

General

Terms and Conditions

of Purchase

(Last updated on 05 August 2019)

UHB Livestock GmbH & Co. KG

and

UHB Livestock Verwaltungs GmbH

Terms and conditions of purchase and delivery

of the UHB Livestock GmbH & Co. KG and UHB Livestock Verwaltungs GmbH hereinafter
both called UHB Livestock –

1. Scope and amendment of these terms and conditions

The following Terms and Conditions of Purchase shall apply exclusively to all legal transactions - including future transactions - between the supplier and UHB Livestock unless deviating terms and conditions have been expressly recognized or agreed in writing. The supplier's general terms and conditions shall not apply even if UHB Livestock does not explicitly object to them. The invalidity of individual conditions shall not affect the validity of the remaining conditions. The same shall apply if individual conditions are not part of the contract.

2. Conclusion of contract

If contracts with business customers are concluded subject to written or telex confirmation, the content of the letter of confirmation from UHB Livestock shall be authoritative unless the recipient objects immediately. UHB Livestock shall make special reference to this consequence in the letter of confirmation to consumers.

3. Delivery

- (1) UHB Livestock shall utilize the delivered livestock in its own name and for its own account. Upon delivery, UHB Livestock may freely dispose of the animals within the scope of the contractually agreed purpose and on its own responsibility.

- (2) UHB Livestock is entitled to choose a different type of utilization at its discretion.
- (3) When UHB Livestock acts as a commission agent, the provisions of sections 383ff. of the German Commercial Code (HGB) apply. Instructions from the principal are only valid if given in writing. As a sales commission agent, UHB Livestock is entitled to the retention of title agreed upon for security purposes. UHB Livestock is also entitled at any time to collect the claims arising from the commission transaction.
- (4) Unless otherwise agreed, the supplier must provide the livestock intended for recycling in a sober (empty) condition and comply with animal welfare regulations.
- (5) The supplier must comply with the legal requirements for the identification and reporting of the delivered livestock, in particular in accordance with the regulations applicable to beef labeling and the Livestock Transport Ordinance. The relevant documents (e.g. animal passport) shall be duly provided by the supplier.

4. Slaughter livestock

- (1) Only animals for which a slaughtering permit has been issued and which are free of complaints following an ante-mortem inspection in accordance with food hygiene regulations will be accepted for slaughter. Animals that are subject to a slaughter ban, in particular in accordance with 8 4 of the German Animal Products Trade Prohibition Act (TierErzHaVerbG), will not be accepted.
- (2) The risk of loss or accidental deterioration shall pass to UHB Livestock from the loading ramp of the transport vehicle.
- (3) UHB Livestock can insure certain risks at the supplier's expense. These risks are not included in this regulation:
 1. animals with visible external defects or with known and unknown hidden defects to the supplier (e.g., infertility, internal infertility, hermaphroditism, erysipelas, mange, paralysis, plague, swine leukemia, and all kinds of epidemics),
 2. animals that are delivered for special slaughter or due to suspected disease and which have been refused slaughter authorization following ante-mortem inspection in accordance with food hygiene regulations,
 3. slaughter pigs with a carcass weight of less than 70 kg,
 4. animals that are rejected based on official meat sample inspections.

- (4) The costs arising from the slaughter and disposal of the animals referred to in section 3 (1) to (4) shall be borne by the supplier unless they are borne by public bodies. The slaughter order/disposal order placed with UHB Livestock shall be deemed to have been placed in the name and for the account of the supplier.
 - (5) The commission will be handled directly by the company for damages covered by insurance or by UHB Livestock's own damage prevention measures.
 - (6) UHB Livestock shall be entitled to a reservation of title stipulated in the case of realization on commission on a fiduciary basis; it shall be entitled to assert all rights arising therefrom.
 - (7) The animals delivered for slaughter must be free of active substances that are not permitted under food law. No prohibited or unauthorized substances may be administered, and the specified withdrawal periods must have been observed after the use of authorized pharmacologically active substances. Only slaughter animals whose meat does not contain any residues or levels of substances that exceed the specified maximum quantities or assessment values or values that are harmless to health according to scientific findings are delivered.
 - (8) If the slaughtered animals are rejected due to official or legally prescribed sample tests, the supplier shall be liable for all resulting damages in accordance with the statutory provisions. In the event of a meat inspection complaint, UHB Livestock shall have the right to utilize the carcasses without informing the supplier in advance. The supplier shall recognize the results of the officially or legally prescribed sample tests.
 - (9) The weighing, classification, identification, and evaluation of carcasses as well as the slaughtering and cutting of the animals are carried out in accordance with the applicable legal regulations.
 - (10) The delivered slaughter stocks are invoiced according to slaughter weight and slaughter value based on the approval by the statutory meat inspection and in accordance with the applicable legal regulations.
 - (11) Price reductions for decreased revenue due to defects (cracks, hidden damages, parasites, surgeries, etc.) are possible.
 - (12) Unless otherwise agreed, the statutory provisions shall apply to the rights and claims of UHB Livestock. UHB Livestock is entitled to statutory warranty claims without restriction.
5. Livestock and breeding stock
- (1) The risk of loss or accidental deterioration shall pass to UHB Livestock upon delivery of the livestock or, in the case of auctions, upon acceptance of the bid.

(2) The livestock and breeding stock delivered must:

1. be in normal health, normally fit for breeding, and disease-free,
2. be free from e.g. infertility, internal infertility, hermaphroditism, anus loss, uterine prolapse, udder quarter loss,
3. come from a herd officially recognized as healthy,
4. have no defects known to the supplier that significantly impair its usability.

