

# **General Terms and Conditions for the Purchase of Animals for Slaughter**

## **§ 1**

### **Applicability**

- 1.) All supplies, services and offers of our suppliers shall be provided on the basis of these General Terms and Conditions of Purchase as amended from time to time. These Terms and Conditions form an integral part of all contracts concluded with our suppliers for the provision of supplies and services offered by them. They shall also apply to all future supplies, services or offers provided to us, even if their applicability is not agreed upon separately again.
- 2.) General terms and conditions of suppliers shall not apply, even if we do not explicitly object to their applicability in an individual case, and even if we accept deliveries from suppliers without reservation despite our knowledge of general terms and conditions of the supplier that differ or deviate from our General Terms and Conditions of Purchase.
- 3.) Our General Terms and Conditions of Purchase only apply vis-à-vis entrepreneurs, legal persons under public law and special funds under public law.

## **§ 2**

### **Prices, Payment Conditions, Assignments**

- 1.) Unless otherwise agreed, the negotiated price shall be deemed to be in EURO. The price is binding. The negotiated price includes the handling costs - to be borne by the supplier- which are incurred in connection with the handling and invoicing of the animals for slaughter supplied by the supplier. Handling costs to be borne by the supplier include in particular the costs for the control of slaughter data, the allocation of slaughter data, the preparation of invoicing, the mailing of lists of slaughter data to the supplier, the reconcil-

iation of slaughter data with the supplier, the mailing of invoices as well as the costs of complaint processing.

- 2.) It is agreed that invoicing shall be made via self-billing invoices. We are therefore explicitly entitled to operate self-billing within the meaning of § 14 (2) UstG (*German Value Added Tax Act*). For this purpose the supplier shall, prior to each delivery, provide us with its tax ID or VAT identification number, valid at the respective time of delivery. The supplier agrees that it will only object to our self-billing invoices if the content of such an invoice is incorrect. The supplier shall immediately check the accuracy of any self-billing invoice issued by us for the respective deliveries. In case of inaccuracies, in particular with regard to the applied rate of value added tax, the supplier shall immediately notify us thereof in writing. If no notification is given within 30 days after receipt of the self-billing invoice, the invoice shall be deemed approved. If the supplier fails to make any necessary corrective notice it shall be liable to and indemnify us for all loss and damage incurred as a result of such failure, in accordance with applicable law.

The supplier shall immediately notify us of any change in the type of taxation due to the fact that the supplier has lost its entrepreneurial capacity or is otherwise no longer entitled to separately state VAT. If the supplier is not entitled to separately state VAT or if the stated VAT amount is too high, the supplier shall immediately refund us the VAT amount, or part thereof, that has been wrongfully stated in the self-billing invoice. All rights of retention are excluded. We will then issue a corrected self-billing invoice for the delivery concerned.

- 3.) We reserve all rights of set-off or retention provided by applicable law. We may also offset claims of our affiliates which were assigned to us.
- 4.) Claims against us may not be assigned, unless the assignment is made within the scope of an extended reservation of title.

**§ 3****Delivery, Passing of Risk**

- 1.) Delivery of the animals for slaughter shall take place at the goods arrival platform of the slaughterhouse. Upon delivery we are entitled to freely dispose of the animals. The supplier shall comply with the legal requirements for the labelling and reporting of the cattle supplied, in particular those laid down in the provisions for beef labelling and the [German] Livestock Movement Order (*Viehverkehrsverordnung*), and also with the requirements applicable in the European Union and Germany for the keeping of the animals supplied to us, in particular:
- the [German] Animal Protection Act (*Tierschutzgesetz*),
  - the Council Directive 2008/120/EC laying down minimum standards for the protection of pigs,
  - the Order for the protection of production animals used for farming purposes and other animals kept for the production of animal products in the way they are kept (*Tierschutz-Nutztierhaltungsverordnung-TierSchNutzTV*)
  - the Council Regulation (EC) No 1/2005 on the protection of animals during transport and related operations and amending Directives 64/432/EEC and 93/119/EC and Regulation (EC) No 1255/97,
  - the regulation on the protection of animals during transport and for the implementation of the Council Regulation (EC) No. 1/2005 (*Tierschutztransportverordnung – TierSchTrV*),
  - the Council Regulation (EC) 1099/2009 on the protection of animals at the time of killing,
  - the regulation on the protection of animals in connection with slaughter and killing and for the implementation of the Council Regulation (EC) No. 1099/2009 (*Tierschutz-Schlachtverordnung-TierSchlV*),
  - the [German] Food and Feed Code (LFGB),
  - the [German] Feed Regulation (*Futtermittelverordnung*),
  - the Commission Regulation (EU) No. 37/2010 on pharmacologically active substances and their classification regarding maximum residue limits in foodstuffs of animal origin.

All documents required by law, such as e.g. passports, food chain information and the necessary veterinary documents will be properly provided by the supplier and shall be handed over upon delivery.

- 2.) Only animals that have been produced in accordance with applicable legal requirements, for which a slaughter permission has been obtained and that, following the ante-mortem inspection, have been found to meet all hygiene requirements provided by applicable food law, will be accepted for slaughter. The determination of the weight of the cattle supplied will be carried out by us. In addition, we will carry out an evaluation of the quality of the cattle supplied in accordance with the statutory guidelines.
- 3.) The risk of loss or damage shall only pass to us in the slaughterhouse, once the animals have been completely weighed and have been released as a result of the statutory ante-mortem inspection.
- 4.) If animals are not released for slaughter as a result of the ante-mortem inspection or if complaints are raised as a result of an official sample analysis, the supplier shall bear all costs incurred as a result of the slaughter, disposal of such animals or other activities, if and to the extent that such costs are not born by the public authorities.
- 5.) If animals are ordered to be slaughtered, we will only acquire ownership thereof if the meat is classified as suitable in accordance with the applicable legal provisions. If the slaughter has been ordered for reasons not attributable to us, or if the post-mortem inspection reveals that meat is unfit for human consumption for reasons not attributable to us, the supplier shall bear the costs of slaughter, inspection and further treatment as well as any costs of disposal.

