



Pinzgau Milch Produktions GmbH
Saalfeldner Straße 2, A-5751 Maishofen

General Purchasing and Quality Conditions (GPCs)

With the first order supplier accept this GPCs entirely

General

These General Purchasing Conditions apply as amended for all our orders (B2B) unless such orders are based on written agreements to the contrary. Deviating delivery conditions or other General Business Conditions of the Suppliers apply only if we have approved them in writing. Our GPCs are deemed accepted upon delivery of the ordered merchandise. Our GPCs also apply if we accept the Supplier's delivery without reservation even if we are aware of conflicting terms and conditions of the Supplier. These GPCs are retrievable under www.pinzgaumilch.at. We reserve the right to adapt our GPCs.

Delivery, quality, indemnification, transfer of risk

We recognise no minimum order amounts. We reserve the right to cancel orders within 24 hours without giving reasons, and without entitling the Supplier to derive legal claims from such cancellation. Agreed delivery dates apply as fixed deadlines. Not agreed or approved premature deliveries or partial deliveries will not be accepted. If the delivery date or quota is not 100% complied with, we are entitled to conduct covering purchases or to withdraw from the contract without setting a grace period, irrespective of which (pre) suppliers were in default, or the reasons for the delay, and without prejudice to our other claims (compensation for damages, etc.).

If the ordered goods are not delivered to the agreed business premises in the agreed amount, quality or at the agreed time, we are also entitled to demand a contractual penalty amounting to 10% of the order value but no less than 150,00 € and to offset this value, to cover the bureaucratic expenditures incurred by the delay in delivery. Such penalty shall apply regardless of fault, shall not be subject to judicial mitigation, and shall be due immediately. Moreover, Supplier guarantees to replace all direct and indirect consequential damages in the event of at least slightly negligent delay in delivery—and otherwise to indemnify and hold our company harmless—in particular by covering purchases, and by compensating us for loss of potential profits, production downtime, officially imposed penalties, expenditures for researching the cause, etc. Supplier shall furthermore document each article provided by his own downstream suppliers (supplier and delivery period). This information is to be given to us upon request. Except when otherwise stipulated all deliveries to us are made free domicile (free of charges for freight, customs and other allowable expenses) to the agreed destination; the Supplier shall bear the transport risk, including the risk of cargo securing and quality assurance. The risk of accidental loss or deterioration of the goods is transferred only upon handover of the delivered goods, along with the delivery notes, and all other complete and correctly filled-out accompanying documentation, on the receiving platform of the ordering business premises.

We are entitled to return delivered goods at no charge if authorities have warned the public against their purchase or use, or if the media has reported that the goods are not sellable. Goods that were not ordered are to be returned to the Supplier, at their cost and risk, or destroyed after consultation. If an article is returned or gives rise to a complaint, a debit note will be compiled for such article in the amount of its value before any discounts.

Prices

The prices individually agreed with the Suppliers are understood as net prices exclusive of the statutory VAT in force at the time, and to apply to goods that are packaged, delivered free domicile to their destination, and unloaded. The prices are fixed prices. Price increases due to increased costs for raw materials or production require our previous written approval.

Billing

After proper delivery has been made, all invoices are to be sent to our registered office in Maishofen along with a copy of the delivery note. This also applies to all orders made by our business premises.

Payment, exclusion of offsetting

Unless agreed otherwise, payment for accepted goods will be made with a 3% discount within 30 days after receipt of the invoice, or at net value within 60 days after receipt of the invoice. Payment does not imply an acknowledgement of correct delivery nor a waiver of

claims to which we are entitled because of fulfilment deficiencies due to warranty, compensation for damages, etc. Supplier agrees to offset against any counterclaims to which we may be entitled. Cessions require our written consent. Supplier is not entitled to settle against us with their own claims.

Warranty and guarantee, product liability

Supplier warrants, as part of an independent guarantee promise, that the delivered goods comply with the following: current statutory provisions and ordinances applicable to their production, sales and use; relevant industrial and factory standards; state-of-the-art development and production expectations regarding their materials and technology; and the contractually agreed product specifications for the delivered goods, even if these specifications are stricter than statutory provisions. Due to the characteristics of the delivered goods, quality deficiencies can often be determined only during further processing or in the finished product. For this reason, Supplier waives the right to reject a notice of defects that has not been promptly carried out for lack of spot checks by us. Supplier guarantees their deliveries and services will be free of defects for a time period of 12 months after acceptance, but at the latest 36 months after fulfilment of the order. If Supplier is responsible for a product defect, or for damage due to a defective product, they are obligated to release us from third-party compensation claims. Supplier shall be liable for their downstream suppliers as for their own culpability. Naming the downstream suppliers, manufacturers or importers of the damage-causing product does not release the Supplier from their contractual obligations toward us. Supplier shall be liable to us if there is an error or defect in the delivered goods, their packaging or the product information, the usage-, safety- or warning instructions required for the proper use or application of the product, and for all direct and indirect expedient costs relating to a public report, discontinuation of sales or a product recall. Supplier shall conclude and maintain factory insurance and product liability insurance, including insurance for recall costs, with a minimal coverage sum of €5,000,000 and send us an unsolicited copy of the current policy, failing which they shall give a full indemnification against claims and actions.

Production documents

All samples, models, drawings, printing plates and other aids ordered by us or manufactured by the Supplier in order to fulfil our contract remain our material and intellectual property, over which we have full rights of disposal. These resources may be used only to execute our order and may not be made accessible or transmitted to third parties outside the company. They are to be returned to us unsolicited, complete and at no charge after the order has been delivered and/or terminated. The orders and all related information, documents, etc. are to be treated with strict confidence as our business secrets.

