

General Terms and Conditions of Kräuter Mix GmbH for subcontracting

Last updated in September 2019

1. Contractual object and definitions

- 1.1 The processing or treatment of raw materials / goods provided to the Contractor by the Client for the purpose of subcontracting (e.g. sterilisation of raw materials / goods, protective treatment of stock, drying, cutting, etc.) free of charge, is carried out on the basis of these General Terms and Conditions ("GT&Cs"). In all cases, any individual agreements entered into with the Client on a case-by-case basis shall take priority. The "Client" as defined by these GT&Cs is **Kräuter Mix GmbH**, Wiesentheider Strasse 4, 97355 Abtswind.
- 1.2 The Contractor will provide the services set out in detail in the subcontracting order form which takes precedence over the GT&Cs. In addition to the GT&Cs, the Contractor's General Terms and Conditions of Sale (as last updated in September 2019) available at <https://www.kraeuter-mix.de/en/gtc> shall apply. The terms and conditions of the Client or third parties shall not apply, even if the Contractor does not expressly object to their validity on a case-by-case basis. Even if the Contractor refers to any written communication including the terms and conditions of the Client or a third party or makes a reference to such, this shall expressly not constitute any acceptance of the validity of such general terms and conditions.

2. Delivery – dates and periods

- 2.1 Unless expressly agreed otherwise, the Client will deliver the raw materials / goods intended for processing to the registered office of the Contractor [Wiesentheider Str. 4, 97355 Abtswind, Germany] at its own expense and risk and will pick up the raw materials / goods again after processing at the same site. The Contractor will perform a limited incoming goods inspection and inspect the supplied raw materials / goods with regard to quantity, identity and visible external defects (e.g. mould) and damage in transport, however without necessarily inspecting each item individually. In addition, and notwithstanding the above clause, the Contractor will however carry out spot checks.
- 2.2 Binding delivery and completion periods must be specified as such and agreed in writing. Apart from this, the delivery and completion periods indicated by the Customer shall be deemed to be approximate only. All delivery and completion periods are subject to the fulfilment of all cooperation obligations of the Client, including the advance, timely and contractual supply of the raw materials / goods intended for processing and packaging material as well as the clarification of all issues crucial for the processing or treatment plus the submission of the order form. Should the Client experience a delay in the fulfilment of the cooperation obligations, the delivery and completion periods shall be postponed accordingly.
- 2.3 The Contractor shall not accept liability if it becomes impossible to supply the raw materials / goods or if delays occur, where these are caused by force majeure or other events not foreseeable at the time of contract conclusion (e.g. all kinds of interruptions in operation, difficulties in the procurement of material or energy, transportation-related delays, strikes, lawful lockouts, shortages in manpower, energy or raw materials, official measures, failure to deliver or incorrect or untimely delivery by the supplier) for which the Contractor is not responsible. Where such events on part of the Contractor make the delivery of goods or the performance of services substantially more difficult or impossible and where the obstruction is not only temporary, the Contractor shall be entitled to withdraw from the contract. In case of temporary obstructions, the delivery and completion periods shall extend by the duration of the obstruction plus a reasonable start-up period. Where the Client cannot be expected to accept the delivery of goods or performance of service as a result of the delay, it may withdraw from the contract by means of an immediate written declaration to the Contractor.
- 2.4 The Contractor is entitled to make partial deliveries provided that the partial deliveries can be used by the Client within the scope of the contractual purpose, the supply of the remaining ordered raw materials / goods is guaranteed and no considerable additional work or costs incur for the Client.
- 2.5 Where agreed delivery and completion periods are not complied with by fault of one of the parties, the responsible party will be given a reasonable deadline for performance fulfilment; following expiry of this grace period, the responsible party will be in default without further notice.

3. Cooperation obligations and test production

- 3.1 With the quality and labelling of the provided raw materials / goods, the Client ensures that a proper and safe handling is guaranteed, i.e. in particular that raw materials / goods can be stored and processed by the Contractor without posing a danger to people or equipment and that these have been marketed in compliance with the applicable statutory provisions. In this context, the Client will provide the Contractor with any required documentation free of charge and point out any special risks, e.g. occurring during in-plant transport, where these must be observed during contract performance.
- 3.2 For the processing or treatment of new raw materials / goods or product variants and special processing methods, the Contractor reserves the right to first conduct a test production with small quantities at the expense of the Client.

