

General Purchase Conditions Non Food

VION Food Group Germany

I. Definitions

Definitions of key expressions used in these General Purchase Conditions are provided below

- VION: all VION BV group companies with a registered office in Germany

- Supplier: the supplier in respect of whom these purchase conditions apply.

II. Scope

1. These purchase conditions are effective for the purchase of goods and for work and service provision agreements, to the extent that they are applicable to them.

2. These purchase conditions shall apply to the exclusion of any of the Supplier's opposing or deviating conditions. These conditions shall also apply if VION accepts a delivery without reservations while it is aware of the Supplier's opposing or deviating conditions. Any deviations from these purchase conditions which have been agreed shall only apply if drawn up in writing and signed by both parties.

3. These purchase conditions shall also apply to all future transactions with the Supplier.

4. These purchase conditions shall only apply in respect of entrepreneurs as referred to in section 14 of the German Civil Code [BGB], legal entities under public law or special public funds.

III. Offers, orders

1. VION is bound to orders provided they have been made in writing. Orders shall be considered to have been accepted if the Supplier does not reject the order in writing within three working days of receiving it. VION can revoke an order until it has been explicitly accepted.

2. Offers by the Supplier are binding on it. Offers and documents drawn up (designs, calculations etc.) by the Supplier shall be free of charge and free of binding for VION – even if such services are usually supplied for a remuneration. This shall also apply if no agreement is negotiated.

3. Offers by the Supplier have to include all costs.

IV. Nature and scope of the agreement

1. Long-term supply agreements (such as umbrella agreements) are entered into by VION on the basis of a forecast of the required quantity of use and of the type of the goods. The quantities and types of goods actually required can differ from the forecast. As a result, to the extent that nothing else has been laid down in writing and signed by both parties, VION shall not be bound to minimum purchase quantities.

2. If the quantities actually required are different from the forecast quantity, VION shall inform the Supplier accordingly at its earliest convenience.

V. Prices and conditions

1. The prices agreed are inclusive of all costs incurred. Hidden costs (e.g.: costs of promotion, packaging, transport etc.) must not be charged.

2. In addition, the Supplier will immediately inform VION of any important market and price developments.

3. Price changes shall only become effective after having been accepted by VION in writing.

VI. Delivery

1. The delivery deadlines and destinations agreed are binding. The Supplier shall inform VION immediately in writing and by telephone if circumstances arise or become obvious to the Supplier as a result of which it will not be possible to meet the deadlines agreed. In such cases it shall communicate the reasons, the measures it has taken and the expected duration of the delay. If the Supplier cannot comply with the delivery deadline, VION shall have the right to rescind the agreement. Rescission is to be effected through written notice.

2. To the extent that nothing else has been agreed in writing, the Supplier shall supply VION with delivery notes with accurate specifications, such as quantity and weight etc., on the date of shipment. The residual quantity still to be delivered must be specified if partial deliveries are made. In addition, the delivery note must specify gross and net weights.

3. The goods must be packaged and delivered as specified by VION. The Supplier shall reduce all packaging, specifically transport packaging, to the minimum and shall take it back at its own expense.

4. If returnable packaging and returnable means of transport, specifically standardized pallets and boxes are used, VION shall have the right to return packaging materials and means of transport of the same type and quality. A return deposit charge will not be allowed.

5. To the extent that the goods delivered have to be provided with a Use by date by law, the goods shall have a reasonable remaining shelf life as is customary for the goods in question. The Use by date must be applied such that it is easily legible.

6. Any part deliveries made must be of the same quality and configuration.

7. The Supplier shall provide VION with two copies of a delivery note with every delivery. The VION order number must be specified on the delivery note.

8. Provided that no agreements to the contrary are made, delivery shall be made according to the then current version of the Incoterms 2000, delivery duty paid (DDP).

9. The Supplier shall draw up periodic overviews of the deliveries carried out (incl. invoice amounts) for VION, as instructed by VION.

10. In the event of a delivery delay, VION shall be entitled to its statutory rights, after a reasonable term for compliance has expired. VION shall specifically have the right to demand lump sum delay damages at 1% of the delivery value per fully ended week, however to a maximum of 5% of the order sum; this shall be without prejudice to all further statutory rights (dissolution and damages instead of compliance). The Supplier shall be at liberty to prove that the damage was less or that no damage has occurred at all and VION shall be at liberty to claim the concrete damage.

