



GENERAL PURCHASING CONDITIONS OF ElsPetFeed INGREDIENTS GMBH (12/2021)

1. GENERAL PROVISIONS

1. The following General Purchasing Conditions (“GPC”) shall apply to contracts between companies of ElsPetFeed Ingredients GmbH (hereinafter respectively referred to as “Customer”) for the delivery of goods or the provision of work or Services (hereinafter referred to as “Services”) concluded with providers of such Services (hereinafter respectively referred to as “Supplier”), in which explicit reference is made to these GTC.
2. The provision of Services in the context of the relationship between the Parties shall be governed exclusively by the following documents in the following order of priority:
 - i. The wording of the Contract or purchase order (hereinafter respectively referred to as “Contract”)
 - ii. These GPC in the version valid at the time of conclusion of the Contract or at the time of placing the purchase order; the later event shall be decisive
 - iii. Any further annexes to the Contract or purchase order

In the event of contradictions between the individual documents, the provisions of the higher-ranking document shall take precedence.

3. Sample contracts, standard documents and general delivery conditions, guarantee conditions or business terms and conditions of the Supplier shall be expressly excluded. By entering into contractual negotiations and/or by submitting an offer, the Supplier declares that it has taken note of the content of the sample contracts and these GPC and is willing to base its performance on the same.
4. The Customer reserves the right to amend these GPC at regular intervals after conclusion of the Contract. The Customer shall notify the Supplier of such amendments by means of a signed letter (hereinafter referred to as “Written Form”), by means of messages or further electronic communication through Supplier portals (hereinafter referred to as “Digital Form”) or by means of fax or email, together with the transmission of the amended version of these GPC. In the event of continuing obligations, the Supplier has the right to object to the inclusion of the amended version in current contractual relationships within six weeks of receipt of such information. In this case, the version included at the time of the Contract’s conclusion shall continue to apply. If the Supplier does not exercise the aforementioned right of objection or does not exercise it in due time, the amended version of these GPC shall apply to the current contractual relationship after expiry of the aforementioned period. Section 1.2 shall remain unaffected by this. In the case of contracts for a one-off exchange of services, in particular contracts of sale and contracts for work and services, the version valid at the time of conclusion of the Contract shall remain authoritative.
5. The Parties may only deviate from the contract samples and/or these GPC by separate agreement in the Contract (Section 1.2.i) concluded in Written or Digital Form. Deviations or modifications made by employees other than the duly authorised employees of the Customer and/or in other documents and/or in other forms shall be null and void.
6. Additional terms and conditions of the Contract and/or deviations or modifications of these GPC shall only apply to the respective Contract; they shall not be binding for other or future contracts between the Parties.

2. CONCLUSION, AMENDMENT AND TERMINATION OF THE AGREEMENT

1. For the conclusion of a Contract (section 1.2.i), offer and acceptance must be made in Written or Digital Form. The Customer’s silence in response to an offer by the Supplier, the signing of a protocol, the invitation to engage in further negotiations and/or similar communication between the Parties cannot be interpreted as consent or acceptance from any legal point of view. Offer and acceptance may only be made effectively by duly authorised employees of the Customer.

2. Amendments to the Contract after its conclusion may only be agreed in the same manner as the Contract itself was concluded. Amendments by employees of the Customer other than those duly authorised by the Customer and/or in any other form are null and void.
3. Both Parties have the right to terminate the Contract in accordance with the statutory provisions under the conditions set out in the Contract.
4. In all other respects, the Customer may terminate the Contract with immediate effect without further notice and/or without any liability towards the Supplier or withdraw from the Contract with immediate effect without further notice if the Supplier is likely to become insolvent or announces the cessation of business and/or the liquidation of the company, the Customer acquires information regarding payment difficulties or a significant financial imbalance from publicly available sources, if a majority third-party takeover of the Supplier is performed, if the Supplier is released from the obligation to perform for more than 60 consecutive days due to force majeure, if it is in breach of the provisions of Sections 11.1–11.4 and/or 13.1–13.9 or urgent technical or operational requirements make it unreasonable for the Customer to adhere to the Contract. The existence of only one of the aforementioned reasons is sufficient.
5. Statutory rights of termination or withdrawal and other rights of the Parties shall not be affected by the above provisions.
6. The Customer shall exercise the rights of termination pursuant to Section 2.3 within twelve months of becoming aware of the existence of the respective reason.
7. Declarations of termination or withdrawal are subject to Written or Digital Form to be effective.

