



***GENERAL TERMS AND  
CONDITIONS OF PURCHASE***



# **GENERAL TERMS AND CONDITIONS OF PURCHASE**

## **of Azul Kaffee GmbH & Co. KG, Am Deich 43, 28199 Bremen**

### **1. General Provisions**

1.1. Azul Kaffee GmbH & Co. KG (hereinafter referred to as "Azul Kaffee") shall only ever order services and deliveries on the basis of these general terms and conditions of purchase, which shall form part of the contract concluded with the supplier. These general terms and conditions of purchase shall apply to all current and future contracts concluded with the supplier – even if this is not agreed separately in each contract. However, they shall not apply to the purchase of green coffee.

1.2. Azul Kaffee shall not acknowledge any deviating or additional terms and conditions of the supplier, unless Azul Kaffee consents to their validity in writing. These general terms and conditions of purchase shall apply even if Azul Kaffee accepts deliveries despite being fully aware of the supplier's conflicting or deviating terms and conditions.

1.3. In some cases, these general terms and conditions of purchase shall be supplemented by the applicable legal provisions and, in the case of international contracts, the INCOTERMS (2020) of the International Chamber of Commerce in Paris and the latest version of the Uniform Customs and Practice for Documentary Credits (UCP).

### **2. Orders**

2.1. All orders, contracts, additions and amendments must be drafted in writing and shall be confirmed by Azul Kaffee in text form. Section 151 of the German Civil Code (BGB) shall not apply. The supplier must inform Azul Kaffee about any obvious errors (e.g. spelling mistakes and miscalculations) and any information that may be missing from an order, including the order documents, before the order is accepted, so that changes can be made and information can be added as required; otherwise, the contract shall be rendered null and void.

2.2. Azul Kaffee shall be entitled to change the time and place of delivery – and the type of packaging – at any time by submitting a written notification at least 7 calendar days before the agreed delivery date. The same applies to any changes to product specifications that can be made within the supplier's ordinary course of production without a significant degree of additional effort; any such changes must be requested at least 2 weeks in advance. Azul Kaffee shall reimburse the supplier for any reasonable additional costs that are demonstrably incurred as a result of such changes. If such changes result in delivery delays that the supplier cannot avoid by making a reasonable effort within its ordinary course of production and business, the originally agreed delivery date shall be postponed accordingly. The supplier shall provide Azul Kaffee with a written notification in good time before the delivery date, containing a careful estimation of the additional costs or delivery delays to be expected; the supplier must submit this notification no later than 5 working days after receiving the notification described in the first sentence above.

2.3. If the supplier does not accept an order within one week of receipt, Azul Kaffee shall be entitled to cancel the order. Even if an order is not cancelled, it shall become ineffective if the supplier does not accept it within 10 days of receiving it from Azul Kaffee. However, the supplier must confirm blanket orders under general agreements within 1 working day. In order to meet the deadline, the declaration must be received by Azul Kaffee within the stipulated period.

### **3. Order Documents, Samples and Offers**

3.1. Azul Kaffee shall remain the owner of any documents, samples and storage media that are provided to the supplier over the course of the business relationship, as well as all related copyrights and other property rights. The supplier shall not be entitled to directly or indirectly make such documents, samples and storage media – or the data they contain – available to third parties without the written consent of Azul Kaffee. Azul Kaffee shall remain entitled to demand the return of documents, samples and storage media at any time. If Azul Kaffee exercises its right to demand the return of such materials, the supplier must also delete all copies of the files kept on the storage media provided.

3.2. Azul Kaffee shall not grant any remuneration or compensation for visits or the preparation of offers, projects, etc. The supplier shall not be entitled to assign all or part of an order to third parties without the prior consent of Azul Kaffee.

### **4. Order Documents, Samples and Offers**

4.1. The agreed delivery dates shall be binding. A delivery date shall be deemed to have been met depending on the time at which the delivery reaches Azul Kaffee's premises or the specified place of performance or the time at which a service becomes ready for acceptance. If the supplier declares that the service cannot be performed in good time before the deadline specified in the contract, Azul Kaffee shall be entitled – but not obliged – to set a new date or extend the deadline on multiple occasions. In such cases, Azul Kaffee shall lose its interest in the performance of the contract when the new date or extended deadline expires. The supplier shall not be entitled to make early deliveries.

