

General Terms and Conditions of Order and Purchase - Meyer/Stemmler GmbH & Co. KG

1. Validity

1.1 These general conditions for delivery apply exclusively for all deliveries, services and offers of our Suppliers. These conditions are part of all contracts, concluded with our Suppliers, about their offered deliveries or services. The conditions also apply for all future deliveries, services or offers to the customer, even if they are not being agreed to separately.

1.2 Terms and business conditions of our Suppliers or a third party do not apply, even if we do not contradict with their conditions. Even if we refer to a letter, containing terms and business conditions of the Supplier or a third party, referring to such conditions, we do not give our approval for the validity of those terms and conditions.

2. Orders

2.1 Our order is deemed as binding earliest by written submission or by confirmation. In case of obvious errors (e.g. typing and calculation errors) and incompleteness of the order, including the order documents, the supplier shall inform us for the purpose of correction or completion before acceptance; otherwise the agreement is considered as not concluded.

The supplier is obliged to confirm our order within a period of one week in writing or, in particular by sending the goods as unconditional performance (acceptance). A late acceptance constitutes a new offer and must be accepted by us again. Delivery schedules/ call-off orders shall become binding, if the supplier does not object in writing within 2 calendar days of receipt.

2.2 Deliveries are defined as "Delivery Duty Paid" (DDP), according to the latest version of the Incoterms. The Supplier is responsible for payment of all transport costs incl. all additional costs, e. g. toll, packing, insurance, taxes and customs duty.

2.3 In addition to DDP, the Supplier's obligations may be extended in certain cases, according to point 4.7.

2.4 We have the right to cancel the contract at any time by means of a written explanation, with reason, if we cannot use the ordered products for our business due to circumstances that have occurred after concluding the contract. In this case we will pay the Supplier for partial shipment.

2.5 Force majeure, industrial actions, interruption of operation through no fault of our own, official acts and other inevitable incidents give us the right to withdraw completely or partially from the contract, regardless of other rights, as long as these incidents do not constitute an unreasonable period of time and do not result in a significant reduction of our requirements

2.6 We have the right to withdraw from the contract if supply is endangered due to the instability or poor performance of the Supplier (e. g. judgements against the Supplier insolvency). The Supplier is obliged to inform us immediately, in writing, concerning any such problems. The Supplier is responsible for all damages, resulting from late or failed information.

3. Prices, payment conditions, invoice data

3.1 The price mentioned in the order is binding.

3.2 Unless explicitly expressed, in writing, to the contrary, the price is including delivery, for transport to the address mentioned on the contract and including packing.

3.3 If either the agreed upon price does not include packaging or the price for packaging is not clearly agreed upon, the supplier may charge us, at his own costs only. In such case, we are entitled to make the packaging available to the Supplier, free of charge for us.

3.4 Unless explicitly expressed, in writing, to the contrary, we agree to pay the purchase price, within 14 days, (after receipt of both the goods and the invoice) with a 3 % discount, or within 30 days net.

3.5 All order confirmations, export documents and invoices must indicate our order number, our article description, the quantity of goods to be delivered and the delivery address. If one or several of these items is missing and the handling of our usual course of business is delayed, the payment period referenced in point 3.4 will be extended by the corresponding delayed period.

3.6 In the event of default of payment we shall be liable for default interest in accordance with the statutory regulations.

4. Delivery and delivery time, passing of risk

4.1 The delivery time (delivery date or deadline), as indicated in our order, is binding. Earlier deliveries are not permitted. Without any previous agreement the Supplier is not entitled to make partial shipment.

4.2 The Supplier is obliged to inform us immediately, in writing, if circumstances arise or are expected to occur, that will delay the delivery.

4.3 Since the delivery date is clearly indicated in the contract, the Supplier is in arrears at the end of the specified delivery day without the necessity of a reminder from our side.

4.4 In the case of a delivery delay, we are entitled to all rights, set forth by law, including the right of withdrawal and compensation for damages, after a reasonable grace period has been provided, instead of accepting useless service,

4.5 In the case of delivery delay, and after prior notice in writing, we have the right to demand a contractual penalty in the amount of 0,1 %, for the start of each working day, with a maximum 5 % of the corresponding total order value. The contractual penalty shall be offset by any damages claimed by us.

4.6 We do not assume responsibility for the goods provided by the Supplier until they arrived at the destination we specified, regardless of the freight method agreed.

4.7 In cases of raw material supply and supply of working materials in liquid or similar form (e. g. resin), which have to be transferred into our tanks, silos or similar stocking equipments by devices (e.g. pumps) of the transport means (e. g. truck), the proper stocking process (e. g. pumping materials into our storage tanks), must be performed by the Supplier (deviating from the Incoterms DDP, that are applicable according to point 2.2).

