

General Terms and Conditions of Sales (for deliveries inside Germany)

1. Area of Validity and Formation of the Contract

- 1.1 All quotations, agreements, deliveries and services, including those from future business agreements with the same customer, are subject to these General Terms and Conditions belonging to the Seller. They apply in their currently valid version as a framework agreement, including for future contracts, for the purchase and/or delivery of movable property made with the same purchaser, without the seller having to make reference to them again in each individual case.
- 1.2 The General Terms and Conditions of Sale are accepted by the purchaser via the issuing of the contract, however at the latest by acceptance of the delivery.
- 1.3 Modifications or extensions to these conditions require written confirmation from the seller in order to become effective.
- 1.4 The Terms and Conditions of Sale apply exclusively, even if the purchaser discloses or has disclosed his own General Terms and Conditions of Business which deviate from those of the seller or if these are printed on documents belonging to the purchaser, e.g. on order sheets. Deviating counter confirmations by the purchaser are not a part of the contract, even with knowledge thereof, unless their validity is explicitly agreed to in writing. This requirement for agreement applies without exception, including for cases in which the seller has carried out delivery to the purchaser, without reservation and with knowledge of the purchaser's General Terms and Conditions.

2. Quotation and Conclusion of Contract

- 2.1 Quotations from the seller are principally non binding, meaning they constitute a request for the purchaser to place the order.
- 2.2 The order of the goods is considered as a binding offer of contract.
- 2.3 The contract only comes into effect with explicit acceptance of the written order from the purchaser.
- 2.4 The services specified in the seller's contract confirmation become the content of the respective contract.
- 2.5 Legally relevant declarations and notifications which are to be handed to the seller by the purchaser after conclusion of the contract (e.g. deadlines, notifications of defects, declarations of withdrawal or reductions), must be carried out in writing in order to become effective.

3. Delivery and Damage due to Delay

- 3.1 Delivery time and service time information from the seller is given at his best estimate on the basis of the delivery location. The information is only to be considered as approximate insofar as an explicit binding delivery commitment to a fixed deadline is not given. Deliveries shall be subject to correct and punctual deliveries to us as the supplier.
- 3.2. Insofar as an agreed delivery deadline cannot be adhered to for a reason which is not the fault of the seller (e.g. lacking availability of materials), the seller will inform the purchaser of this without delay and disclose a new delivery deadline. If the service is also not available within this new period, then the seller is entitled to withdraw partly or wholly from the contract. Compensating measures already carried out by the purchaser will be indemnified by the seller without delay. The seller's legal rights to withdrawal and termination remain unaffected by this.
- 3.3 The same rights and obligations affect the seller if he is impeded in the fulfilment of his obligations due to force majeure or other unforeseeable events over which he has no influence. The following are considered events in the sense of sentence 1: riots, war, fire, floods, blockades, strikes, lockouts, shortages of energy and raw materials as well as official interventions. If the delay lasts for longer than 20 working days and if acceptance is no longer expected of the purchaser due to delay, he can withdraw from the affected part of the delivery contract in this respect.
- 3.4. In the case of damage due to delay caused by a violation of a fundamental contractual obligation, liability only exists in the case of intent or gross negligence. In the case of a violation of a fundamental contractual obligation by simple negligence, it is limited in its amount by the value of the delivery. A fundamental contractual obligation is an obligation whose fulfilment makes possible due and proper execution of the contract in the first place and on the adherence to which the customer can consistently rely.
- 3.5 For export deliveries, Lactoland Trockenmilchwerk GmbH export conditions and the Incoterms 2010 apply. The EXW Dülmen in Germany clause applies as agreed.

4. Shipment and Transfer of Risk

- 4.1 Insofar as not explicitly agreed otherwise, shipment takes place at the purchaser's risk. The purchaser bears the shipment costs. Insurance policies are only concluded at the request of the customer and at his own expense.
- 4.2 The purchaser selects the method and type of shipment at his own discretion.
- 4.3 Sensible part deliveries are permitted. The acceptance of the delivery cannot be refused due to the lack of individual parts of an order or due to minor complaints about the products, unless the serviceability of the delivered goods is considerably impaired by this.

5. Acceptance

- 5.1 The purchaser is obligated to adhere to the agreed delivery deadline for the acceptance of the purchased goods. For immediate deliveries, in case of doubt, a deadline for acceptance of 5 working days is considered agreed.
- 5.2 Should the purchaser not fulfil his acceptance obligation, or not fulfil it on time, then the seller is entitled, without being required to set a further deadline, to store the due goods at the cost and risk of the purchaser and to request payment of the purchase price, or, after an appropriate extension period has expired, to request compensation instead of the service and/or to withdraw from the contract. The obligation to indemnify does not come into effect if the purchaser is not responsible for the delay in acceptance.
- 5.3 Costs and damages, in particular additional transportation costs and risks, are, in the event of unjustified non-acceptance, at the expense of the purchaser refusing acceptance. Return shipments of delivered goods are not accepted without prior agreement from the seller.

