

# Contract for Verification Services for the Pure Licensee Verification Scheme

between

**FLOCERT GmbH**

Bonner Talweg 177, 53129 Bonn, Germany,  
established and entered in the commercial register at the Local Court of  
Bonn, Germany, under company number HRB 12937  
(hereinafter “**FLOCERT**”)

and

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*Customer's name*

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*Customer's address*

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*Customer's commercial register number/business identity number*

(hereinafter “the **Customer**”)

FLOCERT and the Customer are hereinafter also jointly referred to as “**Parties**” and individually as “**Party**”.

## PREAMBLE

**FLOCERT** is a German company with limited liability wholly owned by the Fairtrade International Labelling Organizations International e.V. (hereinafter "Fairtrade International"), a German non-profit membership organization based in Bonner Talweg 177, 53129 Bonn and registered in the local organization register under the registration number VR 7795. FLOCERT has been mandated by Fairtrade International to verify and certify producers and traders against the Fairtrade standards. To fulfil this mandate, FLOCERT has developed several compliance criteria and standard operating measures as basis for its verification and certification services and is operating independently from any other interests following the international ISO standards for certification bodies (ISO 65).

**The Customer** is a Pure Licensee as defined below who has obtained a license from a National Fairtrade Organization which allows the use of one of the Fairtrade Marks or gives permission to make reference to Fairtrade.

NOW, THEREFORE, the Parties agree as follows:

### 1 BACKGROUND AND PURPOSE

- 1.1 The Fairtrade Certification Scheme is a product certification system where social, economic and environmental aspects of production are certified against Fairtrade Standards for producers and traders, monitoring the purchase and the sale of a product until it is consumer packaged and labelled. Traders that are buying only finished and labelled Fairtrade products are out of scope of Fairtrade certification, and thus cannot be certified by FLOCERT under the Fairtrade Trader Standards.
- 1.2 In view of the above and in order to enable such traders to fulfil their obligations from their license contract with the NFO, FLOCERT has developed the Pure Licensee Verification scheme which allows the Customer to be audited against specific criteria set in the Standard Operating Procedure for Pure Licensees (laid out in Annex 1 hereto).

### 2 DEFINITIONS AND INTERPRETATION

**Agreement:** This verification agreement including all annexes hereto.

**Confirmation Letter:** document provided by FLOCERT to the Customer confirming its compliance with the applicable Pure Licensee Compliance Criteria and further standards and procedures (Annex 1).

**Fairtrade Mark:** registered trademark and/or certification mark owned by Fairtrade International and sub-licensed to National Fairtrade Organizations.

**Fairtrade Organizations:** Fairtrade International and all of its member organizations as well as 100% subsidiaries (e.g. FLOCERT). This currently includes Fairtrade International, FLOCERT, Fairtrade Producer Networks and National Fairtrade Organizations.

**Fairtrade Producer Network** or **PN:** legally independent company or organization which is a full member of Fairtrade International as defined in Fairtrade International's statutes. A PN represents the interest of the producers certified against the Fairtrade Standards and provides support to such producers within a defined geographic area in which Fairtrade Products are manufactured. PNs represent small farmers, workers and other stakeholders of producers.

**Fairtrade Trader Standard:** this standard applies to traders who purchase and sell Fairtrade Products and/or are in charge of the Fairtrade Price and Fairtrade Premium. It sets the rules on the product composition, traceability and use of the Fairtrade Mark, ensuring that the seal is used in a credible manner. Moreover, it includes requirements and voluntary best practices intended to guarantee that Fairtrade Products are traded fairly and sustainably, contributing thus to strengthen the Producers. It is available at <http://www.fairtrade.net/sites/standards.html> in its respective current version and can be requested from FLOCERT.

**License Agreement:** the valid license agreement concluded between the Customer and the respective NFO.

**National Fairtrade Organization or NFO:** legally independent national organization which is a full member of Fairtrade International as defined in Fairtrade International's statutes (a list of current member organizations is available on [www.fairtrade.net](http://www.fairtrade.net)). NFOs are entitled to sub-license the Fairtrade Mark and conduct marketing, business development and awareness raising activities related to Fairtrade in a specific geographic area.

**Pure Licensee:** Traders that buy and sell finished Fairtrade products and have a license agreement with an NFO. They are generally out of scope of Fairtrade certification.

