

# Terms and Conditions for Transport Orders

## 1. Scope

These Terms and Conditions apply to the placing of orders for transport services by a company of the PAPP corporate group (Balth. Papp Internationale Lebensmittellogistik GmbH & Co. KG or one of its affiliated companies / subsidiaries, in particular Papp Logistics GmbH & Co. KG), unless otherwise stipulated by mandatory regulations, e.g. CMR.

## 2. Orders

The subject matter of the order is the proper transport of goods as per contract using suitable means of transport with suitable personnel and related ancillary services (e.g. exchange of packing materials).

The transport order was agreed in all respects at least by telephone before the goods were taken over and is binding even without your counterconfirmation. Any written counterconfirmation with parts of the contract amended by you shall be deemed invalid. Verbal collateral agreements are generally invalid. If you use deviating or supplementary business conditions, these shall not be binding on us even if we do not expressly object to them.

## 3. Requirements, rights and duties

The vehicle used must be in a technically flawless condition, the trailer used must be functional, lockable and leak-proof/sealed. The transport conditions specified must be observed within the permissible tolerances (e.g. the prescribed temperature). The vehicle must be equipped with a digital temperature recording device (thermoscript device) and a functioning probe thermometer. A valid ATP certificate must be carried along in the vehicle.

Always ensure to adhere to our hygienic requirements during transport:

- trailer cleaned with broom, without presence of foreign bodies
- trailer free of odors
- the cooling unit in the trailer is in good conditions and not dropping cooling agent
- trailer shows no pest infestation

cleaning evidence are retrievable at any time and are stored for a minimum of 12 months.

**Recall and Withdraw:** your company have an efficient process in case of recall or withdrawal. All transport documents are for this purpose stored at least 12 months and are retrievable at any time.

**Food defence:** The safety of the transport vehicles and the loaded goods is guaranteed during the transport operation. The driver must load and unload the goods. The driver must also ensure that the remaining load is secured after any partial unloading. The take-over of the goods must be carried out on the basis of the number of pieces. The driver must check the number of pieces when loading the goods. The affixing of a seal to the lorry shall not release the driver from this obligation. We must be immediately notified of any deviations or short quantities, i.e. before departure of the lorry or before export clearance, and this must be noted on the delivery note or CMR consignment note. The driver shall ensure that the permissible payload of the vehicle is not exceeded. 24 hours demurrage-free time for loading as well as 24 hours for unloading are deemed agreed and are deemed paid with the freight. Beyond this, claims for demurrage fees shall only be recognised if proof has been furnished by means of a written confirmation from the loading/unloading point.

The trailer used must be pre-cooled at least 4 hours before the take-over of the goods. The driver is obliged to check the take-over temperature with a suitable probe thermometer.

We must be immediately informed of deviations from the specified take-over temperature and of deviations in the quality of the goods and deviating instructions received from third parties.

The driver must ensure that proper air circulation is guaranteed throughout the transport. The driver is also obliged to check the temperature and setting of the refrigeration unit at regular intervals during the transport. In the case of temperature-sensitive goods, e.g. fruit & vegetables, dairy products etc., the refrigeration unit must be set to continuous run.

**We must be immediately informed of delays, accidents, any incidents involving hazardous goods and problems of any kind during the entire transport process. There is an absolute ban on co-loading and transshipment/reloading.**

## 4. Safety instructions

The driver must wear safety shoes and a high-visibility safety vest when loading and unloading the lorry and when standing on loading ramps. Smoking is strictly prohibited on the business premises at loading and unloading points. The instructions of the personnel at loading and unloading points must be followed

at all times. In the event of non-compliance, we shall pass on all costs incurred in this connection to you.

After taking over the load and until unloading on the consignee's premises, the driver shall take suitable measures (e.g. security lock) to ensure that unauthorised persons cannot enter the storage compartment or gain access to the load. Breaks in accordance with driving and rest time regulations may only be taken in guarded parking areas.