3. PROVISION OF SERVICES

1. The agreed price shall apply to the entire scope of Services as defined in the Contract (Section 1.2.i) and/or the following provisions.
2. The Supplier warrants that all Services have the contractually agreed quality and are suitable for the purpose intended by the Customer. Services and immaterial works must be provided completely and on time. Insofar as a certain degree of success is owed, the Supplier must carry out all actions necessary for this; this also applies if individual actions were not expressly agreed and/or were unforeseeable at the time of conclusion of the Contract. The Supplier warrants that all Services and/or their components are free of third-party rights.
3. Where Polish law is applicable (Section 15.3), the Supplier shall provide a comprehensive guarantee for a period of three years on the Services, the materials used and the work performed. The guarantee period shall begin at the time of transfer of risk (Sections 3.7 to 3.10). The guarantee also specifically includes the conformity of the performance with legal requirements and the technical documentation. Section 5.8 does not apply to the guarantee. The Customer's rights under Section 5 otherwise remain unaffected.
4. In the case of deliveries of goods, the delivery time, place of delivery and terms of delivery shall be determined by the Contract. Unless otherwise agreed, the performance of Services is made at the risk of the Supplier. In the case of Services and non-physical work services, the time and place of the respective service provision shall be determined by the Contract.
5. When entering the Customer's premises, the Supplier shall comply with the relevant statutory, official, trade association and factory regulations. It must instruct its employees accordingly. The Supplier's employees must register at the gate before entering the factory premises. An unannounced entry entitles the Customer to terminate the Contract and all call-offs or partial deliveries made thereunder or to withdraw from the Contract immediately.

6. Insofar as this is possible according to the nature of the goods to be delivered, the contractual delivery of the goods shall also include packaging, loading and unloading of the goods as well as disposal of the packaging, fault-free assembly, commissioning, handover of the complete documentation and instruction of the Customer's personnel in the proper handling of the goods.
7. Unless otherwise agreed in the Contract, the risk shall not pass to the Customer until formal acceptance has been carried out. The Supplier must notify the Customer in Written or Digital Form of the completion and readiness for acceptance. The date for acceptance must be agreed separately. As a rule, it shall take place no later than four weeks after notification of completion; the operational interests of both Parties must be taken into account. Acceptance, including partial and final acceptance, shall be effected by the Customer signing the acceptance report without reservation. The acceptance report shall bear the date of the day of acceptance.
8. Insofar as the goods to be delivered are technical installations, the Customer is only obliged to accept the goods after the commissioning has been properly carried out and all agreed performance tests have been completed.
9. Partial deliveries are only permitted by separate agreement. In the event of inadmissible partial deliveries, the Customer is entitled to reject the delivered partial quantity as not being in accordance with the Contract.
10. Insofar as partial deliveries have been agreed as permissible, the goods shall be accepted in parts in accordance with Sections 3.7 and 3.8. In these cases, the documentation shall also be prepared in appropriate sections. Records of the individual partial acceptances as well as a final acceptance report shall be prepared.
11. The documentation is to be handed over to the Customer in a single copy stored on a data carrier at the time of procurement of possession. Documentation includes, but is not limited to, drawings and plans, operating instructions, safety certificates, technical permits and approvals, test reports and operating licences. The information contained in the documentation must be recorded in the Customer's local language in both the original electronic format and as a pdf file. The complete handover of the documentation shall be noted in the acceptance report. The Supplier cannot demand acceptance before the complete handover has occurred.
12. At the time of the procurement of possession, the Supplier shall transfer to the Customer the ownership of information carriers on which documentation and/or other immaterial works (including software) are stored, as well as the copyrights and the rights derived therefrom to documentation and/or immaterial works (including software source codes) in the areas specified in Section 3.14.
13. To the extent that the transfer of copyrights and rights derived therefrom is not possible under the applicable law (Section 15.3), the Supplier shall instead transfer to the Customer at the time of the transfer of possession a right of use, processing and modification of documentation and/or immaterial works (including software source codes) in the areas specified in Section 3.14, which is unlimited in time and place.
14. In each of the cases mentioned in Sections 3.12 and 3.13, the Customer shall be granted in particular, but not conclusively:
 - i. The right to edit, reproduce and make further copies of the work by means of printing, reprographics technology, magnetic recording and digital methods
 - ii. The right to place both the original and any copies on the market, in particular to lend and hire them out
 - iii. The right to sublicense without restriction
 - iv. The right of public performance, exhibition, broadcast, communication and transmission and rebroadcasting

