



Technical Conditions of Purchase Andros Group

1. In general

These Technical Conditions of Purchase apply to the following companies of the Andros Group in Germany: Andros Deutschland GmbH, Andros Ingredients GmbH, ODW Frischprodukte GmbH, ODW Lebensmittel GmbH (hereafter consistently „Andros Group“). The term "Andros Group" refers in the following to the respective aforementioned company of the Andros Group, with which a contractual relationship exists or is being initiated.

2. Application of the conditions

- 2.1 Only our terms of purchase and payment apply. We hereby object to your terms of sale and delivery. Your deviating conditions are not binding for us unless we expressly recognize them. If we tacitly accept any goods and services, it does not appear that we accept your terms of sale and delivery.
- 2.2 All agreements made between you and us for the purpose of executing this contract are set out in writing in the contract concluded between us, in these Conditions and in the offer documents.

3. Offer/offer documents

- 3.1 You are required to confirm or reject the acceptance of our order within a period of five calendar days.
- 3.2 We reserve the ownership and copyright to all documents that we provide you, such as patterns, specifications, drawings, models and the like. The documents may not be used and reproduced for any purpose other than the contractual ones. They may only be made accessible to third parties after prior written consent, which we do not refuse unreasonably. If our order is not accepted, you are obliged to return all documents to us.
- 3.3 The offer must include all information on energy consumption. Energy in the sense of our Technical Conditions of Purchase is in particular electricity, petrol and diesel, gas, water, compressed air and the like. In particular, fuel consumption data should include data on maximum output power, average full load consumption and average idle consumption. The information on the energy performance is taken into account in the award of the contract.

4. Delivery

- 4.1 Delivery takes place under DDP (Incoterms 2010) including assembly and defined trial operation.
- 4.2 The delivery time specified in the order is binding. If you realize that an agreed intermediate or final date cannot be met for any reason, you must inform us in writing without delay, stating the exact reasons and the expected duration of the delay. You will take all necessary measures to ensure that the agreed delivery date can be met or that there will be a slight delay and tell us what you have done and will do on a case-by-case basis. Notification of a probable delivery delay does not change the agreed delivery date. If you are in default of delivery, then we are entitled to the statutory claims.
- 4.3 If you culpably breach one of the agreed deadlines and you are in default of payment, you will pay us a penalty of 0.15% of the total order value per annotated calendar day, but no more than 5% of the total order value. In addition to the default penalty, we can demand compensation for the damage resulting from the delivery delay. The penalty will be counted in this case. The default penalty can be enforced by us if we make a reservation within five calendar days of acceptance of the delayed delivery to you.
- 4.4 You grant us the right that we could contact your supplier if necessary.

5. Acceptance

- 5.1 If the system proves to be functional after completion of the successful trial operation, the system will be accepted jointly. The acceptance date results from the due dates in the protocol for price and performance negotiations.
- 5.2 The material and personnel costs arising from the acceptance are borne by you and us respectively. The measuring instruments required for the proof of performance as well as their assembly and disassembly are part of your scope of services.
- 5.3 If a proof has been delivered by you that the agreed delivery and performance data will be reached, acceptance is confirmed in an acceptance report.
- 5.4 If the acceptance test shows that the system was not manufactured according to the contract and therefore fails the acceptance test, then you will immediately do everything necessary for a new acceptance test to be carried out. All costs arising from the repetition are at your expense.

6. Transfer of risk/documents

- 6.1 The risk is not transferred to us until the day on which the start of operation is completed and the installation is operated exclusively by our staff.
- 6.2 After execution of the delivery/service or at the latest one week after acceptance you have to send the actual execution corresponding drawings, calculations and other subject matter technical documentation in the required number in German (written and paper) and common DIN form or media. The documents must be brought up to date as soon as subsequent changes have been made.

7. Confidentiality

You are required to keep all illustrations, drawings, calculations and other documents strictly confidential. They may only be disclosed to third parties with our express consent. The obligation to confidentiality also applies after the execution of this contract and will not expire until the acquired know-how has become generally known. In the event of any culpable breach of this obligation of confidentiality, a contractual penalty shall be payable by the Andros Group at its reasonable discretion and to be reviewed by the court in case of dispute as to their appropriateness. We have the right to assert a claim for compensation beyond this, but with the credit of the contractual penalty.

8. Warranty

- 8.1 The warranty period in 3-shift operation is:
 - 60 months concerning statics and tightness of tanks and containers,
 - 24 months concerning all other parts, excluding wear parts.
- 8.2 You warrant that all items delivered by you and all services provided by you are state-of-the-art and are up to the relevant local legal provisions, the regulations and guidelines of authorities, professional associations and trade associations as well as the food law regulations etc.
- 8.3 The warranty period begins on the day of the acceptance of the complete scope of delivery and services. The elimination of defects identified during the acceptance or the completion of remaining work are part of the scope of delivery and service. This work must be completed within a reasonable time.
- 8.4 The warranty period is suspended from the beginning of the discovery of a defect and continues with the complete elimination of this defect.
- 8.5 For repaired or newly delivered parts, the agreed warranty period begins upon termination of the repair. This does not apply if the work was done for reasons of goodwill or if it is a minor defect that is eliminated by you without significant costs and time.
- 8.6 You assume the warranty for the use of faultless material as well as the professional and proper execution of the equipment to be supplied by you in such a way that you repair or re-deliver all those parts free of charge, which prove their usefulness to be significantly affected in particular because of their faulty design or inadequate execution. The occurrence of such defects will be notified immediately after discovery.

