

**GENERAL TERMS AND CONDITIONS OF PURCHASE OF THE KRÜGER GROUP**

**1. Definitions**

"GPC" are these General Terms and Conditions of Purchase of the KRÜGER GROUP.

"KRÜGER GROUP" is Krüger GmbH & Co. KG and their direct and indirect subsidiaries.

"Krüger Company" is any company of the KRÜGER GROUP.

"Supplier" is the business partner, supplier and other service provider to whom a Krüger Company has placed an order.

"Contract Products" are the goods to be delivered or sold to a Krüger Company.

**2. Scope of application**

2.1. These GPC shall apply exclusively to all business relations between a Krüger Company and the Supplier; terms and conditions of the Supplier that conflict with or deviate from these GPC shall not be recognised unless the respective Krüger Company has expressly agreed to their application in writing. These GPC shall also apply if the respective Krüger Company accepts the Supplier's delivery unconditionally in the knowledge of conflicting or deviating conditions of the Supplier.

2.2. The GPC apply in particular to contracts for the sale and/or delivery of movable goods ("Contract Products"), irrespective of whether the Supplier manufactures the goods himself or purchases them from suppliers (§§ 433, 651 BGB). Unless otherwise agreed, the GPC version that is in force at the time of the order of the Krüger Company or in any event in the version last provided to the Supplier in text form shall also apply as a framework agreement for similar future contracts without the respective Krüger Company having to refer to them again in each individual case.

2.3. Individual agreements agreed upon with the Supplier (including side agreements, supplements and amendments) shall always prevail over these GPC. Subject to proof to the contrary, only a written contract or written confirmation of the respective Krüger Company

shall be binding for the content of such agreements.

2.4. Legally relevant declarations and notifications of the Supplier to a Krüger Company after conclusion of the contract (e.g. setting of deadlines, reminders, declaration of withdrawal) must be made in writing.

2.5. References to statutory law only have clarifying significance. In any case, the statutory law applies unless directly amended or expressly excluded in these GPC.

**3. Conclusion of contract and inquiries**

3.1. These GPC shall also apply to inquiries. Inquiries are non-binding.

3.2. The Supplier shall adhere to the inquiry in the offer and expressly point out any deviations. The submission of any offer shall be free of charge and non-binding for the respective Krüger Company.

3.3. The order of a Krüger Company shall be binding at the earliest upon written submission of the order or upon written confirmation by the Krüger Company of an offer by a Supplier. The Supplier shall notify obvious errors (e.g. spelling and calculation errors) and incompleteness of the order including the order documents for the purpose of correction or completion before acceptance; otherwise the contract shall be deemed not to have been concluded.

3.4. Unless an order confirmation has been expressly waived, each order must be confirmed in writing within one week with details of the binding delivery time. A delayed or amended acceptance of an order is considered a new offer and requires written confirmation by the respective Krüger Company.

**4. Delivery time and delay in delivery**

4.1. The delivery time stated in the order is binding. If the delivery time is not specified in the order or otherwise agreed, the delivery time shall be 5 working days from the conclusion of the contract. The Supplier is obliged to inform the ordering Krüger Company immediately in writing of any expected failure to comply with agreed delivery times, for whatever reason.

4.2. If the Supplier fails to perform its obligations or fails to perform within the agreed delivery period

or if the Supplier is in delay in service, the rights of the Krüger Company, in particular to rescission and damages, shall be determined in accordance with the statutory law. In particular, the Krüger Company is entitled to make covering purchases. Any difference between covering purchases and the prices agreed with the Supplier shall be borne by the Supplier. The provisions in Section 4.3 shall remain unaffected.

- 4.3. If the Supplier is in delay in service, the Krüger Company may demand a contractual penalty of 1% of the net price per completed calendar week, but not more than a total of 5% of the net price of the delayed Contract Products. Further legal claims shall be reserved, whereby the lump sum for damages shall be taken into account. The Supplier shall have the right to prove that no damage or a lower damage has arisen as a result of the delay in service. The lump sum will be reduced accordingly. If the Krüger Company accepts late performance, the contractual penalty will be claimed with the final payment at the latest.

