

General Purchasing Conditions

All deliveries, services and quotations provided by our suppliers (hereinafter referred to as "**Supplier**") shall be provided exclusively on the basis of these General Purchasing Conditions of Kaesler Nutrition GmbH (hereinafter referred to as "**GPC**"). The GPC are an integral part of all contracts concluded by Kaesler Nutrition GmbH (hereinafter referred to as "**Kaesler**") with our Supplier regarding the deliveries and services offered and/or provided by it, also in connection with present or future business relationships, even where their application is not expressly agreed again. Any deviating agreements, in particular conflicting terms and conditions of business of our Supplier or any third party as well as collateral agreements, shall in each particular case require our express written consent to become a valid part of any contract. They shall not apply even if we do not expressly object to their application in a particular case. Where we make reference to a letter containing or referencing the terms and conditions of business of our Supplier or any third party, this shall not mean that we consent to the application of such terms and conditions of business. The Supplier acknowledges sole application of these Purchasing Conditions at the latest upon delivery of the goods ordered or provision of the service ordered. These GPC do not apply in relation to consumers.

1. Quotations, orders, conclusion of contracts

- 1.1 The Supplier shall submit quotations to Kaesler free of charge. In any quote, the Supplier shall stick to the quantities, quality and designs specified in the Kaesler request for quotation and make express written reference to any deviation therefrom. This shall apply by analogy to any order acknowledgement by the Supplier.
- 1.2 Kaesler orders shall bind Kaesler only if made in writing by Kaesler (fax, letter, E-Mail) or confirmed in writing by Kaesler. The same shall apply to any alteration of or supplement to an order.
- 1.3 The Supplier shall accept in writing any order within ten [10] days stating price, quantities and time for delivery or service provision. Where we do not receive the Supplier's acceptance within ten [10] days, we shall be entitled to cancel the order.

2. Prices

- 2.1 Prices offered by the Supplier and/or agreed with us shall be fixed prices excluding the statutory value-added tax as amended from time to time. If the national tax policy changes, the applicable tax rate will be adjusted according to the latest national tax policy, and the price including tax will be adjusted accordingly.
- 2.2 The prices agreed shall be the entire remuneration for all deliveries and/or services ordered from the Supplier (including any necessary certificates, drawings, assessments etc. as well as the translations into German and/or English requested by Kaesler) and all ancillary costs. Unless otherwise agreed in writing between the Supplier and Kaesler, the prices agreed shall be for CIF sea or CIP air as per the Incoterms as amended from time to time.
- 2.3 Notwithstanding the aforesaid, when the prices cannot be fixed or if the prices fluctuated dramatically, both Kaesler and Supplier agree to renegotiate the prices based on prevailing market conditions and price adjustment mechanism agreed by both Parties.
- 2.4 Kaesler shall be obligated to pay for any delivery and/or service not included in a contract only if Kaesler orders them by means of a written order to the Supplier prior to provision of the delivery or service.
- 2.5 The values determined by Kaesler upon receiving inspection shall be relevant in the case of settlement based on number of pieces, dimensions and weights.

3. Time limits and deadlines

- 3.1 The time limits and deadlines for a delivery/service specified in the order shall be binding. The time relevant to adherence to any time limit or deadline shall be the time at which we receive the goods or accept the service.
- 3.2 The Supplier shall be obligated to forthwith notify Kaesler in writing if it realizes that the agreed delivery time or deadline cannot be met or there might be a problem with adherence. Such notification shall include the reason and the expected duration of the delay. Where any time limit or deadline is not met, the statutory provisions shall apply. The Supplier shall use its best endeavours to remedy the delay of delivery and to mitigate the effects of the delay. In particular, Kaesler shall be entitled to claim damages instead of performance if delivery is not made or a service is not provided within a reasonable grace period granted by Kaesler.
- 3.3 If the Supplier fails to mitigate the effects of that delay, at any rate, any partial delivery or service provided shall not be deemed to be independent performance and acceptance of a delayed delivery or service without reservation by Kaesler shall not be interpreted as a waiver by Kaesler of any claim to which Kaesler may be entitled due to the delay. This shall apply until final payment of the remuneration for the delivery or service concerned. Any further claims for damages shall not be affected by this.

4. Quality

The Supplier's deliveries shall in all respects comply with the order and the specifications and/or the samples provided or specified by Kaesler and with all applicable regulations and standards. The aforementioned regulations and standards include relevant laws, regulations and standards of the countries where both parties are located, the European Union and the 3rd countries notified by Kaesler, and when the standards are inconsistent, the strictest standard shall prevail.