VII. Payment

1. The Supplier shall send the invoice after delivery has been made. The invoice shall be in accordance with the specifications (such as the order number being stated etc.) provided by VION.

2. To the extent that nothing else has been agreed in writing, VION shall pay the purchase price within 60 days of date of the invoice. If the invoice submitted by the Supplier is incorrect, VION shall inform it correspondingly. The claim shall not be due until a correct invoice has been submitted.

3. VION shall be entitled to the statutory rights of set-off or retention. Specifically in the event of a complaint, VION shall have the right to withhold any payments due to a reasonable and proportionate extent. The Supplier shall only be entitled to rights of set-off to the extent that the counterclaim has been duly laid down, and is not contested by VION or is acknowledged by VION. In addition, the Supplier shall have the right to invoke a right of retention and the plea of non-performance if and to the extent that VION is guilty of a violation of its duties according to section 276 of the German Civil Code [BGB].

4. VION shall at all times have the right to set off its own claims or claims of group companies (VION Food Group) against the Supplier's claims. Set-off against claims in another currency is possible.

VIII. Check of defects, guarantee

1. VION shall check the goods delivered for any quality or quantity defects within a reasonable period; the claim shall be considered to be in time if it is received by the Supplier within a period of 5 working days of such a check or -in case of hidden defects- within 5 working days of the defect being discovered.

2. If the nature of the goods is such that they cannot be entirely checked, the check for defects will be carried out by testing a reasonable number of samples with a sufficient spread. If VION finds a quality defect during a sample test, it shall have the right to refuse the goods concerned in full.

4. VION shall be entitled to all statutory guarantee claims without any limitations; in all events, VION shall have the right to demand that the Supplier remedies the defect or delivers a new item, such to be determined by VION. The right of damages, specifically of damages instead of performance, shall be explicitly reserved.

5. VION shall be authorized to correct the defects itself, on the Supplier's account, if a delay is associated with danger or there is specifically urgent need.

IX. Quality

1. The Supplier guarantees that all deliveries are in accordance with the applicable local and national rules and regulations effective at the delivery destination. This shall particularly apply to goods-specific quality, packaging, declaration and marking instructions and other public rules and regulations. The Supplier shall specifically guarantee that, at the time of transfer, the goods delivered by it comply with the statutory provisions (e.g. food compatibility provisions), the recognised technical rules and the relevant DIN standards, statutory guidelines and directives, and that the goods delivered are marketable in all respects at the delivery location specified at the time of delivery. The Supplier undertakes to

check compliance with the rules and regulations referred to above at regular intervals. VION will only accept goods from the Supplier if they comply with all quality requirements.

2. VION shall have the right to have the goods inspected. Such inspections can also be carried out prior to and during delivery. In addition, the Supplier shall grant VION the right to carry out inspections and quality checks on the Supplier's premises (audit) during the customary business hours to the extent that the goods concerned are also produced for VION. VION can also assign third parties to check the goods and to carry out audits at the Supplier's.

3. If requested, the Supplier shall make documents concerning quality assurance available to VION free of charge.

4. The Supplier shall submit all changes of quality parameters and product compositions regarding goods for VION to VION for its approval in writing in advance.

X. Supplier

1. The Supplier and any third parties employed by it shall be under the obligation to arrange their business activities strictly in accordance with the prevailing statutory rules and regulations and other regulations.

2. Only with VION's permission in writing shall the Supplier have the right to have material commitments from the contractual relationship carried out by third parties.

XI. Liability

1. If the Supplier is responsible for any product damage, it shall be under the obligation to indemnify VION accordingly upon its first request if the cause is located within its scope of control and/or its organisation and it is personally liable in relation to third parties. The Supplier shall inform VION immediately of any claim brought against it or any rights invoked and it shall make all relevant documents available if requested.

2. In the context of its liability for damage as referred to in point 1 of this article, the Supplier shall also be under the obligation to reimburse any expenses as referred to in sections 683 and 670 of the German Civil Code [BGB] and sections 830, 840 and 426 of the German Civil Code [BGB], resulting from or in relation to a recall action carried out by VION. The Supplier will be informed of the contents and the scope of the recall measures to be implemented if possible and appropriate. It will be given the opportunity to express its opinion. The above shall be without prejudice to any other legal claims.

3. The Supplier undertakes to take out comprehensive third-party indemnity insurance including product liability cover for an appropriate amount, from a renowned insurance company. The minimum cover sum must be 1.5 million euros per damage or loss event. Such insurance shall also cover companies affiliated to the Supplier to the extent that they have been ordered to carry out production which is also made for VION.