6. Prices and Payment, Packaging

- 6.1 Subject to differing, explicit agreements, delivery and invoicing take place on the basis of the seller's price list valid on the day of contract conclusion. The prices given here are understood to be from place of dispatch, excluding freight, however including normal packaging and plus statutory VAT. Differing agreements remain reserved.
- 6.2 The purchase price is due with the delivery. The purchase price is to be paid in full within 14 days of the due date, insofar as not otherwise agreed. If this deadline expires without payment, the purchaser shall be in default of payment. Representatives of the seller are entitled to accept payments only on the basis of a collection authority in writing.
- 6.3 If payment by the purchaser, being a dealer, does not take place within the due time frame of 14 days after delivery, in accordance with the aforementioned conditions or within the agreed time period, the seller is entitled to demand interest in accordance with § 353 of the German Commercial Code (Handelsgesetzbuch) to the amount of 5% for the period of time between delivery and delay. Furthermore, default charges are calculated at their legal amount. The right to assert further damage claims remains reserved.
- 6.4 Cheques are accepted only on account of payment. Bills of exchange are principally not accepted. The costs for collection and discounting are borne by the purchaser.
- 6.5 If the seller's claims are endangered due to the purchaser's inability to pay or to supply financial data to satisfy the seller's credit insurers, then the seller is entitled to demand appropriate security or advance payments to the amount of the full purchase price of the goods ordered. The seller remains entitled to withdraw from the contract in accordance with § 321 Paragraph 2 of the German Civil Code (Bürgerliches Gesetzbuch) or for other legal reasons. The seller can demand compensation under the provisions of § 281 of the German Civil Code. The claim also includes lost profit.
- 6.6 The taking back of packaging requires a special agreement. Insofar as delivery of the contractual products on reusable pallets is agreed, the seller can request a monthly financial balance between the parties and/or their representatives as regards the taking back of the packaging. Should a balance resulting from this not be settled in quantity within 14 days of the end of the month, then a monetary settlement under commercial conditions can be requested. In the case of an exchange of Euro pallets, this can only take place in accordance with the quality stages stipulated in UIC norm 435-2 and the technical EPAL policy; in the case of different reusable pallets, the DIN quality stages are the decisive factor.

7. Guarantee

- 7.1 Insofar as not agreed otherwise in the following, the legal provisions apply for the rights of the purchaser for material defects and defects of title. In all cases, the legal special provisions for recourse against the supplier in the event of final delivery of goods to a consumer remain unaffected.
- 7.2 Only the seller's product description applies in principle as the agreed condition of the goods insofar as this has been included in the contract.
- 7.3 The acceptance of a guarantee in the sense of § 443 of the German Civil Code must be explicitly identified as such in writing. Insofar as not otherwise agreed, product information, tests and samples are only considered as production descriptions and condition information and/or as approximate representative samples for quality,

dimension, weight, taste and colour, without a guarantee for this being given.

- 7.4 Defects, including exceedances and lower deviations of the contractually agreed quantities or transportation damages are to be notified to the seller in writing, without delay, however within 3 days of delivery for visible defects to easily perishable products, within 10 days of delivery for other products and within 10 days of detection of hidden defects (3 days for easily perishable products). If notification does not take place in time, then the goods are considered to be approved, unless the defect was not identifiable during an investigation. The costs of re-examination, for example for analyses, are borne by the party to whose detriment it turns out to be.
- 7.5 If the delivered goods are defective or if the seller has given a guarantee for this, then the purchaser can demand improvement or replacement delivery. The purchaser remains free to assert the warranty rights to which he is entitled in the case that further legal provisions exist. Should the customer decide to withdraw from the contract, then he is entitled to no indemnification due to defect, unless the seller has given a guarantee for the condition of the goods.
- 7.6 If the goods are packaged into packaging material (film, bags, glasses etc.) which the purchaser has ordered or procured, then the purchaser is only entitled to warranty claims if he can prove that these would also exist had the seller's usual packaging material also been used.
- 7.7 The seller is entitled to carry out owed supplementary performance dependent upon the fact that the purchaser pays the due purchase price. However, the purchaser is entitled to retain an appropriate part in proportion to the defect.

8. Limitation of Liability

- 8.1 The seller's liability is limited to contract-typical damages irrespective of the legal cause.
- 8.2 In the event of slightly negligent contractual violations, our liability is limited to foreseeable, direct, average damage typical to the type of goods. We are not liable for slightly negligent contractual violations insofar as these do not relate to damage from loss of life, bodily injury or harm to health or guarantees or affect claims in accordance with the product liability law. Furthermore, the liability for violation of fundamental contractual obligations remains unaffected. A fundamental contractual obligation is an obligation whose fulfilment makes possible due and proper execution of the contract in the first place and on the adherence to which the customer can consistently rely. The same applies for contractual violations by our agents.
- 8.3 In the event of contract manufacturing or use of the purchaser's packaging materials, the seller is not liable for adherence to food regulatory provisions (composition of raw materials, packaging and declaration etc.).
- 8.4 The liability limitations do not apply insofar as the seller has concealed a defect fraudulently or has given a guarantee for the condition of the goods.