4.2. If the supplier realises that agreed dates or deadlines cannot be met for whatever reason, the supplier must immediately notify Azul Kaffee in writing, stating the reasons for the delay and its expected duration.

4.3. In the event of a delivery delay, Azul Kaffee shall be entitled to withdraw from the purchase contract and demand compensation instead of the performance of the contract in accordance with the statutory provisions; Azul Kaffee shall also remain entitled to assert any other statutory rights and claims it may hold. Azul Kaffee shall also be entitled to exercise the rights described in the first sentence if a general agreement is concluded which is only partially fulfilled by the supplier. However, Azul Kaffee may only demand compensation instead of the performance of the entire general agreement if Azul Kaffee is no longer interested in the performance of the general agreement. In the event of partial deliveries, Azul Kaffee shall be entitled – but not obliged – to fully or partially restrict its withdrawal to the outstanding deliveries. The supplier shall be deemed to have defaulted on a delivery obligation as soon as a specific or specifiable calendar date has elapsed, unless Azul Kaffee has previously set a new date or extended the deadline, or when Azul Kaffee has set the supplier a reasonable grace period to provide or rectify the service to no avail; however, if such a grace period can be waived in accordance with the statutory provisions, the supplier shall be deemed to have defaulted on a delivery obligation even without a grace period.

4.4. If a delivery delay is caused by force majeure, the legal consequences arising from the supply contract shall remain ineffective if Azul Kaffee is immediately notified. Azul Kaffee shall be entitled to postpone the acceptance deadlines for the same reasons – without the supplier being entitled to compensation or being able to withdraw from the contract – if this is required due to the urgency of other obligations.

4.5. Azul Kaffee may opt against exercising the rights described in paragraph 3 and instead claim compensation for the damage caused by the delay or a contractual penalty amounting to 1% of the order value for each week of delay or part thereof, but no more than 5% of the order value. Azul Kaffee shall not be obliged to claim the contractual penalty as soon as the delivery is accepted. Regardless of this contractual penalty, Azul Kaffee shall be entitled to assert claims for damages caused by culpable delivery delays if the actual damage exceeds the contractual penalty.



## 5. Prices and Payment Conditions

- 5.1. The agreed prices shall be fixed prices (delivered duty paid or “DDP” according to INCOTERMS 2020) and shall include free packaging and freight to the place of performance. If the supplier reduces its prices by the delivery date, Azul Kaffee shall fully benefit from this price reduction.
- 5.2. Azul Kaffee shall settle all invoices within 14 days with a 3% discount for early payment or within 30 days in full after receiving a faultless delivery or service and an invoice.
- 5.3. Azul Kaffee shall be entitled to offset the supplier’s claims against any receivables held against the supplier.
- 5.4. One copy of each invoice must be sent in writing to Azul Kaffee GmbH & Co. KG, Am Deich 43, D-28199 Bremen. The order date and order number must be indicated on each invoice. An invoice must not contain deliveries / services from different orders.
- 5.5. Each payment shall be determined according to the quantities, weights and other calculated units. In the event of a faulty delivery or service, Azul Kaffee shall be entitled to withhold all or part of the payment until the contract has been performed as agreed; even in such cases, Azul Kaffee shall remain entitled to a discount for early payment.
- 5.6. If down payments or advance payments are made, ownership of the corresponding part of the goods or services – in terms of their value – shall be transferred to Azul Kaffee when the supplier receives the payment.
- 5.7. The supplier shall only be entitled to exercise a right to set-off or a right of retention due to legally established or undisputed counterclaims.

## 6. Transfer of Risk and Ownership

- 6.1. All deliveries and services shall be provided up to the agreed place of performance at the expense and risk of the supplier. This particularly applies to the risk of procurement and shipping.
- 6.2. The costs associated with the delivery and handling of the goods shall be borne by the supplier. The supplier shall be obliged to take out transport insurance at its own expense. Azul Kaffee shall only cover freight, packaging and transport insurance costs on the basis of an express written agreement – and only the most affordable tariff. Even if such costs are covered by Azul Kaffee, this shall not change the place of performance. The supplier shall be obliged to take back and recycle sales packaging, transport packaging and secondary packaging, assuming the costs and the risk of shipping.
- 6.3. Azul Kaffee shall only accept a simple retention of title asserted by the supplier. An extended or expanded retention of title shall be rejected.
- 6.4. Azul Kaffee shall be entitled to mix, blend and resell goods subject to the retention of title within its ordinary course of business with effect for itself.