(3) Unless otherwise agreed, the statutory provisions shall apply to the rights and claims of UHB Livestock. UHB Livestock is entitled to statutory warranty claims without restriction.

6. Invoicing

(1) Unless otherwise agreed, UHB Livestock will issue a credit note for each purchase, which will be sent or handed to the supplier shortly after delivery. The supplier must promptly verify the accuracy of the credit note, particularly concerning the indicated VAT rate. Any objections to the credit note must be reported to UHB Livestock no later than 14 days after receipt. The indication of an incorrect tax rate must be reported in writing immediately. In case of a breach of the notification obligation, the supplier shall be liable to UHB Livestock for damages in accordance with statutory provisions.

(2) The supplier is obligated to promptly notify UHB Livestock of any change in the method of taxation. If the supplier is not entitled to issue an invoice with VAT, they must reimburse UHB Livestock for the VAT amount stated in the credit note. Any VAT amounts that are incorrectly overstated in the credit note must be refunded to UHB Livestock, which will then issue a corrected credit note for the delivery.

7. Current account

(1) All mutual claims arising from the business relationship may if separately agreed upon, be included in a current account, to which the provisions of sections 355ff. of the German Commercial Code (HGB) apply.

(2) UHB Livestock's receivables on the current account will bear interest at a rate of 8 percentage points above the base interest rate.

(3) UHB Livestock issues a balance statement at least once a year, which is considered a statement of account. The balance is deemed accepted if the account holder does not raise objections within six weeks of receiving the statement. UHB Livestock will specifically point this out when sending the statement of account. Statutory claims

remain unaffected.

8. Liability

- (1) Claims for damages by the supplier, regardless of the legal grounds, in particular due to breach of duties arising from the contractual obligation and tort, are excluded.
- (2) This shall not apply where liability is mandatory by law, in particular:
 - in cases of fraudulent intent, intent, and gross negligence,
 - injury to life, limb, or health,
 - the assumption of a guarantee, e.g. for the existence of a property,
 - the breach of material contractual obligations or
 - liability under the German Product Liability Act (Produkthaftungsgesetz).
- (3) Claims for damages due to negligent breach of essential contractual obligations are limited to the foreseeable damage typical for this type of contract.
- (4) Insofar as liability is excluded or limited, this shall also apply to the personal liability of UHB Livestock's employees, staff, representatives, and vicarious agents.
- (5) A change in the burden of proof to the detriment of the supplier is not associated with the above regulations.

9. Retention

The supplier may not exercise a right of retention that is not based on the same contractual relationship.

10. Retention of title

- (1) Ownership of the goods delivered by the supplier or on his behalf, including animals and any offspring, shall remain reserved until the purchase price has been paid in full. UHB Livestock shall store the goods for the supplier.
- (2) If the goods subject to retention of title are inseparably mixed, blended, or combined with other goods, the supplier shall acquire co-ownership of the uniform item in a proportion corresponding to the value of his goods subject to retention of title in relation to the value of the goods mixed with them at the time of mixing, blending or combining.
- (3) UHB Livestock is obliged to inform the supplier immediately of seizures or other impairments of the reserved property.

- (4) UHB Livestock shall only be entitled to resell the goods, including goods produced by mixing, blending, combining, processing, or treatment within the scope of its ordinary business operations. It is not authorized to dispose of these goods in any other way, in particular to pledge them or assign them as security.
- (5) UHB Livestock assigns all claims arising from the resale of the goods subject to retention of title. The same applies to other claims that take the place of the reserved goods or otherwise arise concerning the reserved goods. UHB Livestock hereby assigns to the supplier a first-ranking partial amount of the claims from the sale of goods in which the supplier has acquired co-ownership through mixing, blending, or combining, which corresponds to the supplier's co-ownership share in the sold goods. If UHB Livestock sells goods owned or co-owned by the supplier together with other goods not belonging to the supplier at a total price, UHB Livestock hereby assigns to the supplier a first-ranking partial amount of this total claim corresponding to the share of the reserved goods.
- (6) UHB Livestock is authorized to collect the assigned claims from the resale. The supplier may revoke this direct debit authorization at any time if UHB Livestock does not meet its payment obligations, is in default of payment, has filed for insolvency, or if payments have been suspended or enforcement measures have been taken by third parties. Upon request, it shall name the debtors of the assigned claims to the supplier, notify them of the assignment, or hand over the assignment notices to the supplier. As long as UHB Livestock meets its payment obligations, the supplier shall not disclose the assignment. If the realizable value of the securities existing for the supplier exceeds the secured claims by more than 10% in total, the supplier shall be obliged to release securities of his choice at the request of UHB Livestock.

11. Data protection

- (1) The data received by UHB Livestock in the course of the business relationship shall be stored in accordance with the German Federal Data Protection Act (Bundesdatenschutzgesetz). The name and address of the supplier shall be passed on to subsidiaries and/or customers of UHB Livestock as proof of origin.
- (2) The supplier agrees to the forwarding of data from veterinary examinations by the officially appointed veterinarians to UHB Livestock and to the collection, processing, use, and transmission of data in accordance with the provisions on beef labeling.

12. Place of performance, place of jurisdiction, applicable law

- (1) Unless otherwise agreed in individual cases, the place of performance for both parties shall be the registered office of UHB Livestock.

- (2) If the supplier is a merchant or a legal entity under public law or a special fund under public law, UHB Livestock may sue at the place of jurisdiction of the place of performance and may only be sued at this place of jurisdiction.
- (3) The contracts concluded with the supplier and these terms and conditions shall be governed exclusively by German law to the exclusion of the CISG.
- (4) Verbal side agreements between the supplier and UHB Livestock are not legally binding. They must be made in writing to be effective. The same applies to the amendment of this clause.