**Pure Licensee Verification:** onsite audits and verifications against the following elements of the Fairtrade Trader Standard: Fairtrade product approval, Fairtrade product composition, Fairtrade purchases from certified trader, the production chapter of the Fairtrade Trader Standard, and verification of correct license fee payments to the NFO with whom the Customer holds a License Agreement. All criteria are laid out in detail in the Standard Operating Procedure for Pure Licensees referenced in Annex 1 hereto.

### 3 INCLUSION OF THE GTC

The Parties agree that all Annexes attached hereto and the General Terms and Conditions for Verification Services as amended from time to time (hereinafter "GTC"), shall be part hereof and provisions specified therein shall have been effectively included herein and shall apply accordingly. The current version of the GTC have been provided to the Customer and brought to his attention prior to signing of this Agreement.

### 4 CUSTOMER RIGHTS AND OBLIGATIONS

- 4.1 Following successful Pure Licensee Verification, the Customer will be registered in the FLOCERT data base as a verified Fairtrade trader and shall be entitled to communicate that it has been confirmed by FLOCERT to be in compliance with the FLOCERT requirements for Pure Licensees (as referenced in Annex 1 hereto). Any communication made by the Customer relating to its Verification or any other communication about FLOCERT shall be subject to and shall be in compliance with the FLOCERT Promotional Guidelines referenced in Annex 1 hereto.
- 4.2 The Customer will receive access to FLOCERT's FairMonitor platform which allows the customer to check on the certification status of their supply chain, as well as being identified by other producers and traders as a verified Customer.
- 4.3 The Customer shall be obliged to provide all information and to cooperate with FLOCERT as requested in order to allow fulfillment of FLOCERT's obligations hereunder and shall pay the Verification Fees according to section 5 below.
- 4.4 If the Customer transfers its business activities to any other company, transfer of the Confirmation Letter and all access data to any of FLOCERT's digital platforms as described in section 4.2 above shall require the prior written consent of FLOCERT. If such consent is given, use of the Confirmation Letter and abovementioned accounts by the new company shall be subject to the provisions of this Agreement.
- 4.5 In any activity as described in section 4.1 above, Customer shall publicly show and inform about the date of its last verification.

### 5 VERIFICATION FEES AND PAYMENT

- 5.1 The Customer shall pay to FLOCERT the fees, costs and expenses determined in the current scale of fees as laid out in the Pure Licensee SOP, including any applicable VAT (hereinafter "**Verification Fees**").
- 5.2 The Verification Fees shall be due as of the date indicated in the invoice and shall be payable within a period of thirty (30) days into the account specified in the invoice. Section 288 BGB [German Civil Code] shall apply.

### 6 FLOCERT RIGHTS AND OBLIGATIONS

- 6.1 FLOCERT undertakes to assess the Customer based on the applying standards and procedures laid out in Annex 1 hereto.
- 6.2 Subject to successful Pure Licensee Verification, FLOCERT shall issue a Confirmation Letter (as defined in section 2 above) to the Customer and set up the necessary FairMonitor account as per section 4.2 above. The decision on whether any Confirmation Letter will be issued shall be at FLOCERT's exclusive discretion.

- 6.3 FLOCERT shall be entitled to assess and review the Customer's continuous compliance with all applicable FLOCERT rules and regulations (as defined in section 6.1 above) during the term of this Agreement in accordance with the Pure Licensee SOP and without announcement.

## 7 COMMENCEMENT AND TERM

- 7.1 This Agreement shall enter into force on the date of its last signature and shall expire on the termination date of the License Agreement entered into between the Customer and the respective NFO, unless it is terminated before by either Party according to the terms of this Agreement and the GTC attached hereto. It shall replace all previous arrangements existing between the Parties.
- 7.2 Notwithstanding section 8.1 of the GTC, this Agreement may be terminated by either Party by giving written notice vis-à-vis the other Party three (3) calendar months to the end of the month.
- 7.3 Upon termination of this Agreement, however caused, the Customer shall lose its status as verified Pure Licensee and shall be removed from the data base for registered Pure Licensees with immediate effect. In addition, the Customer shall be obliged to cease communication about its verified status and cease use of all FLOCERT data bases. The Customer shall instruct all its representatives, officers, employees and vicarious agents to the same extent
- 7.4 Customer shall be solely responsible for informing the NFO, with whom the Customer maintains a valid License Agreement for the Fairtrade Mark, about the termination of this Agreement.