## 7. Proper Performance and Claims for Defects

- 7.1. The supplier shall ensure that the goods / services meet the contractually agreed specifications and are suitable for the contractually intended purpose at the time of delivery. The supplier shall also ensure that the delivered goods reflect the state of the art and meet the statutory and official regulations applicable to their sale and use, particularly the food laws applicable in the member states of the European Union.
- 7.2. The supplier shall ensure that it is allowed to put the goods on the market, particularly by ensuring that it is not prevented from doing so by virtue of official orders.
- 7.3. The supplier must ensure that the goods are unencumbered by any third-party rights that may be asserted against Azul Kaffee. The supplier shall ensure that no third-party rights are violated through the delivery and processing of the goods.
- 7.4. If the supplier has a permanent business relationship with Azul Kaffee, it must inform Azul Kaffee in good time if it ever plans to make changes to its products, processes or the analysis methods used for the products purchased by Azul Kaffee.
- 7.5. If the supplier assumes any guarantees, Azul Kaffee shall be entitled to the resulting rights and claims.
- 7.6. If Azul Kaffee determines how a fault is to be rectified and the supplier fails to rectify the issue within a reasonable deadline set by Azul Kaffee, Azul Kaffee shall be entitled to choose between the warranty rights outlined in paragraph 5. The same shall apply if the supplier refuses to rectify the fault, if Azul Kaffee is no longer interested in having the issue rectified, or if the supplier declares that the fault cannot be rectified within a reasonable period. In such cases, Azul Kaffee shall be entitled to satisfy its needs elsewhere at the supplier’s expense.
- 7.7. Azul Kaffee’s statutory rights of recourse in accordance with Section 478 BGB shall remain unaffected; the supplier shall be responsible for proving that the fault claimed by the consumer was not already present when the risk was transferred to Azul Kaffee.
- 7.8. The claims for defects indicated in paragraph 5 shall expire 2 years after the goods have been handed over to Azul Kaffee. By way of derogation and unless otherwise agreed, any claims arising from guarantees shall expire within the standard limitation period of 3 years, as stipulated in Sections 195 and 199 BGB; any claims due to malicious intent shall expire within the statutory limitation period.

## 8. Notification of Defects

- 8.1. Azul Kaffee shall initially accept the delivered goods and carry out random checks. Azul Kaffee must notify the supplier of any recognisable defects within 2 weeks of receipt; hidden defects must be reported within 2 weeks of their discovery.
- 8.2. If a defect is reported in good time, the supplier must immediately collect the goods at its own expense. If the supplier fails to perform this obligation, Azul Kaffee shall store the goods at the expense and risk of the supplier until it decides how to otherwise use the goods or has the goods destroyed after prior warning.
- 8.3. The provisions of Sections 377 and 381 of the German Commercial Code (HGB) shall apply with regard to Azul Kaffee’s commercial obligation to inspect deliveries and report defects, subject to the following conditions: Azul Kaffee shall only be obliged to look for defects that may be revealed by external inspections of incoming goods, including delivery documents, or defects that may be revealed by random quality controls (e.g. transport damage, incorrect or short deliveries). Azul Kaffee shall not be obliged to inspect the goods if a formal acceptance procedure has been agreed. The necessity of an inspection shall also depend on its feasibility within Azul Kaffee’s ordinary course of business, taking into account the specific circumstances of each case.
- 8.4. However, Azul Kaffee shall still be obliged to report any defects found at a later date. In all cases, a complaint (notification of defects) submitted by Azul Kaffee shall be deemed to be prompt and timely if it is received by the supplier within 10 working days.
- 8.5. The costs incurred by the supplier for the purpose of examining the goods and rectifying the issue (including any removal and installation costs) shall be borne by the supplier even if it turns out that the goods are not defective. Azul Kaffee shall be liable for damages in the event of an unjustified request for the rectification of a defect; however, it shall only be liable if it actually recognised the lack of defects or failed to recognise such through its own gross negligence.

