

Albert Handtmann Maschinenfabrik GmbH & Co. KG
Hubertus-Liebrecht-Str. 10-12, 88400 Biberach/Riss, Germany

1. Scope of application

The following conditions apply exclusively to legal relations between us and the Supplier in the area of purchasing by us. Our Terms and Conditions of Purchase apply in the business dealings of Albert Handtmann Maschinenfabrik GmbH & Co. KG (Purchaser) with companies, entrepreneurs, legal entities under public law and special funds under public law (Supplier) to all orders, even to future contracts regarding the delivery of goods within the scope of the business relationship between the Supplier and us, without the need for an express reference to this or a new agreement in each case. Terms and conditions of the Supplier or deviating agreements shall apply only if we have expressly agreed to their validity in writing. Our Terms and Conditions of Purchase shall apply even if we accept delivery from the Supplier without reservation in the knowledge of terms and conditions of the Supplier that conflict with or deviate from our Terms and Conditions of Purchase.

2. Order, conclusion of a contract, possibility of withdrawal

2.1. The individual contract regarding the deliveries or services and any changes, side agreements, declarations in respect of its termination, and disclosures must be made in text form, unless otherwise specified in these Terms and Conditions. We shall be bound by the order for one week from receipt of the order by the Supplier.

2.2. We can, within reasonable limits or provided that the ordered goods have not yet been manufactured, request that changes be made to the delivery item during its design and execution. The Supplier must implement the changes within a reasonable period. Mutually satisfactory agreements shall be concluded regarding the impact of such changes, particularly with regard to additional and reduced costs and delivery dates. If an agreement is not reached within a reasonable period, an expert acting as a third party within the meaning of Section 317 of the German Civil Code (BGB) shall determine the adjusted remuneration. If an agreement on the expert to be consulted is not reached within a reasonable period, the president of the Ulm Chamber of Industry and Commerce shall determine the expert. The Parties shall each bear half of the cost of the expert.

2.3. The Supplier shall ensure that it is aware in good time of all data and circumstances relevant to the fulfilment of its contractual services and of our intended use of its deliveries. Offers shall be submitted to us free of charge.

2.4. The Supplier guarantees that before submitting an offer, it has carefully examined the local conditions and has established clarity regarding the performance of the service and compliance with technical and other regulations by inspecting the relevant documents. The Supplier must check any documents provided, including in relation to the local conditions, for correctness, feasibility, and the execution of preliminary work by third parties, where applicable. It must promptly inform us in writing of any concerns it may have, providing reasons for these concerns, and must reach an agreement with us concerning the continuation of the work.

2.5. If the Supplier assigns some of its tasks to subcontractors, it shall be obliged to supply information on this upon request.

2.6. We are entitled to rescind the contract in full or in part, without compensation and while preserving our own claims, if the Supplier's creditworthiness or ability to deliver supplies verifiably deteriorates in a manner that endangers the fulfilment of the contract, the Supplier suspends its payments without justification, or an application for insolvency proceedings is filed against the Supplier's assets.

3. Prices, terms of payment

3.1. Unless otherwise agreed, the prices are fixed prices. Prices include all incidental expenses, such as packaging and delivery carriage free to us or to another place of receipt expressly agreed, unless different terms are agreed in writing.

3.2. Payments shall be made exclusively in euros. Value added tax is included in the price.

3.3. Unless otherwise agreed, payment shall be effected within 14 calendar days with a 3% discount, or within 30 days with no discount, at our discretion. The period shall begin upon receipt of the contractual service and a proper and verifiable invoice furnished with all key order information (order number, order item, unloading point, supplier number, article number, unit quantity and individual price, and quantity per delivery) and meeting the requirements of the German Value Added Tax Act (UStG).

3.4. The Supplier is not entitled to assign or to have third parties collect any claims that it has against us without our prior written consent. This does not apply to claims that are uncontested or have become *res judicata*. The provision contained within Section 354a of the German Commercial Code (HGB) remains unaffected by this.

3.5. We are entitled to set off any claims that a company affiliated with us within the meaning of Section 15 of the German Stock Corporation Act (AktG) might have against the Supplier's claims. We are furthermore entitled to set off our claims against any claims that the Supplier might have against a company affiliated with us within the meaning of Section 15 AktG. We are entitled to exercise rights of set-off and retention within the scope permitted by law.