4. VION shall deal with claims from customers at its own discretion. The Supplier shall compensate VION for the costs incurred in this context (e.g. by an act of courtesy), to the extent that the claim is based on a defect in the goods delivered by the Supplier.

5. The Supplier shall submit proof of cover to VION on its own initiative in the form of annual confirmations from the insurance company. Every confirmation shall state the extent of the cover.

6. The Supplier guarantees that no third-party rights are violated in connection with its delivery. If claims are brought against VION by third parties in this respect, the Supplier shall indemnify VION against such claims at its first request in writing. VION shall have the right to make agreements with the third parties and specifically to agree a settlement - without the Supplier's permission. The Supplier's obligation to indemnify VION concerns all necessary expenses incurred by VION from or in relation to the claim brought by a third party.

7. VION will not accept any limitation of liability, unless this is agreed in writing for a specific case.

XII. Force Majeure

1. In the event of force majeure, VION shall not be under the obligation to accept goods ordered for as long as the effects of the force majeure are felt.

2. Force majeure shall be taken to include: natural disasters, animal diseases, foodstuffs scandals, unrest, war, government measures, transport disruptions, strikes, lock-outs, business interruptions arising through no fault of the party concerned both at VION or in the Supplier's company or that of its subcontractors.

XIII. Reservation of title, provision of goods

1. To the extent that VION makes goods available to the Supplier, VION shall reserve title to such goods. Any processing or conversion carried out by the Supplier will be on behalf of VION. If goods which have been made available under reservation of title are processed together with or mixed with other goods not owned by VION, VION shall obtain co-ownership in the new product on a pro rata basis of the value of the goods made available under reservation of title compared to the other goods processed or mixed at the time of processing or mixing. If the good owned by VION is to be considered as the main good in the event of goods being mixed, article 947.2 of the German Civil Code [BGB] shall apply.

2. In the event of figure 1, the Supplier shall provide VION with all information required to make claims pertaining to the goods provided under reservation of title.

3. The Supplier shall insure materials provided by VION against the customary material risks, such as fire, burglary, theft and water, at its own expense and for a sufficient amount. It shall now for then assign any insurance distributions to VION. VION hereby accepts such assignment.

XIV. Confidentiality

The Supplier shall keep all documents and information received strictly secret. Such documents and information shall only be made available to third parties upon VION's explicit permission in writing. This confidentiality obligation shall also apply after the agreement has been performed. VION reserves the copyrights in and title to manufacturing descriptions, illustrations, drawings, calculations and other documents (e.g. recipes and photo-setting) made available to the supplier. They shall only be used for manufacturing for VION. After the contractual relationship has

ended they shall be returned to VION without being requested to do so. All copies shall be destroyed by the Supplier and any third parties.

XV. Grounds for termination

1. VION shall have the right to terminate long-term delivery agreements (umbrella agreements, see art. IV) with good cause, without the Supplier obtaining any right to claim damages or to seek other remedies. Good causes for termination of the agreement shall be:

a) the Supplier failing to comply with material contractual obligations in spite of a warning,
b) circumstances occurring which give cause to permanently doubt the supplier's capacity to comply with its delivery commitments,

c) the Supplier ceasing to make payments and/or becoming permanently insolvent,
d) if, in situations of force majeure (see XII.) continuation of the agreement would be unreasonable,

e) permanent changes occurring in the Supplier's company, e.g. due to changes to the shareholders or contractual or other structures, which might give third parties influence in the company.

2. Barring termination due to force majeure, VION shall be free to claim damages.

XVI. Competent court, place of performance, applicable law

1. The geographically competent court for all disputes resulting from or in relation to this agreement shall be the competent court in Düsseldorf. However, VION shall have the right to bring proceedings against the Supplier at its registered seat or at the place of performance. Sentence 1 shall only apply in respect of business people, legal entities under public law or special public funds.

2. All agreements shall be governed by German law; the provisions of the Vienna Sales Convention (CISG) shall not apply.

3. If any individual provisions of these general purchase conditions are invalid or void, this shall not apply to the validity of the other provisions. Any invalid or void provisions shall be taken to have been replaced by such valid provisions which are suitable to effect the economic objective of the stricken provision to the extent possible.

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In case of any doubt, the German version of the 'General Purchase Conditions Non Food – VION Food Group Germany' shall prevail.