, please comply with that condition. Otherwise, the vehicle shall not be loaded. If the order conditions permit, the goods may be loaded without the pallets being replaced, but the subcontractor shall be obliged to return the same number of undamaged EUR-pallets without the PKP sign at the place of loading or another place indicated by the Employer within the agreed time limit (customarily within 30 days). The failure to return the pallets against receipt (a pallet receipt – a seal in the CMR waybill with a note about the number of pallets received / returned shall be treated as the only proof of the actual replacement) shall result in the charging of the equivalent of the pallets (please compare the price of a EUR-pallet in Poland and the old EU countries) and deducting of that amount of money from the required freight on the basis of an invoice.
14. 14. The Subcontractor shall be obliged to provide the original documents and a transport invoice duly drawn up to the registered office of the Employer in Katowice within 14 days of the discharge. After the expiry of this term, the Employer shall reserve the right to extend the term of payment to 60 days. The sending of the CMR waybill, delivery note or any other shipping documents unstamped (if required) may delay payment for the provision of the shipping or forwarding service, or even suspend it because the lack of a stamp and/or signature and the ID number of the person receiving the goods means that you are unable to prove that the shipment has been actually delivered to the place of receipt. In the event such a situation occurs, the Subcontractor shall be obliged to obtain a substitute declaration of the receiver that he/she has received the shipment. The declaration shall include the receipt date of the shipment, number of the transport vehicle, quantity and weight of the pallets and the goods, information whether the pallets have been replaced (if required) and a note that the receiver has not made any complaints about the quality and state of the shipment. The above-mentioned conditions are crucial also in the event the shipping documents are damaged or lost!
15. 15. The term of payment (as long as the written order does not specify otherwise) shall be 45 calendar days from the date of the receipt by the Employer of a VAT invoice duly issued and the stamped documents specified in the order. The late sending of the shipping documents and the VAT invoice may extend the term of payment in accordance with point 14.

16. 16. As regards invoices issued by Polish Subcontractors in zlotys, the exchange rate used for converting EUR is the exchange rate of the National Bank of Poland published on the day preceding the discharge of the vehicle unless the order specifies otherwise!
17. 17. The Subcontractor shall be obliged to keep the time limit specified in the order (the date and timeframe) for the loading and discharge. The failure to keep such time limits, especially if no relevant written or verbal notification is provided by the Subcontractor, may give rise to contractual penalties. If the above-mentioned contractual penalties are imposed, the Employer shall charge them to the Subcontractor.
18. 18. The time limits for deliveries and loadings must be crucially kept. The goods that are received for shipment must be delivered to the receiver within the time limit specified in the order. In the event of failure to deliver the goods within the specified time limit, the Employer shall charge all the resulting costs and losses to the Subcontractor without the requirement to document them.
19. 19. The Subcontractor (the carrier) shall determine the state of the shipment in a protocol of the state of the shipment (shipping damage report). The data contained in the protocol shall be accurate and the procedure shall be conducted by the Subcontractor with due care.
20. 20. From the moment of the receipt for shipment until the delivery, the Subcontractor shall be take care of the shipment, i.e. he/she shall ensure that the contents of the shipment remain intact and in good repair.
21. 21. The Subcontractor shall be obliged to draw up a shipping damage report. He/she shall draw up such a report on his/her own initiative or on request of the authorised person (the receiver/the shipper).
22. 22. The Subcontractor shall immediately proceed to control and determine the state of the shipment on request of the authorised person, or in the event he/she:
- notices marks of damage to the shipment, shipping container or transport vehicle (the seals, closures, walls, floor or roof),
  - suspects that the shipment has been damaged or some part of it was lost, and
  - each time there is a road accident during the shipment.

23. 23. A shipping damage report shall include in particular the following information:
- original state of the shipment and the value of the shipment as indicated in the waybill,
  - types of damage to the state of the shipment, shipping container or transport vehicle,
  - scope of the damage, including the number of shortages in the quantity, mass or volume of the shipment,
  - possible time and place of the damage to the shipment,
  - other circumstances of the damage to the shipment.
24. 24. If the state of the shipment is determined after its delivery, the shipping damage report shall include the date and time the receiver made his/her complaints and request that the state of the shipment be determined, place and conditions in which the shipment was kept after the delivery, circumstances in which the damage was identified, and, if necessary, weather conditions during the unloading and shipment to the receiver.
25. 25. The Subcontractor shall bear the costs of the drawing up of such a shipping damage report on his/her own initiative, irrespective of whether or not the report indicates damages to the shipment.
26. 26. In the event a shipping damage report is not drawn up despite the request of the authorised person, the subcontractor (the carrier) shall be liable for damages.
27. 27. The Subcontractor shall indicate the loss of the whole shipment as well as any shortages that do not exceed the standard levels of natural shortages in the waybill.
28. 28. The Subcontractor shall register each control of the shipment as well as the results of such control from the moment of its receipt for shipment until its delivery in the waybill. If it is necessary to document such control or its results in a detailed way, the Subcontractor shall also draw up a protocol in two counterparts, one for the carrier and the other one to be appended to the waybill. The results of the control included in the waybill and the shipping damage report shall be certified by the persons taking part in the process of control. If the shipper files objections or refuses to sign the report, the protocol shall include a note about such objections together with their justification or the reasons for the refusal.
29. 29. Pursuant to Article 8 of the CMR Convention, the Subcontractor (the carrier), shall be obliged to check whether the details provided by the shipper in the waybill