- 8.7 All costs incurred in connection with the changes, reworks and new deliveries, including transport and packaging costs as well as the costs for the assembly, shall be borne by you. If you do not put the delivery/service in order despite repeated requests, we are entitled to commission a third party to remedy the defect at your expense.
- 8.8 You undertake to supply us with all spare parts during the entire term of the delivered equipment, but at least for a period of ten years from the date of acceptance.

9. Increases/decreases

We reserve the right to recognize additional or short deliveries. The agreed price is considered to be a fixed price until the fulfillment of the contract. However, if significant changes (increases or decreases) in the scope of delivery or service are agreed, these shall be settled in accordance with the unit prices, discounts and other conditions underlying this order. For all increases and reductions, a written order must be submitted before the measures are carried out.

10. Binding dates

The respective binding dates are to be taken from the protocol for the price and performance negotiation.

11. Liability/Insurance

- 11.1 If we are claimed by third parties for damages due to a product damage for which you are responsible, you must indemnify us on first request of all claims of third parties, including the costs necessary to defend against these claims, if the cause lies in your domination and organization and you are responsible for the cause.
- 11.2 Cover for personal injury, property damage and financial loss incurred by the respective polluter (i.e. by you or your subcontractor) has to be proven by the presentation of a confirmation of the conclusion of a liability/assembly insurance. The sum insured should amount to at least 2,500,000 euros and include extended product liability. If we have further claims for damages, these remain unaffected. Insofar as a separate supplementary agreement is concluded on this, which provides for a maximum liability - depending on the order value and the risk of the order - your liability is based on this agreement.
- 11.3 The liability/assembly insurance shall include coverage for "items in the danger area" to cover the risk of damage to foreign parts, which may occur through work on and with the assembly object.
- 11.4 The liability/assembly insurance shall cover the warranty period as follows:
 - 60 months concerning statics and tightness of tanks and containers,
 - 24 months concerning all other parts, excluding wear parts.
- 11.5 You warrant that third-party property rights are not culpably infringed upon delivery by you, in particular patents, licenses or other property rights. You release us on first request from claims of third parties in this regard.

12. Norms, rules, laws etc.

When delivering machines, the supplier/contractor must deliver them in accordance with the VDMA regulations ("Verband Deutscher Maschinen- und Anlagenbau e.V." - German Engineering Federation). The machines must be manufactured according to the CE mark.

According to §§ 30 et seq. of German Food, Commodities and Feed Code ("Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch" [LFBG]) and Regulation (EC) No. 1935/2004, food contact parts must be approved for them and must not be transferred to the food. Compliance with these regulations must be confirmed in a declaration of conformity and sent to us.

The entire scope of delivery must comply with the requirements of the Equipment Safety Act, in particular the 9th Ordinance of the Equipment Safety Act (Machine Ordinance), as well as the relevant regulations applicable to the scope of delivery. The design of machinery and equipment must comply with the essential health and safety requirements of Annex 1 of the Machinery Directive and other applicable Directives. These requirements can be substantiated by harmonized standards. In the absence of harmonized standards, the relevant national standards, occupational health and safety regulations, VDE regulations ("Verband der Elektrotechnik, Elektronik und Informationstechnik" - German Registered Association of the Electrical, Electronic and Information Technology) and other generally accepted rules of technology, occupational medicine and hygiene must be complied with in order cover the basic health and safety requirements.

From compliance with the contractually agreed standards or other technical specifications may only be deviated if a different solution is proposed and agreed with the contracting authority that at least meets the safety level of these standards or technical specifications.

Our respective factory standards as well as our own hygiene regulations are known and applicable.

13. Guarantees/securities

Guarantees and securities are governed by individual contracts, insofar as these cannot already be demanded by the customer under the applicable law.

14. Pricing

- 14.1 The price is intended to be used free of charge, including any necessary scaffolding and lifting equipment, as well as including costs for freight, packaging, license fees and patent fees.
- 14.2 The agreed prices are understood to be exclusive of VAT.
- 14.3 The hourly rates and material prices valid at the time of placing the order shall remain valid until the completion of the project and may not be increased.
- 14.4 We are entitled to set-off and retention rights to the extent permitted by law.

