

General Conditions

Applicable to all customers, suppliers and service providers of the Dr. Eckel Animal Nutrition GmbH & Co. KG, Dr. Eckel GmbH, Dr. Eckel Vermögensverwaltung GmbH and Dr. Eckel Animal Nutrition Verwaltung GmbH

Sale and Delivery

1. General

These General Conditions of Sale and Delivery apply to all contracts with companies, public legal entities, shall be an integral part of the contract of purchase. Conflicting or deviating conditions of purchase or other reservations made by Buyer shall not be effective unless Seller has expressly accepted them in writing for a particular order.

2. Offers, Orders

2.1. Seller's offers shall not be binding with respect to price, quantity, delivery time and availability.

2.2. Buyer's orders shall become binding on Seller upon receipt by Buyer of Seller's written order acknowledgment (or invoice or delivery note).

3. Remuneration

3.1. The prices invoiced shall be Seller's prices effective at the time of delivery.

3.2. Changes of the pricing bases (in particular raw materials, wages, import and value added tax, transport costs) between contract conclusion and contractually designated date of delivery entitle the vendor to adapt the prices accordingly. The adjustment of the remuneration is regulated by the amount of the change of the pricing bases. If the adjustment of the remuneration leads to an increase of more than 8%, then Buyer is entitled to withdraw by a notice in writing to the vendor from the contract within 8 days after receiving the increase information. The right of withdrawal shall not apply to long-term supply contracts (contracts for the performance of a continuing obligation).

3.3. Where payment has been agreed in a currency other than euros (EUR), Seller reserves the right to reduce or increase the amount originally agreed so that, when translated into euros, the sum invoiced is equivalent to the euro value resulting from translation of the amount originally agreed at the time the contract was concluded.

3.4. The weight of the goods on which the invoiced amount is to be calculated shall be ascertained in the dispatch department of Seller's plant from which the goods are supplied unless Buyer wishes them to be weighed, at his expense, by the railway authorities at the station of dispatch.

4. Payment

4.1. The handing in of bills of exchange shall be subject to Seller's prior consent and shall not constitute payment. The

maturity of bills shall not exceed 90 days from the invoice date. Discount expenses, bill charges, bill tax and similar expenses incurred from thirty days after the invoice date shall be for Buyer's account.

4.2. Where Seller has reason to doubt Buyer's solvency or creditworthiness and Buyer is not prepared to effect advance cash payment or provide Seller with security as requested, Seller shall have the right to cancel that portion of the contract which he has not yet performed.

4.3. Payment shall not be deemed to have been effected until the amount has been cleared into one of Seller's accounts.

4.4. Seller reserves the right to use payments for the settlement of the invoices which have been outstanding longest, plus any interest on arrears and costs accrued thereon, in the following order: costs, interest, principal claim.

4.5. Buyer shall not have the right to withhold payments. Counterclaims may only be offset if they are uncontested or have become res judicata.

5. Delivery

5.1. Seller shall make every effort to effect delivery as early as possible. There shall be no fixed periods for delivery.

5.2. Should, notwithstanding the preceding paragraph, a fixed period for delivery have been agreed, and should Seller default with the supply, Buyer shall grant Seller a reasonable respite.

5.3. Performance under the contract shall be subject to the punctual delivery of the appropriate goods by Seller's own suppliers.

5.4. The day of delivery shall be the day on which the goods leave Seller's plant or warehouse or, if that day cannot be ascertained, the day on which the goods are put at Buyer's disposal.

5.5. The provision of packaging including tankers and tank containers by Seller shall be subject to special conditions.

6. Force Majeure, Impediments to Performance

Force majeure of any kind, unforeseeable production, traffic or shipping disturbances, war, acts of terrorism, fire, floods, unforeseeable shortages of labor, utilities or raw materials and supplies, strikes, lockouts, acts of government, and any other hindrances beyond the control of the party obliged to perform which diminish, delay or prevent production, shipment, acceptance or use of the goods, or make it an unreasonable proposition, shall relieve the party from its obligation to supply or take delivery, as the case may be, as long as and to the extent that the hindrance prevails. If, as a result of the hindrance, supply and/or acceptance is delayed by more than eight weeks, either party shall have the right to cancel the contract. Should Seller's suppliers fail to supply him in whole or in part, Seller shall not be under obligation to purchase from other sources. In such cases, Seller shall have the right to distribute the available quantities among his customers while at the same time taking into account his captive requirements.