4. SPECIAL PROVISIONS FOR THE ASSEMBLY OF THE GOODS

1. Insofar as the Supplier is contractually required to assemble the goods to be delivered, it shall be obliged to carry out the actions required to establish unrestricted functionality and operational readiness in accordance with both the legal, official and contractual requirements and the state of the art and must monitor the execution of said assembly.
2. If it becomes apparent during the assembly that work other than that agreed and/or foreseeable at the time of conclusion of the Contract is required to ensure unrestricted functionality and operational readiness, the Supplier must notify the Customer of this immediately in Written Form or Digital Form or by fax or email. Such other work may only be carried out with the prior consent of the duly authorised employees of Customer. The consent by other employees of the Customer and/or in any form other than the conclusion of the Contract shall be deemed null and void.
3. In the event that the Supplier brings tools or materials required for assembly onto the Customer's factory grounds, the Supplier must protect these against damage and theft at its own responsibility. In this respect, the Customer shall not assume any responsibility for the Supplier's assets.
4. The assembly work must be carried out with as little disruption to the Customer's operations as possible. In particular, the Supplier shall observe the general opening hours at the place of performance and shall ensure that operational processes are not impaired by noise, waste, dirt, obstacles or similar inconveniences.

5. RIGHTS OF THE CUSTOMER IN CASE OF DELAY AND DEFECTS

1. If the Service owed is not performed in time on the date agreed in the Contract, the Customer shall set the Supplier a reasonable deadline for performance. If the Supplier does not provide the Service owed within the set period, the Customer is entitled to terminate or withdraw from the Contract or commission third parties to provide the Service owed at the Supplier's expense. The Customer is at liberty to claim further damages.
2. Notwithstanding Section 5.1, the Customer is also entitled to withdraw from or terminate the Contract without notice if the Supplier's provision of the Service is delayed for at least 14 consecutive days or if the Supplier ceases to render the Service for at least 14 consecutive days for reasons for which it is responsible and compliance with the agreed service times is thereby jeopardised.
3. If the performance of the Service does not comply with the requirements of the Contract (Section 1.2.i) or the technical documentation, the Supplier is obliged to produce the contractually-compliant state of the goods at its own expense. This can be done before delivery or acceptance via compensation for contractual actions, after delivery or acceptance by repair or by renewed delivery or performance. The Supplier must provide evidence that the performance of Services either originally or after one of the above measures meets the contractual requirements. Should the Customer be held liable by third parties for alleged infringements of their rights to the Services and/or their components, the Supplier must take remedial action immediately at its own expense. This can be done at the Supplier's discretion by defending the claim or by licensing the allegedly claimed third-party rights. Such remedial action shall not affect the agreed price (Section 3.1).
4. The Customer shall set the Supplier a reasonable deadline to produce the contractually-compliant state of the goods. The Supplier must agree a date with the Customer for the necessary actions within the set period. This appointment shall be made without delay, but as a rule not later than 24 hours after notification of the defect, and shall not lead to a postponement of the contractually agreed performance dates. Appropriate consideration must be given to the operational concerns of the Customer.
5. If the Supplier does not comply with the Contract within the specified deadline (Section 5.4), the Customer is entitled at its own discretion to terminate or withdraw from the Contract, to accept the performance in its defective condition and in return to reduce the price to be paid accordingly, or to commission a third party to produce the contractually-compliant state of the goods at the Supplier's expense. The rectification of defects by third parties shall not affect the



Customer's statutory or contractual rights with respect to this or any other defect and shall not affect the guarantee issued under Section 3.3.