4. Delivery methods, delivery periods and consequences of default

4.1. If the applicability of one of the International Chamber of Commerce's "Incoterms 2010" is agreed for the contract, the current version, as amended, is authoritative. These terms apply only to the extent that they do not conflict with the provisions of these Terms and Conditions or any other agreements concluded. Unless otherwise agreed in writing, the delivery/service must be made/provided duty unpaid (DAP Biberach "Delivered at Place", pursuant to Incoterms) at the place of delivery/performance or use specified in the order.

4.2. Deliveries/services must be effected at the specified shipping addresses. Deliveries to/services at a place of receipt other than that designated by us shall not constitute a transfer of risk for Purchaser even if said place of receipt accepts the delivery/service. The Supplier shall bear the additional costs incurred by us due to the delivery/service being effected at an address differing from the agreed place of receipt. The Supplier is obliged to specify our order number and the article and supplier numbers on all shipping documents and delivery notes. Should it fail to do so, delays in processing will be unavoidable, for which we will not be held responsible.

4.3. The delivery and performance deadlines specified in the order are goods receipt dates and are binding. The Supplier must promptly inform us in writing if it becomes aware of any possible delays in its performance or other postponements or of any inability on its part to deliver the agreed quality. Such notification must include reasons for these discrepancies, and an indication of the likely duration of the delay and/or of the deliverable quality. Notifications of this sort from the Supplier do not however constitute unilateral amendments to the delivery and performance deadlines or quality requirements.

4.4. Part deliveries are permissible only with our express consent. If the Supplier exceeds the agreed delivery date for reasons, for which it is responsible, it must pay us a contractual penalty of 0.5 % of the value of the

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goods concerned for each commenced week beyond this deadline, however no more than 5 % of the value of the goods concerned in total. We can demand lump-sum compensation for loss or damage caused by delay in the amount of 1 % of the value of the goods concerned, although the Supplier may still provide proof that no loss or damage at all, or a lower amount, was incurred. A contractual penalty will be credited against any lump-sum compensation or other claim for damages due to delay, and the lump-sum compensation will likewise be credited in the event that a precisely calculated claim for damages due to delay is asserted. We reserve the right to assert a further claim for compensation in excess of the contractual penalty and lump-sum compensation.

4.5. If the Supplier does not keep to the deadlines that it confirmed, we are entitled, notwithstanding further legal regulations and after setting a reasonable grace period, to rescind the contract, conclude hedging transactions, and/or demand damages due to non-fulfilment. We have the right to claim reimbursement of all additional costs incurred by us as a result of the late delivery of supplies or services.

4.6. We are entitled to rectify defects ourselves or arrange to have defects rectified at the Supplier's expense and without prior notice if this is necessary in order to avert acute danger or to avoid significant loss or damage through interruptions to our flow of operations. This applies only if these circumstances render it no longer possible to inform the Supplier and to set the Supplier a period of grace in which to effect the remedy itself.

4.7. The unreserved acceptance of delayed supplies and/or services may not be construed as a relinquishment of any compensation to which we are entitled; this applies until the fee owed by us for the supply/service concerned has been paid in full.

4.8. The Supplier must inform us of any official permits or notification obligations necessary for the import and use of the delivered items.

4.9. For deliveries from countries with preferential status, the Supplier shall include the preference certificate (e.g. EUR.1 or declaration of origin on the invoice) with each consignment. For intra-Community deliveries and deliveries within Germany, the Supplier must provide us with long-term supplier's declarations in accordance with Commission Implementing Regulation (EU) 2015/2447 (UCC IA).

Non-preferential proofs of origin, for example in the form of certificates of origin, must be made available upon request.

5. Sub-suppliers

5.1. The Supplier or Contractor is not entitled to assign, in whole or in part, the execution of the respective contract to third parties without our prior written consent. The Supplier or Contractor is obliged to provide us with the name(s) of its sub-supplier(s) at our request.

6. Compliance with regulations, proofs

6.1. The Supplier guarantees that it will comply with all statutory provisions. Particularly in the case of installation or assembly work by the Supplier, the Supplier is responsible for complying with all accident prevention regulations, the German occupational safety provisions and the like, and with our operating regulations or the works regulations of our end customer. Our "Works regulations for external firms" apply to all services performed on our premises. These can be viewed online at www.handtmann.de/filling-and-portioning-systems/einkauf/umwelt-sicherheitsanforderungen.html or provided to the Supplier upon request. The Supplier must follow the instructions of our site security.

6.2. If deliveries are subject to foreign economic obligations, the Supplier shall independently comply with all provisions. The Supplier shall obtain any necessary permits. Imported goods must be delivered duty paid.