7. Shipment

7.1. Seller reserves the right to choose the route and the mode of transport. Any additional costs resulting from special shipping requests made by Buyer shall be borne by Buyer. Unless prepaid freight has been agreed, Buyer shall

also bear any increases in freight rates which become effective after the contract has been concluded, any additional costs resulting from re-routing a consignment, storage expenses, etc.

7.2. The risk of destruction, loss or damage shall pass to Buyer upon dispatch of the goods or, if they are collected by Buyer, at the time they are placed at Buyer's disposal.

8. Retention of Title

8.1. Title to the goods shall not pass to Buyer until he has fulfilled all liabilities arising from his business connection with Seller, which shall include settling accessory claims and claims for damages and honoring checks and bills. Title to the goods shall also remain with Seller if Seller's claims have been included in a current account and the balance of this account has been struck and acknowledged.

8.2. If Buyer defaults on his obligations to Seller, Seller shall have the right, without ranting a respite and without canceling the contract, to demand the return of the goods to which he retains title. Acceptance of the returned goods shall not constitute cancellation of the contract unless Seller has expressly declared this in writing. If Seller cancels the Contract, he shall have the right to demand appropriate compensation for having permitted the Customer to use the item for a certain period.

8.3. If goods to which Seller retains title are processed into new products, Buyer shall be deemed to be effecting such processing on behalf of Seller without thereby acquiring any claims on Seller. Seller's title shall thus extend to the products resulting from the processing. If goods to which title is retained by Seller are processed together with, mixed with or attached to goods to which title is retained by third parties, Seller shall acquire co-ownership of the resulting products in the ratio of the invoice value of the goods owned by him to the invoice value of the goods owned by those third parties. If the goods, as a result of such mixing or attaching, become part of a principal matter of Buyer, Buyer, by accepting these Conditions, assigns in advance his title to the new item to Seller.

8.4. Buyer shall be under obligation to provide, on behalf of Seller, adequate storage of the item to which the Contractor retains title, to service and repair this item at his expense and to insure the same at his expense against loss and damage up to an extent which may reasonably be expected of a prudent businessman. By accepting these Conditions Buyer assigns in advance to Seller any claims which may accrue to him under the insurance policies.

8.5. As long as Buyer duly meets his liabilities to Seller, he shall have the right, in the normal course of business, to do as he wishes with the goods to which Seller retains title. This shall not apply, however, if he and his customers have concluded an agreement according to which Buyer must not assign his claims on them to third parties. Buyer shall not have the right to pledge, chattel mortgage or otherwise encumber the goods to which Seller retains title. When reselling the goods, Buyer shall make the passing of the title subject to full payment of the goods by his customers.

8.6. By accepting these Conditions, Buyer assigns in advance to Seller any claims which may arise from a resale of the goods to which Seller retains title, together with any incidental rights and security interests including bills of exchange and checks, so as to provide Seller with security for all claims he has on Buyer as result of the business connection. If goods to which Seller retains title are sold together with other goods at a single price, the assignment shall be limited to the portion of the invoice value which covers the goods to which Seller retains title. If Buyer sells goods of which Seller has co-ownership pursuant to clause 8. 3., the assignment shall be limited to the portion of the invoice value which corresponds to Seller's co-ownership. If Buyer uses goods to which Seller retains title for processing a third

party's product on a contract basis, in accepting these Conditions he assigns in advance his contractual claim on the third party to Seller in order to provide him with security for his claim. As long as Buyer duly meets his liabilities to Seller, he may collect claims from a resale or from contract processing himself. He shall not have the right to assign or pledge such claims as security.

8.7. If Seller believes his claims to be at risk, Buyer shall, at Seller's request, inform his customers of the assignment of his claims to Seller and supply Seller with all necessary information and documents. Any acts of third parties aimed at seizing goods to which Seller retains title or at appropriating claims assigned to him shall be brought to Seller's attention by Buyer immediately.

8.8. If the value of the security provided to Seller exceeds the value of the claims to be safeguarded by more than 20 percent, Seller shall, at Buyer's request, release security of his own choice accordingly.

