

General Conditions of Purchase Stern-Wywiol Group
as at 1 May 2014

1. Relevant Conditions; Applicability

- 1.1 Our following conditions of purchase shall in addition apply to all deliveries and other services of supplier with the companies of the Stern-Wywiol Group with a registered office in Germany unless otherwise expressly agreed in writing in individual cases (see **Clause 1.3**). They shall also apply without express agreement to all future business with the supplier.
- 1.2 Our conditions of purchase shall also apply if we are aware of a supplier's conditions which are contrary to or which differ from our conditions of purchase and accept the supplier's delivery without reservation. The supplier acknowledges our conditions of purchase in its acceptance of the order. Contrary terms and conditions of the supplier shall only be valid if they have been expressly confirmed by us in writing.
- 1.3 **Individual agreements made with the supplier in particular cases (including side letters, supplements and amendments) shall take priority over these conditions of purchase in every case.** For the content of such agreements a written contract or our written confirmation respectively shall be decisive.
- 1.4 Our conditions of purchase shall only apply to business transactions with business entities (as defined in German Civil Code Article 14, BGB), legal public entities and trusts governed by public law.
- 1.5 To the extent that the written form is required in our conditions of sale, this will be satisfied by transmissions made by telefax or electronic data transfer.

2. Ordering

- 2.1 For the extent of the supplier's contractual obligation our written order shall be decisive. It shall contain a full description of the goods to be supplied as well as a price and binding delivery date.
- 2.2 We shall be bound by our written order for seven (7) days after the date of the order. Any confirmations of orders which are received after this period or which differ from the order shall be deemed as new offers and shall require our written acceptance. Any changes to the order must be expressly pointed out by the supplier in the confirmation of order.
- 2.3 Confirmation of orders by the supplier must be made in writing.
- 2.4 In the case of successive contracts to deliver, the delivery schedules specified by us shall be binding unless the supplier has objected in writing within five (5) working days of receipt.

3. Prices; Conditions of Payment

- 3.1 The prices specified in the order shall be binding. The prices stated are net prices (plus value added tax). Unless otherwise agreed in writing the prices shall include all transport and despatch costs as well as packaging costs. Any arising stamping costs, discounts or other charges shall be borne by the supplier. Transportation and despatch respectively shall be at the risk of the supplier unless we carry out the transportation ourselves.

- 3.2 Unless otherwise agreed in writing, we shall pay the purchase price at a discount of 3 % if it is paid within 14 days calculated from delivery and receipt of the invoice, or the net purchase price if payment is made within 30 days of receipt of the invoice. The supplier is obliged to provide on all invoices the respective parts ordered and its supplier number as well as our purchase contract number or order number. If this is not complied with, we shall not be responsible for any resulting delays in payment.
- 3.3 The supplier is not authorised to assign any claims against us to a third party unless they arise from deliveries with an extended reservation of title or we give our express written consent to the assignment.
- 3.4 We shall be entitled to any rights of retention or set-off by virtue of statute or contractual agreement.

4. Conditions of Delivery; Delayed Delivery

- 4.1 Unless otherwise agreed in writing, all deliveries from the supplier must be made to the „DDP agreed and nominated place of delivery“ in accordance with the version of INCOTERMS (International Commercial Terms) which is in force at the time of the order.
- 4.2 The supplier is only authorised to make partial deliveries or fulfil partial services with our express written consent.
- 4.3 The delivery time stated in the order shall be binding and any specified periods of delivery shall start to run from the date of the order. If the supplier realises that he is not in a position to meet the delivery date, we must be informed of this in writing without delay, without prejudice to the agreed delivery periods and dates.
- 4.4 The supplier is obliged to indicate on all despatch papers and delivery certificates the respective part ordered and its supplier number as well as our purchase contract number and order number. Should the supplier fail to do this, we shall not be responsible for any resulting delays.
- 4.5 The place of performance for all supplies made shall be the agreed place specified in the order for the delivery of goods.
- 4.6 In the event of delay to the deliveries we are entitled to our statutory claims. Furthermore, we shall be entitled to claim compensation for each full week of delay in the amount of 1 % of the net sum up to a maximum however of 10 % of the net sum. Proof of a higher or lower level of damages by the parties is permitted.
- 4.7 In the event of a force majeure such as war, transportation or operational disturbances, industrial action, unforeseeable currency disturbances or other hindrances outside the control of the respective Stern-Wywiol Group company, we are entitled to demand performance at a later date without any claims for compensation arising as a result on the part of the supplier. If it only amounts to a temporary hindrance, or if the hindrance resulting from the force majeure lasts for longer

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than two months, the parties are entitled to rescind without any claims for compensation arising on the part of the supplier.