6.3. The Supplier undertakes to meet all statutory requirements arising

out of the EU regulations on chemical protection (REACH) (particularly registration, notification and accreditation obligations). The Supplier shall, pursuant to Article 33 of Regulation 1907/2006 EC (REACH Regulation), provide us with sufficient information to allow safe use of the products falling under Article 57 of the REACH Regulation. If there any changes to the availability or intended use of materials, components, assemblies or end products as a result of REACH or if measures are required on our part, the Supplier will inform us of this without undue delay. The Supplier shall also pass on the obligations mentioned in this paragraph to its upstream suppliers.

6.4. The Supplier furthermore undertakes to take all necessary measures in good time to ensure that the parts and/or devices supplied to us comply with the requirements of the EU Directives on waste electrical and electronic equipment (WEEE) and the restriction of hazardous substances (RoHS), as well as the corresponding national regulations in the EU Member States. This applies particularly in respect of the labelling of the devices, the avoidance of prohibited substances, and the provision of information for waste disposal companies. If changes to the parts and/or devices to be supplied are necessary in order to satisfy the above-mentioned legal standards, the Supplier shall be obliged to obtain our written consent before carrying out these changes.

6.5. The Supplier shall promptly make available any proofs of origin requested by us, such as supplier declarations, movement certificates, etc., whilst ensuring that these proofs contain all the necessary information and are properly signed.

7. Quality assurance and notifications of defects

7.1. If a quality assurance agreement exists between us and the Supplier, the provisions contained therein with regard to the duty to examine and give notice of defects shall apply together with the following provisions, provided that these do not contradict the quality assurance agreement.

7.2. If no quality assurance agreement has been concluded between us and the Supplier, the Supplier shall be obliged to set up, maintain and implement a quality assurance system that is suitable in type and scope and corresponds to the current state of the art. The Supplier must prepare records, particularly regarding its quality checks, and must make these available to us upon request. The Supplier consents to quality audits by us or by a third party commissioned by us to assess the effectiveness of its quality assurance system.

7.3. Insofar as the statutory commercial duty to examine and notify defects applies, we are obliged to check the delivered goods for discrepancies in quality or quantity and to notify the Supplier of any defects. This notification will be deemed to have been made in good time if it is received by the Supplier within a period of 14 days, calculated from the receipt of the goods or, in the case of concealed defects, from their discovery. For defects notified within the limitation period, the period shall end no earlier than six months after the notice was given. The Supplier shall waive the defence of delayed notification of defects (Sections 377 and 381 (2) German Commercial Code (HGB)) for other than obvious defects.

8. Warranty

8.1. The Supplier guarantees that the delivery or service exhibits the agreed properties, fulfils the intended purpose, conforms to the stipulations, samples or the like approved by us, and to the relevant standards, particularly DIN standards, EC standards, etc. as well as the specifications of the authorities and trade associations, the current state of the art, and the German and European safety regulations and – if possible – bears the CE label and contains a certificate of conformity. The same applies in respect of the performance data and other properties contained in the Supplier's order confirmation.

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8.2. We have an unrestricted right to use the statutory claims for defects, regardless of whether we are fundamentally entitled to demand that the Supplier rectify the defect(s) or provide a replacement. In this event, the Supplier shall be obliged to bear all the costs necessary to rectify the defect(s) or provide a replacement. We expressly reserve the right to claim damages, and particularly to claim damages instead of performance. We are entitled, with due regard to the statutory conditions, to rescind the contract, reduce the purchase price, and/or claim damages or compensation for futile expenditure. If we incur costs such as transport, travel, working, or material costs or contractual penalties as a consequence of defective supplies/services, these costs must be borne by the Supplier.

8.3. Any acceptance of and/or payment for the delivered goods on our part shall not be construed as a relinquishment of warranty rights even if we are aware of the defect at the time of the goods' acceptance and/or of the payment.

8.4. The limitation period for claims for defects shall begin when the delivery item/service is delivered/performed in full or, if an acceptance is agreed, upon acceptance.

8.5. Claims for defects will lapse after 36 months; longer statutory limitation periods remain unaffected by this. For newly delivered or repaired parts, the limitation period will start again, unless the Supplier is expressly rectifying the defect purely as a gesture of goodwill.