## 8 AGREEMENT TO DATA USE AND DATA TRANSMISSION

- 8.1 The Customer shall expressly agree that FLOCERT will collect and store confidential information during the term of this Agreement to monitor compliance with the applicable standards and procedures according to Annex 1 to take Verification decisions and may forward such information to Fairtrade Organizations and any subcontractors to meet its obligations under this Agreement.
- 8.2 The Customer shall agree that FLOCERT may forward the result of the Verification (non-conformities and approved corrective actions) to the Fairtrade Organization with whom the Customer maintains a valid License Agreement.
- 8.3 The Customer shall agree that FLOCERT will gather and store personal data and business secrets to the extent required to render the contractual services.
- 8.4 The Customer shall be entitled at any time to revoke its consent to the processing or transmission of any personal data not required to fulfil the agreement. It shall also be entitled to knowledge, correction, deletion and restriction of such processing as per the European General Data Protection Regulation.

## 9 SEVERABILITY CLAUSE

If any provision in this Agreement or the application thereof to any person or circumstance is or becomes invalid or unenforceable in whole or in part, or in case this Agreement contains an omission, the effectiveness or enforceability of the remaining provisions shall not be affected thereby. The invalid or unenforceable provision shall be substituted by a suitable and equitable provision which, to the extent legally permissible, comes closest to the intent and purpose of the original provision. In case of an omission a suitable and equitable provision shall be deemed to have been agreed upon which reflects what, in the light of the purpose of the Agreement, would have been agreed upon, if the matter would have been considered.

## 8 SIGNATURES

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*place, date*

\_\_\_\_\_

*place, date*

\_\_\_\_\_

*on behalf of FLOCERT*

\_\_\_\_\_

*on behalf of the Customer*

\_\_\_\_\_

*print name and position of signatory*

\_\_\_\_\_

*print name and position of signatory*

## ANNEX 1: APPLICABLE DOCUMENTS

Standards and Procedures, and any complementary documents which may be referenced therein are available on Fairtrade's ([www.fairtrade.net](http://www.fairtrade.net)) or FLOCERT's ([www.flocert.net](http://www.flocert.net)) website. All documents are subject to continuous change and are updated regularly. Any such updates or changes will be published on the respective website. All Customers and Applicants must comply with the applicable Fairtrade Standard(s) and shall regularly review and track on any upcoming and completed audits, which might be influencing their verification, on FLOCERT's website. The Customer acknowledges and agrees that audits against updated or changed Fairtrade Standards or according to updated or changed Compliance Criteria and Procedures may result in amendments to the verification requirements.

For the purpose hereof, the following Fairtrade Standards, FLOCERT Compliance Criteria and Standard Operating Procedures apply:

1. Fairtrade Standards<sup>1</sup>:

**Fairtrade Trader Standard**<sup>2</sup>, available at:  
[www.fairtrade.net/sites/standards.html](http://www.fairtrade.net/sites/standards.html)

2. FLOCERT Compliance Criteria and Standard Operating Procedures<sup>3</sup>:

- a. **FLOCERT Promotional Guidelines, available at:**  
[www.flocert.net/wp-content/uploads/2018/03/Flocert-Promotional-Guidelines.pdf](http://www.flocert.net/wp-content/uploads/2018/03/Flocert-Promotional-Guidelines.pdf)
- b. **FLOCERT Standard Operating Procedure for Pure Licensees, available at:**  
[www.flocert.net/solutions/customised-assurance/pure-licensee-scheme/](http://www.flocert.net/solutions/customised-assurance/pure-licensee-scheme/)
- c. **FLOCERT Compliance Criteria for Pure Licensee, available at:** [www.flocert.net/solutions/customised-assurance/pure-licensee-scheme/](http://www.flocert.net/solutions/customised-assurance/pure-licensee-scheme/)
- d. **FLOCERT Standard Operating Procedure on Appeal & Review, available at:**  
[www.flocert.net/about-flocert/vision-values/quality-and-appeals/](http://www.flocert.net/about-flocert/vision-values/quality-and-appeals/)
- e. **FLOCERT Standard Operating Procedure on Allegation, available at**  
[www.flocert.net/about-flocert/vision-values/quality-and-appeals/](http://www.flocert.net/about-flocert/vision-values/quality-and-appeals/)
- f. **FLOCERT Standard Operating Procedure on Complaints, available at:**  
[www.flocert.net/about-flocert/vision-values/quality-and-appeals/](http://www.flocert.net/about-flocert/vision-values/quality-and-appeals/)

All applicable documents as mentioned above shall be expressly included herein in the relevant version as amended from time to time.