## 5. Performance, Delivery, Transfer of Risk, Default of Acceptance

- 5.1. Without the prior written consent of the Krüger Company, the Supplier shall not be entitled to assign the order to third parties (e.g. subcontractors). The Supplier shall bear the procurement risk for its services unless otherwise agreed (e.g. limitation to stock).

- 5.2. The place of performance for the delivery obligation shall be the place of delivery designated by the Krüger Company (*Bringschuld*). If no express designation is made, the place of performance shall be the place of business of the ordering plant.

5.3 If one of the international trade clauses "Incoterms" issued by the International Chamber of Commerce (ICC) has been agreed for the respective contract, the respective current version shall apply. Such Incoterms shall only apply to the extent that they do not conflict with the provisions of these GPC or any other agreement.

- 5.4. Unless otherwise agreed in writing, the delivery/service shall be DDP (delivered duty paid) as defined in Incoterms.

- 5.5. The delivery shall be accompanied by a delivery note stating the date of the delivery (issue and dispatch), the contents of the delivery (article number and quantity) and the Krüger Company's order identification (date and number). A corresponding dispatch note with the same content shall be sent to the Krüger Company separately from the delivery note. If one or more of these specifications is not complied with, the Krüger Company shall not be responsible for any resulting delays.

- 5.6. Upon the request of the Krüger Company, the Supplier shall be obliged to make all documents available to the Krüger Company upon delivery or immediately thereafter. This also applies to the submission of original documents at the dutiful discretion of the Krüger Company. Relevant documents include, among others, customs documents, proofs of origin, QS test certificates, certifications, proofs of preferential status.

- 5.7. The risk of accidental loss or accidental deterioration of the goods shall pass to the Krüger Company upon delivery at the place of performance. If formal acceptance has been agreed, this shall be decisive for the transfer of risk. The statutory provisions of the law on contracts for work and services shall also apply accordingly in all other respects to acceptance. Delivery or acceptance shall be deemed to have taken place if the Krüger Company is in default of acceptance.

- 5.8. The statutory provisions shall apply to the default of acceptance. However, the Supplier must expressly offer its services to the Krüger Company even if a specific or determinable time period has been agreed for an action or co-action of the Krüger Company (e.g. provision of material). If the Krüger Company is in default of acceptance, the Supplier may demand reimbursement of its additional expenses in accordance with the statutory law (§ 304 BGB). If the contract relates to a non-fungible good to be manufactured by the Supplier (one-off production), the Supplier shall only be entitled to exercise additional rights if the Krüger Company has committed itself to cooperation and if it is responsible for the failure to cooperate.

## 6. Prices and terms of payment

- 6.1. The price stated in the order is binding. All prices are quoted exclusive of statutory value-added tax if this tax is not listed separately.
- 6.2. Unless otherwise agreed, the price shall include all services and ancillary services of the Supplier (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance). The Supplier must take back packaging material at the request of the Krüger Company.
- 6.3. In the case of bank transfers, payment shall be deemed to have been made in due time if the transfer order of the Krüger Company is received by the bank before the expiry of the payment deadline. The Krüger Company is not responsible for delays caused by the banks involved in the payment process. Each party shall bear the costs of its own bank.
- 6.4. No maturity interest (*Fälligkeitszinsen*) shall be owed. The statutory law shall apply to payment default.
- 6.5. The Krüger Company shall be entitled to set off any claim it has against the Supplier against any claim of the Supplier against the Krüger Company. Cross claims of the Krüger Company and the Supplier arising from this contractual relationship as defined in the previous sentence shall lapse at this point in time and to the extent to which and in which they can be set off against each other, without a separate declaration of set-off being required. The Krüger Company is also entitled to withhold due payments as long as it is still entitled to any claims against the Supplier for incomplete or defective performance.
- 6.6. The Supplier shall have a right of set-off or a right of retention only if counterclaims have been legally established, if they are acknowledged or undisputed.

## 7. Invoices

- 7.1. The invoices must be issued in accordance with the provisions of §§ 14 or 14a of the German Value Added Tax Act. Furthermore, any specifications of the Krüger Company and/or the KRÜGER GROUP must be observed.
- 7.2. Invoices must be issued to the relevant Krüger Company in whose name and on whose account the order was placed. The invoices shall be send

to the Krüger Company concerned, however, the Krüger Company may also agree otherwise with the Supplier. Also in this case the buyer remains the Krüger Company specified in the order.

