

# General Terms and Conditions of Purchase of C. Cramer & Co. GmbH, Eper Strasse 45 – 47, 48619 Heek, Germany

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## § 1 Applicability

- (1) These General Terms and Conditions of Purchase apply exclusively for all legal relationships between the Contractor (hereinafter the Contractor) and C. Cramer & Co. GmbH (hereinafter: Client).
- (2) The Terms and Conditions of Purchase apply in their current version as a framework agreement for future contracts for the sale and/or delivery of movable goods and/or services with the same Contractor, without the Client having to refer to them again in each individual case; the current version of the Terms and Conditions of Purchase is available at [www.ccc-fabrics.com].
- (3) These Terms and Conditions of Purchase apply exclusively. Deviating, conflicting or supplementary General Terms and Conditions of the Contractor will become a part of any contract only to the extent to which the Client has expressly agreed in text form. The unconditional acceptance of a delivery does not constitute consent.
- (4) Individual agreements have priority over these Terms and Conditions of Purchase. However, an agreement concluded in text form or the Client's confirmation in text form shall indicate the content of such agreements.

## § 2 Submission and acceptance of orders

- (1) Orders are only valid if they are placed in text form. Verbal and telephone orders are only binding if they are confirmed in text form by the Client.
- (2) The Contractor must immediately notify the Client of obvious errors (e.g. spelling and calculation errors) and/or incomplete orders or missing order documents, for the purpose of correction or completion; otherwise the contract shall not be considered as concluded.
- (3) Any change to an order by the Contractor must be confirmed by the Client in written form in order to be binding.

## § 3 Spare parts

The Contractor undertakes to ensure that spare and wear parts are available for every order for a period of 15 years from delivery.

## § 4 Transport and delivery

- (1) Unless otherwise agreed in individual cases, deliveries shall be "free domicile" (DAP destination according to INCOTERMS 2020) to the destination specified by the Client.
- (2) Every delivery must be accompanied by a delivery note, on which the Client's complete order number, a sufficient description of the delivered goods and the other identification details specified by the Client on the order must be listed.
- (3) Unless otherwise specified by the Client, postal items shall be sent to the Client's address in Heek-Nienborg. Any requirements of the Client regarding the carrier to be commissioned must be observed. Additional expenses incurred due to non-compliance with this regulation shall be borne by the Contractor.
- (4) The risk of accidental loss and accidental deterioration of the goods transfers to the Client upon handover at the place of performance. Insofar as acceptance has been agreed, this shall be decisive for the transfer of risk.

## § 5 Delivery time, delay, contractual penalty

- (1) The binding delivery date specified in the order shall be understood as the date of delivery of the ordered goods at the prescribed delivery location (destination address).
- (2) Before the agreed delivery time, partial deliveries or deliveries may only be made with the Client's prior written consent. If the Contractor does not perform its services at all or not within the agreed delivery period, or if it is in default, the rights of the Client—in particular for withdrawal and compensation for damages—shall be governed by statutory provisions.
- (3) If the Contractor is wholly or partially in arrears with a delivery, the Client shall be entitled to a contractual penalty for each day of late delivery in the amount of 0.2% of the agreed remuneration for the delayed delivery, up to a maximum of 5% of this remuneration. The Client is entitled to demand this contractual penalty in addition to performance; the assertion of further damages remains unaffected. The contractual penalty claim may be asserted up to the time of payment of the agreed remuneration for the delayed delivery.
- (4) The Contractor is obligated to immediately inform the Client in writing of circumstances of which the Contractor could be aware, which may cause a delay in delivery. Even in such cases, the delay remains the responsibility of the Contractor.

## § 6 Interruptions of operations

- (1) For the duration of operational disruptions caused by force majeure or other unforeseeable circumstances for which the Client is not responsible, the Client shall be released from the obligation to receive the ordered goods.
- (2) Cases of force majeure include in particular: interruptions to work as a result of strikes, war, fire, floods and similar cases that significantly disrupt or shut down the Client's operations.

## § 7 Information obligations, subcontractors

- (1) The Contractor must inform the Client at an early stage by written notice of changes in manufacturing processes, changes in materials or supplier parts for products or services, relocation of production sites, as well as changes in processes or equipment for checking the parts or other quality assurance measures. The Client shall be entitled to check to the extent necessary whether the changes could have an adverse effect on the delivery item. Upon request, the Contractor shall provide the necessary documents and enable audits to the extent required.
- (2) The use of subcontractors, freelancers, sub-suppliers and other third parties (jointly "commissioned parties") who are not employees of the Contractor with regard to the provision of services owed to the Client must be notified to the Client in writing. In relation to the commissioned parties, the Contractor shall contractually ensure that all services are carried out completely and properly, that the proper provision of services can be comprehensively checked through appropriate documentation and regular audits by the Client and that the obligations arising from the contractual relationship with the Client also apply in relation to the commissioned parties.
- (3) Commissioned parties shall be deemed vicarious agents of the Contractor. Malfunctions, delays, disruptions, poor performance or other faults in the deliveries and services of the commissioned parties, irrespective of the reason for these failures, do not release the Contractor from its performance obligation arising from the contract concluded with the Client.

