

1 General scope of application

1.1 The general terms and conditions of sale (AVB) apply to all sales of Demeter-Felderzeugnisse GmbH, hereinafter also referred to as DFE, to contractors and companies. With the accomplishment of a delivery as per the general terms and conditions of sale the buyer confirms to be an entrepreneur and not to be a consumer. All deliveries made by Demeter-Felderzeugnisse GmbH, even in the framework of future transactions, shall only be made under the following AVB unless other regulations have been agreed.

Purchaser's conditions conflicting with or deviating from these AVB shall only be recognized if DFE has given its express written consent. These AVB shall also apply if DFE performs the purchaser's orders without reservations despite being aware of terms and conditions of the purchaser conflicting with or deviating from these AVB. Non-effectiveness of individual conditions shall not affect the validity of the remaining conditions. The same holds true in cases where individual conditions do not become part of the contract. Separate general terms and conditions apply for our internet retailing (AGB-IH).

1.2 A written order shall be decisive for all agreements between the seller and the purchaser. Verbal agreements shall be subject to written order confirmations on the part of DFE sent by fax or email.

The object of the contract shall be defined by the order confirmation unless the recipient immediately disagrees.

1.3 Declarations made by us with regard to the condition and storage life of the goods which grant DFE's customers additional warranty rights without prejudice to their statutory rights shall only be deemed to be a guarantee of quality and durability in the sense of sec. 443 BGB [*German civil code*] if they are expressly labelled as guarantee by DFE. The customer's rights in case of a warranty claim only result from the declaration of guarantee.

1.4 In addition following commercial practices 1.4.1 to 1.4.6 shall apply with exception of the arbitration court. Arbitration court in any case is Mannheimer Produktenbörse, E4, 12-16, D-68063 Mannheim if not explicit agreed otherwise in the contract.

1.4.1 In trade with fruit and vegetables: Conditions for the trade in fruit and vegetables, whether fresh, frozen or intended for industrial use (COFREUROP).

1.4.2 In trade with grain, by-products, sole feed products: Uniform conditions in the German grain trade as well as the ancillary conditions for the trade in organic grain of Verein der Getreidehändler [*grain traders' association*] of Hamburger Börse e.V. as well as the ancillary conditions to the uniform conditions in the German grain trade for transactions involving German brewing barley. Uniform conditions in the German grain trade in connection with the oil mill conditions for the respective mill.

1.4.3 In trade with seeds: General terms and conditions of sale and delivery for seeds in accordance with the Saatgutverkehrsgesetz [*German seed marketing act*] with the exception of seed potatoes and sugar beet seeds (AVLB Saatgut);

1.4.4 In trade with potatoes, seed potatoes, the following shall apply:

For sales within Germany:

German terms and conditions for potatoes, Berliner Vereinbarung [*Berlin agreement*] 1956, version of 9th December 2010.

For sales outside Germany:

RUCIP 2006 - Rules and practices of the Inter-European Trade in Potatoes, including the regulation on the assessment of potatoes

1.4.5 In trade with compound feed: Hamburger Futtermittel-Schlusscheine [*Hamburg contract notes on feed*];

1.4.6 In trade with roughage:

For sales within Germany: Deutsche Raufutter-Handelsbedingungen [*German terms for the trade in roughage*].

For sales outside Germany: REPEF – European terms and conditions for trade in straw, roughage and by-products.

2 Offer – offer documents

An order placed by means of one of our order forms must be qualified by the buyer as an offer in the sense of sec. 145 BGB. Such offer may be accepted by DFE within one week by means of a written order confirmation sent by mail or fax.

3 Terms of payment – prices

3.1 If the order confirmation does not contain any stipulations to the contrary, all prices shall be deemed to be EXW Incoterms 2010 (ex works), net, plus statutory value added tax.

3.2 Invoices shall become payable with immediate effect and without any deductions. If payment has not been received within 30 days after the due date and receipt of the invoice or a similar request for payment, the purchaser shall be in default without the need for further notice. In such cases DFE shall have the right to claim interest for default in the amount of 9 percentage.

3.3 Payment by bill of exchange shall only be permitted if expressly agreed and shall even then only be accepted on account of performance. Discount interest and charges for the bill of exchange shall be borne by the purchaser and shall be due with immediate effect. If the seller's bank refuses to discount a bill of exchange, immediate payment in cash shall be required.

3.4 If delivery is made more than three months after the conclusion of the contract, DFE shall have the right to add changes in the transport costs and tariffs or other costs beyond the seller's control to the purchase price or to refund such costs.