- 7.3. Invoices which indicate quantities other than those confirmed by the Krüger Company shall be corrected by mutual agreement prior to settlement.
- 7.4. Only invoices that meet the requirements of the Value Added Tax Act will be settled. In deviation from the generally applicable statute of limitations, it is agreed that the claim to correction of an invoice in the case of an incorrectly issued invoice shall only become time-barred after a period of 10 years.

## 8. Confidentiality and retention of title

- 8.1. The Krüger Company reserves all property rights and copyrights to illustrations, plans, drawings, calculations, implementation instructions, product descriptions and other documents. Such documents shall be used exclusively for the contractual service and shall be returned after the contract has been fulfilled. The documents must be kept confidential from third parties, even after termination of the contract. The obligation to maintain confidentiality shall only expire if and insofar as the knowledge contained in the documents provided has become generally known.
- 8.2. The foregoing provision shall apply *mutatis mutandis* to substances and materials (e.g. software, finished and semi-finished products) as well as to tools, templates, samples and other items provided by the Krüger Company to the Supplier for manufacturing purposes. Such objects - as long as they are not processed - shall be kept in separate storage at the Supplier's expense and shall be adequately insured against destruction and loss.
- 8.3. Any processing, mixing or blending (further processing) of items provided by the Supplier shall be carried out for and on behalf of the relevant Krüger Company. The same shall apply to any further processing of the delivered goods by the Krüger Company, so that the relevant Krüger Company shall be deemed the manufacturer of the goods and shall acquire ownership of the Contract Products at the latest

upon further processing in accordance with the statutory law.

- 8.4. The transfer of ownership of the Contract Products to the Krüger Company must take place unconditionally and without regard to the payment of the purchase price. If, however, the Krüger Company accepts an offer for transfer of ownership made by the Supplier that is conditional upon the payment of the purchase price, the Supplier's reservation of title shall at the latest expire upon payment of the purchase price for the delivered Contract Products. The Krüger Company shall remain authorized to resell the Contract Products in the ordinary course of business, even before payment of the purchase price, subject to assignment in advance of the resulting claim. All other forms of retention of title, in particular the extended retention of title, the forwarded retention of title and the retention of title extended to further processing are thus excluded.

**9. Warranty and warranty rights**

- 9.1. The Supplier warrants that the Contract Products delivered by it comply with (i) the specifications and other agreements with the Krüger Company with regard to composition, quality, packaging, declaration and other properties, (ii) the statutory provisions in the country of destination and (iii) are suitable for the use presumed under the contract.
- 9.2. The Supplier further warrants that the Contract Products are free from third-party rights, in particular that no property rights or industrial property rights of third parties exist with respect to the Contract Products which could be infringed by further processing and/or resale by the Krüger Company and/or the other members of the KRÜGER GROUP to its customers. The Supplier shall indemnify and hold harmless the Krüger Company and/or the other members of the KRÜGER GROUP against all claims of third parties based on an actual or alleged infringement of industrial property rights upon first request, unless the Supplier is not responsible for the actual or alleged infringement of industrial property rights.
- 9.3. In the event of a breach of any of the obligations set forth in Sections 9.1 and 9.2 as well as in the event of other material defects or defects of title of the Contract Products (including incorrect or

short deliveries as well as improper assembly, defective assembly, operating or operating instructions) and in the event of other breaches of duty by the Supplier, the statutory provisions shall apply to the rights of the Krüger Company, unless otherwise provided for in these GPC.