## § 8 Prices and payment terms

- (1) The price listed in the order is binding. All prices are exclusive of VAT, even if this is not listed separately. This also applies to any ancillary performances to be provided by the Contractor. Unless otherwise agreed in individual cases, the price includes all the Contractor's services and ancillary performances as well as all ancillary costs (e.g. proper packaging, customs, import duties, transport costs including possible transport and liability insurance).
- (2) Invoices shall be submitted in as a single copy.
- (3) Advance payments will not be effected.
- (4) Unless otherwise agreed, the Client can choose to pay invoices within 14 days from the due date with a 4% discount or within 30 days from the due date without any deductions.
- (5) The Contractor is entitled to the right of setoff or the right of retention only on condition that counterclaims are established as final by a court of law, or undisputed.

## § 9 Inspection for defects

- (1) The Client's obligation to examine the delivery for any defects shall be based on statutory provisions, unless the contracting parties have agreed otherwise in a quality assurance agreement (QAA). In all other cases, paras. 2 through 3 of this clause shall apply in particular.
- (2) Before delivery, the Contractor shall carry out a corresponding acceptance and inspection at its own expense and pay particular attention to the agreed quality regulations.
- (3) The Client's duty to inspect shall be limited to defects that are obvious upon the Client conducting an external examination, including an examination of the delivery papers, and during the Client's quality control testing conducted on a random basis (e.g. transport damage, incorrect and insufficient delivery). If acceptance has been agreed, there is no duty to inspect. In all other respects, it depends on the extent to which an examination is feasible in the ordinary course of business, taking into account the circumstances of the individual case. The above does not affect the obligation to report defects that are subsequently discovered. In all cases, the Client's complaint (notification of defects) shall be deemed to be without delay and timely if received by the Contractor within 7 working days.

## § 10 Compliance

- (1) The Contractor owes compliance with the agreed specifications and all other quality requirements that have been expressly agreed and/or are to be expected in accordance with Section 434 para. 1 no. 2 BGB (German Civil Code). The Contractor is obligated to comply with the recognized rules of technology and the statutory provisions on product safety.
- (2) The Contractor undertakes not to participate, actively or passively, directly or indirectly, in any form of bribery or corruption, violation of human rights or discrimination against its employees, forced labour or child labour.
- (3) The Contractor shall also ensure that the products it supplies comply with the provisions of Regulation 1907/2006 concerning the Registration, Assessment, Authorisation and Restriction of Chemicals ("REACH"). All substances contained in the products of the Contractor that are not exempted from the obligation to register have been pre-registered or registered upon expiry of the transition periods in accordance with the provisions of the REACH Regulation.
- (4) Contractors who have their registered office in countries outside the EU undertake to appoint an only representative ("OR") based in the EU in accordance with Art. 8 of the REACH Regulation whose name and address has to be disclosed to the Client. The OR is responsible for fulfilling all the registration and other REACH obligations of the Contractor. Any preregistration or registration of a substance carried out by the OR shall be communicated to the Client stating the registration number of the substance. If the Contractor changes its OR or the OR's activities are discontinued, the Contractor shall notify the Client immediately.
- (5) The Contractor guarantees that the products delivered by it do not contain any of the substances on the candidate list referred to in Article 59 (1, 10) of the REACH Regulation.
- (6) If the Contractor delivers hazardous substances in the sense of the Hazardous Substances Ordinance (Gefahrstoffverordnung) or products, the use of which does not exclude the release of such substances, the Contractor must provide the Client with the data required to create the safety data sheet without being requested to do so.
- (7) The Contractor also guarantees that the products it delivers are in compliance with the requirements specified in Regulation (EC) No. 1272/2008 (CLP). Non-EU suppliers are responsible for having their OR submit notifications to the Classification & Labelling Inventory for the products delivered in accordance with Articles 39-42 of the CLP Regulation.
- (8) The Contractor undertakes to comply with the provisions related to conflict minerals ("conflict minerals" within the meaning of the Dodd-Frank Act) set out in Section 1502 of the "Wall Street Reform and Consumer Protection Act" ("Dodd-Frank Act"). Should conflict minerals be necessary in the course of production or for the functioning of the products supplied by the Contractor, their origin must be disclosed. Upon request, the Contractor must provide the Client with the documentation required by the Dodd-Frank Act regarding the use and origin of conflict minerals in full and without delay.
- (9) In the event that the Contractor violates one of the aforementioned obligations, the Contractor shall indemnify both the Client and its Clients from all costs, third-party claims (in particular direct or indirect claims for damages) and other disadvantages (e.g. fines) resulting from the violation of the above provision. This does not apply if the Contractor is not responsible for this breach of duty. Furthermore, the Client is entitled at any time to cancel the corresponding order immediately and to refuse to accept the corresponding delivery without incurring costs. Any existing claims for damages remain unaffected. A cancellation or refusal of acceptance does not constitute a waiver of any claims for damages.