4. Warranty

- 4.1 The Contractor is obligated to provide its services to the Client free from defects at the time of acceptance. A service shall be deemed free from defects at the time of acceptance, if it possesses the agreed quality and complies with the recognised technical rules, standards and guidelines. Where no quality has been agreed, the service shall be deemed free from defects at the time of acceptance, if it is suitable for customary use as defined in the contract and is of a quality that can be generally found in works of the same kind and which the Client may expect according to the nature of the service.
- 4.2 Any changes in sensory quality, structure and mass generally occurring in this line of business within the scope of processing or treatment as well as the contamination of the raw materials / goods provided by the Client with a system-related "factory odour" do not constitute a defect.
- 4.3 If a defect can be attributed to a service specification or instruction by the Client, the quality of the raw materials / goods provided by the Client or the quality of the downstream

performance of another contractor, the Contractor shall not assume any liability for such defects, unless it has omitted to communicate such concerns to the Contractor.

- 4.4 Claims of the Client for defects presume that the Client has satisfied its statutory obligations for inspection and reporting of complaints (Sections 377, 381 German Commercial Code (HGB)). If a defect is detected within the scope of the inspection or at a later point in time, this must be promptly reported in writing. Should the Client fail to conduct a due and proper inspection and / or submit a due and proper notice of defect, the Contractor's liability for any defects not reported or not reported in a timely or proper manner shall be excluded according to the statutory provisions.
- 4.5 If the performed service is defective, the Contractor can as a first step choose between providing subsequent performance either by eliminating the defect (rectification) or supplying a defect-free item (replacement). The right to refuse subsequent performance in accordance with the statutory provisions shall remain unaffected of this.
- 4.6 If subsequent performance has failed or if a reasonable grace period set by the Client has elapsed without a satisfactory result or is not required according to the statutory provisions, the Client may withdraw from the contract or reduce the remuneration. This right of withdrawal shall however not exist in case of insignificant defects.
- 4.7 Claims of the Client for defects shall expire within one year from the date of the transfer of risk. Where an acceptance procedure has been agreed on, the limitation period shall commence upon acceptance. The special statutory provisions on limitation periods shall remain unaffected of this.

5. Acceptance, packaging and storage

- 5.1 Formal or express acceptance is not required. However, if the Contractor requests a specific acceptance of services, the Client must conduct such acceptance within a reasonable time frame. Within 14 days after receipt of a notice of completion, the Client must communicate in writing, whether it wishes to formally accept the service. If no such notice is submitted, the relevant services shall be deemed accepted upon expiry of this 14-day period, provided that the Contractor has drawn attention to this consequence.
- 5.2 If the Client announces a specific acceptance within the 14-day period and does not conduct the acceptance within a reasonable time frame or unjustly refuses acceptance, the Contractor may set a reasonable grace period together with the announcement that acknowledgement of the notice of acceptance will be rejected after expiry of the period. If the grace period expires unsuccessfully, the relevant service shall be deemed accepted. In all cases, a grace period of an additional 14 days shall be deemed appropriate in terms of this clause.
- 5.3 At the latest when delivering the raw materials / goods, the Client must supply the packaging for the processed raw materials / goods at its own expense to the registered office of the Contractor at Wiesentheider Str. 4, 97355 Abtswind, unless otherwise agreed.

6. Changes to service performance

- 6.1 The Client may request changes to the content and scope of the services.
- 6.2 Where not only insignificant changes are involved, the Contractor will determine the delays in time and the additional work required due to the requested changes, and the parties will agree on a corresponding adjustment of the contract. If the parties do not reach an agreement, the Contractor has the right to reject the change request.
- 6.3 Should it emerge during the implementation of the subcontracting process that the processing or treatment activities are more expensive than initially expected due to non-foreseeable, product-specific factors and if this is communicated to the Client, both parties may withdraw from the contract, if they are not able to reach an agreement on the thus incurring additional costs. Any work and costs incurring prior to such withdrawal shall be reimbursed by the Client on a pro rata basis in relation to the initially expected work and costs.

7. Liability

In cases of intent or gross negligence, the Contractor shall be liable in accordance with the statutory provisions. Liability for slightly negligent breaches of duty is excluded, unless this concerns damages resulting from loss of life, injuries to limb or health or guarantees, or where claims in accordance with the law on product liability are involved. Furthermore, this shall not affect liability for the breach of obligations whose fulfilment is a fundamental prerequisite for the proper implementation of the contract in the first place and on the compliance of which the Client may regularly rely on (so-called essential contractual obligations). For breaches of essential contractual obligations, liability is limited to the compensation of foreseeable and typical damage.

8. Termination

In the event that the Client makes use of its right of termination as defined by Section 649 S. 1 of the German Civil Code (BGB), the Contractor may demand a lump sum remuneration of €150.

9. Offsetting, right of retention

- 9.1 The Client may set-off the claims of the Contractor only against undisputed or legally enforceable claims.
- 9.2 The Client may only exercise a right of retention as far as its counterclaim is based on this contract.

10. Final provisions

- 10.1 Any and all changes to this contract or integral parts thereof must be made in writing. This also applies to changes to this clause.
- 10.2 If a provision under this contract should be or become invalid or if the contract contains a loophole, this shall not affect the validity of the remaining provisions.