6. The Customer shall exercise the rights of termination pursuant to Sections 5.2 to 5.5 within 12 months of becoming aware of the existence of the respective reason.
7. In particularly urgent cases, the Customer shall be authorised to allow third parties to produce the contractually-compliant state of the goods without setting a prior deadline if and to the extent that this can prevent damage to the Customer's assets from occurring and/or accumulating.
8. The aforementioned rights of the Customer due to defects shall become statute-barred in the case of non-physical services within two years of the time of their performance, in the case of physical goods within three years of the time of delivery or, if agreed, acceptance, and, in the case of technical equipment, within five years of the time of acceptance. If a contract covers several of the aforementioned types of performance, the longer limitation period shall apply. In the event of subsequent production of the contractually-compliant state of the goods, the respective limitation period shall start anew upon completion of the corresponding actions.

6. LIABILITY AND INSURANCE

1. The Supplier shall be liable for all damage caused to the Customer and/or its affiliated companies by, during or in connection with the performance of the Contract, unless the Supplier is not responsible for the occurrence of the damage, this irrespective of the legal basis. The Supplier shall indemnify the Customer in full against any claims by third parties, this irrespective of the legal grounds invoked.
2. Penalties contained in these GPC and/or in the Contract shall not be construed as a limitation of the Supplier's liability, neither as a result of the grounds for the same, nor in the amount thereof. The Customer shall be entitled to claim damages exceeding the amount of the contractual penalties. However, any contractual penalties imposed shall be offset against any damage claims.
3. The Supplier shall take out a business liability insurance policy against property damage, personal injury and financial loss to the level of coverage agreed in the Contract, and shall provide the Customer with evidence of the same, this for the duration of the Contract.
4. The Supplier must take out an environmental liability insurance policy to the level of coverage agreed in the Contract and provide proof of this to the Customer, this for the duration of the Contract.
5. Unless the applicable law (Section 15.3) provides for statutory accident insurance coverage for the Supplier's employees, the Supplier shall arrange for private accident insurance at its own expense. The above shall also apply to employees of subcontractors. Proof of the insurance coverage must be submitted to the Customer.
6. The insurance coverage must also cover periods of time during which the Customer can avail itself of its rights as set out in Section 5. If the Supplier fails to comply with the aforementioned obligations, the Customer shall be authorised to arrange for appropriate insurance cover at the Supplier's expense.
7. The Supplier is prohibited from making significant changes to the insurance contracts during the relevant periods.

7. BREACHES OF OBLIGATION AND CONTRACTUAL PENALTIES

1. If the Supplier culpably fails to perform the Service owed in due time by the date agreed in the Contract (Section 5.1), the Customer is entitled to impose a contractual penalty on the Supplier for each day of delay in the amount of 0.5% of the respective net delivery value, but not exceeding 20% of the respective net delivery value. The foregoing shall apply accordingly if the Supplier fails to produce the contractually-compliant state of the goods within the set deadline (Section 5.4) and in the event of delayed delivery of the documentation (Sections 3.11. to 3.14). The maximum amount shall apply separately for each breach of obligation.
2. In case of partial deliveries, Section 7.1 shall apply to the respective partial delivery. The net total delivery value shall be decisive.
3. If the Customer terminates the Contract pursuant to Sections 5.1, 5.2 or 5.5 or withdraws from the Contract pursuant to these Sections, it shall be entitled to impose a separate contractual penalty on the Supplier in the amount of 20% of the total net delivery value. Further damage claims in connection with the termination shall hereby remain unaffected.
4. If the Supplier and/or its employees culpably violate the provisions of Sections 10.6 and/or 11.1 to 11.4, the Customer shall be entitled to impose a contractual penalty of €2,500.00 on the Supplier for each violation.
5. Where Polish law is applicable (Section 15.3), the Customer shall be entitled to impose separate contractual penalties in case of violation by the Supplier and/or its employees of the rules and regulations stipulated in Section 3.5. Failure to use personal protective equipment (in particular protective clothing, helmet, waistcoat, safety shoes, ear protection, eye protection, safety harnesses), the unlawful organisation of the workplace (in particular confusion and disorder), as well as any documented breach of the occupational safety regulations and the sugar factory's internal procedures shall be penalised with a contractual penalty of €100.00 net per violation. The introduction of alcohol onto the sugar factory's premises and the expulsion of the Supplier and/or its employees from said premises on the grounds of justified suspicion of alcoholisation shall be punished by a contractual penalty of €300.00 net per violation.
6. The provisions stipulated in Sections 7.1 to 7.5 shall also apply if the breaches of obligation in question are culpably committed by subcontractors and/or their employees.
7. The Customer is entitled to offset contractual penalties incurred against the price to be paid even without separate offsetting declarations.
8. Withdrawal from or termination of the Contract shall not affect the obligation to pay the contractual penalties incurred during the term of the Contract.