- 9.4. In deviation from § 442 Para. 1 S. 2 BGB, a Krüger Company shall also be entitled to unrestricted warranty claims if the defect remained unknown to the Krüger Company at the time of conclusion of the contract due to gross negligence.
- 9.5. The commercial duty to inspect and give notice of defects shall be governed by the statutory provisions (§§ 377, 381 HGB) subject to the following provisions: The goods delivered shall be inspected immediately upon receipt by the Krüger Company and irrespective of the Incoterms with respect to type, quantity and obvious damage, such as transport damage, quantity deviations and obvious defects and discovered defects shall be reported immediately. Defects discovered later shall be reported immediately after their discovery. The notification of defects shall in any case be deemed to have been made immediately and in due time if it is received by the Supplier within a period of 10 working days following the receipt of the goods or, in the case of hidden defects, following their discovery.
- 9.6. In accordance with the statutory provisions, the Supplier is in particular liable for the fact that the Contract Products have the agreed quality at the time of transfer of risk and that they comply with the latest state of technology. Unless otherwise agreed, those product descriptions which - in particular by designation or reference in the purchase order - are the subject matter of the respective contract or have been included in the contract in the same way as these GPC shall be deemed to be agreements on the quality. It makes no difference whether the product description was provided by the Krüger Company, the Supplier or the manufacturer.
- 9.7. The costs incurred by the Supplier for the purpose of inspection and subsequent performance (including any dismantling and installation costs) shall be borne by the Supplier even if it turns out that no defect actually existed. However, the Krüger Company shall only be liable in this respect if the Krüger Company has

recognized or grossly negligently failed to recognize that no defect existed.

9.8. If the Supplier does not fulfil its obligation to subsequent performance - at the discretion of the Krüger Company either (i) remedy the defect (repair) or (ii) delivery of a defect-free item (replacement delivery) - within a reasonable period of time set by the Krüger Company, the Krüger Company shall be entitled to remedy the defect itself and demand reimbursement from the Supplier of the expenses required for this or an appropriate advance payment. If subsequent performance by the Supplier has failed or if it is unreasonable for the Krüger Company to accept such subsequent performance (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline needs to be set; if possible, the Krüger Company shall inform the Supplier of such circumstances immediately in advance.

9.9. The Supplier shall indemnify the Krüger Company against all claims for damages and warranty claims of its customers to the extent that such claims are based on defects of the delivered Contract Products and fault of the Supplier or one of its vicarious agents; this shall also apply to consequential damages and costs.

9.10. Furthermore, the Krüger Company is entitled according to the statutory provisions to reduce the purchase price or to withdraw from the contract in the event of a breach of the guarantees, a material defect or a defect in title. In addition, the Krüger Company is also entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.

## **10. Manufacturer's liability**

10.1. If the Supplier is responsible for product damage, Supplier shall indemnify the Krüger Company and/or the other members of the KRÜGER GROUP upon first request against claims by third parties to the extent that the cause of such damage lies within the Supplier's sphere of control and organisation and the Supplier itself is liable to third parties.

10.2. Within the scope of its obligation to indemnify the Krüger Company and/or the other members of the KRÜGER GROUP, the Supplier shall

reimburse expenses pursuant to §§ 683, 670 of the German Civil Code (BGB) resulting from or in connection with claims by third parties, including recall actions carried out by Krüger Companies. The affected Krüger Company shall inform the Supplier - as far as possible and reasonable - of the nature and scope of recall measures and give the Supplier the opportunity to comment. Further legal claims remain unaffected.

10.3 The Supplier shall take out and maintain product liability insurance with a lump sum cover of at least EUR 30 million per personal injury/property damage. Upon request, the Krüger Company shall be provided with appropriate evidence for this.

## **11. Quality assurance and information duties**

11.1. The Supplier undertakes to check and ensure compliance of the Contract Products with the product specifications, statutory requirements and other quality requirements as part of a coherent quality assurance concept by means of continuous quality assurance and quality control measures at its own expense. Upon request, the Supplier shall comprehensively inform the Krüger Company about the type, scope and frequency of the measures.

11.2. The Supplier shall participate in an independent auditing system recognised by the Krüger Company. The Supplier shall make the results of the audit available to the Krüger Company at any time upon request. In addition, the Supplier grants the Krüger Company unrestricted access to the complete audit reports stored in the corresponding databases.

11.3. The Supplier shall inform the relevant Krüger Company immediately after becoming aware if internal or external incidents, investigations, findings, etc. reveal that delivered contractual products deviate from the product specifications and/or show quality defects and/or could show such defects and/or otherwise doubt legal conformity or unrestricted marketability. In cases in which there could be a danger to life, limb or health, the Supplier shall inform the Krüger Company immediately, but no later than within 2 hours after becoming aware of this.