## 5. Freight exchange systems

It is strictly prohibited to offer our transports via freight exchange systems. In the event of any violation of this rule, we shall pass onto you all the costs incurred and any penalties imposed by our customers.

## 6. Exchange of loading equipment

The rules of the "Cologne Pallet Exchange" system is deemed agreed. Double exchange (contemporaneously) for loading and unloading of the same number, type and quality is also deemed agreed. The exchange of Euro pallets shall be documented by an original pallet note, which must be enclosed with your transport invoice. The freight price includes the agreed obligation to exchange pallets in due proportion. H1 pallets, DD pallets, E1 and E2 cases as well as wire-mesh crates are also exchangeable loading equipment. If no exchange takes place, we charge €13 per Euro pallet, €50 per H1 pallet, €9 per DD pallet, €4.50 per E1 and E2 case, as well as €50 per wire-mesh crate. A pallet account is kept in which the pallet debit balance is offset against the pallet credit balance. The account balance is determined at the end of each month according to the entries and exits noted on the consignment notes, delivery notes and pallet notes and the balance is notified, which shall be reconciled and confirmed in writing by the 15<sup>th</sup> of the following month.

The contractor shall notify us of any objections in writing, which we shall only consider if receipts, pallet notes etc. are submitted. If no written objections are raised within 14 days after receipt of the balance notification, this balance notification shall be deemed to have been accepted to the exclusion of any subsequent objections. Excess amounts and short quantities shall be compensated by payment of the usual replacement value of pallets of average type and quality. **Even if no exchange of loading equipment was agreed in the loading order, all movements of loading equipment must still be documented by signed receipts, both at the time of collection and at the time of delivery.**

## 7. Billing

We expect to receive your transport invoice including all the original transport documents (delivery notes, consignment notes, pallet notes etc.) within 10 days. After that, we shall be forced to request the missing documents and may charge a processing fee of €15 for this. The payment period shall not begin until all documents are available in the original.

## 8. Customer protection

The following applies to the duration of the business relationship in which you execute orders for us as well as for a period of 12 months after the end of the business relationship:

You may not directly or indirectly initiate, arrange, enter into or execute forwarding, freight or storage transactions with customers, consignees, agents or other third parties with whom you come into contact in the course of your activities.

This prohibition applies regardless of whether you actively violate the above prohibition or whether you are requested to do so by a third party. As soon as you become aware of a breach of this prohibition, you shall notify us immediately and inform us of the circumstances. You shall be liable to pay damages for any culpable breach of this customer protection agreement. The amount of damages is agreed at a flat rate of 10% of the freight. This amount might be higher or lower if we prove a higher amount of damage or you prove a lower amount. In addition, for each customer that we lose due to a breach of the customer protection agreement, lump-sum damages of €5,000 shall be paid to cover the damage we suffer as a result of having to re-establish the business relationship with the customer. The right to prove a lower or higher amount of damage is reserved also in this case.

## 9. HACCP concept

You undertake to maintain a HACCP concept for food safety and food hygiene in accordance with EC Regulation 852/2004 in your business and to apply it when transporting food. You must document the transport temperature without interruption using calibrated or calibrated temperature recorders or data loggers and keep the corresponding printouts.

## Terms and Conditions for Transport Orders

Temperature records, service and cleaning schedules shall be kept for at least 12 months from delivery and submitted free of charge upon first request. The measuring equipment used by you (temperature recorders, probe thermometers) must be calibrated at regular intervals. You shall provide evidence of this by means of suitable documentation. You are obliged to organise your business in such a way that any contamination of the goods, including cross-contamination caused by incompatible products, is prevented.

### 10. Hygiene

Your employees must be trained every year in personnel hygiene (in accordance with the German Infection Protection Act and Food Defence), proof of which must be provided on request. The hygiene and safety regulations applicable at each loading and unloading point must be observed by your driving personnel. In the event of non-compliance, all costs incurred shall be passed on to you. The loading area must be clean and free of odours and other contamination. Cleaning must be documented. You assure us that you comply at all times with the respective current legal provisions, rules and regulations and hygiene requirements (e.g. EC Regulation 852/2004, German Act on Foods, Consumer Goods and Feedstuffs [LMFG], Infection Protection Act [IfSG]).

