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1 Subject of specification

This specification used in conjunction with other technical specifications of LOTOS Group S.A., establishes minimal formal and technical requirements regarding inspections performed at suppliers' in scope of deliveries quality and their prompt realization.

2 Scope of validity

This specification shall be used when preparing both quotations and Purchase Orders concerning planned LOTOS Group S.A. new investments and modernizations.

It shall also be a base for preparation of other detailed specifications and inquiries relevant for deliveries and services.

2.1 Deviations

Any deviations from this specification and relevant specifications, standards and documents, including the bidder's proposals indicating a more economic design or solution, shall be submitted in writing for checking and approval by LOTOS Group S.A. No deviation or modification shall be permitted unless confirmed in writing by LOTOS Group S.A.

The bidder shall present in written form any ambiguity in this standard or any other LOTOS Group S.A standards as well as conflict with referenced documents/standards, and shall receive LOTOS Group's written explanation.

3 Definitions and designations

- Bidder/ Seller/ Supplier – a company offering directly deliveries of goods and/or services, or company performing of technical documentation, accomplishing deliveries and/or services.
- Orderer –LOTOS Group S.A.
- Transmittal – a letter handing over reports regarding inspection
- Order / contract – an agreement entered into between Seller and Orderer, for new investment or modernisation planned, which includes delivery of goods and/or services, or direct agreement with supplier of specific good and/or service.
- Supervision, inspection and acceptance plan – this is a plan for managing of supervision, inspection and quality acceptance in the course of production and after its completion, Seller is obliged to elaborate.
- Plan for scope of tests and quality assurance – constitutes part of Supervision, inspection and acceptance plan, and is a specification of all tests and quality inspections required for deliveries and/or services, specifying time of their completion with determination of characteristics parameters.

4 Description

This specification has been worked out in order to ensure proper preparation of inquiries, offers and contracts for newly planned investments and modernizations, according to codes, standards, regulations. It constitutes general instructions which Bidder / Seller should take into account while preparing an offer and performing delivery and services based on order / contract.

Detailed conditions regarding quality requirements resulting from requirements of inspections, tests, quality control, trials and their time of realization are each time specified by contract and technical specification being enclosures to the contract.

General terms and requirements regarding necessary inspections / tests/ control / trials, are stated below.

4.1 Planning of supervision, inspection and acceptance

According to provisions of order/contract, the Seller is obliged to elaborate and submit for Orderer acceptance managing plan of supervision, inspection and quality acceptance during process of manufacturing of deliveries, materials and/or services, and after its completion.

In this plan, all required acceptances of third party (e.g. technical supervision authority) should be taken into account, according to provisions of order/contract, documentation and technical specifications.

The plan should also contain scope of testing and quality control, constituting specification of all tests and quality control required for deliveries and/or services, specifying time of their execution and determining characteristic parameters.

The Orderer reserves himself right to participate in chosen inspections and acceptances, which he notifies in writing with approval of plan, stating also description of procedure and scope of such participation.

4.2 Approval of Supervision, Inspection and Acceptance Plan

The Seller presents the Supervision, Inspection and Acceptance Plan for Orderer approval, as described in p. 4.1. The Orderer verifies such inspection plan for conformity to scope included in order/contract and annexes to it, authorizes it with his signature, and then returns it to Seller within 4 (four) weeks from date of its reception.

Such approval is accompanied with procedure of the Orderer representatives' participation in individual inspections, tests and acceptances.

4.3 Procedure of the Orderer participation in individual inspections, tests and acceptances

Such procedure should contain method of proceeding, information regarding division of costs related to inspections, tests and acceptances being performed, and other data, such as:

- final date of tests, acceptance tests for individual deliveries and/or services, which should be confirmed at least three weeks in advance to date of these tests' execution;
- declaration of Orderer regarding will to participate, or not, in reported trials, tests, together with specification of such trials confirmed by the Orderer two weeks in advance of the trials execution date;
- division of costs between the Seller and the Orderer, containing activities related to carrying out of inspections, tests and acceptances;

- in case when trials, tests, acceptances, for which representative of the Orderer has arrived, are delaying because of Seller's fault, then he shall bear all financial consequences of prolonged stay of Orderer representative in seat of the Seller or its sub-supplier, including costs of accommodation and stay;
- should significant defects or faults are founded during acceptance tests, which eliminate possibility of specific elements of delivery or service element acceptance, the Seller is obliged to rectify them and to organize the acceptance once again on his own expense, including costs of subsequent participation of Orderer representative;
- orderer's notice of reservations regarding results of trials, tests does not release the Seller from delivery on time, and cannot be any reason for notify additional financial claims;
- The method of inspection and acceptance activities reporting, as well as data concerning documents confirming their completion.

The order/contract precisely defines responsibility of the Seller, any Orderer acceptance, or his participation in acceptance, does not release the Seller from full responsibility for quality of delivered product and liabilities of provided guarantee.

Approved plan of tests and quality control is the integral part of order (contract).

5 Relevant documents

The following documents of LOTOS Group S.A.:

- 6100 General requirements for supplied documentation
- 7100 Formal and commercial requirements for delivered documentation
- 7200 General requirements for deliveries of goods

6 Standards and regulations

Standards and regulations necessary for proper realization of deliveries and/or services control at Supplier's are quoted in respective technical specifications, order/contract and respective annexes.

7 Record of changes

No.	Date	Description	Introduced by
1		This specification entirely replaces the former LOTOS Group S.A. standard No. PR 07 721 with the same title.	Z. Przybysz
-	31-08-2015	Page layout corrections, no contents changes.	T. Wróbel