5. Delivery, passing of risk and insurance

- 5.1 The place of fulfilment shall be the place of use specified by Kaesler. Unless otherwise agreed, the risk of accidental loss or accidental deterioration of the goods shall pass to Kaesler upon acceptance and unloading of the delivery at the place of fulfilment. Unless otherwise agreed in writing, Kaesler shall be obligated to take delivery only at the usual business hours. The goods shall be delivered "free domicile" to the place of use specified by Kaesler.
- 5.2 The Supplier shall at its own expense insure all goods to be delivered against accidental loss (in particular fire and theft) and accidental deterioration at their replacement value for the time until they are handed over to Kaesler.

- 5.3 Partial delivery and partial performance are as a rule inadmissible, unless where expressly accepted by Kaesler in writing or acceptable to Kaesler. Where Kaesler has accepted partial delivery or partial performance, the contract shall be interpreted as an individual contract for each individual partial delivery or partial performance. Nevertheless, non-provision of any partial delivery or partial service shall entitle Kaesler at its discretion to rescind the entire contract. If any partial delivery or partial performance is unacceptable to Kaesler or not agreed upon, Kaesler shall be entitled to reject such partial delivery or partial performance. If any partial delivery or partial performance is rejected, Kaesler shall not be obligated to pay for it. The Supplier shall bear the risk of such partial delivery or partial service and take them back at its own expense and risk. The same shall apply to any excess or short delivery and any additional or reduced service.
- 5.4 Event of Force Majeure shall mean acts of natural disasters, war, insurrection, conflagration, floods, strikes, riots, conflicts with laws, government rules, regulations or any other circumstances beyond the reasonable control of any Party. If any Party is prevented from performing any of its obligations due to an Event of Force Majeure, the time for performance of the obligations under the contract specifically prevented from performance by such Event of Force Majeure shall be extended by a period equal to the period of delay caused by such Event of Force Majeure. A Party claiming inability to perform due to an Event of Force Majeure shall take appropriate means to minimize or remove the effects of the Event of Force Majeure and, within the shortest possible time, attempt to resume performance of the obligation(s) affected by the Event of Force Majeure. If an Event of Force Majeure occurs, no Party shall be responsible for any damage, increased costs or loss which the other Parties may sustain by reason of such a failure or delay of performance, and such failure or delay shall not be deemed a breach of the contract. All other obligations under the contract and the time for performance thereof shall remain unaffected. The affected Party shall immediately notify the other Party of the occurrence of any Event of Force Majeure and shall provide available evidence thereof. Should the delay caused by any Event of Force Majeure continue for more than ninety (90) consecutive days, both Parties shall settle the issue of further performance of the contract through friendly negotiations. During the period an Event of Force Majeure, both Parties shall in all other respects continue their implementation of the contract. Where Kaesler and the Supplier have agreed that delivery shall not be made to Kaesler but to a third party, the Supplier shall prove to Kaesler delivery to the third party by submitting an acknowledgement of receipt issued by the third party.
- 5.5 Where the Supplier requests that Kaesler return packaging material, the Supplier shall state this expressly on the delivery note. Packaging material shall be returned at the Supplier's expense and risk.
- 5.6 **Provisions by the client, documents and prevention of accidents**
- 6.1 The Supplier shall in due time request any documents or materials etc. to be provided by Kaesler to execute the order or perform the contract.
- 6.2 The Supplier shall be liable for any loss of or damage to materials etc. provided to it by Kaesler. The Supplier shall forthwith notify Kaesler in writing and stop processing if any materials provided by Kaesler are lost, damaged or have defects.
- 6.3 Materials provided by Kaesler shall be processed on our behalf and remain the property of Kaesler at each processing stage. Where materials provided by Kaesler are combined with other goods not owned by Kaesler, Kaesler shall have co-ownership of the newly created goods in the proportion of the value of Kaesler's provision to the value of all the goods used in production and the Supplier's expenditure for their processing. In this respect, the Supplier shall keep the goods on behalf of and free of charge to Kaesler. This shall apply by analogy where due to combination or mixing we are no longer the owner of the goods or materials provided by us.
- 6.4 Kaesler reserves any and all rights to property and designs and copyrights as well as other intellectual property rights to images, drawings, calculations, samples, models, dies, apparatus and other documents, whether they are physical or electronic documents, and to objects delivered by Kaesler or not delivered by Kaesler but used by the Supplier specifically to deliver goods or provide a service. They shall not be disclosed or made accessible to any third party without the prior written consent of Kaesler. They shall be used exclusively for the purpose specified in the order and the Supplier shall keep them safe and at its own risk until they have to be returned to Kaesler without delay together with any copies made by the Supplier when the order is finished. In this respect, the Supplier shall not have any right of retention or right to withhold performance.
7. **Invoices and payment**
- 7.1 Invoiced amounts shall be paid within the time limits specified in the order. Payments shall be made subject to verification of the invoice.
- 7.2 For each order, a proper invoice stating the order date and order number shall be sent to Kaesler separate from the goods. The invoice shall separately state the applicable statutory value-added tax.
8. **Set-off and retention**
- 8.1 The Supplier shall be entitled to validly set off any counterclaim with claims due to Kaesler only if and to the extent to which the counterclaim is undisputed or determined without further legal recourse.
- 8.2 The Supplier shall not be entitled to retain goods or services on the grounds of any counterclaim which the Supplier may have against Kaesler from earlier business transactions or other transactions in connection with a current business relationship with Kaesler.
- 8.3 Kaesler shall be entitled to rights of set-off and retention as provided for by statutory regulations.
9. **Defects**
- 9.1 Goods shall be accepted subject to an examination for freedom from defects, in particular for correctness and completeness, to be carried out to the extent to which and as soon as this is feasible in the ordinary

