

## GENERAL TERMS AND CONDITIONS OF PURCHASE of the Franz Cornelsen Education Group

### 1. SCOPE AND GENERAL TERMS

- 1.1 These standard terms and conditions of purchase (hereinafter "T&CP") shall apply exclusively to all purchase orders placed by individual companies within the Franz Cornelsen Education Group (hereinafter "CORNELSEN" or "CORNELSEN Group") unless differing (individual) terms and conditions are expressly stated or otherwise contractually agreed in the purchase order. These T&CP shall apply exclusively in respect of entrepreneurs within the meaning of section 14 (1) of the German Civil Code.
- 1.2 These T&CP shall be deemed recognized by the supplier for the duration of the remaining business relationship upon acceptance of the purchase order but no later than upon the first delivery made or performance effected to CORNELSEN. Any contractual conditions of the supplier shall not become a constituent part of the purchase contract – even if they do not contradict these T&CP – unless CORNELSEN have expressly agreed in writing that they shall apply. This clause refers in particular to circumstances where CORNELSEN are aware of the contractual conditions of the supplier and accepts delivery or performance without any objections. Even if CORNELSEN refer to a communication from the supplier that contains the supplier's contractual conditions or makes reference to them, it shall not constitute any agreement on the part of CORNELSEN to the validity of those contractual conditions of the supplier.
- 1.3 These T&CP shall also apply to purchase orders placed by other companies within the CORNELSEN Group provided that the company placing the purchase order has expressly made reference to these T&CP no later than at the time when it places the purchase order.
- 1.4 All companies within the CORNELSEN Group are entitled to the inclusion of these T&CP in such a way that they are binding on the supplier. Where individual companies within the CORNELSEN Group include these T&CP in their purchase orders, it is only the relevant company and the supplier who become subject to the corresponding entitlements and obligations. No obligation shall arise to an individual CORNELSEN Group company from the inclusion of these T&CP by other companies within the CORNELSEN Group, nor shall it become liable in any way for the purchase orders placed by other companies. Equally, the companies which have included these T&CP in their contractual relations with the supplier are not liable for the obligations of other companies within the CORNELSEN Group arising from their inclusion of these T&CP. If a company within the CORNELSEN Group agrees individual provisions in its purchase order which contradict or differ from these T&CP, then these individual provisions agreed by the relevant company shall take precedence in this individual case over the provisions of the included T&CP. In all other cases, the provisions of these T&CP shall remain effective where they have been included.
- 1.5 The waiver of the requirement to observe individual provisions of these T&CP does not constitute a waiver of the need to observe the remaining provisions of these T&CP.
- 1.6 Insofar as a delivery to CORNELSEN Verlagskontor is agreed, the Guidelines for the Delivery of Goods ("Richtlinien für Warenanlieferungen") of CORNELSEN Verlagskontor GmbH which are valid at the time of a given purchase order shall be an essential component of these T&CP. The above-mentioned guidelines for the delivery of goods can be accessed under [www.cornelsen.de](http://www.cornelsen.de) (by following the link „Cornelsen im Überblick/Service/Lieferanten“).

### 2. PURCHASE ORDERS

- 2.1 Only written and signed orders are binding. Purchase orders placed orally by CORNELSEN or by telephone shall be confirmed in writing by CORNELSEN in order to become binding.
- 2.2 Each purchase order shall be confirmed by the supplier in writing within five working days. If the order confirmation deviates in part or in whole from the content of the purchase order, for example with regard to quantity and/or quality, or if it exceeds the order, it shall be deemed a new quotation on the part of the supplier and requires the express written acceptance by CORNELSEN.

Within the limits of what can reasonably be expected of the supplier CORNELSEN can demand changes to the subject matter of the contract in respect of performance or quantity after the order has been placed. Where this occurs, any impact on delivery dates and any additional or reduced costs that might possibly result shall be settled by mutual agreement.

