

General Terms of Purchase

(Revision 08/2008)

§ 1 Area of application

1. Our General Terms of Purchase apply exclusively, even if we purchase goods under third-party private and trade brands. We do not accept conflicting or deviating terms and conditions of the supplier or supply agent (both separately and jointly called supplier and/or suppliers hereinafter), unless such conditions are expressly agreed by us. Our General Terms of Purchase also apply in case of an unconditional acceptance of the supplier's delivery with full knowledge of conflicting or deviating terms and conditions of the supplier.
2. Unless individually agreed otherwise, our General Terms of Purchase not only apply to the business transaction for which they have been introduced initially but also for all subsequent business transactions with the supplier and also to any other contracts closed with the supplier that do not or not only cover deliveries provided to us.
3. Our General Terms of Purchase do not apply to consumers in terms of §13 of the German Civil Code.

§ 2 Contracts, written form, prices, packaging, invoices, payment terms

1. Our orders are placed through contracts or based on contracts.
2. Each contract between us and the supplier and any amendment thereto, as well as any agreement concerning a deviation from the present General Terms of Purchase shall only be valid in writing.
3. The contractual conditions agreed with us also apply to subsequent orders. Unless agreed otherwise in writing, all prices are deemed as "free domicile, packaging included" (in case of foreign suppliers and or deliveries from abroad: "DDP – Delivered Duty Paid" according to the INCOTERMS 2000). The obligation to accept packaging returns is subject to a separate agreement.
4. Unless otherwise agreed in writing, deliveries must be made on reusable pallets. The return and/or exchange of pallets is made at the cost and risk of the supplier. The supplier guarantees that the goods (retail packaging) are equipped with the "Green Dot" label at his cost. The supplier agrees to pay the licence fees to the company "Duales System Deutschland AG". In case of a disposal of the transport packaging by us and/or purchase affiliates, the supplier is obligated to cover the disposal costs by paying adequate lump-sum amounts. The aforementioned provisions apply accordingly, if the supplier decides at his own discretion to participate in an alternative suitable disposal system.
5. The legal value-added tax is not included in the price. The legal VAT must be indicated separately on the supplier's invoice at the invoice date.
6. We can only process invoices that include the information requested by our orders and the present General Terms of Purchase and in particular the order numbers. We do not assume any liability for disadvantages incurred by the supplier due to a non-observance of our respective requirements.
7. Kaltenkirchen is the place of delivery for our payment obligations. We perform payments at our own discretion by sending collection-only cheques, or wire transfer to the bank account notified to us. Unless otherwise agreed in writing, payments will be made within 60 calendar days as from the receipt of the respective delivery in the

contractually agreed quantity and quality. Delivery shortfalls and quality defects impede the occurrence of the payment obligation.

§ 3 Subsequent orders and contracts

1. As soon as the supplier has closed a framework and successive delivery contract according to the terms of §2 with us and our General Terms of Purchase have been notified to the supplier, the latter is obligated to immediately object to subsequent orders (based on such contract) in writing, if the supplier cannot or does not want to accept such orders or is not obligated to accept the latter. If the supplier fails to meet this obligation, a subsequent contract corresponding to our contractual order is deemed to have been concluded.

§ 4 Documents related to our offers and orders

1. We reserve the rights and in particular property and copyrights related to any illustrations, descriptions, calculations and other documents introduced by us. Such documents must be kept confidential and may not be disclosed to third parties, unless expressly agreed in writing by us. Such documents may only be used for the production according to our order and must be returned unrequested upon completion of the order.

§ 5 Delivery time, cancellation, indemnity

1. The delivery times specified in our orders are binding. If no delivery times are indicated, the next possible delivery date is deemed as agreed. Advance and partial deliveries are only permissible if previously agreed by us in writing. Any resulting additional costs shall be borne by the supplier.
2. Goods labelled with best-before date and/or date of consumption must be delivered by the supplier in such time as to allow for the standard residual term.
3. The supplier agrees to immediately inform us in writing about any circumstances that are likely to prevent an observance of the requested delivery time.
4. We are entitled to legal remedies in case of late deliveries. We are in particular entitled to claims for indemnity after the effectless expiry of a reasonable period of grace.
5. If a contract penalty has been agreed in individual cases, the right of cancellation and the right of claim for indemnity is not affected. However, such contract penalty shall be offset against a claimed higher damage.

§ 6 Acquisition of ownership, supplier's retention of title, documents

1. The ownership of the goods delivered to us shall pass to us upon payment of such goods at the latest. We are entitled to sell goods in the normal course of our business that are subject to the supplier's retention of title in advance. We do not accept any conflicting or excessive retention of title (e.g. extended retention of title as well as current account reservations or corporate reservation).
2. Each delivery must be accompanied by the corresponding delivery note without indication of prices. The delivery note must indicate the number of delivery units included in the total delivery. The package including the delivery note must be clearly identified as such.
3. The invoices may not be included in the deliveries.

