

COMPLIANCE CLAUSE

PRELIMINARY NOTE

1

Both parties undertake to comply with the legal regulations applicable to their company. They support and respect the principles of the "Global Compact" ("UNGC"), the United Nations Universal Declaration of Human Rights and the 1998 Declaration on Fundamental Principles and Rights at Work of the International Labour Organization in accordance with national laws and practices.

The shipper/client irrevocably undertakes to provide **CargoCrew** immediately upon request with all information, data and documents of any kind requested by **CargoCrew** to authenticate the shipper/client and its Ultimate Beneficial Owner (UBO) as required, for example, for anti-money laundering regulations, for the verification of sanctions lists and other provisions. The sender/client is obliged to notify us immediately of any changes to information, data and documents already provided within the scope of this provision.

It is expressly stated that the fulfilment of **CargoCrew's** contractual obligations is subject to the condition that there are no obstacles to the fulfilment of the contract due to national or international regulations, in particular foreign trade law, as well as no embargoes or other sanctions. Should one of the contracting parties fall under a sanction provision or an embargo and the other party is no longer permitted to do business with the affected party due to legal provisions - in particular under foreign trade law - the parties shall terminate their business relationship immediately and each shall bear its own costs.

DUAL USE GOODS

With Regulation (EU) 2021/821 (EU Dual-Use Regulation), the EU has established common authorisation requirements and procedures for all EU Member States for the export, brokering, technical assistance, transit and transfer of dual-use items. These are goods that can be used for both civilian and military purposes (e.g. certain chemicals, machines, technologies and materials, but also software or technologies in particular). The export or transfer of goods and technologies is only permitted with a valid licence.

According to Article 3 of the Dual-Use Regulation, the export of all goods listed in Annex I of the Dual-Use Regulation is subject to authorisation. The consignor/client must therefore check in good time before the export whether his goods are listed in Annex I of the Dual-Use Regulation.

According to Articles 4, 5 and 10 of the Dual-Use Regulation, the export of non-listed dual-use goods may also be subject to authorisation. Additional national restrictions can be found in Section 9 AWW.

The intended use of the goods and the respective country of purchase or destination are decisive for the need for authorisation. The exporter is responsible for applying for and obtaining the necessary authorisations.

A distinction must be made between the exporter under customs law and the exporter under foreign trade law. They may be different persons.

According to Art. 1 No. 19 b) i) Regulation (EU) 2015/2446 (UCC-DA), the exporter under customs law is, in principle, the natural or legal person who is established in the customs territory of the Union and who has and exercises the right of destination over the movement of the goods.

The exporter or declarant under customs law must submit the customs declaration in accordance with Section 12 (2) of the Foreign Trade and Payments Ordinance (AWV) and, in accordance with Section 14 of the Foreign Trade and Payments Ordinance (AWV), provide the customs office with all necessary documents and other data relating to the export transaction and the export goods in a timely manner upon request.

The contractual partner of the recipient in the third country is an exporter under foreign trade law pursuant to Section 2 (2) AWG or Article 2 No. 3 EU Dual-Use Regulation.

Obligations of CargoCrew

CargoCrew is neither responsible for the procurement of authorisations nor does **CargoCrew** assume the duties of an exporter when handling transports of dual-use goods. Should **CargoCrew** be commissioned to submit customs declarations, this is done exclusively on behalf of the shipper/client. **CargoCrew** is at no time a customs or foreign trade exporter within the meaning of the Foreign Trade and Payments Act (AWG).

IMPORT (Prohibitions and restrictions)

Certain goods are subject to import restrictions. This applies in particular to weapons and ammunition, weapons of war, chemical weapons precursors, explosive substances, radioactive substances and substances that are harmful to minors and unconstitutional etc. ("prohibited goods").

Obligations of CargoCrew

In the case of imports, **CargoCrew** will reject transport orders that violate German and European import restrictions and prohibitions. The shipper/client is responsible for checking this. If it is not recognisable at the time of placing the order whether the transported goods violate import regulations, the shipper/client shall be liable for all damages and expenses incurred by **CargoCrew** in the course of contract processing of the prohibited goods, without the possibility of limitation of liability.