### 3. PRICES, TERMS OF PAYMENT, INVOICES

- 3.1 The prices indicated in the purchase order shall be deemed fixed prices unless stated otherwise in the order. The supplier shall bear the costs of transport including packaging, insurance and all other supplementary costs unless expressly agreed to the contrary in writing.
- 3.2 In principle, the prices indicated shall be exclusive of the applicable rate of Value Added Tax unless there is a differing written agreement on this issue. The Value Added Tax must always be shown separately on the invoice.
- 3.3 Following delivery, the invoice shall be sent without delay as a single copy in a separate letter to the postal or delivery address for invoices as stated in the purchase order. It must show the date, the purchase order number, the supplier number and, if indicated in the order, the ISBN number. The accounting codes for the individual items on the invoice shall also be included. If these requirements are not met, the invoice will be deemed not to have been issued.
- 3.4 After the goods have been delivered or performance effected according to contract and after receipt of the proper and correct invoice, payment shall be made within 30 days with a deduction of 3 % early payment discount, or it shall be made net within 60 days at the latest.
- 3.5 Unless CORNELSEN have expressly consented in writing, the supplier shall not be entitled to assign claims which arise from their delivery relationship with CORNELSEN to third parties or to have such claims collected by third parties. CORNELSEN will not withhold its consent unreasonably.
- 3.6 The receipt of the delivered goods or of the performance effected and/or payment for the same by CORNELSEN does not constitute any recognition that the delivery was made or the performance effected according to contract. Rather, goods and performances are received and/or paid for with the reservation that the invoice will be subject to review and that warranty rights or claims for damages can be enforced.

### 4. TIME OF DELIVERY AND PERFORMANCE, DELAY IN DELIVERY AND PERFORMANCE

- 4.1 The time of delivery or performance stated in the purchase order shall be binding. Whether the time of delivery or performance has been observed shall be determined by the time when the goods are delivered to the reception point or place of use stated by CORNELSEN or the time when performance is effected to CORNELSEN.
- 4.2 Suppliers are required to inform CORNELSEN in writing without delay if circumstances occur or become known to them that result in their being unable to observe the agreed times of delivery or performance. In the event of a delay in delivery, suppliers are required to deliver the goods that have been ordered at their own expense via the quickest possible route (e.g. by express delivery or courier) insofar as CORNELSEN insist on the terms of the contract being met.
- 4.3 In the event of a delay in delivery or performance CORNELSEN are entitled to its statutory claims and rights. In particular, CORNELSEN are entitled, after a reasonable additional deadline has expired fruitlessly, to withdraw from the contract (also in part) and to demand compensation in lieu of performance. It is not necessary for an additional deadline to be set if the delivery date was agreed as "fixed" (or in words with essentially the same meaning), or if the supplier states that they are unable or unwilling to deliver or to perform by a possible new deadline.

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#### 5. DELIVERY, TRANSFER OF RISK, RIGHT OF RETENTION

- 5.1 Unless agreed differently, delivery shall be made or performance executed at the expense and risk of the supplier to/at the place of delivery or performance named by CORNELSEN. The risk shall not be deemed transferred before the goods have been handed over to CORNELSEN. The agreed place of delivery or execution shall be deemed the contractually agreed place of performance of the supplier's obligations. Where no place of delivery or execution has been agreed, the place of performance and dispute resolution shall be the registered seat of the ordering company within the Franz Cornelsen Bildungsgruppe.
- 5.2 Suppliers are required to attach the relevant delivery notes to their deliveries. The purchase order number of CORNELSEN, the supplier number, the country of origin of the goods and the CORNELSEN article number must be stated on those delivery notes. Where these requirements are not met, CORNELSEN cannot be held responsible for any delays resulting from the processing of such deliveries.
- 5.3 CORNELSEN is not required to take receipt of early deliveries or partial deliveries that have not been agreed.
- 5.4 Unless agreed to the contrary in writing, excess or short deliveries shall not be permitted.
- 5.5 The supplier can only claim a right of retention on the basis of recognised and/or ascertained entitlements against claims of CORNELSEN arising from the same contract.

#### 6. QUALITY

- 6.1 For all of its deliveries and performances the supplier shall observe the state and rules of technology and science that are typically recognised in their sector (e.g. DIN and EN standards) and the safety regulations that are typical in that sector. Where suppliers have received drawings, samples or other specifications from CORNELSEN, they shall observe them with regard to the execution and features of the object for delivery. Changes to the object for delivery, particularly to its features, require the prior express consent of CORNELSEN in writing.
- 6.2 To assure the quality of the products to be delivered to CORNELSEN or of the performance to be effected the supplier undertakes to introduce, apply and maintain on their own authority an effective quality management system (QM system) in accordance with DIN EN ISO 9000 et seq. The supplier may introduce an alternative system which however must meet at the very least all the specific quality management requirements of the first mentioned QM system.

#### 7. WARRANTY AND CLAIMS FOR DEFECTS

- 7.1 With its acceptance of the purchase order the supplier shall guarantee the specially ordered quality of the goods, or otherwise their generally accepted quality (guarantee of quality).
- 7.2 Checks on the quality and quantity of the delivered products will be carried out at the goods entrance of the agreed place of delivery in principle using a sampling procedure within the context of normal business routine. Incorrect deliveries or defects which can simply be recognised by visual inspection shall be deemed to be obvious defects and shall be reported to the supplier promptly within a period of 5 working days after they have been ascertained. Defects that cannot be immediately identified by incoming deliveries inspection shall be deemed to be concealed defects. These must be reported to the supplier within a period of 20 working days after they have been ascertained. Notifications of defects that are made within the above-mentioned periods of time shall be deemed as having been made in due time as defined in section 377 of the German Commercial Code.
- 7.3 A warranty period of 36 months shall apply following delivery or following acceptance of performance unless the supplier has acted maliciously. In the case of notifications of defects the warranty period is extended by the amount of time that passes between the notification of the defect and its rectification. Sections 478 and 479 of the German Civil Code shall remain unaffected, in particular the extension to the limitation period in accordance with section 479 (2) of

the German Civil Code in the case of recourse claims of the entrepreneur.