	course of business. Notwithstanding Kaesler shall exam the goods as soon as possible, goods shall be deemed to have been accepted if Kaesler does not give notice, within two weeks of receipt of a delivery, of any defects or excess or short delivery which can be detected upon receipt. Any notice by telephone or fax given within the time limit and followed by a written confirmation shall be equivalent to a written notice. Supplier shall warrant that the goods supplied by it shall be and remain of satisfactory quality, conform and correspond to the specification, be and remain fit for the purpose for which they are intended to be used and for any other purpose(s) made known to the Supplier. The warranty period of the goods under each order shall be three (3) years, start upon Kaesler receive the goods or services. The goods shall be free from defects in material, workmanship and in the manufacturing processes (however small and whatever the origin) and remain free from such defects for no less than the warranty period.	
9.2	The statutory regulations regarding defects of title and quality shall apply, unless and to the extent to which otherwise provided in the following.	
9.3	If the goods are defective products, Kaesler shall be entitled to demand at its option free of charge substitute delivery, free of charge rectification of defects or a reasonable price reduction as compensation for short delivery and/or defects. The Supplier shall be entitled to refuse to make the kind if supplementary performance chosen by Kaesler if it is possible only at disproportionate costs. Should the Supplier fail to forthwith comply with our request for rectification of defects, we shall in urgent cases be entitled to obtain substitute delivery or rectify defects ourselves or have substitute delivery or rectification of defects effected by a third party at the Supplier's expense, in particular to avert imminent danger or major loss (e.g. due to production downtimes). Further warranty claims shall not be affected by this.	10.6
9.4	In the case of a defect of title, the Supplier shall indemnify Kaesler from and against any existing third-party claims, unless the Supplier cannot be held liable for the defect of title.	11.
9.5	Where the Supplier meets its obligation of supplementary performance by making substitute delivery, the warranty period shall start anew upon delivery of the substitute goods at the place of fulfilment, unless the Supplier, upon making substitute delivery, has expressly and correctly reserved to make such substitute delivery only as a gesture of goodwill, to avoid disputes or in the interest of the continued existence of the contractual relationship with Kaesler.	11.1
	10. Liability	11.2
10.1	The Supplier's claims for damages and claims for reimbursement of expenses (hereinafter referred to collectively as "claims for damages") against Kaesler, for whatever legal reason, shall be excluded, unless based on the provisions of the product liability act, wilful or grossly negligent breach of a contractual or statutory duty on the part of Kaesler, injury to life, body or health of the Supplier as a consequence of a breach of duty attributable to Kaesler, assumption of a warranty for a specific characteristic or breach of a material contractual obligation on the part of Kaesler. Material contractual obligations shall be those which typically enable performance of the respective contract in the first place. In the event of a breach of a material contractual obligation, the Supplier's claims for damages against Kaesler shall be limited to the foreseeable damage typical for the contract, unless where Kaesler is liable for a wilful or grossly negligent breach of duty, for injury to life, body or health of the Supplier or for having assumed a warranty for a specific characteristic. Any breach of duty by a legal representative or vicarious agent of Kaesler shall be equivalent to a breach of duty by Kaesler. The above provisions shall not mean a reversal of the burden of proof to the detriment of the Supplier.	11.3
10.2	The Supplier represents and warrants that in the development and/or production of the delivery item or the provision of the service it will comply with the state of the art and all applicable legal regulations and standards, carry out an in-depth quality inspection prior to delivery, sufficiently document any and all measures taken to discharge these obligations and keep the appropriate documents for a period of ten [10] years and that Kaesler or any third party named by Kaesler will on request be enabled to look at the documents at any time. In this respect, a right of retention or right to withhold performance shall be ruled out. This shall not affect the provisions of section 12 of these GPC.	11.4