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<sup>1</sup> Fairtrade International reserves the right to adapt the Fairtrade standards according to the Fairtrade International standard operating procedures. Requirements of the Fairtrade standards may be complemented, deleted or modified otherwise.

<sup>2</sup> Only to the extent described in the Standard Operating Procedures for Pure Licensees.

<sup>3</sup> Updates to FLOCERT Criteria and Procedures will enter into force after a transition period of three (3) months from the day on which the change was first publicly announced.

**General Terms and Conditions  
Verification Services**

(hereinafter "GTC")

FLOCERT GmbH (throughout these GTC referred to as 'FLOCERT'), with registered office at Bonner Talweg 177, 53129 Bonn, is a company with limited liability established under German law and registered in the commercial register at the Local Court in Bonn (Amtsgericht Bonn), Germany, under the company number HRB 12937.

Any Agreement (as defined below) is governed by and shall be subject to these GTC which by reference are incorporated therein and made an integral part thereof. In the event of a conflict between the terms of the Agreement and those set forth herein, these GTC shall prevail unless explicitly agreed upon otherwise in the Agreement or as otherwise stated herein. All references in these GTC to the singular shall include the plural, where applicable, and all references to gender shall include both genders and the neuter. FLOCERT and the Customer are hereinafter also each referred to as 'Party' and jointly as the 'Parties'.

**1. Definitions**

**Agreement:** The Verification Agreement entered into between FLOCERT and the Customer and any and all attachments related thereto.

**Business Secrets:** recipes, production methods, charts, formulas, drafts and other information of economic value which are part of the manufacturing process and have been subjected to reasonable measures of secrecy by the Customer (or by another member of the group of companies to which the disclosing Party belongs) in the prevailing circumstances.

**Confidential Information:** any information that is treated as confidential by either Party, including Business Secrets, processes, operations, style of works, or apparatus, technology, information pertaining to business operations and strategies, and information pertaining to customers, pricing and marketing, suppliers, other information of commercial value, including such information that either Party creates or develops, information that is sensitive and confidential in nature, or such information that is explicitly identified as confidential, irrespective of whether it is marked as such or identified as confidential at the time of disclosure to the respective other Party, the latter if and to the extent that it has been confirmed as such in writing by either Party within a period of two (2) days after disclosure. Confidential Information may be in tangible form (such as, without limitation, in written, oral, visual or electronic form, or on any magnetic or optical disk or memory, and wherever located) or learned through conversations in which the other Party participates or which the other Party overhears. Except as authorized in writing by the legal representative, if any, of the disclosing Party, the other Party shall not disclose to Third Parties or at any time make commercial use of any such Confidential Information. For the avoidance of doubt, information that (a) was available to the receiving Party prior to the date of disclosure by the disclosing Party on a non-confidential basis, (b) is already public knowledge or becomes public knowledge at any later date without any misconduct by the disclosing Party, (c) is Fairtrade Producer Information, (d) has already been in the legitimate possession of both Parties prior to the conclusion of these GTCs and the Agreement, (e) is obtained by either Party from a Third Party by legal means and not subject to any disclosure limitation (f) is independently developed by FLOCERT, (g) has already been known to the Party receiving the Confidential Information within the framework of these GTCs and the Agreement otherwise than by violating a legal or contractual obligation of the disclosing Party (h) becomes subject to a written agreement of the Parties on its confidential nature or permitted disclosure or (i) must be disclosed by law based on a decision of a court of competent jurisdiction or by a supervisory or administrative authority shall not be of confidential nature and shall therefore be exempt from the obligation of secrecy.

**Conflict of Interest:** a personal of business interest or involvement of either Party colliding with the interests of the other Party or one of its subsidiaries or affiliates, or a situation in which one Party's responsibility towards a Third Party limits its ability to discharge its responsibilities under the Agreement. Interests which might lead to conflict include, but are not limited to, financial interests, shareholder interests, engagement as a policy maker, collaborations with or consultation of

Third Parties which may directly or indirectly discredit or damage or permit discrediting or damaging the other Party's reputation or credibility.