### 11. Special rules (as far as applicable to the transport in question)

#### Hazardous goods - ADR:

If dangerous goods are carried in accordance with the ADR, the following additional requirements must be met: As a basic rule, all ADR regulations applicable to the keeper, carrier and driver of the vehicle must be observed and complied with. The vehicle crew must be in possession of a valid driving licence, a valid ADR certificate and a photo ID. When transporting dangerous goods above the exemption limits according to section 1.1.3.6.3. ADR, the transport unit shall be marked with warning signs. The smoking ban at loading and unloading points shall be observed. The regulations on loading and unloading, transport and supervision during parking and stopping shall be observed. Depending on the type and quantity of the dangerous goods, the vehicle and the crew shall be equipped with the following in accordance with the regulations:

- One wheel chock per vehicle, the dimensions of which must be adapted to the maximum authorised mass of the vehicle and the diameter of the wheels
- two self-standing warning signs
- one spade
- one sewer cover
- one collecting container
- eye wash liquid
- for each member of the vehicle crew:
  - a high-visibility safety vest
  - a portable lighting device (handheld torch) according to 8.3.4. ADR
  - an emergency escape mask, filter type: A1B1E1K1-P1 or A2B2E2K2-P2
  - written instructions that are understood by the vehicle crew
  - 2 fire extinguishers according to requirements in section 8.1.4. ADR

#### Goods under customs bond including refund / market-regulated goods:

The customs documents received (export declaration, transit documents (T1, T2), TIR carnet, etc.) must be handed over to the customs authorities or the appointed border forwarder for customs clearance each time the border is crossed. The original customs documents and/or confirmations returned/received there must be forwarded to us immediately. In the event of the transport of what are known as refund / market-regulated goods, the following is deemed agreed: The customs documents handed over to you (in particular TC11 document, T5, export declaration for refund purposes) must be duly completed by you at the respective customs office at the point of exit. You must immediately send us the originals of any customs documents (TC11 document) and/or confirmations returned/received there.

In the event of non-compliance with this obligation, you shall be liable to us for all damage incurred as a result thereof and shall indemnify us in full on first demand. We expressly reserve the right to deduct appropriate amounts from your claims.

### 12. Social standards

You are obliged to comply with the social standards set out in the amfori BSCI Code of Conduct ([www.amfori.org](http://www.amfori.org)). These create the basis for ongoing cooperation with us. You undertake to also impose these minimum social standards on your subcontractors and to monitor compliance with these at regular intervals.

The Papp Group considers itself to have an ecological and social responsibility. A Code of Conduct has been developed to meet this requirement, which is based on national laws, international conventions, and general declarations of the United Nations.

By signing the framework agreement, you agree to comply with the Papp Group's Code of Conduct for Business Partners and, if required, to oblige your subcontractors to do the same.

The Code of Conduct published on the Papp Group website is valid and binding. ([www.papp-logistics.com](http://www.papp-logistics.com))

### 13. Subcontracting / use of subcarriers

You are prohibited from passing on transport orders from us to third parties (sub-carriers) without our prior written consent.

In the event of permitted subcontracting, you are obliged to include this authorisation requirement and all other obligations set out in these Terms and Conditions in the freight contract with the performing carriers and to only use such carriers who reliably fulfil the requirements for the use of properly employed driving personnel in accordance with Section 7 of the Road Haulage Act (GüKG) and all other obligations mentioned above. They are also obliged to monitor compliance with these regulations by the performing carriers.

### 14. German Minimum Wage Act (MiLoG)

You undertake vis-à-vis us to fulfil all obligations incumbent upon you under the Minimum Wage Act (MiLoG) when executing the order, in particular

- a. to pay the minimum wage to all your employees working in Germany in a timely manner,
- b. to record the beginning, end, and duration of the daily working time of your employees and keep these records for a minimum period of two years from the date relevant for the recording,
- c. if you are based abroad, to comply with the registration requirements for any transport, work or service, and to oblige subcontractors that you use for the performance of the contract to comply with these minimum wage rules, provided that we have approved the use of these subcontractors (see section 13 above).