9. Damages

9.1. No claims for compensation may be lodged by Buyer – including those of a non-contractual nature – for any minor negligent breach of duty by Seller, his managerial employees or other agents, unless such breach of Seller, his managerial employees or other agents concerns a duty that is crucial for the object of the contract.

9.2. Seller shall only be liable for indirect damage or damage which could not be foreseen at the time of conclusion of the contract if such damage is due to a gross fault on the part of Seller, one of his managerial employees or other agents.

9.3. The above limitations shall not apply to damage resulting from death, injury or damage to health. However, this shall not affect the applicability of compelling statutory liability regulations such as, for example, liability for the assumption of a guarantee or product liability law.

10. Notification of Damages

10.1. Notification of defects shall only be recognized if filed in writing immediately after receipt of the goods, together with supporting evidence, samples and packing slips, stating the invoice number and date, and the markings on the packaging.

10.2. Hidden defects must be notified to the Contractor immediately upon discovery. The burden of proving that a defect is a hidden defect shall rest with Buyer.

10.3. Goods forming the subject of a complaint shall not be returned to Seller except with Seller's express consent.

11. Buyer's Rights in the event of Defects

11.1. Warranty claims made by Buyer shall only entitle Buyer to be supplied with a replacement. If the replacement provided by Seller is also defective, Buyer may reduce the purchase price or opt to cancel the contract. Claims for damages as defined in Section 9 shall remain unaffected by the above. Claims made by Buyer due to expenses incurred as a result of reworking, in particular transport, travel, labor and material costs, shall be excluded where such expenses have been increased by the fact that the item was subsequently transported to a location other than the

premises of Buyer, unless the goods were supplied to this location in line with their intended use.

11.2. In the event of recourse to the guarantee by Buyer following a successful claim against the latter on the basis of the provisions governing the purchase of a consumer good, the claims under a right of recourse in accordance with the regulations on the purchase of consumer goods shall remain unaffected. Section 9 shall apply to any claim for damages.

11.3. Buyer must inform Seller without delay of any case of recourse within the supply chain. Statutory claims under a right of recourse by Buyer against Seller shall not apply with respect to arrangements entered into by Buyer with its customer over and above statutory warranty claims.

11.4. Any guarantee agreement must be made in writing. A statement of guarantee shall only be effective if it describes the content of the guarantee and the duration and physical scope of guarantee protection in sufficient detail.

12. Periods of Limitation

Warranty claims shall expire with effect from one year from the beginning of the statutory period of limitation unless the goods are normally used in a building pursuant to their usual use and said goods caused the defect to the building. In such cases, warranty claims shall expire with effect from two years from the beginning of the statutory period of limitation. Compelling regulations governing the statutory period of limitation or the question of liability, such as, for example, liability for the assumption of a guarantee, liability for willful intent and gross negligence, for death, physical injury or damage to health, for the violation of essential contractual obligations, liability in accordance with the product liability law and the provisions relating to the sale of consumer goods shall remain unaffected.

13. Properties of Goods, Technical support, Use and Processing

13.1. The properties of the goods shall as a general rule only include the properties as stated in the product descriptions, specifications and labeling of Seller. Public statements, claims or advertising shall not be classed as information on the properties of the item for sale.

13.2. Technical advice provided by Seller verbally, in writing or by way of trials is given in good faith but without warranty, and this shall also apply where proprietary rights of third parties are involved. Seller's technical advice shall not release Buyer from the obligation to test the products supplied by Seller as to their suitability for the intended processes and uses. The application, use and processing of the products are beyond Seller's control and therefore entirely Buyer's responsibility.

14. Trademarks

14.1. Buyer shall not have the right to refer to Seller's products when offering or supplying substitute products to third parties or, in price lists or similar business communications, to use the word "substitute" in conjunction with Seller's protected or unprotected product designations or list these designations together with any designations for substitute products.

14.2. When using Seller's products for manufacturing purposes or when processing them into new products, Buyer shall not have the right, without Seller's prior written consent, to use Seller's product designations, especially his trademarks, on the resulting products or on the packaging therefor or in any relevant printed matter or advertising literature, particularly by mentioning Seller's products as components of his own products. The supply of goods under a trademark shall not be deemed agreement to the use of this trademark for the products manufactured therefrom.