**Customer:** The party entering into to the Agreement with FLOCERT.

**Expert:** person qualified to perform audits in the name of FLOCERT. An Expert can be a FLOCERT employee or a self-employed natural person or independent legal entity.

**FLOCERT Group Company:** FLOCERT and any of its subsidiaries.

**Intellectual Property Rights:** patents, rights to inventions, copyright and related rights, moral rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

**Observers:** any person who is not the Expert on record, an expert-in-training or a FLOCERT employee but is subject to the same obligations of secrecy as an Expert.

**Related Proprietary Rights:** any financial information, trade secrets, copyrights, trademarks, service marks, works, patents, technical documentation, artwork, or other proprietary rights in all countries relating to the Verification Services.

**Third Party:** Any company/organization/individual that is not Party to the Agreement.

**Verification Fees:** the fees to be paid by the Customer for the Verification Services.

**Verification Requirements:** All applicable rules and procedures relating to the provision of the Verification Services.

**Verification Services:** the services to be provided by FLOCERT under the Agreement.

**2. Services and Obligations of FLOCERT**

2.1. FLOCERT undertakes to provide Verification Services to the Customer as laid out in the Agreement and under the conditions and regulations set forth herein.

2.2. When performing the Verification Services, FLOCERT shall exclusively use and cooperate with properly trained and qualified Experts.

2.3. FLOCERT will provide the Customer with a current and detailed description of the assessment and auditing procedures as well as the documents containing the Verification Requirements and the rights and obligations of the Customer including the Verification Fees.

2.4. In case the Verification Services refer to assessments against Fairtrade Standards, FLOCERT shall notify the Customer within a reasonable period of any amendment thereto, and/or any amendment to FLOCERT Compliance Criteria and FLOCERT guidelines (e.g. by announcing the amendment on the FLOCERT website at [www.flocert.net](http://www.flocert.net)). The amendment shall enter into force after expiry of a reasonable transition period of three (3) months, starting with the notification.

**3. Obligations of the Customer**

3.1. The Customer shall take all precautions required for providing the Verification Services and particularly render to FLOCERT's disposition all documents and records to be audited, and access to the relevant devices, locations, areas, employees and the Customer's contractors required for the Verification Services; review complaints or accusations; call in Observers, where required. In case the Verification Services contain assessment of Customer's contract partner, including any suppliers, the Customer shall ensure full cooperation of any such contract

partner and shall make all necessary legal arrangements with its contract partners to allow access to and review of any relevant document within the scope of the Agreement.

3.2. The Customer shall agree that FLOCERT may cooperate with subcontractors and agents to perform audits. All subcontracted Experts shall be obliged by FLOCERT to keep the Customer's Confidential Information secret.

3.3. The Customer shall not use the Verification results and/or any confirmation of compliance granted to it by FLOCERT in any manner discrediting FLOCERT and shall not make any misleading or unauthorized statements in connection therewith.

3.4. The Customer may reproduce or publish extracts from FLOCERT reports only if and to the extent that the Customer has obtained the prior written consent of FLOCERT. FLOCERT reserves the right to take legal action if any publication violates this provision. The Customer undertakes to not publish any details about the provisioning, implementation or execution of FLOCERT services.

3.5. Public statements and communication relating to the Verification Services or the results thereof shall be subject to FLOCERT's prior written approval.

#### **4. Fees and Terms of Payment**

4.1. The Customer shall pay fees specified in the Agreement (hereinafter 'the Fees'), plus the applicable statutory VAT. Where accruing, the VAT shall be invoiced separately.

4.2. The Fees shall be due for payment on the maturity date as set out in the invoice, unless agreed otherwise in the Agreement.

4.3. The Customer may only offset against any claim FLOCERT has against it, if and to the extent that such counterclaim is undisputed, has been recognized by FLOCERT or has been legally established.

#### **5. Intellectual Property**

FLOCERT shall remain the copyright owner and holder regarding all documents made available by it, especially of each report or other written statement. The Customer may not modify or misrepresent the content of these documents in any form. All intellectual property rights in any pre-existing materials shall belong to the Party supplying the respective materials. To the extent necessary for the provision of the Verification Services hereunder, the Customer shall grant FLOCERT a non-exclusive right, unlimited in time and space, to use such pre-existing materials and incorporate elements thereof into any documents and other works created by FLOCERT hereunder.