3.5 If the purchaser is in default on a payment of more than 500 Euros due to the seller from this or any other contract, all claims of the seller shall become due in total with immediate effect, even if bills of exchange or cheques were issued for these or even if they are deferred. If the purchaser is in default in accordance with para. 1 or if it suspended its payments or in case of circumstances similar to a suspension of payments, or if it failed to honour a bill of exchange or a cheque in due time, DFE shall – subject to other rights – have the right to withdraw from any individual or all contracts not yet performed in part or in total at any time and/or to claim compensation for non-performance.

3.6 The customer shall only be entitled to set-off if its counterclaims have been recognized by declaratory judgment and are undisputed or recognized by DFE. It shall only be entitled to exercise a right of retention if its counterclaims are based on the same contractual relationship.

3.7 In case of continuing default on the part of the purchaser or if liquidity problems emerge as well as in case of suspension of payments or application for commencement of insolvency proceedings, DFE shall have the right to terminate the contract with immediate effect. Notice of termination must be given in writing. The purchaser to whom notice of termination is given shall not be entitled to compensation on the basis of the notice of termination given for one of the reasons stated above. This shall not affect DFE's right to claim compensation from the purchaser.

3.8 Any assignment of claims against DFE shall require our approval.

4 Delivery and delivery time

4.1 The delivery period offered by the seller shall commence subject to clarification of any technical issues between the seller and the purchaser. DFE is not liable for damages and/or consequential costs in case of any delayed delivery through external service providers.

4.2 Unless otherwise agreed in writing, delivery and transfer of risk shall always be made EXW (according to Incoterms 2010) our warehouse, our production site or warehouse or production site of our contractual partner for deliveries.

4.3 DFE shall have the right to perform the contractual service in partial deliveries. If delivery on call has been agreed, the purchaser must make the calls within a reasonable delay.

4.4 Transport and any other packaging in line with the packing regulations will not be taken back, with the exception of reusable packaging and reusable pallets.

4.5 If the customer does not perform its services resulting from the contract, DFE shall be entitled to grant the customer a period of grace of 14 days and to cancel the agreement once this period has expired without results or to sell the goods in the open market or by auction and to claim compensation for non-performance. The same applies in cases where the customer is in default on part of its performance only.

5 Changes of recipes

DFE reserves the right to deviate from recipes at any time unless an agreement to the contrary has been made between the purchaser and the seller.

6 Warranty for defects

6.1 The purchaser shall be obliged to inspect the delivered goods immediately upon delivery and to notify the seller of any existing defects in writing without delay (at the latest on the second day following the working day after receipt of goods). The purchaser's duty to inspect shall also include the completeness / deficiency of the shipping documents, documents, labelling, in particular on all documents confirming the goods' compliance with organic regulations. The purchaser shall be obliged to request available analyses or to carry out its own analyses of the goods prior to processing the delivered goods. Failing this, DFE shall not assume any liability for consequential damage.

6.2 DFE shall only be liable for hidden defects unknown to both parties to the contract if such defects are detected and notified to and asserted against the seller in writing within 20 days following receipt of the goods. Upon termination of the above-mentioned period, DFE shall continue to be liable for defects known to the seller but not immediately recognizable for the purchaser if such defects are notified in writing and asserted without delay following their detection (at the latest on the second day following the working day after the detection of such defect).

6.3 Notices of defect shall only be accepted as such by the seller if they are communicated in writing. Notices made to sales representatives or forwarding agents or other third parties shall not be deemed to be notices in due form or time.

6.4 Any defects for which notice of defect is given with delay, i.e. not in accordance with the above obligations (6.1, 6.2 and 6.3), shall be excluded from the warranty for defects.

6.5 The return of goods to the seller which is required in case of a defect shall require the seller's prior consent. The supplier shall not be obliged to accept returns made without its prior consent. In such cases, the return costs shall be borne by the purchaser.

6.6 If a detected defect has been notified by means of an effective notice of defect, the purchaser shall have the following rights:

6.6.1 In case of a defect, the purchaser first of all shall have the right to require supplementary performance on the part of the seller.

6.6.2 In this case, DFE shall have the right to decide, at its own discretion, to replace or to remedy the item.

6.6.3 In addition, DFE shall have the right to additional supplementary performance, again at its own discretion, if the attempt at supplementary performance has failed.

6.6.4 The purchaser may only claim compensation or reimbursement of wasted expenditures in case of grossly negligent or wilful breach of the duty to supply goods that are free of defects. It must provide evidence on the merits and the amount of the damage that has occurred. The same applies in case of wasted expenditure. This limitation of liability shall not apply if the life, limb or health of the purchaser is damaged on account of a breach of duty for which the seller, its legal representative or its vicarious agents are responsible.

