

Purchasing Terms and Conditions

Article 1 – General Provisions – Scope of Validity

- (1) Schuco's Purchasing Terms and Conditions shall exclusively apply; any and all terms or conditions which are contrary thereto or any other terms or conditions of any one Supplier which differ from Schuco's Purchasing Terms and Conditions will not be accepted by Schuco, unless Schuco will have specifically and expressly agreed to their applicability and acceptance separately and in writing. Schuco's Purchasing Terms and Conditions shall also apply in those cases where Schuco will have accepted any of the Supplier's deliveries without any reservations with Schuco being aware of the fact that the Supplier's terms and conditions diverge from Schuco's Purchasing Terms and Conditions. The Supplier recognizes and accepts the validity and applicability of Schuco's Purchasing Terms and Conditions as and when the Supplier is or will be executing Schuco's order(s).
- (2) Any and all agreements or covenants which are or will be made with Schuco with a view to executing any one business transaction shall be reduced to and shall be recorded in writing.
- (3) Schuco's Purchasing Terms and Conditions shall equally be valid and applicable for any and all future business transactions which will henceforth be concluded with the Supplier.

Article 2 – Offer – Documents or Material to Be Submitted With Offer

- (1) Any and all offers which any one Supplier will submit to Schuco in reply to Schuco's enquiries or invitations of offers must be in full and complete compliance with the requirements which are outlined and specified in Schuco's enquiry. If any of the elements of the offer will be differing or diverging from Schuco's enquiry, the Supplier shall make this obvious by clearly marking the same as such.
- (2) The Supplier may only offer products and services which are such that they are in full compliance with all relevant statutory and legal provisions and regulations and that they will also meet all requirements which Schuco might additionally specify.
- (3) If any sample material is sent along with any one offer, then such sample material will be used for purposes of sensory examination only. All further examination, testing and/or analyses by Schuco will be done with goods only which will have been delivered to Schuco upon Schuco's order. As the Supplier is sending its sample material the Supplier thereby agrees and obliges itself to deliver goods which have exactly the same sensory qualities as such sample material.
- (4) The Supplier shall be bound by its offer for a minimum of 7 days, unless the Supplier will limit the validity of its offer in writing in its offer. All prices shall be quoted in EURO.

Article 3 – Placing of Orders – Acceptance of Orders

- (1) Only Schuco's written orders shall be binding. The Supplier shall be obliged to immediately reject Schuco's written order(s) if the Supplier is not willing to accept the same.
- (2) As far as illustrations, drawing, recipes, blending formulas, specifications and other documentation and data are concerned, Schuco strictly reserves its right to and will retain its pertinent ownership and copyright titles; such illustrations, drawings, recipes, blending formulas, specifications and other documentation and data shall not and must not be made accessible or available for any third party or parties without Schuco's written consent. They are solely and exclusively to be used for the production of Schuco's order(s); once such order(s) will have been handled and carried out, such illustrations, drawings, recipes, blending formulas, specifications and other documentation and data shall be returned to Schuco without any further request from Schuco. These illustrations, drawings, recipes, blending formulas, specifications and other documentation and data shall be kept in strict confidence in relation to any and all third party or parties. This obligation to maintain such secrecy shall also continue to apply once this contractual relationship will have been completely transacted and brought to an end; the obligation shall lapse and become void, if and in so far as the production expertise which is contained in such illustrations, drawings, recipes, blending formulas, specifications and other documentation and data which were made available for the Supplier, will have come into the public domain and will have become known to the general public.

Article 4 – Prices – Terms of payment – Passing of Risks

- (1) The price which is shown in the order shall be binding. Packing will be included in the price. The Supplier shall be obliged to either take the transport packing back or pay for its disposal, unless the Supplier has joined a return or recycling system for the transport packing delivered by it.

- (2) Unless it is or will be otherwise agreed upon in writing, customs duty, if any, shall be and is included in the price. Any and all claims for additional payments based on increases of customs duties or on a different customs duty classification of any one product concerned shall be barred and precluded.
- (3) Schuco will only be able to handle and process invoices if the same will contain exactly those data which Schuco specified in its order, such data fully complying with the requirements indicated in Schuco's order. If this obligation will not be met and complied with the Supplier shall be responsible and liable for any and all consequences ensuing therefrom, unless the Supplier will provide that such consequences are not due to the Supplier's fault.
- (4) Schuco shall be entitled to set-off and retention rights in so far and to the extent as the same are stipulated and defined by law. If the Supplier will have any claims that it wishes to set off against Schuco's claims, the Supplier shall only be allowed to do so by way of a set-off against uncontested or legally enforceable claims.