#### **6. Confidentiality and Data Protection**

6.1. The Parties and their representatives, officers, employees or subcontractors may use Confidential Information only within the framework of the Agreement and these GTCs. Any disclosure of Confidential Information of the respective other Party vis-à-vis Third Parties, except for the explicit provisions of these GTCs, shall be permitted only after the other Party has given its prior written consent. This provision shall not apply to any disclosures which are mandatory by law or ordered by courts or public authorities.

6.2. Notwithstanding the foresaid, either Party may disclose Confidential information to its representatives, officers, employees, subcontractors, vicarious agents and affiliated companies exclusively on a need-to-know basis.

6.3. FLOCERT may process and store the Confidential Information communicated by the Customer to the extent that this is required to execute and implement the Agreement and for the period which FLOCERT is obliged to retain such Confidential Information due to legal regulations. Any further use shall be made only if the Customer has given its prior approval.

6.4. The Customer shall authorize FLOCERT, its agent or subcontractor to disclose all information required to render the Verification Services.

6.5. The Party disclosing Confidential Information must ensure that the confidentiality of such Confidential Information will be secured by confidentiality agreements at any time; the recipients must destroy or return any Confidential Information no longer required by them without delay.

6.6. FLOCERT shall adhere to applicable data protection provisions on the gathering, use, processing and transmission of Personal Data and shall take reasonable measures to likewise oblige the recipients of such data to adhere to this clause.

6.7. The Customer shall agree that FLOCERT will gather and store Personal Data to the extent required to render the Verification Services. Any further use shall be made only with the Customer's approval.

6.8. Personal Data shall be made accessible in an either aggregated or anonymized form, unless required otherwise to comply with the provisions of these GTCs and the Agreement.

6.9. The Customer shall be entitled at any time to revoke its agreement to the processing or transmission of any Personal Data not required to fulfil the Agreement. It shall also be entitled to inquire about the nature and details of the processing, and request correction, deletion and restriction thereof.

#### **7. Termination**

7.1. Either Party may terminate the Agreement by giving the other Party written notice four (4) weeks prior to the termination date, unless agreed upon otherwise in the Agreement.

7.2. Notwithstanding the foresaid, each Party may terminate the Agreement without notice as per section 626 of the German Civil Code (§626 BGB) ('extraordinary termination'), if the Party terminating the Agreement cannot reasonably be expected to continue the business relationship with the other Party taking into account all circumstances and the interests of both Parties ('important reason'). In particular, but without limitation, an important reason may be assumed if

7.2.1. the other Party has acted unethically to such a degree as that all trust and faith between the Parties has fundamentally been violated or lost;

7.2.2. the Customer furnishes incorrect or no statements during the validity of the Agreement, makes faulty assertions in relation to the Fairtrade system or uses licenses, certificates or the Fairtrade Mark in any misleading or unlawful manner; the rules on the Fairtrade Mark shall be subject to the license agreements with National Fairtrade Organizations and may be obtained from them;

7.2.3. the Customer is a licensee of the Fairtrade Mark at the same time and the license agreement is terminated for any reason;

7.2.4. the Customer violates any provision in the Agreement and, in case of a remediable violation, fails to bring the violation to an end within fifteen (15) days after being requested by FLOCERT to correct the violation; this shall also include any omitted payment of the Fees;

7.2.5. the Customer enters into bankruptcy or goes into liquidation;

7.2.6. the Customer violates the confidentiality arrangement set forth in section 7 above.

#### **8. Force Majeure**

8.1. Neither Party shall be liable to the other Party for any delay or failure to perform any of its duties under the Agreement and these GTC cause by events beyond its reasonable control ('Event of Force Majeure') as defined below.

8.2. 'Event of Force Majeure' as used herein means an act of God including but not limited to fire, flood, drought, earthquake, storm, epidemic or other natural event; any act of any sovereign including but not limited to war, invasion, act of

foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalization, requisition, destruction or damage to property by or under the order of any government or public or local authority or imposition of government sanction embargo or a similar action; any order, decree, embargo, blockade or labor dispute such as but not limited to strike or lockout; any other matter or cause beyond the reasonable control of either Party which prevents or substantially limits any performance of this contract.

8.3. The Party claiming the occurrence of an Event of Force Majeure shall promptly notify the other Party of such in writing giving the reasons for and the expected period of delay or stoppage and shall immediately take all reasonable steps to overcome the delay or stoppage. The claiming Party shall consult with the other Party as to such measures to minimize any possible delay in performance.

