

General Terms and Conditions for the Sale and Contract Production (GTC)

Husarich GmbH

1. ***Validity of the general terms and conditions***

All contracts concluded by Husarich GmbH shall be governed exclusively by the following GTC. Business terms and conditions that are contrary to, or which deviate from, these terms and conditions will not be recognized unless their validity is expressly confirmed in writing. These terms and conditions are deemed as accepted, at the latest, with the acceptance of the goods.

2. ***Concluding a contract, Prices***

Our offers shall be subject to change without notice, in particular with respect to volume, packing, prices and delivery periods. A contract shall only materialise once it has been confirmed in writing. Confirmation sent by fax message or e-mail shall suffice. If applicable, the valid rate of value added tax on the date the invoice is raised shall be added to our prices.

3. ***Condition of the Goods / Packaging / Labels***

Husarich GmbH shall reserve the right to supply goods with minor natural discrepancies or discrepancies in terms of colour and content caused by the harvest as well as minor differences caused by processing. Husarich GmbH reserves the right to supply up to 5% more or less than the ordered volume, as the contracted quantity is concluded on basis „circa“ or „approximately“. Goods designated as “original imported goods” originate from a third party country and have not been produced at Husarich GmbH. In so far as the orderer or purchaser (hereinafter: buyer) of goods to be delivered to a country other than Germany requires separate approval, licence or permission or similar, the goods will in this case only have to be of a condition to comply with these specifications/requirements if this has been expressly agreed upon. The buyer shall be responsible for obtaining approval, licence, permission or similar. Provided that no provision has been made to the contrary, the buyer shall receive the goods in packing normal in the trade. The seller shall at his own cost provide for marking in accordance with the usual practice in the trade, in order to permit unequivocal identification of the package, unless different marking is specified by the buyer.

4. ***Specific Terms and Conditions for Contract Production***

Contract production refers to the processing and/or treatment of delivered goods (e.g. grinding, bacteria reduction, cleaning, protective treatment for stock, drying, cutting, mixing) when the raw material is supplied by the orderer (the owner of the raw material). The goods will be processed and/or treated on the basis of state of the art technology at that time. Nevertheless, unavoidable structural and sensorial changes may possibly occur, in particular as a result of processing/treating the raw material. Contract production is a service which does not guarantee specific success. In so far the buyer provides a sample and/or specimen of the required quality these are requirements are to be regarded as set targets. If it

should turn out in the course of carrying out a contract production order that the processing will be more expensive or time consuming than initially assumed as a result of product-related factors not identifiable when the contract was signed, and Husarich GmbH notifies the buyer, both parties to the contract may withdraw from the contract if they are unable to reach an agreement about the amount of price increase or the additional time needed for the production.

5. *Warranty*

The buyer can only assert rights in the event that there are defects in the delivered goods if he checks the goods without delay after delivery and notifies us of the defects within 5 working days from the delivery at the latest. In the event that the defects are concealed, the notification shall begin when the defect is discovered. Husarich GmbH is liable for the delivered goods being free of defects. Biologically caused variations in shape, colour and structure as well as with regard to the amount of active ingredient contained therein shall not constitute a defect for natural products, provided that parameters specifically agreed in individual contracts have been observed or the quality fluctuations do not exceed normal amounts. If the goods are defective and the preconditions of the above (item 5 sentence 1 & 2 and item 5 sentence 3 & 4) have been satisfied, the buyer can demand subsequent fulfilment in accordance with the law or reduce the purchase price or withdraw from the contract and demand compensation for damages provided that legal requirements have been satisfied. Where the contracting party demands that we repair or replace an item, we can choose whether to rectify the defect or deliver a defective free replacement. The necessary transport costs for replacement will only be borne by us in so far as they arise in replacing or rectifying the goods.

6. *Liability*

Husarich GmbH accepts liability for the wilful or grossly negligent behaviour of the statutory representatives, lawful bodies and executive employees. Any claim for damages – based on whatever legal basis – for slightly negligent infringement of nonmaterial contractual duties by our statutory representatives, executive employees and our vicarious agents are excluded. In the event of slightly negligent infringement of material contractual duties by our organs, statutory representatives, executive employees and vicarious agents we accept liability on every legal merit only for contractually typical and foreseeable damage and not for remote damage nor for indirect consequential damage. All further contractual claims or extraordinary claims of our buyer are excluded. The buyer is liable for all damages which occur due to deviation from their obligations to cooperate.