8. SECURITIES

1. As security for the performance of the agreed Services and all other contractual obligations, for the payment of contractual penalties incurred and/or to cover the costs of a third-party remedy of defects, the Supplier shall pay the Customer a deposit amounting to 10% of the total net remuneration owed to a bank account designated by the Customer. Payment of the deposit is due upon the signing of the Contract.
2. If the Supplier fails to pay the aforementioned security deposit by the time of acceptance (Sections 3.7 to 3.14), the Customer is entitled to withhold an amount equal to 10% of the total net remuneration owed as security for its claims referred to in Section 8.1 instead of the aforementioned security deposit. A separate offsetting declaration is not required. If the Parties have agreed on partial payments, payments on account or instalments, the Customer is entitled to deduct the security retainer pro rata from each instalment or payment. There shall be no deduction of the security retainer from down payments or advance payments (Section 8.5).

3. Instead of the aforementioned means of security (Sections 8.1 and 8.2), the Supplier is entitled to provide an irrevocable, unlimited and unconditional guarantee amounting to 10% of the total net remuneration owed immediately after conclusion of the Contract. The guarantee must be issued in writing by a major bank or insurance company registered and established in the European Union and requires the prior written consent of the Customer. The Customer reserves the right to object to the choice of the relevant bank or insurance company. In this case, the Supplier shall choose a bank or insurance company that meets the Customer's requirements.
4. The Customer is entitled to the respective security (Sections 8.1 to 8.3) until the expiry of the limitation or guarantee periods stipulated in Sections 3.3 and 5.8. After expiry of these limitation or guarantee periods, the Supplier may demand the return of the goods unless, at that time, the Supplier has not yet performed all Services owed, has not yet remedied all defects and/or the Parties are engaged in a legal dispute regarding Services still to be performed or existing defects, which has been brought before a state court or arbitration tribunal before expiry of the aforementioned periods. If the Supplier proves that the Customer's possibly still outstanding claims amount to less than 10% of the total net remuneration owed, the Supplier may, at the time of successful proof, demand the partial return of the securities provided up to the proven amount of the Customer's still outstanding claims. If the Supplier decides to replace the securities referred to in Sections 8.1 and 8.2 with a guarantee (Section 8.3) at a later date, it may demand the return of the replaced security after a period of 14 days since the guarantee was provided.
5. As security for the provision of a down payment or advance payment, the Customer may demand the provision of an irrevocable, unlimited, unconditional guarantee in the full amount of the agreed down payment or advance payment. Section 8.3 shall apply accordingly. The agreed down payments or advance payments shall not be due before the guarantee statement is issued to the Customer. Until the due date of their return, they shall be deemed to be in addition to the securities referred to in Sections 8.1 to 8.4. The Supplier may demand the return of the aforementioned guarantees as soon as it successfully proves to the Customer that it has provided Services to the value of the respective payment. At the time of acceptance (Sections 3.7 to 3.10) it is assumed that the Supplier has performed Services in the amount of the respective payment, and therefore the return of the aforementioned guarantees is due.

