

**GENERAL COMMERCIAL TERMS AND CONDITIONS
FOR SALES AND SUPPLY OF PRODUCTS**

at XDISC S.A.

of 20 September 2018

§ 1. Preliminary provisions

1. These General Commercial Terms and Conditions (hereinafter referred to as the “General Terms and Conditions”) apply to sales and delivery by XDISC S.A. (hereinafter referred to as “XDiSC”) of discs and products and services related to discs (hereinafter collectively referred to as the “Products”), including in particular:
 - a) CDs and DVDs,
 - b) optical disc stampers,
 - c) vinyl discs,
as well as
 - d) raw materials, accessories, transport, packaging, and other services relating to the products listed in items 1 to 3.
2. The General Terms and Conditions govern the rules of conduct of XDiSC and the purchaser (hereinafter referred to as the “Purchaser”) at all stages of conclusion and performance of the sales and/or supply contract, including the procedure for the submission of bids and orders, collection of goods, circulation of documents relating to orders and performance of contracts, payment for goods and services and the procedure for complaints. XDiSC and the Purchaser shall hereinafter be jointly referred to as the “Parties”.
3. The General Terms and Conditions govern the sale and delivery of the Products to economic entities and consumers.
4. The sale and delivery of Products under public procurement is governed in principle by the laws applicable in this area. The General Terms and Conditions apply in public procurement matters only to those issues which are not governed by mandatory legal provisions.
5. In the event of discrepancies between the provisions of the General Terms and Conditions and the arrangements resulting from the general or individual contract concluded between XDiSC and the Purchaser, the provisions of the contract shall prevail.
6. The General Terms and Conditions are published on the XDiSC website.

§ 2. Conclusion of a contract, bids, orders, confirmation of orders, production execution

1. The sale of the Products is carried out on the basis of:

- a) an order placed via the XDiSC bid form,
and, if the Parties so agree, also through:
 - b) a written order submitted in the form of a description in an e-mail or
 - c) an order placed on the Purchaser's own form.
2. Orders or bids shall contain all elements necessary for the execution and, if any, delivery of the Products, in particular: specification of the ordered Products, data concerning acceptance or delivery (if the order includes delivery - exact address of the place of delivery), expected date of execution, if any, price expectations, data of the payer, data of the authorised ordering party.
 3. Submission and acceptance of the order may be made by electronic means, and in exceptional cases also in writing or by fax, at the request of the Purchaser and with the consent of XDiSC.
 4. Orders are placed with the department which manages the given Product segment.
 5. A contract shall be deemed accepted for performance if a representative of XDiSC has confirmed its acceptance, and in the case of a bid submitted by XDiSC - if the Purchaser has confirmed its acceptance.
 6. Any change of any of the terms and conditions of the contract by the Purchaser after receipt of the order confirmation is only possible with the explicit (written or electronic) consent of XDiSC. The content of the order shall be changed according to the procedure provided for placing and accepting orders (§ 2 sections 1 - 5).
 7. The Purchaser's delay in the delivery of complete output materials (including, if necessary, illustrative files, colour patterns or other components necessary for production) may cause XDiSC to postpone the performance deadline.
 8. The Purchaser cancelling an order - already after the start of production - for reasons not attributable to XDiSC, will be charged for the completed part of the order.
 9. Materials are accepted according to the parameters adopted for such orders.
 10. The transfer by the Purchaser to XDiSC of materials containing the content on the basis of which the production is to be performed is equivalent to:
 - a. making a statement by the Purchaser that it is fully entitled to use all intellectual property rights to the materials being the subject of the order and that the materials supplied do not contain any content contrary to law or morality;
 - b. the acceptance by the Purchaser of responsibility for the consequences of the non-compliance of the statement described in item /a/ with the facts.
 11. XDiSC stores the input material transferred to production via an FTP server belonging to XDiSC only for its own production purposes and only for the time needed for production. XDiSC has the right to delete the material of the Purchaser within 30 days from the end of production without informing the Purchaser. Therefore, the Purchaser should, acting in its own interest, have a copy of the materials submitted to XDiSC for production.
 12. The stamper remains the property of XDiSC and is not an object of sale (not invoiced).
 13. The stamper produced by XDiSC and used for production is not stored by XDiSC for more than 1 year and may be disposed of after that time, unless the Purchaser has

previously expressed a wish to retain the stamper in XDiSC's warehouse for further production.

