# **General Purchasing Terms and** Conditions (GTCs) of Changemaker AG (CM)

Changemaker (CM) – Applicability
Every product has its own story. And in the case of the products distributed by
Changemaker, you can be sure that this story is a good one. It begins with designers and
suppliers who are passionate about what is relevant. One General Terms and Conditions.
Purchasing are applicable to all contractual relationships between Changemaker AG (CM) and its suppliers.

communicated openly and assigned to each product:

General purchasing conditions
 Purchasing criteria
 Every product in the CM range must comply with at least one of the criteria listed below ideal are products that meet more than one of these criteria. These criteria are



Raw materials with this symbol are certified as organically grown naw materials with its symbol are certained as organically grown and/or organically cultivated. Genetically modified organisms may not be present and, wherever possible, there must be no use of pesticides, herbicides and other chemical agents.



These products must be manufactured under fair and socially acceptable conditions. It is also important that workers receive wages that provide for a decent standard of living and that there are fair working conditions. In Switzerland, products that usually meet these criteria are derivered from social institutions, such as sheltered workshops, as well as cottage industries and handicraft businesses that are characterised by social commitment and their love of the profession.

Products should also be directly or indirectly recycled or recyclable Cradle2Cradle products must also bear this recycling symbol.



Products made in Switzerland. Here, locally-based designers, local cottage industries and social institutions uphold the Swiss tradition quality as well as cultural diversity. The short transport routes are beneficial to protecting the environment and the climate.



Great attention to detail and effort put into the production of small quantities are the basis for this labelling. Hand-made products represent an important source of income for women producing them, especially in Global South countries.



This symbol designates organic, environmentally-friendly products that are made from organic or alternative raw materials and that are far more environmentally compatible than conventional products when it comes to extraction and processing (e.g. are  ${\rm CO}_2$ -neutral).



Products featuring this symbol have energy-saving properties. Less power or less water is required for the manufacture and use of these products than for conventional products. Alternatively, natural resources, such as solar energy, have been employed in their production or are required for their use.

On offering products, suppliers are required to provide us with details as to which of these criteria they meet. It is imperative that there is compliance with the provisions of these criteria. Should a product fail at some point to comply with required provisions, CM must be notified without delay.

If a supplier holds a specific certification, such that of the Fairtrade Foundation or GOTS, CM must be informed without delay should this certification expire or cease to be applicable. Certification documents must be made available for inspection on request.

2.2. Product modifications

Products specifically defined in terms of article numbers, samples or other identification features within the scope of an order may only be modified with the prior written appro of the responsible purchasing agent. The same applies to the packaging and labelling of products. Should the designation or the article number used by the supplier change, our Purchasing department must be informed of this.

2.3. Price changes Purchase prices, conditions and related activities must be approved by CM's Purchasing department. Proposed changes to prices must be notified in writing at least three months advance. CM must be provided with the option to purchase any remaining stock under the same conditions as previously.

2.4. Transport packaging
Transport packaging must be such that it is ensured that goods arrive in undamaged
condition. Packaging should be environmentally-friendly where possible. In the event of
damage on arrival, we reserve the right to return the goods or to request a credit note in
lieu. Quoted prices are to include costs of transport packaging. This also applies to reusable
packaging. This excludes Euro pallets, which will be exchanged directly on a 1:1 basis.

2.5. Transport
Unless otherwise agreed, suppliers are responsible for ensuring punctual and appropriate transportation in compliance with legal requirements.

2.6. Packaging design
Packaging must be labelled in German according to statutory requirements. Suppliers are
responsible for checking and ensuring that all labelling meets the minimum statutory
requirements. This also applies to products that are directly imported by CM.
Costs for preparing and producing special packaging are to be included in quoted prices.

7. Prace labelling dividual sales units (consumer units – CU) must be labelled in accordance with CM ecifications. Unless otherwise agreed, suppliers will be provided with the appropriate mber of labels for this purpose for each order. These labels will include the following injury dealis:

- Product text and specifications in German (e.g. "Strohhalm Set, 6 Stück, Bambus") CM's EAN barcode CM's article number, in numeric form (e.g. 107539.01) CM's retial price (e.g. 24.90)

Costs for price labelling are to be included in the quoted purchase prices.

2.8. Printed materials
If operating instructions, warranty certificates or other printed materials are also supplied with a product these must also be in German.

2.9. Product liability
Suppliers shall be held liabile for any consequential losses arising in connection with the supply of faulty products in accordance with the corresponding legal stipulations. Suppliers are obligated to take out liability insurance in the appropriate amount, but which provides cover of a minimum of CHE 1 million (or ideally CHE 5 million): policies must cover both the risk of material damage and personal injury. A copy of the insurance policy must be presented to the responsible purchasing agent on request for inspection.