#### **§ 4**

#### **Scope of Delivery, Quality**

- 1.) The goods ordered are free from defects if they comply with our specifications and other information provided as well as the generally accepted rules of food production and all applicable provisions of food law.

- 2.) All animals supplied for slaughter must be free from harmful antibiotics and other prohibited or unauthorised active substances; after the use of authorised pharmacologically active substances the prescribed withdrawal periods must be complied with. After slaughter the cattle supplied by the supplier must be fully tradable. The supplier shall be liable for any consequential damage and costs resulting from follow-up examinations imposed by the authorities.

## **§ 5**

### **Warranty**

- 1.) We will examine incoming goods for deviations in quality or quantity within a reasonable period of time. The commercial duty to examine shall be fulfilled by a thorough visual inspection of the goods supplied and an examination of the documents to be provided by the supplier and/or of the analytical reports, if any, regarding the batches supplied. We are under no obligation to carry out our own laboratory tests.
- 2.) Any notice of defect is deemed to have been given in time if given within 5 business days after receipt of the goods or, in case of hidden defects, within 5 business days after discovery of the defect.
- 3.) Animals supplied for slaughter shall be deemed defective if the slaughtered animals do not comply with the agreed specifications, in particular the quality requirements set forth in these General Terms and Conditions, or if complaints are raised during official or mandatory inspections. In this case we are entitled to dispose of the carcasses. Any proceeds of such disposal will be credited against any costs and damages incurred by us.
- 4.) We reserve all rights and remedies resulting from material defects, defects of title or other violations of duties provided by applicable law.

Recoverable damages include the costs incurred by us due to the fact that, in terms of food law, the goods supplied are not free of defects as well as all costs resulting from product analyses and laboratory tests that have become necessary as a result of such defect.

- 5.) As soon as our written notification of defect reaches the supplier the statute of limitations with regard to warranty claims shall be suspended. In case of removal of defects or replacement the warranty period for any items repaired or replaced will recommence, unless we had to conclude from the supplier's behaviour that the supplier did not consider itself to be under an obligation to remedy the defect or deliver a replacement but carried out the measure as an accommodation only or for similar reasons.
- 6.) The period of limitation for all warranty claims shall be 36 months from the passing of risk.

## **§ 6**

### **Product Liability**

- 1.) If any claim or suit is brought against us based upon product liability, the supplier shall indemnify and hold us harmless from and against all claims, that are based on a defect of the supplied contract products and that are brought against us under the product liability laws of Germany, any EU member state or third country, if and to the extent that the cause of the damage originates from within the sphere of responsibility of the Supplier. The same applies to recourse claims of third parties who have satisfied claims for damages brought by any person who has suffered damage. The foregoing does not apply in cases of fault-based liability to the extent that no fault can be attributed to the supplier. In such cases the supplier shall indemnify and hold us harmless from and against all costs, including expenses for necessary product recalls and reasonable legal expenses.
- 2.) We will notify the supplier of any claims that are brought against us in respect of the supplied products and will also make all necessary documents available to the supplier. The supplier shall declare within 10 business days from receipt of these documents if we are to admit or reject such claims.

**§ 7****Reimbursement of Further Costs**

In the event of a complaint about the contract products by the authorities which is based on a manufacturing defect or any other circumstances attributable to the supplier, the supplier shall, without prejudice to any other rights that we may have based on defective performance of the supplier, bear all costs incurred by us as a result of official sampling or investigations. This obligation to bear the costs also includes the costs of any necessary recalls. In such cases, the supplier shall also bear or reimburse all legal costs.

**§ 8****Secrecy**

- 1.) The supplier agrees to keep secret all information gained in the context of the cooperation, unless such information is in the public domain, has been lawfully obtained from a third party or developed independent of a third party; and further agrees to solely use such information for the purposes of this contract. The proprietary information includes, in particular, technical data, purchased quantities, prices and information on products and product developments, on current and future research and development projects and all of our business data.
- 2.) In addition, the supplier shall keep in strictest confidence all illustrations, drawings, calculations and other documents it receives, and shall not disclose the same to third parties without our prior written consent, unless the information contained therein is common knowledge.
- 3.) If necessary, the supplier shall impose a corresponding secrecy obligation on its sub-suppliers.
- 4.) At any time at our request, any in any event at the latest when the contract ends, all information originating from us (including any copies or records made) and items lent to the supplier shall be immediately returned to us in full, unless these are still required by the supplier for the performance of its contractual obligations. We reserve all rights to

such confidential information, including copyrights, industrial property rights, patents, utility models etc.

## **§ 9**

### **Final Provisions**

- 1.) As soon as the Supplier ceases to make payments or if a provisional insolvency is appointed or insolvency proceedings are opened, we are entitled to rescind the contract, in whole or in part.
- 2.) The contractual relationships shall be exclusively governed by the laws of Germany, to the exclusion of its conflict of law rules and the United Nations Convention on Contracts for the International Sale of Goods (CISG, UN-Sales law).
- 3.) The place of jurisdiction shall be 33378 Rheda-Wiedenbrück, Germany. In addition we are also entitled to bring an action at any other permissible place of jurisdiction.
- 4.) The place of performance for all obligations arising from the supply agreement shall be the seat of the respective slaughterhouse.
- 5.) Should any part of these General Terms and Conditions of Purchase be invalid, the validity of the other provisions shall not be affected thereby.