concerning the quantity of the goods in pieces, their qualities and assigned numbers as well as their packaging are true. The failure on the part of the Subcontractor to fulfil these duties shall result in the binding of the Subcontractor by a relevant declaration.

30. 30. The Subcontractor shall notify the authorised person about his/her controlling and determining the state of the shipment.
31. 31. The Subcontractor shall be obliged to comply from 1 January 2015 with all the provisions of the German Minimum Wage Act (Gesetz zur Regelung eines Allgemeinen Mindestlohnes- Mindestlohngesetz of 11 August 2014 (BGBl I S. 1348), hereinafter referred to as the Minimum Wage Act (MiLoG), as long as the employees of the Subcontractor are protected under the Act. From 1 January 2015, the Subcontractor shall be obliged to pay his/her employees protected under the Minimum Wage Act (MiLoG) wages not lower than stipulated by the Act, i.e. EUR 8.50 gross per hour.
32. 32. If the employees of the Subcontractor are protected under the Minimum Wage Act (MiLoG), the Subcontractor shall be obliged to comply with the binding version of this Act in his/her company and pay the employees the minimum wage specified in the Act within the time limit set forth therein. The Subcontractor shall be also obliged to register the times when the employees protected under the Act start and finish work as well as their work times not later than by the seventh day of the calendar month following the day work is complete. The Subcontractor shall undertake to keep those register entries for not less than two years from making those entries. The Subcontractor shall release the Employer from liability for any possible future claims of third parties arising from the above-mentioned Minimum Wage Act (MiLoG).
33. 33. The Subcontractor shall undertake to perform the services that he/she has been commissioned to perform individually. A sub-subcontractor may be employed only by the prior consent of the Employer. In the event the order is transferred to a sub-subcontractor by the consent of the Employer, the Subcontractor shall release the Employer from liability for any possible future claims of third parties arising from the above-mentioned Minimum Wage Act (MiLoG). The Subcontractor declares that in the event of any violation of the provisions of the Act, the Employer shall be released from any liability. This means that the Employer, while cooperating with the Subcontractor, shall be released from legal liabilities relating to claims for damages made by third parties in the event of any violation of the above-mentioned Minimum Wage Act (MiLoG).
34. 34. The contractual arrangements concerning compliance with the above-mentioned Minimum Wage Act (MiLoG) shall enter into force on the day the Subcontractor

receives the first order from the Employer and shall be binding throughout the whole period of cooperation between the Subcontractor and the Employer. No verbal arrangements concerning compliance with the above-mentioned Minimum Wage Act (MiLoG) have been made. If the cooperating parties desire to modify the arrangements, such modifications must be made in writing, or else shall be null and void. The Parties shall not verbally evade the requirement to make all modifications in writing. The statements on compliance with the above-mentioned Minimum Wage Act (MiLoG) shall not violate any other existing arrangements between the Subcontractor and the Employer.

35. 35. The Contractor shall undertake to immediately notify the Employer if, pursuant to the provisions of the above-mentioned Minimum Wage Act (MiLoG), proceedings in a minor offence and/or criminal case are instituted against him/her or his/her sub-subcontractor, or if he/she is notified about a pending investigation into compliance with the above-mentioned Minimum Wage Act (MiLoG), or if there arise suspicions that a subcontractor does not comply with the Minimum Wage Act.

36. 36. The parties shall strive to amicably resolve any disputes arising from the performance of an order given to the Subcontractor by Michl Polska Sp. z o.o. In the event the Parties are not able to come to agreement, the dispute shall be resolved by a court having jurisdiction over the Employer's seat (Michl Polska sp. z o.o.).

37. 37. The lack of a written order acceptance confirmation within 30 minutes of the sending of the order by the Employer to the Contractor by e-mail or fax shall be tantamount to the acceptance of the order by the Contractor on the conditions set forth hereinabove.