- 4.8 The Purchaser is only entitled to set-off or to exercise a right of retention if his counterclaims are undisputed or legally ascertained.

5. Retention of Title

Any extended right of retention on the part of the supplier - in particular the retention of title in the delivered goods until the full satisfaction of all requirements under the entire business arrangement - shall be excluded. In particular any processing of the goods within the meaning of § 950 BGB shall not be undertaken for the benefit of the supplier.

6. Quality Assurance

The delivered goods must comply with the latest technical standards set out in the then current national and international statutory provisions, regulations and directives from the authorities and professional organisations and trade associations as well as the specifications and quality requirements contained in the order. The supplier is obliged to point out to us in writing any possible limitations on use and declarations of obligation for the delivered goods.

7. Guarantee; Inspection for Defects

- 7.1 The supplier guarantees that the delivered goods comply with the sample and/or the contractual agreements. If no specific criteria as to quality have been agreed then the goods must be of usual commercial quality. Any specifications as to quality or quantity as well as other specifications contained in the order must be strictly observed.

- 7.2 The supplier further guarantees that the delivered goods are in all respects, though especially as to composition, construction and labelling, free of defects, and that the goods are freely marketable in Germany and/or the country specified in the order, and that the distribution of the goods neither breaches legal regulations nor encroaches on the rights of third parties, in particular trademark rights and distribution relationships.

- 7.3 We are entitled to make any statutory claims for defects without limitation; this shall also apply without limitation to any breaches of secondary obligations.

- 7.4 Claims for defects become statute-barred three years after delivery of the goods.

- 7.5 Insofar as immediate inspection of the delivered goods is practicable in the due course of business, we shall inspect the goods following delivery to agreed place of delivery without delay. Defects which are identified during the said inspection must be notified within two weeks after the end of the inspection. Defects which were not identifiable during the inspection must be notified within two weeks after their discovery. Notice of defects can be made in writing or orally.

- 7.6 The supplier agrees that the inspection of goods may be carried out on a representative sample basis as far as this corresponds to the nature and extent of the delivery as well as to the usual course of

business. If the results of this sample inspection reveal a defect relating to the quality or quantity of the goods, we are entitled to enforce our claim for defects under the guarantee in relation to entire delivery.

- 7.7 The supplier cannot claim a breach of the obligation on our part to notify defects if the defect in the goods arises from circumstances of which the supplier is aware or of which it is only unaware owing to gross negligence.

- 7.8 In the event of a claim under the guarantee the supplier is obliged to bear all necessary expenses for the purpose of remedying the defect or delivering a replacement. These also include costs for disassembling and re-assembling. The supplier must also bear the costs arising or increasing because the goods have been delivered to a location other than the place of delivery.

8. Products with Date Stamps

For products which show or must show a date stamp as to their shelf life (minimum shelf life date, consumption date etc.), the remainder of the shelf life - which means the time during which the purchaser makes the product available for marketing, calculated from the day after the arrival of the product - must be at least 80 % of the entire shelf life (the period between manufacture and the given date). Deliveries of goods which do not fulfil this requirement are deemed defective.

9. Recall, Warning and Other Statutory Product Safety Measures

- 9.1 If the supplier is obliged under statutory safety provisions to inform the relevant authorities of an indication that the goods could endanger the health or security of people and/or objects or that the goods do not comply with other requirements for duly placing the product on the market, the supplier must inform us in writing of the same without delay.

- 9.2 If a warning, recall or other such measure ordered pursuant to statutory product safety provisions is issued in relation to the goods, or the supplier or earlier supplier or a manufacturer issue such a measure, the supplier is liable to us for any resulting damages including the costs for the withdrawal of the goods, as far as the supplier is responsible for the reason behind the measure.

- 9.3 If we issue a warning, recall or other necessary measure pursuant to statutory product safety provisions, the supplier shall be given the opportunity to make any prior comments provided this appears practicable and reasonable particularly in view of the urgency of the measure. The supplier is liable to us for any damages arising from the measure including the necessary costs for the implementation of the measure, as far as the supplier is responsible for the reason behind the measure.