9. SUBCONTRACTORS

1. The Supplier must carry out immaterial work and Services personally and/or only via its own employees.
2. As far as the performance of physical services, assembly work, minor repair or construction work and/or the delivery of goods are concerned, the Supplier shall be entitled to commission third parties to perform the Services if and insofar as the Supplier notifies the Customer prior to the commencement of the performance using Written Form. In the case of construction work, the Supplier must also specify to the Customer the subject of the contract concluded with the third party. The Customer has the right to object to the subcontracting within 30 days of receipt of the notification, using Written Form. Application and/or disagreement in any other form shall be deemed null and void.
3. At the Customer's request, the Supplier shall submit for review the contracts concluded with the subcontractors and other documents in which the Customer has a legitimate interest.
4. Subcontracting shall not affect the contractual agreements in the relationship between the Supplier and the Customer. In particular, the Supplier shall be liable to the Customer for improper performance of the Contract and/or for any damage caused by its subcontractors as if the Supplier itself had performed poorly or caused the damage. Similarly, the Supplier shall indemnify the Customer from any claims of the subcontractors, in particular those arising from the general contracting liability of the building owner, against the Supplier.
5. If a threat of interruption or suspension of work results from financial shortages, insolvency or disagreements between the Supplier and its subcontractors, the Supplier agrees that the Customer, by unilateral request, may enter into the Supplier's contracts with the subcontractors in full. The Supplier shall ensure that corresponding rights of entry are also agreed in the contracts with its subcontractors.

6. The Supplier shall oblige its subcontractors to implement the aforementioned provisions in the contracts with their respective subcontractors. Sections 9.2 and 9.3 shall apply accordingly to the contracts of the subcontractors and their respective subcontractors.
7. If the Supplier fails to comply with its aforementioned obligations, in particular the obligation to pay the subcontractors in full and on time, the Customer reserves the right to withhold its payments to the Supplier in the amount of its commitments to the subcontractors. The Customer may otherwise demand additional security in accordance with Sections 8.1 to 8.3. If the Customer is made justifiably liable for payment by subcontractors or if it decides to make payment to subcontractors in order to counteract a possible refusal to perform, the amounts paid shall be offset against the remuneration due to the Supplier and, if this is exceeded, against the additional security.

10. PRICE, DUE DATE AND TERMS OF PAYMENT

1. All prices are net prices plus any statutory value added tax. Unless otherwise agreed, the agreed price shall also include all ancillary claims and costs of the Supplier, in particular those mentioned in Section 3.6.
2. Payment claims of the Supplier shall be due upon acceptance (Sections 3.7 to 3.10) and receipt of a verifiable invoice which complies with the legal requirements of the applicable law (Section 15.3). The later event shall be decisive. If acceptance has been contractually agreed, delivery shall take the place of acceptance. The basis for invoicing is the acceptance report, signed without reservation. The Supplier must indicate missing and/or amended details required for proper invoicing on its own initiative.
3. Invoices shall be sent exclusively to the addresses stated in the Contract; receipt at any other address shall be deemed not to have taken place. This applies equally to access via email addresses. If electronic invoicing has been agreed, the above also applies to the sending of the invoice in the incorrect form or format.
4. Payment target: 30 days from the due date. The date of receipt of the payment order by the Customer's bank is decisive for compliance with the payment deadline.
5. Contractually agreed down payments or prepayments are only due upon provision of the securities referred to in Section 8.5 and the receipt of a verifiable invoice that meets the legal requirements of the applicable law (Section 15.3). The later event shall be decisive.
6. Suppliers subject to VAT must register the bank account specified in the Contract to which the remuneration is to be paid with the competent authority for VAT purposes (so-called "white list"), if such registration is required by the applicable law (section 15.3). Any change in the bank account details must be registered and the Customer must be informed immediately. If the bank account named in the Contract or on the invoice fails to correspond to the bank account registered on the white list, the Customer shall be entitled to make payment to the registered account with discharging effect.

11. COMPLIANCE

1. The Supplier shall ensure that both its own employees, its own external personnel and the employees and external personnel of its subcontractors are adequately covered by social insurance, and that the contributions are paid both regularly and in full. The Supplier shall indemnify the Customer in full against any financial losses in connection with unpaid social security contributions or those which have not been paid correctly.
2. The Supplier shall ensure that the regulations on a statutory minimum wage are complied with as regards its own employees and external personnel as well as with regard to the employees and external personnel of its subcontractors. The Supplier shall fully indemnify the Customer against any financial losses in connection with violations of regulations concerning a statutory minimum wage.