15. Applicable Law, Interpretation of Trade Terms, etc.

15.1. German law shall apply. Application of the Uniform Law on the International Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods – both dated July 17, 1973 – and of the UN agreement on the sale of goods of April 11, 1980 shall be excluded.

15.2. Customary trade terms shall be interpreted in accordance with the Incoterms effective at the time.

15.3. Even if it has been agreed that Seller pays the customs and import duties in the country of destination, any increases in such duties which become effective between the date of the order acknowledgment and delivery of the goods shall be borne by Buyer. All other charges, taxes and costs connected with the purchase contract shall also be borne by Buyer.

16. Place of Performance and Jurisdiction, Invalidity of Individual Clauses

16.1. Place of performance for delivery shall be Seller's dispatch department. Place of performance for payment shall be Niederzissen.

16.2. Place of jurisdiction for both parties shall be Koblenz. Seller shall furthermore have the right to sue Buyer at Buyer's general place of jurisdiction.

16.3. Should any clause in these General Conditions of Sale and Delivery be or become invalid in full or in part, this shall not affect the validity of the remaining clauses or remaining parts of the clause concerned. The parties shall replace any invalid arrangement by an effective one which conforms as far as possible to the economic purpose of the invalid clause.

As at Niederzissen, Jan 2019

General Conditions

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Purchase

1. General

1.1 These Conditions shall be an integral part of the purchase contract. Conflicting or deviating conditions of delivery stipulated by Seller or other reservations made by Seller shall not be deemed accepted unless Buyer has expressly accepted them in writing for a specific order.

1.2 Other agreements, amendments or subsidiary agreements shall not be effective unless Buyer has given his written consent thereto.

2. Offer

2.1 Seller's offer shall cover exactly the quantities and qualities specified in Buyer's inquiry. Any departure therefrom shall be expressly mentioned.

2.2 The offer shall be submitted cost-free and without any obligation being imposed on Buyer. Remuneration for cost estimates shall only be paid by special arrangement.

3. Order

3.1 Orders and alterations to orders shall be made in writing. In case of doubt, verbal agreements or arrangements discussed over the phone shall only be binding if confirmed in writing.

3.2 Each order or alteration to an order shall be confirmed by Seller in writing and shall be treated separately in all correspondence.

3.3 The following details shall be stated in all correspondence; the purchasing department, the complete order number, the date of the order and Buyer's reference.

4. Period for Delivery

4.1 The period for delivery shall run from the date of the order. If Seller has reason to assume that he will not be able to meet, or meet in time, all or part of his contractual obligations, he shall inform Buyer thereof immediately, stating the reasons and the likely duration of the delay. If Seller fails to do this, he shall not be entitled to claim exemption from responsibility for the delay on the grounds of the hindrance.

4.2 Should Seller fail to effect delivery within the agreed period, he shall be held liable under the existing legal provisions. This shall not affect his obligation under § 340, para. 2, of the German Civil Code to pay such penalty for delayed delivery as may have been agreed by the parties. If a penalty has been agreed, this can be invoked at any time until the final payment becomes due, without reservation according to § 341 para. 3 of the German Civil Code, or § 11 para. 4 of the German contracting rules for award of public works contracts, part B.

5. Warranty, Liability and Notification of Defects

5.1 Seller warrants the goods supplied by him to be free from defects which may reduce their value or affect their usability, to possess the agreed or guaranteed properties, to be suitable for the purpose stipulated in the order, to be in conformity with the generally accepted technical practice, and to conform to the most recent regulations, to the German Law on the Safety of Appliances (Gerätesicherheitsgesetz) and to the appropriate safety specifications and rules for the protection of workers and prevention of accidents. Should the delivered goods fail to meet any or all of these requirements, Buyer shall be free to demand a remedy of the defect or the supply of defect-free goods, to cancel the contract or reduce the purchase price under the existing legal provisions, or to demand compensation or reimbursement for needless expenditure. If Seller has undertaken to guarantee the properties or durability of the goods supplied, Buyer can in addition lodge a claim under the terms of the guarantee. This shall not apply to defects or damage caused by

a) normal wear and tear

b) inappropriate handling by Buyer. Buyer shall notify Seller of any defects in the delivered goods as soon as they are discovered in the regular course of business. In the ordinary course of business only a visual inspection is required when taking receipt of the delivery. Immediate notification of hidden faults and defects not detectable in a visual inspection only has to be given after they are actually discovered. Since 377 HGB (German Commercial Code) is expressly waived. The above provisions shall apply mutatis mutandis to services such as assembly, erection, maintenance, etc.