Article 5 – Delivery Period

- (1) The date or period scheduled for delivery as it is specified in Schuco's order shall be binding.
- (2) The Supplier is and shall be obliged to notify Schuco immediately and in writing, if any circumstances arise or if the Supplier will become aware of any circumstances in view of which it will become apparent that the stipulated date or period of delivery cannot be respected and complied with.
- (3) In case of delayed delivery or default in delivery Schuco shall be entitled to assert the statutory claims, and more particularly Schuco shall be entitled to assert claims for damages rather than insisting of performance and delivery once a reasonable additionally granted grace period will have expired in vain and without any effect. In the event where Schuco decides to assert claims for damages, the Supplier shall be entitled to submit evidence to prove that it is not responsible and not liable for the non-observance of any contractual obligation.

Article 6 – Agreements on Quality Standards / Guarantees – Warranties

- (1) In executing Schuco's order(s) the Supplier shall be obliged to strictly comply with and adhere to Schuco's currently applicable raw materials specifications. The Supplier shall be entitled to have the most recent version of the same communicated to it.
- (2) The products delivered by the Supplier shall in all respects be in strict compliance with both German and European statutory and legal provisions and regulations concerning foodstuffs as well as with Schuco's specifications. The Supplier shall guarantee the marketability of the products supplied and delivered by it.
- (3) The Supplier warrants that none of the products delivered by it to Schuco are either irradiated or contain any genetically modified organisms which must mandatorily be identified on the label showing the list of ingredients under the provisions of EC Regulations Nos. VO 1829/2003 and 1830/2003. The Supplier shall be obliged to immediately notify Schuco, if there is any risk that any one product or products supplied by it might be affected by traces of allergens.
- (4) Whenever organically grown products are and will be supplied and delivered by it, the Supplier shall guarantee that such product or products originate from controlled organic farming and the Supplier shall make any and all documentation available for Schuco, which is and will be suited to serve as appropriate evidence therefor.
- (5) Consignments shall be delivered in safe packaging which is suited for and compatible with foodstuffs and on hygienically unobjectionable and clean Euro-type or H1 pallets which must be in perfect condition, it being understood that the latter provision shall only be applicable if the volume or size of the consignment concerned necessitates its delivery on pallets.
- (6) All products shall be shipped and delivered by means of transport vehicles, containers, ship or aircraft vessels having a clean cargo space which is proper and well suited for and compatible with the transport of foodstuffs. In this context it shall be ensured that the product will, while being transported in transit, not be exposed to any hazards or risks which might in any way affect the products or have any negative effects on the same.
- (7) In order to ensure appropriate quality assurance standards the Supplier shall implement in-process and final end-of-process inspections and checks at the Supplier's facility based on Supplier's final in-house quality control measures and instructions given by Schuco. The results of such inspections and checks shall be documented in covering minutes in which such inspections and checks will be duly recorded. Schuco shall at any time during usual business hours be entitled to, for purposes of verification, have access to and inspect the Supplier's facilities either itself or by its authorized representative(s) who will be authorized by Schuco in writing to do so.
- (8) The Supplier warrants that its hygienic measures and conditions, its quality control measures and the packing material(s) used by it are in line and comply with the respectively applicable current state of technology.

Article 7 – Detection of Defects or Deficiencies – Liability for Defects or Difficiencies

- (1) Schuco shall be obliged to, at the time of receipt of the product or products delivered to it, inspect and check nothing but the quantity and the identity of the product or products delivered to ensure conformity with its order data, delivery note and packing list and also with a view to finding out whether there is any externally apparent damage to be seen or noted. Any and all further or in-depth inspections, tests and analyses concerning possible quality differences or deviations, especially if the same require laboratory tests and analyses, shall be done by Schuco within a reasonable period of time. Any complaint pertaining thereto shall be deemed to have been made in due time, if it will be received by the Supplier within a time period of 5 work days counted either from the date of receipt of the product or products or from the date of detection of any such defect or deficiency, if the defects or deficiencies are latent defects or deficiencies.
- (2) Schuco shall be entitled to assert statutory claims for defects of deficiencies without any reduction(s) and in full; Schuco shall in each and every case be entitled to, at Schuco's option, ask the Supplier to either provide for remedy of any such defect of deficiency or to deliver a new product, object or article. Schuco expressly reserves its right to assert claims for damages and more particularly its right to claim damages rather than insisting on contractual performance and delivery.
- (3) In case of imminent danger or in case of special urgency Schuco shall be entitled to itself provide remedy for any such defects of deficiencies at the Supplier's expense.
- (4) The assertion of any and all claims which are asserted on account of any defects of deficiencies shall be subject to the statute of limitations and shall be statute-barred after 24 months counted from the date of delivery of the goods concerned. The limitation period will at the earliest begin to run two months after the date where Schuco itself will have met other entrepreneurs' or consumers' recourse claims which were asserted on account of any such defects of deficiencies, at the latest, however, five years after the date at which the Supplier delivered such goods to Schuco.
- (5) If and when any defects or deficiencies of whatever type or nature will be detected, Schuco shall – if it will not immediately have rejected the goods concerned – be entitled to, at the Supplier's expense and after an 8 day time period will have elapsed, store or warehouse such goods with some forwarding company, if it were to run short of storage capacity. In any case of delivery of defective or deficient goods the Supplier shall pay for any and all costs which will be occasioned for and by laboratory tests or analyses that are to be done.