10.3	Should any claim be asserted against Kaesler on the basis of product liability under other statutory regulations, the Supplier shall upon first demand indemnify Kaesler from and against such a claim, provided that and to the extent to which the damage is caused by the goods supplied or the services provided by the Supplier. In any case of fault-based liability, however, this shall apply only where the Supplier is to blame. Where the cause of damage lies in the Supplier's sphere of responsibility, it shall have to demonstrate that it is not to blame. Furthermore, the Supplier shall be obligated to reimburse Kaesler for any expenses and loss resulting from or in connection with any recall or other necessary measure taken in connection with a defect of the goods supplied or the services provided by the Supplier or being the consequence of such a defect. Kaesler shall, where possible and reasonable, inform the Supplier of the contents and extent of the recall or other measure to be taken and give it an opportunity to make representations. The Supplier's liability under the statutory and other contractual provisions shall not be affected by this.	12.
10.4	The Supplier shall be obligated to maintain a product liability insurance with a minimum cover of EUR 10 million per damaging event for the term of the respective contract concluded with it, excluding the defense of series claims. Kaesler shall be entitled to demand that the Supplier submit its insurer's cover note. Subject to the Kaesler 's consent, the Supplier has the right to provide other feasible guarantee measures.	13.
10.5	Persons carrying out work in performance of the contract in plants or on the premises of Kaesler shall be subjected to the provisions of the plant regulations in effect. The Supplier shall ensure that these persons observe the regulations	13.1
		13. Confidentiality
		For the term of the contractual relationship and for a period of ten [10] years after conclusion of the contract, the Supplier shall be obligated to treat as and keep strictly confidential and to use only for the purpose of handling the order the conditions of any order and any information and documents provided for the purpose. Information which is publicly available shall be excepted from this provision. The Supplier shall restrict disclosure of such secret information to those of its employees, representatives and subcontractors which require such knowledge to meet the Supplier's obligations towards Kaesler. The Supplier shall ensure that those employees, representatives and subcontractors are bound to the same obligation of secrecy as the Supplier. Without prior written consent of Kaesler Animal Nutrition GmbH, the Supplier shall not make reference to the business relationship with Kaesler in advertising materials, brochures, the internet etc. and not exhibit any deliveries produced for us.
		14. Assignment
		The Supplier shall not be entitled to assign its claims under the contract to any third party. However, this shall not apply to monetary claims.
		15. Place of jurisdiction and governing law
		The exclusive place of jurisdiction for any and all disputes arising directly or indirectly from the contractual relationship with the Supplier — including from deeds, bills of exchange and cheques — shall be submitted to 【Shanghai International Economic and Trade Arbitration Commission (SHIAC)】, which shall be conducted in accordance with its arbitration rules in effect at the time of applying for arbitration. These General Purchasing Conditions shall be governed by the law of the People's Republic of China excluding application of the United Nations Convention on Contracts for the International Sale of Goods. Customary commercial terms shall be interpreted based on the Incoterms as amended from time to time.
		16. Granting of undue advantages
		All orders are placed under the express condition that the Supplier shall not promise or grant any advantages to Kaesler employees in connection with or on the occasion of order placement which are suitable to jeopardize the interests of Kaesler or are immoral. In the event of non-observance of this provision, Kaesler shall be entitled to give notice of termination for cause of all existing contracts and to claim damages.
		17. Severability
		Should any individual provision of the contract be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions of the contract. The contractual partners undertake to replace any invalid or unenforceable provision by a valid provision coming as close as possible to the economic purpose originally intended by the invalid or unenforceable provision when agreed between the contractual partners. The same shall apply if a provision is missing from the contract.
		applying to access to the plant facilities. Kaesler does not assume any liability for accidents suffered by these persons on the premises or at the plant facilities, unless where caused by a wilful or grossly negligent breach of duty on the part of Kaesler's legal representatives or vicarious agents.
		In the event of non-observance of the any provision which may cause material breach of the contract, Kaesler shall be entitled to give notice of termination for cause of all existing contracts and to claim damages.