5.2 Unless expressly agreed otherwise, the statutory warranty periods shall apply.

5.3 Seller's warranty shall also cover any items manufactured by subcontractors.

5.4 If Seller is notified of a defect, the limitation period shall be extended by the time which elapses between such notification and the repair of the defect. If the item supplied by Seller is replaced in whole by a new one, the limitation period shall begin anew; if the item is replaced in part, the warranty period shall begin anew for the new parts.

5.5 Goods which are subject to complaint under the warranty shall remain at Buyer's disposal until replacements have been supplied, whereupon they shall become the property of Seller.

5.6 In urgent cases, or if Seller defaults or fails in repairing a defect, Buyer may eliminate the defect himself at Seller's expense or avail himself of any of the other warranty rights mentioned in clause 5.1.

5.7 Acceptance of Seller's supplies and services by Buyer shall not affect Seller's obligations under the warranty.

5.8 Seller shall hold Buyer harmless from any product liability claims or claims raised under the German Product Liability Law if the defect giving rise to the claim has been caused by Seller or any of Seller's suppliers.

5.9 Notwithstanding these provisions Seller shall be liable under the existing legal provisions.

6. Tests

6.1 Seller assures that the regulations of the Food Processing and Distribution Law and the Animal Feed Law on undesired substances and residua of pesticides and insecticides valid in the European Union are adhered to and possible further residua, not regulated by maximum contents in the supplied products not hazardous. If tests are specified for the goods to be supplied, Seller shall bear the costs of such tests, including his own personnel costs, but excluding Buyer's personnel costs. Seller shall inform Buyer not less than one week in advance of the date on which the goods will be ready for testing and shall agree with him a date for the tests. If the goods are not presented for testing on this date, Buyer's personnel costs shall be borne by Seller. If any defects are found in the goods which make it necessary to repeat the tests or conduct further tests, Seller shall pay all the personnel costs and other costs entailed. Seller shall also pay all the personnel costs and other costs incurred in connection with testing the materials used by him in executing the order.

6.2. Seller ensures that all legally required retain samples are taken and kept according to the valid regulations.

6.3. Seller guarantees innocuousness of its products in terms of the Food Processing and Distribution Law and the Animal Feed Law valid in the European Union or requirements recognized at least equivalent by the EU.

7. Insurance

7.1 Transport insurance shall in all cases be taken out by Buyer.

7.2 Seller shall take out at his own expense adequate third party liability insurance to cover damage resulting from services rendered by or goods delivered by or property belonging to him his personnel, or third parties commissioned by him. Seller shall, if so requested, submit to Buyer documents showing the sums insured per occurrence.

7.3 The procurement of special assembly/erection insurance in addition to the third party liability insurance mentioned in clause 7.2 shall in each case be subject to agreement between Buyer and Seller.

7.4 Any machines, apparatus, etc. supplied to Buyer on loan will be insured by Buyer against the usual risks. Any further liability of Buyer for destruction of such machines, apparatus, etc., or damage thereto, shall be excluded, unless it has been caused willfully or through gross negligence.

8. Shipping Requirements

8.1 On the day on which the goods are dispatched, Seller shall send Buyer a detailed dispatch note for each consignment separately from the goods and invoice. The goods shall be accompanied by a delivery note and packing slip. If the goods are sent by ship, the shipping papers and invoice shall state the name of the shipping company and of the ship. Seller shall choose the mode of transport most favorable and most suitable for Buyer. Seller shall show in full the order reference number and point of unloading specified by Buyer in all dispatch notes, delivery notes, packing slips, bills of lading and invoices, on the outer packaging of the goods and elsewhere if appropriate.