NO RUSSIA CLAUSE

The consignor/client may not directly or indirectly sell, export or re-export goods transported under or in connection with an order and falling within the scope of Article 12g of Council Regulation (EU) No 833/2014 to the Russian Federation or for use in the Russian Federation

The shipper/client shall use its best endeavours to ensure that the purpose of paragraph (1) is not frustrated by third parties in the wider commercial chain, including potential resellers.

The consignor/client shall establish and maintain an appropriate monitoring mechanism to detect behaviour by third parties in the wider chain of commerce, including potential resellers, that would defeat the purpose of the first paragraph.

Any breach of the 1st, 2nd, or 3rd paragraph shall constitute a material breach of a material element of the Contract and **CargoCrew** shall be entitled to seek appropriate remedies, including but not limited to:

- a) the termination of the order; and
- b) a contractual penalty amounting to 5 % of the total value of the order agreement or the price of the exported goods, whichever is higher.
- c) If a material breach of the 1st, 2nd or 3rd paragraph is detected on the part of the shipper/client or the counterparty from a third country, **CargoCrew** is entitled to claim all losses resulting from this breach from the shipper/client.

STEEL TRANSPORT

The consignor/client assures that, in addition to his obligations under the above provisions (No Russia clause), he will comply with the Russian embargo on the import of steel products.

According to Article 3g (1) (d) of Regulation (EU) No 833/2014, it is prohibited from 30 September 2023 to directly or indirectly import or purchase the iron and steel products listed in Annex XVII of Regulation (EU) No 833/2014 into the Union if they have been processed in a third country using iron and steel products listed in Annex XVII of Regulation (EU) No 833/2014 originating in Russia.

For products listed in Annex XVII of Regulation (EU) No 833/2014 which have been processed in a third country using steel products falling within CN code 7207 11 or 7207 12 10 or 7224 90 originating in Russia, this prohibition will apply from 1 April 2024 for CN code 7207 11 and from 1 October 2024 for CN codes 7207 12 10 and 7224 90.

According to Art. 3g para. 1 letter d) Regulation (EU) No. 833/2014, proof of the country of origin of the iron and steel pre-products used for processing the product in a third country must be kept available for the customs authorities at the time of import. The proof must be presented if requested by the customs office in individual cases.

In addition to the so-called Mill Test Certificates proposed by the Commission of the European Union, invoices, delivery notes, quality certificates, long-term supplier declarations, calculation and production documents, customs documents of the exporting country, business correspondence, production descriptions, manufacturer's declarations or exclusion clauses in purchase contracts, from which the non-Russian origin of the primary products is evident, can also be recognised as suitable verification documents.

The shipper / client assures to submit the relevant documents and to prove the non-Russian origin.

3

INDEMNIFICATION OBLIGATION OF THE CUSTOMER

Should **CargoCrew** be held liable for damages or fines or other financial obligations by third parties, in particular by authorities and official bodies, arising from and in connection with the transport handling for the shipper/client, because the required authorisations have not been obtained or the shipper/client has otherwise violated the provisions of the Dual-Use Regulation or other provisions of foreign trade law or import regulations as well as the rules of these Compliance Rules, the shipper/client shall irrevocably indemnify **CargoCrew** against such obligations, fines and other financial disadvantages upon first request. This also applies to other costs incurred in connection with such a claim, such as, but not limited to, legal and other defence costs.

APPLICABLE LAW - APPLICATION OF THE ADSP

This agreement is subject to German law to the exclusion of the provisions of German international private law. Hamburg shall be the exclusive place of jurisdiction for any legal disputes in connection with the transport of dual-use goods.

The ADSp 2016 apply additionally and subordinately.

with best regards

Philipp-Christopher Ebbo Schopnie
Geschäftsführer / Managing Director

Tel.: +49 40 524 79 84 - 31

Fax.: +49 40 524 79 84 - 40

Mobile: +49 173 794 58 52

E-Mail: Ebbo.Schopnie@CargoCrewInternational.de

Web: www.CargoCrewInternational.de