9. Statutory minimum wage (German Minimum Wage Act – MiLoG), German Employee Secondment Act (AEntG), prohibition of illegal employment, compliance with anti-corruption and competition law

9.1. The Supplier or Contractor must ensure that the employees deployed by it, its subcontractors, or personnel service providers for the execution of the contracts concluded with us receive the statutory minimum wage in accordance with the German Minimum Wage Act (MiLoG) or, if the services to be provided fall within the scope the German Employee Secondment Act (AEntG), the prescribed industry-specific minimum wage. The Supplier must also ensure that it meets its mandatory obligations to pay contributions to social insurance agencies, professional associations, and other institutions, such as the joint bodies of the parties to the collective agreements mentioned in Section 8 AEntG. Illegal employment of any type is prohibited.

9.2. The Supplier or Contractor shall check whether the preconditions set out in Section 9.1 have been fulfilled when selecting subcontractors or personnel service providers, and shall oblige these in writing to adhere to said preconditions. In addition, it must obtain written confirmation from these parties that they will require that any subcontractors or personnel service providers engaged by them are also in compliance with these requirements.

9.3. The Supplier warrants that it shall refrain from actions or omissions that, regardless of the form of participation, may lead to administrative fines or criminal prosecution, in particular for corruption or a violation of antitrust or competition law, by the Supplier, by employees of the Supplier or by third parties engaged by the Supplier. The Supplier is responsible for taking suitable steps to avoid such violations, and shall, to this end, commit those persons employed by it and any third parties engaged by it accordingly.

9.4. The Supplier will inform us promptly of the initiation of investigation procedures by the authorities due to a violation. We are additionally entitled, if there are indications of a violation by the Supplier, to ask for information in writing regarding the violation, the measures taken to end it and to prevent it from reoccurring in future.

9.5. In the event of a violation, we are entitled to ask the Supplier to refrain from this immediately and to reimburse all loss or damage incurred by us due to the violation.

9.6. The Supplier is furthermore liable towards us for all loss or damage incurred by us as a result of its culpable failure to comply with its obligations pursuant to Sections 9.1, 9.2 and 9.3.

9.7. We are entitled to terminate the contract with the Supplier or Contractor without notice if a claim is legitimately asserted against us due to our liability as guarantor under the German Minimum Wage Act or German Employee Secondment Act.

10. Transfer of risk and transfer of ownership

10.1. If the delivery or service is subject to acceptance, this is the determining factor with regard to the transfer of risk.

10.2. We shall acquire absolute title to the goods upon payment at the latest. Additional reservations of title, in particular the so-called extended or prolonged retention of title in all its forms, are excluded.

11. Property rights and non-disclosure obligation

11.1. The Supplier shall keep secret any information that we give it, such as drawings, films, documents, findings, samples, production tools, models, data carriers, etc., and shall refrain from making these accessible to third parties (including sub-suppliers) without our written consent and from using them for purposes other than those determined by us. This applies *mutatis mutandis* to reproductions. The obligation does not apply to information, of which the Supplier or Contractor was already legitimately aware upon its receipt with no obligation to maintain secrecy, or of which it subsequently and legitimately becomes aware with no obligation to maintain secrecy. Nor does this obligation apply to information that is or becomes common knowledge without either Party committing a breach of contract, or for which written permission for an alternative use has been granted to the Supplier. The Supplier is not permitted to use our business relationship for advertising purposes without our prior written consent.

11.2. We retain title and reserve all other rights (e.g. copyrights, trademark, patent, and similar rights) to the information, drawings, films, models, samples, objects, tools, and technical applications made available by us. These may be used solely to execute the respective specific order, and may be forwarded to third parties, otherwise disclosed or used for the Supplier's own purposes only with our express, prior, written approval. Reproductions may be made only with our prior written consent, and shall pass into our ownership upon their creation. It is hereby deemed agreed between the Supplier and us that the Supplier shall keep safe the reproductions for us. The Supplier must carefully store the documents and items provided to it and any reproductions thereof at its own expense, and must preserve them, label them clearly as belonging to us, insure them, and surrender or destroy them at any time at our request. The Supplier has no right of retention, regardless of the reason. The return in full or destruction of the above-mentioned documents, items, and reproductions must be confirmed in writing.

11.3. In the event of a violation of the obligations arising from Sections 11.1 and 11.2, a contractual penalty in the amount of EUR 25,000 shall immediately fall due for each case of violation. The Supplier retains the right to have the appropriateness of the amount of the contractual penalty determined by the courts. Any contractual penalties paid shall be credited against any claims for damages.

