

## **GENERAL PURCHASE AND PAYMENT TERMS**

**The enclosed translation does not represent a legally binding base.  
The translation is an internal translation made in our company.  
The terms are valid only in their original German version.**

### **I. Validity of Business Conditions**

1. Our following purchase conditions are valid for all of our contracts and orders, for all of our deliveries and services as far as they are not explicitly changed or excluded without our written agreement, also when the text is not resent again to our contractual partner by means of our purchase contract, our order or our call-off.
2. They are especially valid even then, when our business partner renders his deliveries or services to our knowledge in deviating terms.  
The general business conditions of our partners only acquire validity when we confirm them in written form. Apart from that the validity of business conditions of the contracted partner will be contradicted.

### **II. Conclusion of a Contract**

1. Only written orders have their validity. Any placed orders either in oral form or by phone will only come into force through our written confirmation. The same applies to eventual verbal agreements on amendments or modifications of the contract.
2. A submitted bid by us can only be accepted within a deadline of a one week's period from the date the bid has been given, unless another period of acceptance is expressly named. A delayed submitted statement of acceptance passes for a new offer.
3. All documents and information transmitted by us within the submission of a bid remain our property. They must not be made aware of to a third party, especially not used for a advertising and competitive purposes.

### **Delivery**

1. If a delivery date is not already fixed according to the contract, the delivery must be announced two working days in advance until latest 12.00 o'clock noon.

The delivery and loading of deep frozen goods has to take place at a core temperature of at least -18° C.

The goods must be stretched and packed and delivered on EURO pallets, in clean stable cartons/sacks/firm bags, labelled according to the regulations of the food law.

2. For deliveries the established arrival weight through our calibrated scale or public scale, which is calculated through netting out the empty weight and the full weight of the truck, minus the established weight of the packaging materials, or the number of pieces established by our warehouse's foreman is in anyway decisive. The supplier carries the weighing charges when using public scales.

If the delivery is carried out directly to our customer by our contractual partner or in case we arrange the pick-up of the goods – weight and quality control is carried out at the place of destination. At this point the weight and condition of the goods is crucial in terms of our general purchase and payment terms.

3. If the performance is not fulfilled or only partially fulfilled to the agreed date, after an unsuccessful expiration of an adequate extension of time by us – in the case of expressly agreed fix purchases without setting a final deadline – we are entitled to withdraw from the contract or demand compensation because of late or not fulfilled performance. In case of significant short delivery we have the same rights regarding the outstanding performances, however constantly after a vain procedure of setting a adequate final deadline only once, provided that it is not a fix purchase.

In addition, in case of delivery being delayed we are entitled to claim a lump-sum of 1% of the delivery value per each full week to a damage caused by delay, but not more than 5% of the delivery value. The supplier has the right to prove that there has been an essentially lower or no damage of default at all. In comparison we are entitled to prove a higher damage.

Further legal claims shall remain reserved, we are especially entitled to claim a stipulated penalty next to the fulfilment of the contract. We commit ourselves to declare the reservation toward the supplier of a contractual fine within 10 work days, counting from the eventual receipt of a delayed delivery.

4. The supplier is committed to immediately inform us in written form if circumstances arise or be discernible to him from which appears that the fixed time of delivery cannot be adhered to.

#### **IV. Transfer of Risks, Place of Fulfilment, Documents**

1. Place of fulfilment, place of transfer of risk and place of delivery is the place of destination and in the contract or the order or other documents in terms of warranty rights.

As far as nothing else is stipulated in the contract our place of business is the place of fulfilment.

The place of fulfilment is the place of destination even when the goods are picked up by us. The goods will be inspected at the place of destination, their condition is decisive at this point. If we pick up the goods we carry the risk of transport. For all further rights and obligations Hof is also in this case place of fulfilment.

2. The supplier is obligated to hand over the merchandise with all required documents and to specify our order number(s), lot number(s) and the origin of the goods on these. Does he fail to do so, the supplier takes responsibility for any delays in the progress.

## V. Defects Examination and Warranty

1. The supplier guarantees that the delivery item particularly corresponds to the applicable EU regulations as well as the German legislation. As far as special specifications are part of our order, they are looked at as assured characteristics which the supplier in particular guarantees. It is especially a defect, when the cold chain is interrupted during delivery of deep frozen articles – measured as of the freezing time, so that the goods do not continually show a core temperature of at least – 18 degrees celsius.