You also undertake to indemnify us against all claims by third parties based on a breach of the obligations arising under the MiLoG by you or your subcontractors. This duty to indemnify applies both to civil liability and to fines imposed on us due to violations by you or your subcontractors. The duty to indemnify also expressly applies to claims by social security agencies and tax authorities.

You are obliged to submit to us upon request all (remuneration) documents that we require to verify your compliance with Section 20 MiLoG. The obligation to submit documents can also be fulfilled by submitting a certificate from your tax advisor confirming that you have complied with the obligations under Section 20 MiLoG. You assure us that you are not excluded from the award of public contracts.

### 15. Liability and insurance

When carrying out cross-border transports, you are liable according to the CMR. You must furnish proof to us that you have taken out insurance which covers your full liability under the CMR, including Art. 29 CMR, and which stipulates a minimum sum insured of €600,000 per claim, including for damage according to Art. 29 CMR.

You shall provide us with proof of the insurance cover required in each case by submitting the policy and proof of premium payment and shall release your insurer from the duty of confidentiality in this respect.

**When carrying out transports within Germany, you are liable for all transport services in accordance with the provisions of the German Commercial Code (HGB) subject to the condition that liability for damage to goods is limited to 40 Special Drawing Rights (SDR) per kg of the gross weight of the part of the consignment that is lost or damaged, in accordance with Section 449 (2) No. 1 HGB.**

Insofar as a lower amount of liability applies in the relationship between us and our customer, your liability shall be reduced accordingly.

You are generally obliged to cover your liability with sufficient insurance. This must also include the contractors engaged by you. In this connection, you must comply with all obligations imposed by your insurer (theft protection, etc...). According to Section 7a of the Road Haulage Act, you are obliged to take out insurance and to carry a corresponding certificate in the vehicle during transport.

## Terms and Conditions for Transport Orders

### 16. Further statutory requirements

You affirm that you have the permits and authorisations required for the transport (according to Sections 3 and 6 of the Road Haulage Act, e.g. permit, community licence, third country permit or CEMT permit).

Furthermore, you are obliged to only employ drivers from non-EU states who have a valid work permit. Upon request, you must immediately provide all information and evidence required in accordance with Sections 7 c and d of the Road Haulage Act.

You are solely responsible for compliance with the statutory provisions of the Driving Personnel Act (social regulations). The possession and carrying along of the required permits / visas etc. is the sole responsibility of the contractor or the driver. You undertake to hand over all documents to be carried along by the drivers to us and our authorised representatives for inspection upon request. In the case of cabotage transports, the latest version of the respective national regulations and laws shall apply, which you must comply with.

Insofar as necessary, the Papp Group shall disclose the personal data of the drivers (name, surname, telephone number, date of birth) to the consignees/customers for the purpose and with the legitimate interest of the principal to ensure a successful transport.

The legal basis for this disclosure is Art. 6 (1) lit. f) General Data Protection Regulation (GDPR). The transport contractor undertakes to inform the drivers of this disclosure by the principal within the meaning of Art. 13 GDPR.

### 17. Miscellaneous

Your claims arising from the transport service may only be assigned with our express consent. These Terms and Conditions apply to both parties in the version valid at the time the order is placed. You as the contractor acknowledge the validity of these Terms and Conditions upon acceptance of the order.

The law of the Federal Republic of Germany shall apply to all disputes arising in connection with these Terms and Conditions. Should individual provisions of these Terms and Conditions be or become wholly or partially void, invalid or unenforceable, this shall not affect the validity of the remaining provisions.

The place of jurisdiction for both parties shall be Munich, Germany. In the case of cross-border transports, Munich, Germany shall be deemed to be a further place of jurisdiction within the meaning of Art. 31 (1) CMR for both parties.