## § 11 Warranty/Claims for Defects/Compensation/Limitation

- (1) The Client's claims in the event of defects and other breaches of duty by the Contractor are governed by the statutory provisions. This also applies to claims arising from supplier recourse according to Sections 478, 479 BGB.
- (2) The Contractor must inform itself about the use, location and scope of its services to a reasonable extent. The Contractor is obligated to immediately notify the Client in writing of recognizable defects in the material or concerns about the intended type of execution.
- (3) If the Contractor discovers serial damage, it must immediately inform the Client thereof. In the event of serial damage, the Client shall be entitled to assert its claims for defects for all delivery parts belonging to the series, even if damage is only determined for parts of the delivery.
- (4) Contrary to Section 438 para. 1 No. 3 BGB, the general limitation period for claims for defects for material defects shall be 3 years from the transfer of risk, unless the law provides for a longer limitation period.

## § 12 Product liability and insurance obligation

- (1) In the event that a claim is made against the Client on the basis of product liability, the Contractor is obligated to release the Client from such claims insofar as the damage was caused by an error in the goods delivered by the Contractor. This also applies in the case of fault-based liability, unless the Contractor is not at fault.
  - (2) As part of its indemnification obligation, the Contractor assumes all costs and expenses that result from or in connection with third-party claims, including recall campaigns carried out by the Client.
  - (3) During the contractual relationship with the Client, the Contractor shall always maintain sufficient product liability insurance at its own expense and provide evidence of this to the Client on request.
- ## § 13 Ownership and retention of title
- (1) Substances or parts manufactured by the Client remain the property of the Client. They may only be used for their designated purpose. The processing of substances and the assembly of parts are carried out on the Client's behalf. In the case of processing and mixing, the Client acquires co-ownership of the products manufactured using its substances and parts in the ratio of the value of the supply to the value of the overall product at the time of processing or mixing.
  - (2) Upon handover, ownership of the goods is transferred to the Client unconditionally and regardless of payment. However, if the Client accepts an offer from the Contractor to transfer ownership upon condition of payment of the purchase price in individual cases, the Contractor's retention of title shall expire at the latest upon payment of the purchase price for the delivered goods. Any extended or expanded retention of title is excluded.

## § 14 Assignment

- (1) Without the Client's prior written consent, the Contractor may not assign trade receivables to third parties. Section 354a HGB (German Commercial Code) remains unaffected.
- ## § 15 Documents
- (1) Drawings, samples, data carriers and other documents provided to the Contractor remain the property of the Client. They, including the information embodied therein, shall be treated confidentially and may not be used for purposes beyond the contract, nor shall they be copied, reproduced, passed on to third parties or made accessible to third parties without the Client's express prior written consent. They shall be returned, unsolicited, to the Client immediately after the order has been fulfilled. The Client reserves the industrial property rights to all documents handed over to the Contractor.
  - (2) All types of documents required by the Client for the use, installation, assembly, processing, storage, operation, maintenance, inspection, servicing and repair of the delivery item shall be provided by the Contractor in good time and unsolicited.

## § 16 Place of performance, jurisdiction, and applicable law

- (1) The place of performance for deliveries is the destination address specified by the Client in orders. The place of performance for payments is Heek-Nienborg.
- (2) The place of jurisdiction for all disputes in connection with the delivery or the validity of the delivery contract is, as far as legally permissible, the registered office of the Client (Heek-Nienborg). The Client remains entitled to sue before the courts at the registered office of the Contractor.
- (3) All legal relationships between the contracting parties are subject to the law of the Federal Republic of Germany, excluding the provisions of private international law and the United Nations Convention on Contracts for the International Sale of Goods.
- (4) Should one or more provisions in these General Terms and Conditions of Purchase be or become ineffective, this shall not affect the validity of the remaining provisions and the validity of the contract as a whole. In the event of a loophole, such a regulation shall be deemed agreed which corresponds to the presumed will of the contracting parties and the purpose of the contract.