8.4. Any costs arising from the delay or stoppage shall be borne by the Party incurring those costs.

8.5. In case the delay or stoppage continues for a period longer than ninety (90) continuous days, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party, relieving both Parties from any future liability of performance under the Agreement and any consequences arising out of or following the termination.

## 9. Warranty

9.1. FLOCERT undertakes to exercise its activity with reasonable care and competence and shall be liable for its Verification Services in accordance with these GTCs. FLOCERT does not warrant that the Customer will actually obtain a positive Verification result.

9.2. The Customer shall be obliged to verify the deliverables immediately after transmission and to notify FLOCERT in writing of any defects identified without delay, within ten (10) working days. Any defects subsequently asserted shall be excluded.

9.3. Any farther-reaching warranty rights, especially to redhibition, price reduction or damages (subject to clause 10 of the GTCs) shall be excluded to the extent permitted by law.

## 10. Liability and Limitation

10.1. Except for willful intent and gross negligence, the liability of both Parties and of their representatives and employees shall be excluded. This shall not apply, however, in torts to any damage caused by any violation of life, body or health or for the breach of essential contractual obligations. Essential contractual obligations shall be any obligations that are crucial for the Agreement, and whose fulfilment allows for the Agreement to be properly implemented and on the fulfilment of which the Parties will and may regularly rely.

10.2. In case of breach of one or more essential contractual obligations, the Parties' liability for ordinary negligence shall be limited to the typically foreseeable damage.

10.3. The Customer shall compensate FLOCERT for all accounts receivable asserted by Third Parties vis-à-vis FLOCERT due to death, personal injury or material damage by or in connection with faulty goods if such fault in the goods is attributable to any act or omission by the Customer, its employees, representatives or contractors.

10.4. The general legal obligation of both Parties to minimize any damage likely

to be caused by an event giving rise to a claim within the framework of this compensation stipulation shall not be restricted or limited by any stipulation under this clause.

10.5. In any other case, any liability for damages and reimbursement of expenses for any legal reason whatsoever shall be excluded.

10.6. The preceding provisions shall also apply for the benefit of FLOCERT's legal representatives and auxiliary agents if claims are directly asserted against them.

## 11. Written Form Requirement

11.1. Side agreements, modifications and amendments to the mandate contract and these GTCs shall require written form. This shall also apply to any waiver of written form.

11.2. Besides the legal requirements of the Federal Republic of Germany on written form, this obligation shall be deemed met if the electronic scan of the original document is transmitted by e-mail in the PDF format or if the original document is transmitted as a letter or by fax.

## 12. Assignment

Neither Party may assign, transfer or surrender in any other manner whatsoever its rights or obligations within the framework of these GTCs and the Agreement to any Third Party, unless the other Party gives its written approval.

## 13. Applicable Law and Place of Jurisdiction

13.1. Where applicable, the exclusive place of performance and arbitration for both Parties for all disputes from these GTCs and the Agreement shall be Bonn, Federal Republic of Germany. FLOCERT reserves the right to take legal action against the Customer at the latter's registered office.

13.2. All disputes from or in connection with these GTCs and the Agreement or its validity shall be finally settled in acc. with the arbitration rules and the Supplementary Rules for Expedited Proceedings of Deutsche Institution für Schiedsgerichtsbarkeit e. V. (DIS) to the exclusion of legal recourse. The place of arbitration shall be Bonn, Germany. Arbitration proceedings shall be conducted in English.

13.3. These GTCs and the Agreement and all issues related to fulfilment, validity and interpretation shall be subject to the laws of the Federal Republic of Germany to the exclusion of the UN Sales Law.

## 14. Severability Clause

If any provision in these GTC or the application thereof to any person or circumstance is or becomes invalid or unenforceable in whole or in part, or in case these GTC contain an omission, the effectiveness or enforceability of the remaining provisions shall not be affected thereby. The invalid or unenforceable provision shall be substituted by a suitable and equitable provision which, to the extent legally permissible, comes closest to the intent and purpose of the original provision. In case of an omission a suitable and equitable provision shall be deemed to have been agreed upon which reflects what, in the light of the purpose of the Agreement, would have been agreed upon, if the matter would have been considered.

Valid as of January 2020