Article 8 – Product Liability – Indemnification – Third Party Liability – Insurance Coverage

- (1) The Supplier shall immediately notify Schuco, if and when the Supplier will have reason to assume that any one food product, material or article that has been marketed by the Supplier does not comply with any of the provisions and regulations which serve to safeguard general health protection requirements and it shall, if necessary, take all the measures which will be required for initiating appropriate recall measures. The Supplier shall be obliged to immediately provide and make all the required information and data available for Schuco.
- (2) If and in so far as the Supplier will be responsible and liable for any one product damage or product-induced damage the Supplier shall in so far be obliged to, upon Schuco's first request, keep Schuco indemnified and hold Schuco harmless from any and all third party claims for damages, as the cause for such product damage or product-induced damage will have originated within the Supplier's domain of control and organizational set-up and in so far as the Supplier will itself be liable in relation to any third parties.
- (3) It is and will be in line with and within the limits of its liability for any damage within the meaning of the foregoing paragraph (2) that the Supplier shall also be obliged to reimburse any and all expenditures which are provided for under Sections 683, 670 of the German Civil Code and in accordance with Sections 830, 840, 426 of the German Civil Code, which will have to be incurred by Schuco as a result of or in connection with any one recall action which will be initiated and done by Schuco. Schuco will – in so far as it will be possible and reasonably feasible – inform the Supplier of the contents and of the extent of any such recall measures which are to be taken, and Schuco shall give the Supplier a chance to submit its pertinent comments. Any and all other statutory claims shall remain unaffected thereby.
- (4) The Supplier agrees and obliges itself to take out and maintain a product liability insurance providing for an insured amount of 10 million Euros for each and every personal injury/damage to property – on a lump sum basis; in the event where Schuco were to be entitled to any further or additional claims for damages, such right to assert its additional claims shall remain unaffected thereby.

Article 9 – Protective Rights and Titles

- (1) The Supplier shall warrant and guarantee that no third parties' rights or titles existing within the Federal Republic of Germany will be infringed upon in connection with its delivery of goods made to Schuco.
- (2) In the event where any claims were to be asserted against Schuco by any third party or parties on any such grounds, the Supplier shall be obliged to, upon Schuco's first written request, indemnify and hold Schuco harmless from any and all such assertions of claims; Schuco shall not be entitled to enter into any agreements

of whatever type or nature, more particularly to make any arrangements by way of compromise with any such third party or parties without the Supplier's consent.

- (3) The Supplier's obligation to indemnify and hold Schuco harmless from any and all such claims shall pertain to and cover any and all expenditures which Schuco will necessarily have to incur as a result of or in connection with any claims which might be asserted against Schuco by any third party or parties.
- (4) The period of limitation shall be ten years, counted from the date of conclusion of the purchase contract for the respective goods on.

Article 10 – Retaining Lien

Schuco recognizes and accepts nothing but a simple non-extended retaining lien up to the time where the invoice covering the respective merchandise will have been paid.

Article 11 – Place of Jurisdiction and Venue – Place of Performance

- (1) In so far as the Supplier is a businessman or company doing business under German commercial law, the place of jurisdiction and venue shall be either Nuernberg or else, at Schuco's option, the Supplier's general place of jurisdiction and venue. Nuernberg shall be the sole and exclusive place of jurisdiction and venue for any and all claims which will have to be asserted against any one supplier who or which will, following the conclusion of contract, transfer his/her or its place of residence or company headquarters or his/her or its usual residence or domicile out of the territory where the German Code of Civil Procedure is valid and applicable, or the place of business or domicile or usual place of residence of which or whom is or will be unknown at the time when Schuco's claims against such supplier will have to be asserted by way of legal action.

The laws of the Federal Republic of Germany shall be applicable and governing, with the United Nations Convention on the International Sale of Goods – (CISG) of 11 April 1980 being barred and precluded.

- (2) Unless Schuco's order will otherwise provide, Schuco's principal place of business shall be the place of performance.

Schulze GmbH & Co. KG “Schuco-Gewuerze”, Nuernberg

Effective date: 01.12.2019