8.2 Seller shall always pack, mark and ship dangerous goods in compliance with the appropriate national/international regulations. The accompanying documents shall show not only the risk category but also any further particulars required by the appropriate transport regulations.

8.3 Seller shall be liable for any damage caused by non-compliance with these provisions and shall pay any costs incurred thereby. He shall also be responsible for ensuring that these shipping requirements are complied with by subcontractors.

8.4 Any consignments of which Buyer is unable to take delivery because of non-compliance with these provisions shall be stored at Seller's expense and risk. Buyer shall have the right to ascertain the contents and condition of such consignments. Tools and erecting equipment shall not be loaded together with goods.

9. Price and Conditions

Should Seller reduce his prices or grant better conditions, the prices and conditions effective at the date of delivery shall apply.

10. Invoice and Payment

10.1 Seller's invoices shall agree with the respective orders in their wording, order of items and prices. Any additional or deleted services or supplies shall be stated separately in the invoice.

10.2 Periods for payment shall begin on the specified dates, but not before the dates on which the goods and invoices are received.

10.3 Payment shall not be deemed to constitute acceptance of conditions and prices. The time of payment shall not affect Seller's warranty obligations or Buyer's right of complaint.

11. Documents

11.1 All drawings, standards, guidelines, methods of analysis, recipes and other documents supplied by Buyer to Seller for the manufacture of the goods to be supplied, as well as any such documents prepared by Seller according to special instructions from Buyer, shall remain Buyer's property and shall not be used for any other purpose, reproduced or made available to third parties by Seller. Seller shall, if so requested, surrender them, and all copies and duplicates thereof, to Buyer without delay. Buyer reserves the industrial property rights to all documents he supplies to Seller. Seller shall regard the inquiry and the order and all work in connection therewith as a trade secret and treat them accordingly as confidential. Seller shall be liable for any loss suffered by Buyer because he has failed to fulfil any or all of these obligations. Seller shall provide Buyer with all documents needed for discussion of the goods or services to be supplied. Such discussion or other involvement of Buyer shall be exclusively within Seller's responsibility and shall not release Seller from any warranty or other obligations.

11.2 Seller shall supply to Buyer in good time, at no cost to Buyer and without being specially requested to do so, all documents needed by Buyer for the use, erection, installation, processing, storage, operation, servicing, inspection, maintenance or repair of the goods supplied.

11.3 Whenever Buyer specifies standards or regulations, the latest version shall apply. Seller shall request Buyer to supply him with his works standards and regulations; in as far as they have not already been supplied.

12. Incidental Items

Molds, models, tools, films, etc. that have been made by Seller to enable him to execute the order shall, on being paid for, become the property of Buyer, even if they remain in Seller's possession. Seller shall be obliged to hand them over to Buyer on request.

13. Assembly, Erection, Maintenance, Inspection, Repairs, etc.

13.1 If assembly, erection, maintenance, inspection, repairs, etc. are carried out in any of Buyer's factories, such work shall be subject to the safety and conduct regulations for contractors and their personnel working on the premises of Dr. Eckel or its subsidiaries. These regulations will be supplied at the start of the assembly or erection work, or they should be requested from Buyer's plant security department.

13.2 Buyer shall not be liable for any property of Seller or his personnel which is brought onto Buyer's premises.

14. Patent Infringement

Seller shall be liable for any infringement of patents, licenses or protective rights of third parties that may result from the supply or use of the goods. Any license fees payable shall be borne by Seller.

15. Advertising Material

Seller shall not refer to his business connection with Buyer in any information or advertising material except with Buyer's written consent.

16. Applicable Law, Interpretation of Provisions, etc.

16.1 The present Conditions and the purchase contract shall be subject to German law. Application of the UN Convention on Contracts for the International Sale of Goods dated April 11, 1980, which came into effect on January 1, 1991, shall be excluded.

16.2 Customary trade terms shall be interpreted in accordance with the most recent Incoterms.

17. Origin of Goods

The goods supplied must conform to the conditions of origin specified in the preferential agreements of the EEC, unless the order confirmation expressly states otherwise.

18. Place of Performance and Jurisdiction

Unless otherwise stipulated in the order, the place of performance shall be the point of delivery specified by Buyer.
The place of jurisdiction shall be Koblenz.

As at Niederzissen, Jan 2019