2.10. Data

All data made available to suppliers remains the property of CM and has trade secret
protection. The data must be treated as confidential and may not be made available to third
parties. This will also continue to apply after termination of a contractual relationship.

2.11. Availability of spare parts Suppliers must ensure availability of spare parts for their products for a minimum of 5 years from the date of our last order. Suppliers will be held liable for any consequential losses that arise as a result of the unavailability of spare parts during this period.

Requirement to provide international trade data and documents
 International trade data
 Chr reserves the right, at any time and for each individual item supplied or still to be supplied, to demand from suppliers the 6-digit HS code or customs tariff number valid in the

supplied, to demand from suppliers one-ongir in Scove or ususons sum numes nume.

country of origin.

In connection with the dispatch of goods, suppliers are to provide a valid and original
preferential certificate of origin for the relevant consignment, provided that it comprises
full or in part products of preferential origin or when suppliers have expressly agreed to
supply products with preferential origin or when suppliers have expressly agreed to
supply reports with preferential origin status. For cross-border shipment of goods,
suppliers must include a valid non-preferential certificate of origin for the relevant
consignment where this is required in accordance with the destination country's import
regulations or where CM considers this to be necessary for other reasons.

3.2. Responsibilities and liabilities
Details of information, data, records, documents, etc. made available by suppliers in connection with these GTCs are binding on the supplier. Suppliers herewith assume liability for the consequences of the provision of incorrect or inaccurate information and data and invalid records and documents, etc.

For each consignment, a written order will be placed by CM. The order will specify as a minimum the product in question, the price agreed, the date of delivery and the responsible contact person.

Orders will be submitted by email. No confirmation copies will be provided

Suppliers are obligated to check the completeness and clarity of the details provided i orders. Should deviations or ambiguities be apparent or should timely delivery not be feasible, the contact person named in the order must be immediately informed.

4.2. Labelling of transport packaging/delivery notes To ensure that the type of goods can be immediately determined on delivery, every consignment/packaging unit must be provided with a delivery note (in A4 or A5 format) showing the standard order-related details (minimum quantity, item description). The CM order number must also be included.

4.3. Inspection of outgoing consignments by suppliers Suppliers must carry out final checks prior to goods leaving their premises. The ordered goods must arrive at the correct Loadin at the correct time and in the correct amount. Suppliers must inspect the goods for damage to avoid possible future claims.

4.4. Jewellery
All precious metal, multi-metal and plated articles must bear a 'responsibility mark' (Verantwortlichheitsmarke) as required under Swiss law. This mark must be registered with the Swiss Central Offlice for Precious Metals Control. Genuine precious metals and silver and gold-plated articles declared as such must be hallmarked as appropriate in accordance with the Precious Metals Control Act. The manufacturer is responsible for checking all goods for harmful boins. Manufacturers shall be required to bear any additional costs incurred due to goods being insufficiently declared (hallmarked).

4.5. Transfer of risk Suppliers shall assume all risk until due delivery of the goods at the destination

4.6. Delivery dates
The delivery dates indicated on the order are always understood to be the dates on which the goods are to arrive at the specified delivery address. These dates must be adhered to.

4.7. Other delivery problems
Where shipments do not meet the requirements of these GTCs (incorrect quantity deliv modified goods, incorrect product descriptions etc.) CM reserves the right to charge an additional consequential costs to the supplier.

5. Liability for defects Suppliers will be held liable for ensuring that goods with the properties as specified in the order can be sold freely. CM assumes that its suppliers are not aware of any defects that nullify or significantly reduce the value of the goods or their suitability for normal use.

5.1. Inspection of incoming consignments
As a general rule, consignments will be checked (without use of specific inspection methods
for signs of obvious external defects within 14 working days of receipt. All defects reported
to a supplier within this period are to be deemed to have been made in good time
(if conceiled defects are only detected on exply of this period or during the actual sale of
products, these defects are to be deemed the same as immediately detected defects despit
delayed notification of the supplier.

If more than 5% of products in a consignment are found to be defective during a specified, representative random sampling procedure undertaken by CM, the entire consignment shall be considered to be defective (serial defect).

If isolated defects are detected, CM may at its own discretion either request replacer the goods within a reasonable period or reduce the invoiced amount accordingly. CM expressly reserves the right to claim further compensation.