11.4. Objects or the like that are manufactured entirely at our expense, for example moulds, tools, or appliances, shall also fall under the above-mentioned provisions of Section 9. In the case of objects that were manufactured partially at our expense, we must, if the Supplier requests this,

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provide the Supplier with appropriate compensation for the portion of the costs previously not covered by us if we ask for their return.

11.5. The Supplier must adequately insure, at its own expense, the documents, objects and materials within the meaning of Section 11 that we have handed over to it or the Contractor. The Supplier shall be liable for the loss or damage of these objects while they are located at the Supplier's premises, those of its sub-suppliers, or in transit at the Supplier's instigation. At the same time, the Supplier assigns to us as of now all rights to claim compensation from this insurance and against third parties, and we hereby accept this assignment.

12. Provision of materials

12.1. Substances, parts, containers, special packaging, tools, measuring equipment or the like that are provided by us (provisions) shall remain our property. Any processing or reworking by the Supplier shall be undertaken on our behalf. If our reserved goods are processed, transformed, or mixed with other objects not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our item to the value of the entire product at the time of processing or mixing.

12.2. If the goods are mixed in such a way that the Supplier's item is regarded as the main item, it is hereby agreed that the Supplier shall grant us proportional co-ownership; the Supplier shall hold the sole ownership or co-ownership on our behalf. The Supplier has no right of retention in respect of the provisions, regardless of the reason.

13. Third-party property rights

13.1. The Supplier is liable for ensuring that no third-party rights (specifically patents, utility models, registered designs, copyrights and other rights) are violated in connection with its delivery. This shall not apply if the Supplier is not responsible for the violation of a third-party's rights. This liability applies to all Member States of the European Union, the other parties to the Agreement on the European Economic Area, and also to Switzerland and the US.

13.2. We are not obliged to make enquiries on our side as to whether third-party property rights exist. If we are prosecuted by a third party due to the violation of rights, for which the Supplier is responsible, the Supplier shall be obliged to indemnify us from all third-party claims on first demand; this also includes defending us against threatened claims and third-party measures. The Supplier's liability also includes all loss or damage, particularly consequential damage as a result of supply bottlenecks and disruptions to production, and the reasonable costs of mounting a legal defence.

14. Product liability, indemnity

14.1. If the Supplier is responsible for loss or damage caused by a product, the Supplier shall be obliged to indemnify us on first demand against damage claims from third parties (due to the violation of the legally protected assets of life, limb, health and property) as far as the cause is within the Supplier's sphere of control and organisation and the Supplier is liable to third parties.

14.2. The Supplier shall also be obliged, as a part of this, to refund any expenses that we incur as a result of or in connection with a product recall implemented by us, unless the claim is based on Sections 830, 840, et seqq. of the German Civil Code (BGB) in conjunction with Sections 426 and 254 of the same Code (BGB). Where possible and reasonable, we will inform the Supplier of the content and scope of the recall measures to be implemented and give it the opportunity to comment.

14.3. The Supplier undertakes to maintain an appropriate product liability insurance policy with an adequate level of cover for the duration of the business relationship or the contracts, i.e. until the expiration of the respective limitation period for claims based on defects or product liability,

although account must also be taken of the statutory provisions in particular, such as the German Product Liability Act, in this respect. An insurance policy of this type shall be deemed appropriate if it provides insurance against personal injury and/or material loss, including the costs of a product recall, with minimum coverage of EUR 10 million per damage case. This insurance does not constitute a limitation of liability for the benefit of the Supplier.

14.4. Each year and without prompting, the Supplier shall provide us with proof of the existence of insurance coverage in the form of the product liability insurance referred to in Section 14.3 by presenting a certificate from the insurance provider.

15. Final provisions

15.1. This contractual relationship shall be governed exclusively by the law of the Federal Republic of Germany, to the exclusion of international civil law. The application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

15.2. The place of performance for deliveries and services is our place of business at Biberach, Germany, unless otherwise specified in the purchase order. The place of performance for payments is our place of business in Biberach, Germany in all cases.

15.3. If the Supplier is a merchant, Biberach, Germany is agreed as the place of jurisdiction, unless another exclusive place of jurisdiction is stipulated. However, we are also entitled to institute proceedings against the Supplier at its place of business or at any other permissible place of jurisdiction.

15.4. Should a provision within these Terms and Conditions be or become invalid, this shall not affect the validity of the remaining provisions.

15.5. The German-language version of these General Terms and Conditions of Purchase is authoritative.