## 9. Stocking of Spare Parts for Systems and Machines

9. After delivering systems and machines, the supplier agrees to keep the relevant spare parts in stock at the customary market prices for at least 5 years.



## 10. Product Liability

10.1. If third parties assert claims against Azul Kaffee on the grounds that goods originating from the supplier have violated their legal interests (e.g. life, limb, health or property) or such a violation is based on circumstances that fall within the control or organisational sphere of the supplier, the supplier shall be obliged to fully indemnify Azul Kaffee against such claims. This obligation to indemnify Azul Kaffee shall also include the reimbursement of all costs incurred by Azul Kaffee as a result of such claims (e.g. labour costs or legal assistance fees).

10.2. As part of its liability for damage claims, as described in paragraph 1, the supplier shall be obliged to reimburse Azul Kaffee for any expenses that arise from or in connection with a recall / withdrawal campaign run by Azul Kaffee. Azul Kaffee shall inform the supplier about the content and scope of the recall / withdrawal measures – provided this is feasible and reasonable – and shall give the supplier opportunity to comment on the matter. Azul Kaffee also reserves the right to assert further statutory and contractual rights and claims.

10.3. The supplier shall be held liable for any claims asserted by third parties due to personal injury or property damage caused by a defective product delivered by the supplier; in such cases, the supplier must indemnify Azul Kaffee against any damages resulting from such claims. If Azul Kaffee is obliged to recall products from third parties due to a defect in a product delivered by the supplier, all costs associated with such recall campaigns shall be borne by the supplier.

10.4. The supplier shall be obliged to take out product liability insurance with a coverage of at least EUR 50,000,000 at its own expense; unless otherwise agreed in a specific case, the insurance policy does not have to cover the risk of product recall, punitive damages or any similar damages. The supplier shall send Azul Kaffee a copy of the liability insurance policy at any time upon request.

## 11. Shipping Regulations

11.1. The supplier must observe the information indicated by Azul Kaffee on the order form (e.g. name of the goods to be delivered, order numbers) and note this in the shipping and invoice documents.

11.2. Azul Kaffee currently has two shipping addresses:

### **Azul Kaffee GmbH & Co. KG**

#### **- Administration and Production -**

Am Deich 43  
D-28199 Bremen

### **Azul Kaffee GmbH & Co. KG**

#### **- Warehouse and Freight Centre -**

Senator-Blase-Str. 17  
D-28197 Bremen

The applicable shipping address shall be specified in the order. Azul Kaffee shall remain entitled to name different shipping addresses / locations.

11.3. The costs associated with the delivery and handling of the goods shall be borne by the supplier. In particular, the supplier must not charge Azul Kaffee any unloading and handling fees, haulage or any other delivery costs.

11.4. A delivery shall only be deemed to have been carried out properly if the delivery notes are observed. If this does not happen, any resulting costs shall be borne by the supplier.

11.5. The supplier agrees to comply with the applicable food laws when loading and shipping the goods. In addition, the supplier must observe any other transport conditions indicated in the relevant product specifications, particularly with regard to temperature and relevant humidity.

## 12. Environmental Protection, Occupational Health and Safety and Accident Prevention

12.1. The supplier must comply with all the relevant legal provisions and regulations and the basic principles of ethical trade with regard to environmental protection, occupational health and safety, accident prevention, transport and plant safety and the relevant local and company regulations and instructions applicable to Azul Kaffee; in addition, the supplier must maintain an effective management system in such areas and, upon request, provide Azul Kaffee with appropriate evidence or allow Azul Kaffee to inspect its practices.

12.2. The supplier must respect human rights within its company and treat employees with fairness and respect.

12.3. Azul Kaffee shall not tolerate any form of slavery, servitude, forced labour or human trafficking along its supply chain. Similarly, it shall not accept any form of debt bondage or involuntary prison labour. In addition, Azul Kaffee shall not accept practices such as the withholding of personal property, passport, wages, training certificates, working papers or other documents for improper reasons.

12.4. The supplier must comply with the applicable statutory regulations on working hours. The supplier's employees must be remunerated regularly, fully and punctually in accordance with the applicable national laws on remuneration. The supplier shall be expected to offer its employees fair and competitive remuneration and other benefits, and to advocate equal pay for work of equal value.