4. The information related to the ordered and delivered goods included in any documents submitted by the supplier (like delivery notes, shipping documents and invoices) and in particular the order numbers must be indicated in typescript as specified by us or agreed with us. If the supplier fails to meet this obligation, we assume no liability for delays resulting thereof. We intend to handle the order, invoice and payment transactions paperless as far as possible. The supplier therefore agrees to observe and/or apply the standard data exchange formats (e.g. SEDAS/EANCOM) as well as the pertinent classification criteria (e.g. ILN).

§ 7 Assignment restriction

Any assignment of claims against us is excluded.

§ 8 Examination and notice of non-conformity, liability for defects

1. We are obligated to examine and/or have examined the goods for any visible non-conformity in terms of quantity and quality within a reasonable period of time after the delivery. Each non-conformity can be reprehended. Any reprehension shall be deemed to have been made duly if notified to the supplier within a period of two weeks as from the delivery. In case of fresh goods, the notice period is one week.
2. In case of defects of the delivered goods, we are entitled to all legal remedies. We are also entitled to request replacement and/or subsequent deliveries instead of a remedy of defects from the supplier. The supplier is obligated to bear any expenses required for the purpose of the remedy of defects or replacement and/or subsequent delivery; without prejudice to further claims for indemnity.
3. If we decide to reduce the agreed price or cancel the contract due to a defect, we will send a corresponding debit note to the supplier. If the supplier fails to object such debit note within two weeks after the receipt of the latter, the debit note shall be deemed as accepted by the supplier. Unless otherwise agreed, credit notes for complained goods or goods returned for any other reason shall not be issued by the supplier. Replacement deliveries for returned goods may only be made if requested by us.
4. As far as complained goods can be stored and must be returned to the supplier, such goods will be, as agreed with the supplier, returned to the latter at his cost and risk or made available for collection for a period of 20 days. Perishable goods, whose defectiveness has been caused by the supplier, can be destroyed at the supplier's cost.

§ 9 Legal requirements, property rights

1. The supplier guarantees that the goods supplied by him comply with the legal and regulatory provisions applying to the distribution and use at the place of delivery of the goods and in particular to the legal health regulations and do not infringe any third party rights. The supplier also guarantees that the goods delivered by him are true to sample and free of third-party rights and that the distribution of such goods does not infringe existing industrial property rights of third parties (copyrights, patent rights, utility model rights, design rights, trademark rights).
2. The supplier agrees to indemnify us and hold us harmless upon our first written request for any required or reasonable expenses incurred by us for defending our rights or the interest of the client in case of any claims against us related the above provisions. We are not entitled to close any agreements and in particular agree to settlements with third parties without the supplier's agreement. We are only obligated to a

legal resolution of an alleged infringement, if the supplier agrees to bear the required costs and provides a corresponding guarantee upon our request.

§ 10 Product liability, release from liability, liability insurance

1. If the supplier is solely or jointly liable for product damages, he agrees to release us from any liability (or optionally hold harmless) for damage claims of third parties to the extent to which the cause of damage arises in the domain and organisational area of the supplier and the latter is also liable in relation to the third party.
2. We are entitled to return goods, the purchase and use of which is warned against due to regulatory complaints due to health and safety hazards. The right of return remains effective for one month after gaining knowledge of the public warning. In this context, the supplier is also obligated to reimburse any expenses according to §§683, 670 of the German Civil Code arising from or in relation with product recalls performed by us. We will inform the supplier about content and scope of the product recall as far as possible and reasonable and enable the supplier to provide comments.
3. Unless otherwise expressly agreed with the supplier, the latter agrees to maintain a product liability insurance with a sufficient coverage amount and to provide evidence of such insurance to us. Eventual damage claims remain unaffected thereof.

§ 11 Benefits to employees

The supplier is not entitled to offer, promise or grant any benefits to our employees and/or employees of our affiliated companies. In case of a breach of this obligation, we reserve the right to damage claims and the right to extraordinary cancellation of the business relationship.

§ 12 Applicable law, place of jurisdiction

1. The contract relationship with the supplier is subject to the exclusive law of the Federal Republic of Germany, even if the supplier has his registered office in a foreign country. This provision shall not apply if the UN Convention on Contracts for the International Sale of Goods (CISG) is applicable.
2. The registered office of our company is the place of jurisdiction for all legal disputes arising from contracts to which our present General Terms of Purchase, including legal disputes with regards to the validity, apply.