3. The Supplier shall ensure that it and/or its employees and/or its subcontractors comply with the statutory, official trade union, employers' liability insurance association and/or factory regulations and instructions applicable at the place of performance. This includes in particular, but is not limited to the provisions of food laws and the HACCP standard, waste law, environmental or immission control laws, the regulation 1907/2006/EC ("REACH"), occupational health and safety laws, data protection laws, criminal laws as well as the rules of conduct and safety regulations of the respective delivery location.
4. In addition, the provisions of the ElsPetFeed Supplier Code of Conduct shall apply in their current version. The Customer reserves the right to ascertain the Supplier's compliance with these provisions on a regular basis. These checks may be carried out by means of written enquiries, pre-announced audits and, during normal business hours, by unannounced visits to the Supplier's registered offices and/or branches. In the event of unannounced visits, the Supplier warrants that it shall grant the Customer or its representatives access to the premises and/or inspection of documents to the necessary extent. Both compliance with the Code of Conduct and cooperation with regard to such checks constitute essential contractual obligations of the Supplier.

12. INTELLECTUAL PROPERTY RIGHTS

1. Insofar as the intended use of the Services requires the use of intellectual property rights of the Supplier – including all copyrights, trademark rights or other industrial property rights of any kind – the Customer shall receive a simple right of use to these intellectual property rights to the extent necessary, unlimited in time and space, and transferable to affiliated companies. Unless the granting of this right is confirmed separately in writing, the aforementioned right of use shall be deemed to have been tacitly granted upon completion of acceptance (Sections 3.7 and 3.8) or – if the Parties agree that acceptance is not to take place – upon delivery.
2. Intended use includes all actions that serve to integrate the Services into the Customer's plants, machinery, technical infrastructure and/or equipment and/or to establish compatibility with the Customer's plants, machinery, technical infrastructure and/or equipment. To the extent necessary, the Customer shall be entitled in such cases to make adjustments, modifications and adaptations to the intellectual property rights of Supplier. These adjustments, modifications and adaptations are the property of the Customer.
3. Ideas, inventions, possible applications and/or intellectual property arising in the course of the delivery (Sections 3 and 4) or through the intended use (Sections 13.1 and 13.2) are the exclusive property of the Customer. This applies both to the right of commercial use and to the application for industrial property rights. The Supplier undertakes to refrain from any commercial use of the aforementioned ideas, inventions, possible applications and/or intellectual property rights as well as from the application for industrial property rights in this respect.

13. CONFIDENTIALITY

1. The contracting Parties shall treat Confidential Information of which they have become aware in the course of the contractual negotiations, the conclusion of the Contract and/or the execution of the Contract in the strictest of confidence, and shall not disclose or make this available to third parties.
2. "*Confidential Information*" shall refer to
 - i. Documents and materials transferred to a Party in the course of cooperation which have been marked as confidential