5. Delivery and Service Procedures

It is necessary for all Suppliers to announce their arrival in a reasonable amount of time prior to entering our factory premises. Persons carrying out work on our premises must observe our general working instructions. Any applicable legal, regulatory or company instructions must also be followed. Suppliers must obey the delivery instructions of our personnel. Liability for accidents on our premises, that involve the Supplier's employees, is restricted to cases of gross negligence or intent of our legal representatives or vicarious agents.

6. Property securing, copyright

6.1 We reserve the right of property and copyright for all our orders as well drawings, diagrams, calculations, descriptions and other documents. Without our explicit agreement the Supplier is neither allowed to make available these documents to a third party nor to announce them. Furthermore the Supplier is not allowed to use or copy them by himself or by a third party. He is obliged to give the complete documents back, on demand, if these are no longer necessary for the proper course of business or if negotiations do not result in a contract.

6.2 Tools, devices and models which we made available to the Supplier or which have been manufactured for a contract and are being invoiced to us by the Supplier, remain or become our property. The Supplier must

mark the parts as our property, store them properly, protect the parts against any damages and use them only for contract purposes. Each contract partner agrees to half of the costs of maintenance and repair, unless otherwise agreed. However, if the costs arise due to defects through the Supplier's parts or due to improper use by the Supplier, his employees or other vicarious agents, the complete costs shall be paid entirely by the Supplier. The Supplier must inform us concerning damages to any of these parts. On demand, he is obliged to pass them on to us in proper condition if they are not necessary for carrying out the order placed with us.

6.3 Supplier's retentions of title are only valid as far as they refer to our obligation for payment for the particular products the Supplier reserves the property right for. Extended property rights are inadmissible.

7. Guarantee, regulations relating to food processing and distribution, notices of defect, tolerances

7.1 The supplier warrants that the goods comply with the respectively applicable national and international legal provisions, the pertinent standards and technical specifications/rules (e.g. DIN, DIN EN, VDE standards, the German TRGS and TRBS etc.) the VDI Guidelines, the specifications of the Accident Prevention and Insurance Associations, the latest state-of-the-art technology and our order specifications. Any planned technical or other modifications must be agreed with us in advance before being carried out. Furthermore, the supply is liable to the full extent for any damages incurred by us or any other third parties arising from faulty or inaccurate documentation, descriptions of material or properties or any other inaccurate or faulty information submitted by the supply.

7.2 The supplier must comply with and observe in particular the provisions of the applicable version of 9th Ordinance on German Equipment and Product Safety Act - Machinery Directive (9th GPSGV) in the event that machines, partly completed machines etc. are supplied.

A declaration of conformity in compliance with Annex II 1.A of EU Directive 2006/42/EC (short form: EU Machinery Directive), must be provided for all machines. The machines must have a CE conformity marking affixed to them in compliance with Annex III (CE marking) of EU Directive 2006/42/EC (short form: EU Machinery Directive). The supplier must provide all the required information, such as the operating instructions. The supplier must hold available all the technical documentation mentioned in Annex VII A. of EU Directive 2006/42/EC.

In the case of partly completed machines, a declaration of incorporation in compliance with Annex II 1.B of EU Directive 2006/42/EC (short form: EU Machinery Directive) and assembly instructions in compliance with Annex VI of EU Directive 2006/42/EC (short form: EU Machinery Directive) must be provided; the supplier must compile the special technical documentation in compliance with Annex VII B. of EU Directive 2006/42/EC (short form: EU Machinery Directive).

7.3 Suppliers of electrical equipment, motors, control cabinets and instruments must in particular provide a declaration of conformity in compliance with the Low Voltage Directive 2006/95/EC and in compliance with the Electromagnetic Compatibility Directive 2004/108/EC or in compliance with the German Electromagnetic Compatibility Act (short form: EMVG) and must affix the required CE marking to the electrical equipment.

7.4 In case of defects we are entitled to all rights provided by law. The warranty period for all products is defined as 36 months.

7.5 For paper and paper products tolerances are restricted to a level of 4 % for thickness and weight; no further tolerances are applicable. For aluminium foil, laminated foil, regenerated cellulose film and other comparable materials, deviations of +/- 3 % are agreed to for either thickness or weight (depending on which measurement is defined in the order and regardless of whether the material is measured individually or as part of another product)

7.6 We require that all products for packaging of food as well as all paper, foil or auxiliaries (e.g. colour, glue, etc.), used for the production and finishing of packing must comply with German and European legislation and current common industry knowledge. On demand, the Supplier must provide us with a compliance certificate, from a reputable institute, at his expense. On request, the Supplier must also provide such certificates for Third Countries. The Supplier indemnifies and holds us and our customers harmless from all claims that result or are based on non-compliance and infringement of binding rules and law (see 7.1).

7.7 Upon receipt of a shipment, we only perform a cursory check for transportation damages based on the corresponding delivery note. Therefore, we are entitled to render complaints for quality and quantity deviations within 2 weeks after receipt. The Supplier shall be notified regarding hidden defects within 1 week from the date of discovery. If machines, mechanical devices or components are being ordered as part of a project, we shall complete a functions inspection and render any complaints once the entire project has been completed.