In the event of detection of a serial defect, CM may at its own discretion either request replacement of the defective goods, withdraw from the contract and claim compensation due to default, or remedy the defects itself at the expense of the supplier. CM expressly reserves the right to claim further compensation.

The costs of storage of defective goods will be charged to a supplier from the first day at CHF 50.00 per pallet and month. Should the goods require disposal, this will be undertaken at the supplier's expense. Defective goods will be made available and can be picked up by a supplier at own expense

5.3. Quality systems and monitoring Suppliers are required to undertake regular quality checks by way of internal quality management and monitoring to ensure that flawless quality is available at all times. Analytical reports must be provided on request.

5.4. Settlement of insurance claims
After-sales and repair services will be defined in advance. Suppliers are responsible for repair and replacement costs and transport costs to and from the supplier.

5.5. Liability for material and legal defects

Suppliers are responsible for ensuring that their goods are free from legal defects. Goods

must, in particular, meet statutory requirements and may not infringe intellectual property

rights of third parties. The above particularly applies to compliance with the stipulations of

current Swiss legislation regarding foodstuffs and the appetuic products and the Swiss

Chemicals Act. Verification in this regard is the responsibility of suppliers. Suppliers are also

responsible for their subcontractors.

This shall also apply when CM procures products ex works and imports products.

6. Breaches of statutory provisions Goods must be such that they are able to be sold freely by CM without further processing in accordance with Swiss law. Verification in this regard is the responsibility of suppliers. Suppliers are also responsible for their subcontractors.

On request, product specifications, conformity declarations, certificates and REACH reports that are less than two years old must be provided for inspection.

Electrical appliances must comply with the European CE standard and the conditions laid down by the Federal Inspectorate for Heavy Current Installations (SEV standard). Suppliers are responsible for verifying compliance. Required authorisations and inspection certificates must be presemed to CM within a period of two weeks.

6.1. Property rights
It is the responsibility of suppliers to ensure that products supplied do not infringe property
rights of third parties (patents, trademarks, designs, copyrights, rights to company names,
domain names or other intellectual property). Suppliers are responsible for verifying that
this is the case. The relevant documentation must be made available to QM at any time and
upon first request. Should this be necessary, CM reserves the right to cancel outstanding
orders in this connection.

If a third party asserts claims directly against CM because of alleged violation of property rights, CM shall notify the supplier accordingly and request the supplier to respond. However, if the supplier does not make available costs to cover the experse of a possible dispute, CM shall decide at its own discretion whether to engage in the dispute or whether to acknowledge the complaint in full or in part.

If ordered and delivered goods cannot be sold due to claims relating to property right violations, CM must be reimbursed the purchase price including transport costs and any customs duties plus any interest accruing on outstanding compensation payments.



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All costs incurred by CM in connection with a complaint relating to presumed intentional infringement of property rights must be reimbursed to CM by the supplier irrespective of infringement of property rights must be reimbursed to CM by the supplier irrespective of culpability on the part of the supplier. In particular, suppliers shall be liable for all consequential costs of coase-and-desist or court proceedings: i.e. costs incurred for consultations and representation by wavers and patent attorneys, any court feee, costs of litigation incurred by the property right holder charged to CM (whether by court order or settlement), costs arising in connection with the destruction of unlawful goods as decreed or mutually agreed and costs for any recall of goods that infringe property rights.

Should CM be liable for payment of compensation on the basis of a court decision or as a consequence of a settlement, the proportionate liability as divided between the parties shall also be deemed to be a cost that is to be reimbursed by the supplier.

CM reserves the right to offset claims for compensation arising as a result of legal defects in the goods supplied against outstanding invoices of the supplier in question.

7. Termination for convenience
CM may, after notifying a supplier, amend or cancel any order, whereby the supplier is not entitled to demand termination or revision of the contract (specifically changes to prices).
CM and suppliers hereby agree that CM is only responsible for the costs of customised raw materials procured for the purpose of meeting amended or cancelled orders. Ownership of these customised raw materials must be transferred to CM on request. CM will not accept any liability for additional costs, expenses or losses arising for a supplier or the suppliers of a supplier in this connection.

8. Product recall CM reserves the right, at own discretion, to initiate a recall of products delivered by suppliers or of products that contain supplied products. If CM decides to recall products for any reason or be required to do so, CM will notify the supplier in question. Suppliers are obligated to provide support to CM with regard to determining the cause and extent of the problem. In the event of a recall, the supplier shall bear all costs and expenses associated with the recall.

Other provisions
 The parties hereby agree that Zürich, Switzerland shall be the exclusive place of jurisdiction.

The contractual relationship between CM and its suppliers is subject to Swiss law

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