15. Billing and payment

- 15.1 The invoice must satisfy the requirements of §§ 14, 14 a UStG (German Value Added Tax Act).
- 15.2 Prepayments or installment payments must be shown separately in the invoice.
- 15.3 The contractor of construction works must indicate in the invoice the tax number given to him by the tax office.
- 15.4 In the case of flat rates, the contractor must have the services performed attested by the client.
- 15.5 For all payments by the client, the following conditions apply:
 - a) Provision of individual contractual guarantees/securities, if relevant,
 - b) Proper and complete delivery/service or acceptance,
 - c) Receipt of quantity and quality certificates (delivery notes, joint measurements, timesheets, acceptance reports, etc.),
 - d) Receipt of a proper invoice in accordance with these requirements.
- 15.6 The terms of payment are:
 - 30% of the order value plus VAT after receipt of the written and agreed order confirmation and presentation of the 1st budget claim against presentation of a bank guarantee or group guarantee until the start of operation with the waiver of the right of deposit for the purpose of the security deposit.
 - 30% of the order amount plus VAT at the beginning of the installation, if the delivery is complete, and presentation of the 2nd reduction request. If the start of assembly is delayed due to our fault, this payment is due upon delivery of the essential parts, but no later than six weeks after notification of readiness for delivery.
 - 30% of the order value plus VAT for start of operation and submission of the 3rd down payment request.



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- 10% (remaining amount) of the order value plus VAT after defect-free acceptance, handover of the documentation and submission of the final invoice against presentation of a limited to the duration of the warranty period self-debtor bank guarantee or group guarantee with the waiver of the right of deposit for the purpose of providing security, but no later than three months after acceptance.
- Advance payments are without influence on liability and warranty for us. They do not count as acceptance of partial services.

16. Miscellaneous

- 16.1 Changes as well as side agreements and additional agreements require the written consent of both parties. Executed deliveries and services without a written order are not recognized. In no case, our silence on your suggestions, demands or proofs has to be seen as approval.
- 16.2 According to your consultation with our project manager, you have to dispose of the waste you created, incl. transport packaging. It is necessary to provide a maintenance-friendly and easily accessible installation.
- 16.3 Work to be carried out in our factory area must not impede the operation and third parties longer than unavoidable.
- 16.4 If you use some of our tools for the execution of the contract, these remain our property. The same applies to other parts that we provide to you. You are obliged to insure the tools belonging to us as replacement at your expense against fire, water and theft. You are obliged to carry out any necessary maintenance and inspection work at your own expense in good time. Any incidents should be reported to us immediately. Tools may be handed out on first request.
- 16.5 In the case of faulty or incomplete shipping documents, invoices etc. (e.g. missing order number, addressing etc.), we will charge you a lump-sum for each indebted individual case amounting to 100 euros.

17. Place of performance and place of jurisdiction

- 17.1 The place of performance for the services of the supplier/contractor is the place of receipt named in our order. The supplier/contractor is liable for all direct and indirect damages caused by the condition of the delivery item or its delivery. This also applies if the delivery is made by third parties.
- 17.2 The place of jurisdiction for all disputes arising from the contractual relationships concluded between the Andros Group and the supplier/contractor is the district court or district court valid for Breuberg if the supplier/contractor is a registered trader, a legal entity under public law or a special fund under public law or has no general place of jurisdiction in the Federal Republic. This also applies to check and bill of exchange claims.
- 17.3 The Andros Group is entitled to sue at the place of business of the supplier/contractor.

18. Applicable law

- 18.1 Insofar as commercial contracts are used in our orders, the "International Rules for the Interpretation of Commercial Contract Forms" of 2010 (Incoterms) apply.
- 18.2 If our present terms of purchase do not contain any special regulations, the statutory provisions of the Federal Republic of Germany shall apply. This also applies to legal relationships with foreign suppliers/contractors.
- 18.3 The application of the UN Convention on Contracts for the International Sale of Goods (CISG) and the Uniform Laws on the Purchase and Sale of Goods are expressly excluded.

19. Concluding provisions

- 19.1 If individual regulations of these Conditions of purchase or other contractual agreements are or become ineffective, the remaining conditions and agreements remain effective. Both contracting parties undertake to reach an agreement as close as possible in economic terms for such a case.
- 19.2 If the Andros Group becomes aware that the supplier/contractor ceases his payments or bankruptcy proceedings or judicial or extrajudicial settlement proceedings are applied for or instituted over the assets of the supplier/contractor, the Andros Group is entitled to deduct from the unfulfilled part of the contract to resign.
- 19.3 The supplier/contractor is not entitled to assign own claims against the Andros Group to third parties without the consent of the Andros Group, also within the framework of factoring agreements. For the processing of culpably assigned or seized claims we charge the supplier/contractor with 1% of the assigned or seized amount.
- 19.4 The Andros Group itself or through authorized agents is entitled at any time to inspect the supplier's/contractor's production facilities and to carry out sampling.
- 19.5 The collection, processing (including storage) and use of the data required by the supplier/contractor for carrying out the commercial business process is completed by the Andros Group on the basis of the applicable data protection regulations. Similarly, the supplier/contractor is obliged to comply with the statutory provisions on data protection.