11.4. Employees of the KRÜGER GROUP or experts appointed by the Krüger Company shall be entitled to inspect the Supplier's premises and



equipment, to inspect the quality assurance measures and to take samples from the ongoing production of the contractual products at any time during business hours of the Supplier. The frequency and scope of these audits are at the discretion of the KRÜGER GROUP, taking into account the legitimate interests of the Supplier. Upon presentation of an authorisation issued by the Krüger Company, the auditor is granted access to all relevant premises. The auditors are entitled to record any deviations with a photo. The photos only serve as documentation of specific deviations.

11.5. The Supplier shall grant employees of the KRÜGER GROUP or experts commissioned by the relevant Krüger Company access at any time to reports and documentation of the Supplier and to reports and documentation on inspections and operational control measures carried out by third parties.

11.6 Except to the extent statutory disclosure obligations exist, the relevant Krüger Company shall protect the trade and business secrets of the Supplier and comply with the data protection provisions applicable in the particular case as well as oblige accordingly third parties which the relevant Krüger Company engages.

## 12. Certifications

The production facilities in which the Contract Products are manufactured must be notified to the Krüger Company in writing. Each change must be notified immediately and in writing. The production facilities must have the certifications specified by the Krüger Company.

## 13. Statute of limitations

13.1. The claims of the contracting parties against each other shall become time-barred in accordance with the statutory provisions, unless stipulated otherwise below.

13.2. In deviation from § 438 para. 1 no. 3 German Civil Code (BGB), the general limitation period for warranty claims shall be 3 years from the passing of risk. If formal acceptance has been agreed, the limitation period shall commence upon acceptance. The 3-year limitation period shall also apply mutatis mutandis to claims arising from defects of title, however, the statutory limitation period for claims in rem for surrender

by third parties (§ 438 para. 1 no. 1 German Civil Code (BGB)) shall remain unaffected. Furthermore, claims arising from defects of title shall not become time-barred in any case as long as the third party can still assert the right against the Krüger Company, in particular in the absence of a limitation period.

13.3. The limitation periods of the sales law including the above extension of the limitation period shall apply to the extent permitted by law to all contractual claims for defects. Insofar as a Krüger Company is also entitled to non-contractual claims for damages as a result of a defect, the regular statutory limitation period (§§ 195, 199 German Civil Code (BGB)) shall apply in this respect, unless the application of the limitation periods of the law on sales in the individual case leads to a longer limitation period. The statutory limitation periods under the Product Liability Act shall remain unaffected in any case.

13.4. Insofar as the relevant Krüger Company is entitled to recourse claims against the Supplier on the basis of the provisions on supplier recourse (§§ 445a, 478 German Civil Code (BGB)), § 445b German Civil Code (BGB) shall apply to the limitation of recourse claims; however, the limitation shall not apply before expiry of the period stipulated in Section 13.2.

## 14. Extraordinary termination

The Krüger Company shall be entitled to terminate any or all of the contracts arising from the business relationship with the Supplier for good cause without notice, if, after conclusion of the contract, the economic situation of the Supplier deteriorates significantly and the proper performance of the Supplier's obligations towards the Krüger Company appears to be at risk. This is particularly the case if the Supplier is subject to sustained seizures or execution measures.

## 15. Prohibition of assignment and pledging

The assignment and pledging of claims of the Supplier against the companies of the KRÜGER GROUP is excluded unless the Supplier has to assign these claims to its sub-suppliers on the basis of an extended retention of title agreed with the sub-supplier.