§ 3. Release and transport of the Products

1. The conditions for the release and transport of the Products should be determined during the order placement and acceptance procedure. Unless otherwise agreed by the Parties, transport of the Products shall be the responsibility of the Purchaser.
2. If the transport of the Products is provided by the Purchaser, the order shall be deemed completed when the Products are handed over for loading (on the threshold of the XDiSC warehouse ramp).
3. If the transport of the Products is organised by XDiSC, the order shall be deemed completed - unless the Parties have agreed otherwise - when the Products are loaded onto the carrier's means of transport. XDiSC undertakes to order transportation of the Products by a company which provides professional transport services.
4. The risk of destruction or loss of the Products passes to the Purchaser:
 - a) in the case provided for in section 1, when the Products are handed over for loading (on the threshold of the XDiSC warehouse ramp);
 - b) in the case provided for in section 2, when the Products are loaded onto the means of transport.
5. Where transport of the Products is organised by XDiSC, the transport conditions (including delivery dates and transport insurance conditions) agreed with the carrier shall apply.
6. The Parties may agree on rules different from those set out in sections 1 - 5 concerning transport, unloading and responsibility for the Products, as well as concerning the collection of the Products (e.g. agree on the necessity to notify of the readiness to release the Products).
7. After 5 weeks/months from the unsuccessful call on the Purchaser notifying of the Products' readiness for collection, the Products may be disposed of at the Purchaser's expense.
8. Disposal of the Products does not release the Purchaser from the obligation to pay for the completed order.
9. The rules set out in sections 7 - 8 shall also apply to the storage of unclaimed surpluses of any components related to the order.

§ 4. Personal data processing

1. XDiSC and the Purchaser process personal data in the course of placing and executing an order within the meaning of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals 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, Official Journal of the EU L 119, p. 1, hereinafter referred to as the "GDPR"). The processing of personal data concerns the data of the Purchaser (if it is an individual) and the employees and associates of XDiSC and the Purchaser participating in the whole process.
2. The legal basis for the Parties' processing of personal data referred to in section 1 is the necessity of the processing for the performance of the contract between the Parties,

which means that there is no obligation to obtain the consent of either of the Parties in the light of the provisions of the GDPR.

§ 5. Purchase financing

1. XDiSC may grant the Purchaser, in particular the Purchaser who places orders on a regular basis and fulfils its obligations on time, the right to deferred payment (credit limit, including the value of Products in production process plus the value of current obligations).
2. XDiSC reserves the right to freely assess the financial capacity of the Purchaser in terms of granting a credit limit and to withdraw or reduce the limit at any time without justification.
3. Unless the Parties agree otherwise, the Purchaser without a credit limit in XDiSC shall make a prepayment in the full amount of the order value.

§ 6. XDiSC liability, complaints

1. The Purchaser is obliged to examine the Products at the time of their delivery.
2. Complaints relating to the quality and quantity of the Products delivered or damage caused in transit (if the delivery is made by XDiSC with its own transport) will be considered if the above deficiencies and damage are reported at unloading and entered in the delivery document and if this circumstance is confirmed by the carrier's representative - the driver. This does not apply to hidden defects in the Products.
3. Complaints must be sent in writing to XDiSC within 3 working days of delivery.
4. The Purchaser's representative should check the number of collective packages on the receipt and the absence of visible damage to the outer packages.
5. XDiSC's liability for production is limited to the value of the Products of a given manufactured title and does not include the benefits lost by the Purchaser.
6. Neither Party shall be liable for damages caused by force majeure, which means, according to common practice applied in trade, cases independent of the Parties and beyond their control, preventing the timely production, delivery or collection of the Product or performance of the service.

§ 7. Final provisions

1. All disputes arising in connection with the execution of orders and production should primarily be settled amicably.
2. If it is not possible to settle the dispute amicably and the case is referred to court, the place of production shall determine the local jurisdiction.
3. These General Terms and Conditions shall apply from 20 September 2018 (date of publication on the XDiSC website) and are binding on the Parties in respect of orders placed after that date.