7.8 Acceptance or approval of samples does not constitute a waiver of warranty rights. Payment of invoice also does not constitute any acceptance or waiver.

7.9 Upon the receipt of our written notice of defects by the Supplier, the limitation of guarantee claims is suspended. The guarantee for replaced parts and remedy of defects restarts, unless according to the Supplier's behaviour, we have to assume that he did not feel obligated to take this measurement, but rather completed the replacement or remedies of defects in goodwill, or for similar reasons.

7.10 If artwork contains technical codes (in particular EAN codes or QR codes or similar codes), the supplier will check the accuracy of the content and its functionality with performance tests, as well as during manufacture. The supplier is not responsible for specified content, for example links to the internet. If technical issues occur (i.e. poor legibility or amendment to codes) the supplier must inform the customer immediately and put manufacture on hold until the issues are clarified.

7.11 With the procurement of energy services, products and equipment, which have or could have an impact on essential energy usage, we will inform you that the procurement is measured partly based on energy related services.

8. Product liability

8.1 The Supplier is responsible for all claims of personal or property damage made by a third party, referring to a defective product delivered by the Supplier. The Supplier is obliged to release us for any liability. If we are obliged to do a recall action due to a false product delivered by the Supplier, all charges relating to the recall action are to the Supplier's account.

8.2 The Supplier is obliged to close a product liability insurance with a coverage amount of € 5.000.000,00 for property and/or personal and/or capital damage per case of damage and to keep the insurance for the period of the business relation. The insurance must also cover the risk of a recall action as long as as nothing else is agreed to for an individual case. On demand, the Supplier must forward a copy of the liability policy or a corresponding confirmation to us.

9. Intellectual Property rights

9.1 The Supplier guarantees that no intellectual property rights of third parties are being infringed upon in the European Union, North America or other countries where the Supplier is producing or acquiring the products. This does not apply in cases when the Supplier advises us about his concerns and we still insist in the existing form.

9.2 The Supplier must fulfil all requirements and measures concerning all substances/chemicals, preparations/formulations and works supplied or performed on our behalf, in accordance with of the REACH-Decree (Regulation)

9.3 The Supplier is obliged to hold us harmless us for all claims which third parties raise against us, in regards to the infringements of intellectual property rights, mentioned under point 9.1, and to refund all necessary expenditures referring to this claim. This claim does not depend on a Supplier's fault.

10. Spare parts

10.1 The Supplier is obliged to maintain a spare parts inventory for the products delivered, for a minimum period of 3 years from the date of delivery.

10.2 If the normal working life of a delivered product is more than 3 years, then the 3 years is added to the normal working life and the Supplier must maintain a spare parts inventory for this period.

10.3 For machines or mechanical devices with a purchase price of € 100.000,00 or more, the Supplier must maintain spare parts inventory for a minimum of 10 years.

10.4 As long as the Supplier can prove that spare parts are readily available on the market, he has no duty to keep spare parts of his own. After a period of 3 years from delivery, in reference to points 10.2 and 10.3, the Supplier does not have to maintain spare parts, as long as he can proof that the corresponding spare parts are readily available on the market.

10.5 If the Supplier intends to stop the production of spare parts for the products, machines or mechanical devices delivered, which are not free available on the market, he must inform us immediately after making the decision. This decision must be made at least 24 months before stopping the production, subject to paragraphs 10.1 to 10.3.

11. Secrecy

11.1 The Supplier is obliged to keep confidential the order conditions as well as information and documents made available for this purpose (except information available in public domain) and to use the information only for executing the order. This secrecy is valid, after closing the contract, without any time limit. On demand the Supplier shall return the documents after inquiries and orders have been carried out.

11.2 Without our previous written acceptance, the Supplier is neither allowed to refer to our business relations on advertising material, brochures, etc. nor to exhibit the products manufactured for us.

11.3 The Supplier must ensure the conformance of his sub-Suppliers to point 11 as well.

12. Assignment

The Supplier is not entitled to assign his claims under this contract to a third party. This does not apply for cases of financial claims.

13. Place of performance, place of jurisdiction, applicable rights

13.1 The delivery location for both Parties and the exclusive place of jurisdiction for all disputes regarding the contractual relationship, is Mülheim-Kärlich, Germany.

13.2 The contract concluded between the Supplier and us is subject to German Law excluding the Convention for the International Sales of Goods (CISG) and excluding any conflict rules and cross-references.

14. Supplementary clause

14.1 If one clause of these terms is completely or partially invalid, the validity of the remaining conditions is unaffected. The closest applicable and valid legal regulation referring to the intended purpose shall then apply, instead of the invalid clause.

14.2 The same rule is applicable if these terms contain a regulation gap. The gap shall be replaced by valid clause(s) that most closely match the intended purpose of the contract, provided that the contractual partners would have considered this point when concluding the contract or with later inclusion of a regulation.