**16. Code of Conduct, Compliance and Anti-Corruption**

- 16.1. The Supplier shall apply to its organization, and comply with, the Code of Conduct of the KRÜGER GROUP (as amended from time to time; available at <https://www.krueger-group.com/downloads>).
- 16.2. The Supplier shall endeavour to ensure that also its suppliers apply to their respective organisation, and comply with, the Code of Conduct of the KRÜGER GROUP or comply with a corresponding code of conduct. "Its suppliers" in the sense of sentence 1 are those whose activity is necessary for manufacturing the products, or the provision or use of the services, of the KRÜGER GROUP, regardless of whether they have a contractual relationship with the Supplier or not.
- 16.3. The Supplier grants the Krüger Company the right to carry out initial and further training measures to implement the obligations according to Sections 16.1. and 16.2.
- 16.4. The Krüger Company is entitled to verify once a year or in case of sufficient cause, at its own expense, by its own employees or third parties, by way of an on-site audit and/or other suitable measures, whether the Supplier complies with the Code of Conduct of the KRÜGER GROUP. The Supplier shall grant reasonable access to the relevant areas and documents. Except to the extent agreed otherwise, such verification may only take place during the business hours of the Supplier and must not affect the business operations of the Supplier. A sufficient cause in the sense of sentence 1 occurs when the Krüger Company must expect a significantly changed or significantly expanded risk situation at the Supplier. Section 11.6. applies mutatis mutandis.
- 16.5. The Supplier warrants that its business activities are in accordance with the (i) statutory law, (ii) other legal provisions applicable to it and (iii) the contractual agreements made with the Krüger Company. The Supplier also warrants that sufficient organizational measures have been taken in its company to ensure compliance with the requirements described in sentence 1 above.
- 16.6. It is strictly prohibited for the Supplier to offer, promise or grant benefits to employees (including their relatives) of the KRÜGER GROUP for their work in the KRÜGER GROUP. If the

Supplier violates this prohibition, the Krüger Company may terminate the contract for cause with immediate effect.

**17. Data protection**

- 17.1. The processing of personal data takes place exclusively in compliance with data protection regulations. Personal data transmitted by the Supplier will be processed for the processing of the respective order and the respective offer of the Supplier as well as for future orders and future offers of the Supplier. This personal data is stored in the computer system of the KRÜGER GROUP. This means that all companies of the KRÜGER GROUP (<https://www.krueger-unternehmen.de/de/gruppe>) have access to the data. This is necessary and in our legitimate interest, because the companies in the KRÜGER GROUP work together on a division of labour basis and order goods / services centrally. Personal data will only be used for other purposes if the person concerned has consented to such other use or if there is legal permission for such other use.
- 17.2. In the event that personal data is transferred to a Krüger Company, the Supplier shall be obliged to inform the persons concerned in due time about the data processing by the Krüger Company or the KRÜGER GROUP in accordance with Article 14 of the Regulation(EU) 2016/679 (General Data Protection Regulation). The KRÜGER GROUP or the Krüger Company shall refrain from providing information to the person concerned. On request, the Supplier will be provided with the information required to fulfil the information obligations under the previous sentence.

**18. Severability clause, choice of law and place of jurisdiction**

- 18.1. In the event of the invalidity of individual provisions of these GPC, the remaining provisions shall remain fully effective. Ineffective provisions shall be replaced by provisions which come as close as possible to the economic result in accordance with the purpose pursued by the ineffective provision.
- 18.2. These GPC and the contractual relationship between the Krüger Company and the Supplier shall be governed by the law of the Federal Republic of Germany excluding international uniform law, in particular the UN Convention on

Contracts for the International Sale of Goods (CISG).

- 18.3. If the Supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising from the contractual relationship shall be Cologne. The same applies if the supplier is an entrepreneur within the meaning of § 14 BGB (German Civil Code). Prevailing legal regulations, in particular regarding exclusive jurisdiction, remain unaffected.

**19. Counterterrorism**

The KRÜGER GROUP implements the sanctions ordinances against persons and organizations suspected of terrorism with regard to the verification of lists of names and addresses.

**20. Environmental protection**

- 20.1 The Supplier is obliged to act in accordance with the requirements of the applicable environmental legislation and regulations.
- 20.2 The Supplier is informed about the impact of its operations on the environment and undertakes friendly operations to reduce the environmental impact of its operations and to work systematically to optimize environmentally. Environmental improvements include reducing energy and water consumption, reducing emissions, eliminating waste, and reducing and/or replacing hazardous chemicals.

**21. Animal Welfare**

As far as applicable to its business, the Supplier undertakes to take precautions for the welfare of all animals and to avoid the mistreatment of animals; both during capture, rearing, animal husbandry, transport and further use.