- 9.4 If any actual or alleged health risks are made public, especially in the media, advising against the purchase or use of the goods, or products with the same constituents, we are entitled to cancel any orders that have not yet been delivered as well as to return any goods already delivered

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upon reimbursement of the purchase price. The right to cancel and to return goods can be exercised within one month of the warning being made public for the first time. The supplier is also liable in particular for any damages accruing to us as a result of the warning and / or cancellation, including all consequential costs, to the extent that the supplier is responsible for the cause of the warning. Further claims on our part due to defective goods shall remain unaffected.

9.5 **Clause 9.4** shall apply correspondingly to warnings for products which are comparable with the goods or which have comparable constituents.

10. Traceability

The supplier shall guarantee the continuous and complete traceability of the goods delivered by him pursuant to the legal requirements then in force (in particular EC Regulation No. 178/2002, as well as future regulations). In addition to the goods themselves, the requirement of traceability also applies to their constituents (ingredients/raw materials, additives/auxiliary substances), the time of manufacture/production, the packaging materials as well as the characteristics of the manufacturing process. Where required, such as in cases of an official letter or a customer complaint, the supplier is obliged to provide us on demand with any necessary information relating to the good.

11. Certificates of Origin

If required by us for the possible export of goods within and outside Europe, the supplier is obliged to make available to us without delay and free of charge, any necessary or appropriate documents or declarations (declarations of origin, health certificates, etc).

12. Liability; Indemnity

12.1 The supplier is liable to us pursuant to statutory provisions unless otherwise agreed in these conditions.

12.2 The supplier shall indemnify us on first demand from all third party claims that are made against us arising out of breaches of obligation by the supplier, in particular on account of defects as to quality or defects of title, if and to the extent to which the supplier is similarly obliged to us in the internal relationship. Insofar the supplier shall also reimburse us for any necessary expenses arising from or in connection with the claim by the third party.

12.3 The supplier shall ensure that the products supplied by him shall not infringe any industrial property rights of third parties in countries of the European Union or other countries, in which the supplier manufactures the products or has products manufactured. The supplier is obliged to indemnify us from all third party claims made against us based on the infringement of industrial property rights, and shall further reimburse us for any necessary expenses in connection with such claims. This right shall be independent of any fault on the part of the supplier.

12.4 If a producer's liability claim is made against us due to a fault in the goods delivered by the supplier, the supplier shall indemnify us on first demand from the

producer's liability resulting from the fault insofar as the cause of the fault is within the supplier's field of control and organisation and if the supplier is liable externally. The supplier is obliged to maintain an extensive product liability insurance policy; any further claims for compensation that we have shall remain unaffected.

12.5 In the context of its liability for events of damage under **clause 12.4** the supplier is also obliged pursuant to §§ 683, 670 BGB or pursuant to §§ 830, 840, 426 BGB to reimburse any possible expenses arising from or in connection with any recall action implemented by us. Insofar as it is practicable and reasonable, we shall inform the supplier of the content and extent of such recall measures and shall give him an opportunity to make any comments. Our other statutory rights shall remain unaffected.

13. Confidentiality

The supplier is obliged to treat as confidential all technical and commercial information of which it becomes aware through the business relationship. The confidentiality obligation relates to all documents, drawings, guidelines, samples, models, tools and other information which the supplier receives from us. They remain our sole property and shall not be used by or passed on to third parties without our consent. At the end of the contract we shall decide whether they should be completely destroyed and deleted or returned to us. A right of retention in relation to such items is excluded. The supplier must impose corresponding obligations on its employees and subcontractors. The confidentiality obligation and prohibition on use shall not apply to such information which is already public at the time the contract is concluded or which was already known to supplier or later becomes public without a breach of the contract by the supplier being the cause for this.

14. Applicable Law; Jurisdiction

14.1 The dealings between us and the supplier shall be governed by the laws of the Federal Republic of Germany. Within the sphere of the UN Convention on the International Sale of Goods (CISG) the provisions of the CISG shall prevail.

14.2 Jurisdiction for all disputes in connection with delivery transactions shall be at our discretion either Hamburg or the registered office of the supplier, for claims by the supplier jurisdiction shall exclusively be Hamburg. Statutory provisions on exclusive jurisdiction shall remain unaffected.