- 7.4 Defective deliveries or performance shall entitle CORNELSEN, even if their examination of the delivery or performance that is the subject matter of the contract has been restricted to spot checks, to enforce their warranty rights set out in sections 437 and 634 of the German Civil Code (i.e. subsequent performance, reduction of price, withdrawal from the contract, damages and, where relevant, self-remedy) in respect of the complete delivery or performance that is the subject matter of the contract. CORNELSEN shall have the option to choose between the remedy of a defect and a new delivery or new production – also in the case of a purchase contract or a contract for works, labour and material. CORNELSEN also have a warranty right to self-remedy (section 637 of the German Civil Code) in the case of a purchase contract or a contract for works, labour and material.
- 7.5 If the supplier fails to effect the "subsequent performance" or rectification demanded by CORNELSEN within a reasonable period of time or if urgent action is necessary on the part of CORNELSEN, e.g. in the case of imminent danger or the threat of economic harm, then CORNELSEN shall be entitled – to the extent that CORNELSEN make use of their right to rectification of the merchandise, replacement procurement or self-remedy – to perform, at the expense of the supplier, themselves the subsequent improvement, the replacement procurement or the self-remedy measures in a way that seems appropriate to CORNELSEN, or to commission third parties to execute such performance. The supplier shall bear any costs which CORNELSEN incur because of sorting through or processing defective deliveries. This also applies to costs incurred by CORNELSEN because they had to return goods. A subsequent improvement to the goods shall be deemed to have failed if the first attempt at subsequent improvement has been unsuccessful.
- Irrespective of this, CORNELSEN are entitled to charge the supplier for the processing of notifications of defects, as compensation for the expense associated with such work, a lump-sum processing fee, which is structured as follows, whereby further (damages) claims on the part of CORNELSEN are not excluded:

<u>Value of goods excl. Value Added Tax</u>	<u>Processing fee</u>
up to €3,000.00	€100
over €3,000.00	€300

#### 8. PRODUCT LIABILITY, INDEMNITY

- 8.1 Insofar as the supplier is responsible for a defect to the goods, it is required to indemnify CORNELSEN upon first request against the damages claims of third parties to the extent that the cause of the defect is to be found in an area over which it has organisational control. The warranty rights of CORNELSEN shall remain unaffected.
- 8.2 Within the context of its liability for cases of defects as set out in clause 8.1 above the supplier is also required to reimburse possible expenses pursuant to sections 683 and 670 of the German Civil Code or sections 830, 840 and 426 of the German Civil Code, where such expenses are incurred as a result of or in connection with a product recall carried out by CORNELSEN. CORNELSEN shall inform the supplier about the nature and scope of the recall measures to be carried out – insofar as this is possible and reasonable – and shall give the supplier the opportunity to state its position. Other statutory claims, including the statutory liability of the supplier arising from impermissible actions (sections 823 ff. of the German Civil Code), shall remain unaffected.

#### 9. THIRD PARTY PROPERTY RIGHTS

- 9.1 The supplier assures that there are no property rights of third parties standing in the way of the use by CORNELSEN or its customers of its delivery or performance.
- 9.2 If a claim is made against CORNELSEN by a third party because of an infringement of property rights which are the responsibility of the supplier, the supplier is required upon first written request to indemnify CORNELSEN against these claims.

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- 9.3 The above-mentioned indemnity obligation of the supplier relates to all expenses which are necessarily incurred by CORNELSEN as a result of or in connection with such a claim by a third party. In particular, it relates to the costs necessary for an appropriate legal defence (e.g. court fees, solicitors' fees and fees for experts).
- 9.4 The contractual parties undertake to inform each other promptly of any risks of injury which become known and of any alleged cases of injury. Within the limits of what is reasonable they shall cooperate to ward off any such claims.
- 9.5 The above sub-clauses 9.1 to 9.3 shall not apply to the extent that the supplier acted in accordance with guidelines and specifications issued by CORNELSEN.