7. *(Extended) Retention of Title*

Husarich GmbH remains owner of the goods until the purchase price is paid in full. Husarich GmbH remains owner of the goods until the price and all other sums owing by the buyer to the seller are paid in full. Title to the goods delivered by Husarich GmbH remains our property until payment of all our existing and future demands out of the contractual relationship with the buyer, including all existing incidental demands and current account balances. If the delivered goods are processed or incorporated in other

goods, this shall always be carried out on behalf of Husarich GmbH. If the delivered goods are processed together with other goods not belonging to Husarich GmbH, Husarich GmbH shall consequently acquire co-ownership to the new item in proportion to the ratio of the delivered goods to the newly processed objects at the point in time at which they are processed until payment is made in full. The buyer assigns all titles to Husarich GmbH of goods or wares containing Husarich GmbH product (processed, and/or packaged, and/or combined with other objects and/or resold) in particular on the basis of resale. The buyer is deemed to be doing this on behalf of Husarich GmbH until all accounts are settled. At least 100 % of the value of the goods delivered by Husarich GmbH shall be assigned. This assignation does not require a declaration of acceptance and is used to secure claims against the buyer until all accounts are settled. Husarich GmbH authorizes the buyer to collect debts from these third parties on behalf of Husarich GmbH and may rescind this authorization at any time. Husarich GmbH remains owner of the goods and any proceeds of their sale, until the price is paid in full. In the event of a default in payment, the buyer shall be obliged to immediately pass on all information to Husarich GmbH, so our rights under a simple or extended retention of title may be enforced. The buyer shall authorize Husarich GmbH here and now to notify the third party of the assignment in his name. The buyer here and now authorizes us, to disclose this information in his name.

8. *Terms and conditions of payment*

Invoices issued by Husarich GmbH shall be payable within fourteen days from the date of invoice without any deductions, in cash or by remittance to us free of expense. Moreover, the statutory rules shall apply with regard to the consequences of a delay in payment. The buyer shall only be entitled to offsetting rights if his counter claims have been declared final and absolute in a court of law, are not contested, or are recognised by Husarich GmbH.

9. *Time for delivery and delivery weight / discrepancies in weight.*

Agreed times for delivery and delivery weights shall be estimates only unless expressly confirmed by us having been firmly agreed on. The words "approximately" or "approx." or "circa" before the quantity agreed in the contract shall entitle Husarich GmbH to deliver up to 5 % more or less, and to invoice in accordance with the contractual price units. The weight stated by Husarich GmbH on delivery shall be relevant. The buyer may, however, demand weighing at his own expense. Weight discrepancies must be reported within 3 days of the delivery of the goods.

10. *Obtaining supplies ourselves*

Husarich GmbH sale and delivery of goods depends is subject to our obtaining proper, complete and timely supplies ourselves. This also applies to the delivery of the raw materials and auxiliary materials required for production of the goods.

11. *Partial delivery*

Husarich GmbH shall be entitled to effect partial deliveries in reasonable

volume, in particular when part deliveries can be used individually by the buyer and no fixed delivery date for the complete delivery was arranged.

12. *Rights of withdrawal*

In case of an official legal or political prohibition or ban or embargo on imports and/or exports Husarich GmbH reserves the right to withdraw from the contract including delivery and/or performance, provided the respective measure is announced after the contract has been concluded.

13. *Delivery on Call (delivery of goods by installments)*

If we are obliged to delivery on call, deliveries must be called not later than within six months from the date of the contract unless otherwise specified. If no call is made within the time period mentioned, Husarich GmbH shall be entitled to grant the buyer an appropriate extension in the period of time for calling. If the extended period of time passes without a result, Husarich GmbH can withdraw from the contract. Further Husarich GmbH has the right to deposit the goods or to dispose of the goods by "self-help sale" (seller can sell the merchandise and recover any losses from the breaching buyer.). In the event the buyer is responsible for the delay or non-fulfilment of the delivery Husarich GmbH can demand damages for non-performance of the entire contract.

14. *Limitation period*

The period of limitation for defect claims is twelve months from the date of delivery. The statutory regulation on the suspension of the Statute of Limitation in the event of recourse against the supplier shall not be affected (§§ 478, 479 BGB, German Civil Code). Moreover, the buyer's claims shall become time-barred within twelve months, unless Husarich GmbH is liable as a result of intent.

15. *Application of INCOTERMS*

Any commercial terms agreed shall be applicable in the version of the INCOTERMS of the international Chamber of Commerce valid upon conclusion of contract.

16. *Application of German Law*

The substantive law of the Federal Republic of Germany shall further be applicable as valid at the time of conclusion of contract. The law on the „UN Convention of 11 April, 1980 on Contracts for the International Sale of Goods (CISG)“ of 5 July 1989 and/or any law superseding it shall not be applicable.

17. *Place of fulfilment*

The place of fulfilment for rights and duties created in this contract shall be the principal place of business of Husarich GmbH.

18. *Place of jurisdiction*

The place of jurisdiction shall be Bad Reichenhall. However, Husarich GmbH can also assert the claims at the courts having jurisdiction where the buyer has his principal place of business.