6.7 The statute of limitations regarding warranty for defects shall be one year following delivery of the goods. In any case, the purchaser must demonstrate that the defect already existed at the time of delivery of the goods.

7 Retention of title

7.1 DFE shall retain title to the sold goods (reserved goods) until all claims on the part of the seller which result from the business relationship, including future claims, also those from contracts concluded at the same or a later time, have been paid (balance claims). This shall also apply in cases where individual or all claims on the part of the seller have been included in a current invoice and the balance has been stricken and acknowledged.

7.2 The retention of title shall continue to exist until DFE has been released from any endorser's liability incurred in the purchaser's interest. If the purchaser violates the contract, in particular in case of default of payment, DFE shall have the right to take back the sales item. Taking back of the sales item does not constitute a withdrawal from the contract unless DFE makes a written declaration

to that effect. For this purpose, DFE may enter the purchaser's premises where the reserved goods are stored and may take possession of the reserved goods; the costs for taking back shall be borne by the purchaser.

7.3 The purchaser agrees to store the sales goods appropriately and to carry out any measures for maintaining the value of the goods (cooling, ventilation, etc.) at his own expenses and in due time if such measures are required.

7.4 The purchaser shall not have the right to pledge the reserved goods or to transfer them by way of security. The purchaser shall notify the seller immediately in writing prior to any seizures or other measures taken by third parties. As far as such third party is not able to reimburse DFE for the legal and extra-legal costs of a claim in accordance with sec. 771 ZPO [*German code of civil procedure*], the purchaser shall be liable for the loss suffered by DFE.

7.5 The purchaser shall have the right to sell the sales goods in its ordinary course of business; however, it hereby assigns to the seller all claims against its buyers or third parties which accrue to it from such sales up to the amount of the seller's claims (invoice, total amount plus statutory value added tax); this shall apply irrespective of whether the sales goods are sold prior to or after processing. The purchaser shall retain the right to collect such claim even after an assignment without prejudice to the seller's right to collect the claim itself. However, DFE agrees not to collect the claim as long as the purchaser complies with its duties to pay from the collected revenues and is not in default, in particular if no application for commencement of bankruptcy, settlement or insolvency proceedings has been made and payments have not been suspended. If this is the case, DFE may demand that the buyer disclose the assigned claims and their debtors, furnish all the information required for collection, submit the pertaining documents and notify the debtors (third parties) of the assignment.

7.6 Processing or treatment or mixture of the sales goods by the purchaser is always carried out on behalf of the seller without any obligations arising for the seller. If the sales goods are processed or mixed with other objects not belonging to the seller, DFE shall acquire co-ownership in the new item at a share corresponding to the value of the reserved goods (invoice, total amount including statutory value added tax) as compared to the value of the goods mixed with the reserved goods at the time of mixing or blending.

7.7 DFE agrees to release the securities to which it is entitled, if the purchaser so requests, as far as the marketable value of the securities exceeds the claims to be secured by more than 20 %. It rests with the seller to select the security to be released.

8 Place of jurisdiction – place of fulfilment – applicable law

8.1 Delivery to other European countries or third countries: The buyer of the goods is solely responsible for compliance with all national regulations and legal conditions in the recipient country.

8.2 Any disputes not covered by arbitral jurisdiction shall be subject to German law. This shall also apply if the legal dispute is conducted outside of Germany.

8.3 Exclusive place of jurisdiction shall be Darmstadt. Place of fulfilment: a) for all deliveries: place of loading b) for payments: DE - 64665 Alsbach.

9 Special agreements

9.1 Force majeure: If delivery becomes impossible or overly complicated on account of force majeure, governmental measures, closure, strike, crop failure or reduced crop yield "reservation of crop yield" or similar circumstances, also those affecting the seller's suppliers, DFE shall be released from its duty to deliver for the duration of the impairment and its aftermath. Such events shall also give the seller the right to withdraw from the contract or, in case of crop failure or reduced crop yield, to supply only to an extent corresponding to the percentage of growth of crop in the regions of its upstream suppliers. In case of imports from countries where performance of the delivery cannot be enforced or can only be enforced at unreasonable expenditures, any deliveries shall be subject to our own receipt of deliveries.

9.2 If delivery of the sold goods becomes impossible on account of suspension of payment or bankruptcy of an upstream supplier, DFE shall not be obliged to make deliveries or to pay damages.

9.3 Should any of the above provisions be ineffective, this shall not affect the remainder of the contract. The parties to the contract agree to replace the ineffective provisions by a regulation that comes as close as possible to the original economic intent of the parties.