9. Retention of Title

- 9.1 All deliveries take place under retention of title in accordance with § 449 of the German Civil Code with the following extensions.
- 9.2 The delivered goods remain property of the seller until the purchaser has paid all debts, including future arising debts, from the business relationship, in particular any current account balance. The purchaser is obligated to insure the goods against any insurable damage (in particular fire, water, storm, theft, third-party liability etc.). He assigns his claim from the insurance contracts to the seller in advance, who in turn accepts this assignment.
- 9.3 Acquisition of ownership by the purchaser of the goods subject to title retention in accordance with § 950 of the German Civil Code in the case that the goods are processed into a new product is excluded. Any processing is carried out by the purchaser for the seller without obligations arising for the seller from this. In the event of processing with other goods which do not belong to the seller, the seller acquires co-ownership of the new product in proportion to the value of the goods delivered by him and the other goods at the time of the processing. The new product is considered to be subject to title retention in the sense of these conditions.
- 9.4 The purchaser's claims from further sale of the goods subject to title retention are already assigned to the seller now, proportionately if necessary, corresponding to the (co-) ownership proportion and irrespective of whether the goods subject to title retention are sold on without or after processing and whether they are sold on to one or several customers. The seller accepts this assignment. The assigned claim serves as insurance for the conditional seller only to the value of the purchased item subject to title retention. For cases in which the item subject to title retention is sold by the purchaser together with other goods not belonging to the seller, whether it be without or after processing, then the assignment of the purchase price claim only applies to the value of the item subject to title retention which, together with the other goods, is the object of this purchase contract concluded with the purchaser's customer or a part of the object of purchase.
- 9.5 The purchaser is entitled and authorised to resell the item subject to title retention provided that the purchase price claim passes to the seller in accordance with Figure 4. The purchaser is not entitled to other dispositions of the goods subject to title retention including their pledging and use as collateral, nor is he entitled to other dispositions of the claims assigned or to be assigned to the seller in accordance with Figure 4 including their assignment, assignment for security and pledging. The purchaser must inform the seller in writing, without delay, or any impairment, including compulsory enforcement measures, by third parties of the goods subject to title retention or the claims assigned in advance, by handing over the documents necessary for an intervention.
- 9.6 The seller empowers the purchaser, reserving the right to revocation, to collect any debts from further sale. The seller will make no use of his own authorisation to collect debts insofar as the purchaser fulfils his payment obligations duly. Upon request, the purchaser must name the persons owing the assigned claims and inform these persons of the assignment. The seller is authorised to inform the debtors of the assignment on behalf of the purchaser.
- 9.7 Should the value of the securities granted to the seller exceed his claims by more than 20%, then the seller is obligated to reassign and release assigned claims of his choice at the purchaser's request. With full payment of all the seller's claims resulting from the business relationship, the assigned claims pass to the purchaser along with the seller's ownership of the goods subject to title retention.

10. Statute of Limitations

- 10.1 By way of derogation from § 438 Paragraph 1 No. 3 of the German Civil Code, the general limitation period for claims resulting from material defects and defects of title amounts to one year from delivery, unless there is fraud on the part of the seller or the claims are in recourse against the supplier in case of final deliveries to a consumer.
- 10.2 The abovementioned limitation period also applies for contractual and non-contractual claims for damage compensation from the purchaser which are based on a item defect, unless the application of the legal statute of limitations would lead to a shorter statute of limitations in individual cases. The limitation periods of the product liability law remain unaffected in all cases.

11. Data Protection

- 11.1 The purchaser agrees to the seller collecting, processing and using data resulting from this contract or the execution of the contract.
- 11.2 The seller ensures that the purchaser's information will be treated confidentially corresponding to the valid legal data protection provisions.
- 11.3 The Purchaser is obliged, when sharing personal data of its employees – with Lactoland, to inform said employees prior to the exchange of such information. This is in line with the valid data protection regulation. Lactoland have no obligation to the employee/s.

12. Applicable Law

The Law of the Federal Republic of Germany applies exclusively for the contractual relationships.

13. Counter Terrorism

Lactoland Trockenmilchwerk GmbH effectuates the Act against Osama bin Laden, Al-Qaeda and the Taliban (Act (EC) No. 881/2002 with modifications) and against any persons and organisations suspected of terror (Act No. 2580/2001 with modifications) with regard to the checking the lists of names.

14. Location of Fulfilment, Place of Jurisdiction and Final Provisions

- 14.1 Location of fulfilment is Dülmen, Germany.
- 14.2 The court responsible for Dülmen is agreed between businessmen as the place of jurisdiction for all legal disputes arising from this business relationship. The seller is however entitled to take legal action against the purchaser at his residence - in the event of contracts with dealings in foreign countries, the seller can also take legal action in the capital city of the recipient country.

15. Severability Clause

Should one or several of these provisions be or become ineffective, then the validity of the other regulations will not be affected by this. The legally effective regulation which comes closest in purpose to that of the ineffective provision applies in place of the ineffective provision.