The goods must only be delivered out of the latest crop as far as specified in the contract or the circumstances do not result in anything else.

2. Quantities stated in the order must be adhered to. Differences of more than 5% entitle us to refuse acceptance in relation to excess delivery with an oversupply or to demand an additional delivery during an undersupply.  
The right to refuse acceptance of delivery extends to a larger amount than the oversupply, if another distribution according to the way of packing is not possible. Thus generated shortage of quantities will be treated as an undersupply. In case of an undersupply all costs are charged to the supplier.

We are entitled to impose notice of defects within 2 weeks after receipt of the goods, in case of hidden defects 2 weeks after we are aware of the defect; deviating from the German Commercial Code § 377. The warranty period is 2 years.

3. All necessary costs related to justified claims, particularly also expert consultant costs, claim costs etc. as well as all consequential damages and the loss of profit are charged to the supplier. A claim is accepted by the supplier if we refuse to accept the goods and withdrawal/forwarding of claimed goods through the supplier or takeover of the goods on our part to an agreed reduced value.
4. Payments do not mean the renunciation of the claim.

## VI. Product Liability and Release from Obligation

1. The supplier is obligated to release us of present defects from warranty claims and from claim damages of third parties upon first notice of this defect.
2. The supplier is obliged to maintain a product liability insurance with a coverage amount of € 8.000.000,-- per personal/material damage. In case of further damage claims these remain untouched.
3. The regulations of the product liability law remain untouched.

## VII. Prices and Payment

1. The established price in the order is binding. As far as nothing else is expressly agreed upon, it is understood that the prices include packaging, franco domicile, duty paid.

If the supplier cannot abide by the stipulated prices because his own purchase prices have risen due to a not insignificant increase of the minimum import price, the levy costs or customs duties he is obligated to inform us immediately. In this case we have the right to either withdraw from the contract or to pay the proportional cost increase. The agreed prices however remain binding if the supplier is responsible for the frustration of purpose according to the rules.

In case of a reduction of the minimum import prices, the levy costs or customs duties in connection with the agreed upon delivery of goods, the stipulated net-purchase price will be reduced within the scope of the respective price reduction, in which the decrease specifically or in the overall addition represents at least 5% of the stipulated net-purchase price.

2. Invoices can only be dealt with by us if they correspond in content with the legal regulations/ specifications as well as our stipulated regulations. The supplier takes responsibility for any consequences resulting from failure to adhere to this obligation.

3. Payment of the purchase price is due only after fulfilment of the complete delivery, partial deliveries are only accepted under this reservation.

After contractual delivery and punctual invoicing we will pay within 14 days with a 3% discount or within 45 days without deduction, provided nothing else is stipulated.

The payment method is performed according to our choice.

4. We are entitled to set off all debts against the debts of the supplying company which are entitled to due cessions against the delivery firm. This also applies when the due dates differ of the consensual claims or different payment terms are agreed upon.

The supplier is not entitled to dispose of claims and rights in the ways of cessions, pledges against us which are due in another way. Dispositions within the context of reservations of ownership with the pre-supplier are expressly excluded from this restraint.

We shall further permit exceptions to this restraint, provided the supplier would be inappropriately disadvantaged. In this case the supplier is obliged to get our written permission to obtain disposition of the claim.

The supplier is further obliged, to inform us immediately in writing, in case as a result of disposition, we cannot or no longer pay him in releasing effect. In case the supplier fails to give us this information, he is liable to any resulting damage.

## **VIII. Definite Regulations**

1. As far as there aren't any other regulations mentioned above, the regulations of the Federal Republic of Germany and the European Union at the time of signing of the contract, the German Civil Code, the German Commercial Code and the valid food regulatory regulations are effective for the contract and the delivery item.
2. The application of the UN Convention on Contracts for the international sale of goods is expressly excluded.

## **IX. Legal Domicile**

The legal domicile is stipulated according to the details on the front side.

## **X. Final Terms**

Should the individual regulations of these General Purchase- and Payment Terms and the agreements on the front side be ineffective, the effectiveness of the remaining regulations are not touched. In such a case the arrangement applies as agreed upon between the parties, which corresponds to the economic sense and purpose of the ineffective regulations, in case of doubt the legal regulations.