#### 10. PROVISION OF MATERIALS

- 10.1 CORNELSEN shall retain all and any ownership and/or other rights (copyright, rights of use) to all the materials they provide (e.g. partial products, documents, rough copies, semi-finished products, tools, data, data storage media, discs, printing blocks etc.).
- 10.2 The supplier shall be liable for loss of or damage to materials provided by CORNELSEN and shall inform CORNELSEN promptly of any legal or actual impairment of such materials.
- 10.3 Materials provided by CORNELSEN may only be used by the supplier as intended and may not be made accessible to third parties unless CORNELSEN have given their written consent to this effect.
- 10.4 Any materials made available to the supplier by CORNELSEN must be returned to CORNELSEN at first written request, but no later than when the business relationship ends.

#### 11. FORCE MAJEURE

Events of force majeure which cannot be prevented even with the exercise of reasonable care release the contractual partners from their performance obligations for the duration of the disruption caused and to the extent they are affected by it. In such a case, the contractual partners are required to inform each other without delay and to adapt their obligations to the new circumstances in good faith. If the disruption lasts longer than two months, each contractual partner is entitled to withdraw from the contract in respect of those parts of the contract that have not yet been fulfilled.

#### 12. ENTREPRENEURIAL RESPONSIBILITY

The supplier shall confirm within the scope of their entrepreneurial responsibility that statutory regulations, including laws for the protection of the environment, are observed, that employment legislation is complied with and that child and forced labour are not tolerated in or in connection with the production and sale of their goods or the provision of their performances. In addition, the supplier shall confirm upon accepting the order that they are not involved in any kind of bribery and corruption and do not tolerate such conduct. Furthermore, the supplier shall employ their staff in observance of the ILO (International Labour Organisation) Convention. The supplier undertakes to monitor on an ongoing basis compliance with the relevant requirements. Where applicable, the supplier shall adhere to the social standards determined by the ICTI (International Council of Toy Industries) or by comparable institutions, in particular where such standards define the working conditions which must be observed and the ban on child labour. As proof, the purchaser will be provided with a copy of the current certification against ICTI standards at the time of acceptance of their purchase order.

#### 13. CONFIDENTIALITY

- 13.1 The contractual partners undertake to treat all orders and all commercial and technical details connected with these orders as commercial secrets. In particular, all images, drawings, quality guidelines, samples and similar objects that are received shall be kept strictly confidential. The reproduction or passing on of confidential information is only permissible within the context of business

requirements. Such information may only be disclosed to third parties following prior express consent in writing.

- 13.2 The supplier undertakes to place a confidentiality obligation with the same scope on sub-suppliers and other third parties commissioned by the supplier. Suppliers may use the confidential information made known to them by CORNELSEN exclusively for the purpose intended.
- 13.3 This confidentiality obligation shall remain in force beyond the end of the delivery or performance relationship. After the delivery relationship has ended, the supplier undertakes to surrender to CORNELSEN all the commercial secrets obtained by them in a physical form or stored on electronic media. All commercial secrets must be removed from the data processing facilities of the supplier. Reproductions, in whatever form and shape, shall be destroyed or deleted in such a way that their reconstruction is impossible.

#### 14. INSOLVENCY OF A CONTRACTUAL PARTNER

If one contractual partner ceases to make payments or if insolvency proceedings are opened in respect of their assets, then the other party are entitled to withdraw from the contract in respect of those parts of the contract that have not yet been fulfilled.

#### 15. PLACE OF PERFORMANCE, APPLICABLE LAW, PLACE OF JURISDICTION

- 15.1 The place of performance for the delivery and/or performance obligations of the supplier shall be the point of reception or place of use stated by CORNELSEN. The place of performance regarding the payment obligations of CORNELSEN is the actual place of business of CORNELSEN.
- 15.2 Applicable law shall be exclusively the law of the Federal Republic of Germany. The Vienna UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded. The applicability of compelling norms of the country of the supplier's registered business shall remain unaffected by this choice of law as will the applicability of mandatory international civil law provisions.
- 15.3 If the supplier is a business person, the international and local place of jurisdiction for all disputes arising from this commercial relationship between the two contractual partners shall be the place of business of the CORNELSEN affiliate which is placing the order. Notwithstanding this, the CORNELSEN affiliate placing the order shall have the choice to enforce any claims against the supplier at CORNELSEN's general place of jurisdiction instead.

#### 16. SEPARABILITY CLAUSE

Should individual provisions of these conditions be or become ineffective or inoperative in whole or in part, then the validity of the remaining provisions shall remain unaffected by this. In place of the ineffective or inoperative provision a provision shall be deemed to have been agreed which, as far as is legally feasible, comes as close as possible to the original purpose of the ineffective or inoperative provision as intended by the contractual partners. The same shall apply to any gaps in the contract.

Franz Cornelsen  
Education Group