

General Standard Terms and Conditions

General Terms of Purchase Apollo Milchprodukte GmbH

§ 1 General – Offers

1. All and any business is subject to our General Terms of Purchase only; any contradictory or such terms of the supplier other than our General Terms we will not accept unless we had previously accepted them in writing. Our General Terms of Purchase shall also be applicable in such cases where we have fully accepted supplier's delivery though we were aware of supplier's terms being not in line with our terms.
2. All and any agreements made between us and the supplier in the execution of this contract will have to be put down in writing in this contract.
3. The supplier is obliged to either immediately accept our order or do so within a time limit of three days at the latest; otherwise our offer will expire.

§ 2 Prices – Terms of Payment

1. The prices indicated in the order shall be binding. In the absence of any written agreement, the price shall mean delivery under "DDP" corresponding to Incoterms 2000 with packing included. The return of packing materials requires special agreement.

2. We can only consider such invoices if the order number is indicated according to our offer; all and any consequences arising from the non-observation of this obligation shall be borne by the supplier unless he can give proof that such failure was not caused by him.

2

3. Unless otherwise agreed upon in writing, we shall effect payment of the purchase price within 14 days as of the date of delivery and receipt of invoice with 2% discount or net within 30 days after we have received invoice. Unless otherwise agreed upon, the supplier undertakes to pay all bank charges accrued.
4. We shall be entitled to the rights of set-off and retention applicable under the law.

§ 3 Time of Delivery

1. The delivery time stated in the order shall be binding.
2. The supplier is obliged to inform us without delay by telephone or in writing whenever there are circumstances existing or potential which give grounds to assume that the delivery time stipulated is unlikely to be met.
3. In case of any delay of delivery we shall be entitled to the legal claims applicable. In particular and after an appropriate extension of time has proved fruitless we shall be entitled to claim damages instead of performance and demand retention. If

we do claim damages the supplier shall have the right to prove that such breach of obligation was beyond his responsibilities.

§ 4 Passing of Risks – Documents

1. Unless nothing else has been provided for in writing, delivery has to be effected under “DDP” corresponding to Incoterms 2000.

3

2. The supplier undertakes to precisely state our order number in all shipping documents and delivery notes, and if he fails to comply with this, we shall not be responsible for any ensuing delays.

§ 5 Verification of Defects – Liability for Defects

1. We are obliged to verify the quality and the quantity of the merchandise and indicate any possible deviations from what is required and do so within an appropriate time. Any objection shall be taken as having been made in time, if it has been received by the supplier within a time limit of 5 working days as of the day the goods were received or in case of any hidden defects as of the day such defects were identified. The supplier is obliged to make so-called reserve samples.
2. We shall be entitled to full warranty claims; at any rate we shall have the right to demand from the supplier correction of defects or delivery of a new commodity whatever we may opt for. We

exclusively reserve the right for damages, in particular the right for damages instead of performance.

3. We have the right to remedy any damage ourselves at the cost of the supplier, if danger is in delay or the matter requires to be settled at once.

4

§ 6 Product Liability – Indemnity against Liability

Product Liability Insurance

1. The supplier undertakes that the merchandise to be delivered are in full conformity to the food law and the laws pertaining to articles of daily use (LMBG) and to all other relevant legal provisions applicable in the Federal Republic of Germany (FRG) and in the countries of the European Community (EC).
2. As far as the supplier is responsible for any product damage he is obliged to release us from any claims raised by third parties against us at their first request and do so to the very extent the issue was caused within his domain and organisation and he himself is liable in the external relationship.

3. As far as he is liable for any cases of damage in the meaning of Paragraph 2. the supplier shall also be responsible to reimburse any expenses under §§ 683, 670 BGB (German Civil Code) as well as §§ 830, 840, 426 BGB, which are either caused by or are in connection with any recall activities launched by us. We shall inform the supplier about the details and the extent of such recall - as far as this is possible and feasible – and give him the opportunity to state his opinion in the matter concerned. Any other legal claims and rights remain unaffected.
4. The supplier undertakes to take out an all in product liability insurance with a € 10 Millions cover for each case of personal/material damage; should our claims exceed the insurance cover, such claims shall remain unaffected.

5

§ 7 Protection Rights

1. The supplier will guarantee that his delivery will not violate any rights of third parties existing in the Federal Republic of Germany and in the countries of the European Community.
2. If any third party should raise a claim against us in such connection, the supplier shall be responsible to release us from such claims at their first written request; we shall not have the right to make any arrangements with such third party without

prior consent of the supplier, in particular we are not entitled to make a settlement of claim.

3. The supplier's obligation of giving release shall include all and any expenses we have or will have to make up from using the services of a third party.

§ 8 Reservation of Ownership

1. As far as we shall provide parts to the supplier, we will reserve our ownership thereof. Processing or reconstruction of such goods will be carried out by the supplier for us. In case our resell goods, the ownership of which is reserved, is processed together with other goods, which do not belong to us, we shall acquire the co-ownership in the new commodity at a ratio equal to the value of our commodity (purchase price plus value added tax) relative to the value of the other commodity processed at that time.
2. In case the goods we have provided are inseparably combined together with other goods, which do not belong to us, we shall acquire the co-ownership in the new commodity at a ratio equal to the value of the resell commodity (purchase price plus value added

tax) relative to the value of the other commodity combined at that time. If the commodities are combined in a way that the commodity of the supplier must be designated as the main

commodity it shall be deemed as agreed upon that the supplier shall transfer to us proportional co-ownership; it shall be the responsibility of the supplier to keep for us the sole ownership or the co-ownership whatever may apply.

3. In case the security rights we are entitled to under the preceding paragraphs will exceed the purchase price of all our unpaid resell commodities by more than 10%, we will release such security rights of our choice at the request of the supplier.

§ 9 Place of Jurisdiction – Place of Performance

1. As far as the supplier is a businessman the place of jurisdiction shall be our business seat. However, we have the right to sue the supplier also at the court competent at his business seat.
2. Unless otherwise provided for in the order, our business seat shall be the place of performance.
3. The supplier is allowed to transfer the rights from any contract with us to third parties only when he has been given our written and explicit consent. At any rate we shall not refuse to give our approval to such extent contrary to good faith.
4. The laws of the Federal Republic of Germany shall be applicable. The provisions of the UN-Purchasing Law (CISG) shall be excluded.