- ii. All other technical, scientific or economic information disclosed in connection with the cooperation in oral, written, photocopied, digital or other form by the Parties or at the instigation of the Parties by third parties, whether or not this has been separately marked as Confidential Information, where it is clear from the circumstances or the nature of the information that the disclosing Party has a justified interest in keeping it confidential
 - iii. Business secrets of the contracting Parties according to § 2 No. 1 of the Law on the Protection of Business Secrets (German: Gesetz zum Schutz von Geschäftsgeheimnissen – GeschGehG)
3. The Parties shall take appropriate measures to ensure the confidentiality of the Confidential Information and to protect it against unauthorised disclosure to third parties. This shall include safeguards commensurate with the value and confidentiality interests of the Parties, which shall not fall below the level of protection provided by each Party for its own important business secrets. In particular, access to Confidential Information must be restricted and documented, responsibilities must be defined, employees must be sensitised and trained and appropriate technical measures implemented, such as physical protection and sealing measures and encryption and authentication mechanisms.
4. Not covered by the above confidentiality obligations are those Confidential Information or parts thereof which
 - i. Were already publicly available before the start of the contractual negotiations
 - ii. After they have been disclosed to the receiving contracting Party, were made generally accessible to third parties (other than by breach of a confidentiality obligation)
 - iii. Were demonstrably already known to the receiving contracting Party at the time of disclosure
 - iv. Were disclosed to one of the Parties by a third party prior to the start of the contractual negotiations, which was not itself subject to an obligation of confidentiality
5. The contracting Parties are prohibited from obtaining Confidential Information by observing, investigating, analysing, dismantling or testing (“*reverse engineering*”) materials, sketches, samples, specifications, prototypes or other objects and knowledge which have been made available to one of the Parties for the purpose of rendering performance. This prohibition shall end as soon as the product or the object on which the Confidential Information is based has been made publicly available through no fault of the Party.
6. The Parties shall be entitled to disclose Confidential Information if and to the extent that they have been ordered to do so by an incontestable official or judicial order or by mandatory legal provisions, the other Party has been informed in writing in advance of the intended disclosure and the legally possible and necessary precautions have been taken to prevent disclosure or to keep its scope as small as possible.
7. Legal entities that are majority-owned or controlled by the respective receiving Party or by which the respective receiving Party is majority-owned or controlled shall not be considered third parties within the meaning of this Agreement if and to the extent that an at least equivalent duty of confidentiality has been imposed upon them.
8. The obligation of secrecy shall apply beyond the fulfilment or termination of the Contract for a period of three years from the conclusion of the same.
9. The Supplier shall oblige its subcontractors to comply with Sections 13.1 to 13.8 and shall provide evidence of this to the Customer upon request.
10. If the Supplier and/or its employees and/or its subcontractors violate the aforementioned provisions, the Customer shall be entitled, irrespective of any claim for damages, to impose a contractual penalty of no less than €10,000.00 on the Supplier for each case of culpable violation and waiving the defence of continuation of the violation, to be determined by the Supplier at its reasonable discretion. The appropriateness of the contractual penalty shall be assessed by the competent court in the event of a dispute. When assessing the contractual penalty, the significance of



the breached obligation, the degree of said violation and the fault and the disadvantage to the Supplier are to be taken into account, among other things. The contractual penalty shall be offset against any further damage claims. Payment of the contractual penalty shall not release the Supplier from further compliance with the provisions of this declaration.

14. EXPORT CONTROL

1. Against the background of the provisions laid down in regulations 2580/2001/EC, 881/2002/EC and 753/2011/EU (“*Anti-Terrorism Regulations*”) in their currently valid version, the Supplier assures that, to the best of its knowledge, it does not maintain any contractual or non-contractual relationships (“*Relationships*”) with natural or legal persons, groups or organisations listed on the basis of the Anti-Terrorism Regulations (“*Persons*”) and does not make economic resources available to such persons either directly or indirectly.
2. The Supplier warrants that it has established and applies processes to prevent violations of the Anti-Terrorism Regulations through business relationships. The Supplier shall indemnify the Customer against all damages and financial losses it incurs as a result of a violation of the Anti-Terrorism Regulations by the Supplier.
3. The aforementioned regulations apply equally to any sanctions and/or embargoes imposed on natural or legal persons, groups or organisations by EU regulations or directives.
4. In the event of any breach of the aforementioned regulations by the Supplier, the Customer shall be entitled to refuse to fulfil this Contract in whole or in part, excluding any liability towards the Supplier.

15. FINAL PROVISIONS

1. Claims arising from this Agreement are not transferable to affiliated companies of the Supplier or to third parties without the prior written consent of the Customer. The Supplier may only offset its own undisputed or legally established claims against the Customer.
2. Should one or more provisions of this Agreement be or become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions. In such a case, the Parties shall agree on effective and enforceable provisions which correspond as closely as possible in legal and economic terms to what was originally intended.
3. This Agreement shall be governed by the substantive law of the country in which the Customer is domiciled, excluding the conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG). All disputes arising from or in connection with this Agreement shall be settled by the competent courts at the Customer’s place of business.
4. The above terms and conditions may be translated into languages other than German. Deviating language versions only serve the purpose of improved readability; the German language version shall remain decisive in every case.