12.5. The equal treatment of all employees must be an essential principle within the supplier's corporate policy. Discriminatory behaviour is typically based – consciously or unconsciously – on irrelevant personal characteristics such as age, disability, ethnicity, marital status, gender, gender expression and identity, genetic information, nationality, physical characteristics, political affiliation, pregnancy, religion, social class, sexual orientation, union membership or any other unlawful aspects. The supplier must ensure that its employees are not harassed in any way.

12.6. The supplier must treat its employees fairly and ensure that they are not subjected to sexual harassment, sexual abuse, physical punishment or torture, emotional or physical coercion or verbal abuse – and that they are not threatened with such treatment. The supplier shall be expected not to terminate employment contracts for no good reason and not to declare that a contract has been terminated lawfully based on an employee's performance without providing clear evidence. The supplier's employees shall be free to decide when to stop working for their employer subject to the statutory notice period. They shall be paid on time and in full for the work they have done before leaving the company in accordance with the applicable laws.

12.7. The supplier must adequately protect its employees against chemical, biological and physical hazards. Any physically strenuous activities and workplace conditions – and any risks resulting from the use of the workplace infrastructure – must be managed in such a way that the employees are protected against such hazards. The supplier must ensure appropriate checks, safe working processes, appropriate maintenance and the necessary technical protective measures to reduce health and safety risks in the workplace and to prevent accidents and occupational diseases.

12.8. The supplier must ensure health and safety and compliance with the applicable regulations during the handling, storage, transport, disposal, recycling and reuse of waste, exhaust gases and sewage; in addition, the supplier must use natural resources (e.g. water, energy sources and raw materials) sparingly and preserve them.

12.8. If, in the case of a general agreement, the supplier violates any of the regulations named above despite receiving a prior warning, Azul Kaffee shall



be entitled to terminate the contract without notice and claim any damages that may have been incurred. The prior warning may be waived in the event of significant violations.

12.9. The supplier shall allow Azul Kaffee to assess its performance in terms of environmental protection and occupational health and safety (by means of a questionnaire or audit).

### **13. Protection from Economic Exploitation**

13.1. The supplier shall acknowledge Art. 32 of the UN Convention on the Rights of the Child, which stipulates that children have the right to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with their education, or to be harmful to their health or physical, mental, spiritual, moral or social development.

13.2. The supplier shall comply with all laws and regulations adopted by the states party to the UN Convention on the Rights of the Child with the aim of protecting children from economic exploitation, as well as those adopted by the members of ILO Convention No. 138 on minimum age and ILO Convention No. 182 on the worst forms of child labour.

13.3. The supplier shall recognise the prohibition of slavery and forced labour, as stipulated in Art. 4 of the European Convention for the Protection of Human Rights and Fundamental Freedoms. The supplier shall also observe all laws and regulations adopted by the states party to the Slavery Convention, as amended by the Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery.

13.4. The supplier also agrees to impose such obligations on its sub-suppliers who, in turn, must impose the same obligations on their own sub-suppliers.

### **14. Other Provisions**

14.1. The supplier may only assign any claims arising from contracts concluded under these general terms and conditions of purchase with the prior written consent of Azul Kaffee. The supplier may request consent if it has a legitimate interest in assigning such claims. This shall particularly apply if securities are to be assigned for financing purposes or if an extended retention of title has been agreed between the supplier and a sub-supplier.

14.2. Azul Kaffee shall be entitled to offset or withhold any claims asserted by the supplier.

14.3. Unless otherwise agreed individually or in these general terms and conditions of purchase, Bremen shall be the place of performance for deliveries and payments. The parties mutually agree to maintain confidentiality with regard to any commercial and technical details which become known to them over the course of the business relationship and which are not obvious to third parties; they shall refrain from disclosing such details or making them available to third parties. Azul Kaffee and the supplier shall also impose this obligation accordingly on their sub-suppliers and buyers.

14.4. The contractual relationship shall be subject to German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

14.5. The local courts of Azul Kaffee (Bremen) shall be the place of jurisdiction. However, Azul Kaffee shall also be entitled to take legal action through the supplier's local courts.