Third-party rights

Supplier guarantees that the delivery will not violate any third-party rights, especially industrial property rights such as trademark rights, registered designs or patent rights—failing which they shall indemnify, defend and hold harmless our company. We do not acknowledge retention of title to the delivered goods.

Place of fulfilment, packaging

The exclusive place of delivery, payment and fulfilment is our registered office in Maishofen, unless there is a separate agreement for both contracting parties. Unless agreed otherwise, Supplier shall, at their volition, release all packaging that is subject to the current version of the Packaging Ordinance (VerpackVO) 2014 latest version at a collecting and recycling system or subject the same to a permissible recovery operation, failing which they shall indemnify, defend and hold our company harmless.

Jurisdiction, place of jurisdiction, applicable law

It is agreed that all disputes arising from the overall business relationship between us and Supplier, as well as questions of effective cooperation, shall be exclusively subject to the Austrian courts with ordinary jurisdiction. Furthermore, Austrian substantive law shall apply exclusively, except for UN commercial law (CISG) and the conflict of law rules. Furthermore, the District Court of the Provincial Capital Salzburg is agreed as the exclusive place of



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jurisdiction. We also reserve the right to sue Supplier at their own legal venue or one that is selected.

Quality in general

This agreement regulates the framework conditions and procedures between Pinzgau Milch Produktions GmbH ("PM") and their suppliers. The goal is to achieve and maintain the highest possible quality standard. Each year, Supplier shall send their valid certificate to PM without being asked. PM recognises the following certifications: IFS, ISO 22000, BRC and those of equal value.

PM reserves the right to carry out audits in all of the suppliers' operations. If necessary, in the presence of PM's clients. Supplier hereby grants PM permission to this end, allows them to enter their company site and business premises to this end, and guarantees PM the support they will need. If complaints are made repeatedly, PM reserves the right to commission an external auditing firm with the audit, and Supplier shall bear the quality inspection costs incurred thereby. Supplier shall make an agreement with its suppliers that has the same content and grants PM the right to audit their operations as well, failing which PM will be indemnified and held harmless. In case of imminent danger PM is authorized to carry out unannounced audits

Specifications

Supplier shall establish specifications, and transmit them duly unsolicited if they are changed, along with a reference to the change in question. Changes have to be approved by PM. Supplier shall bear sole responsibility for complying with the criteria stipulated in the specifications. They shall be liable toward PM for complying with relevant and applicable food guidelines and other statutory provisions within the EU or Austria, failing which they shall indemnify and hold harmless PM.

Acceptance of goods

Before accepting the goods, PM will carry out an incoming goods inspection. By accepting the goods, PM does not lose its claim to reject the goods later, or to assert other warranty remedies or damage compensation claims, if they discover defects of quality or quantity during other internal processes. PM's time limit for submitting a notice of defects is agreed as 4 weeks from the date on which the goods are accepted or the defect is discovered, or both. A notice of defects by PM is deemed submitted on time if it is made to Supplier within 4 weeks from the date on which the goods are accepted or the defect is discovered, or both. During this period, Supplier shall forego objecting to a notice of defect on grounds of late submission.

Final product control

On request, Supplier shall transmit to PM the results of the outgoing goods inspection.

Contracts, Orders, Call offs

PM shall transmit their contracts, orders, call offs to Supplier in writing—using e-mail or telefax is sufficient. PM shall confirm the orders they receive from PM.

Product labelling

Supplier shall cite the PM article, the order number, the shelf life, the EAN-128 and a batch identification on the delivery note, the invoice and the delivered goods, including on the outer packaging. EAN 128, shelf life and batch identification must be listed on all outer packaging.

Delivered goods from organic farming or ecological production must be labelled as such, including the number of the supervisory authorities. Ideally, the word BIO ("ORGANIC") should also be visible against a green background.

If goods contain substances with allergenic potential (according to EC Directive 1169/2011), latest version the allergen groups in question must be specified on the packaging. Ideally, a large "A" should also be visible against a blue background.

Packaging / Releasing packaging from obligation

Supplier shall inspect and guarantee that all the packaging of goods delivered to PM is suitable for use in the food industry, failing which they shall indemnify and hold harmless PM. Supplier shall provide PM unrequested with declarations of conformity at any time. Transport and sales packaging are released of obligation by Supplier. Furthermore, PM must be provided with results of -migration test with appropriate media on request.

Traceability and retention samples

Supplier confirms that they have implemented a functioning system to make sure the goods and their components can be traced. Supplier further ensures that samples of the batches delivered to PM will be retained for one year past their shelf life, failing which they shall indemnify and hold harmless PM. These will be made available to PM on request, without reservation, for analysis purposes.

Product quality

The product specified fulfils all statutory and qualitative requirements of food safety. The goods comply with the specification, and exhibit no microbiological or other contaminations or residues of any kind beyond this specification. Supplier shall bear responsibility if different results can be proven in PM's final product in terms of quality or food law—even if these are not listed in the specification—failing which they shall indemnify and hold harmless PM. Supplier shall use a suitable management system, HACCP, and qualified processes, equipment, machines and employees, to ensure that the prescribed specification values lie within the tolerance limits, and that using, preparing or enjoying the products they deliver will not endanger anyone's health. If the delivered products contain quality defects which give rise to complaints, and if PM goods or products are recalled from the market due to quality defects or health hazards to customers or end users which originate with the specified products or goods from Supplier, regardless of culpability, Supplier shall reimburse PM for all associated direct and indirect costs, penalties or fines, and miscellaneous expenses, including the costs for the quality inspection, legal representation and counsel, and all damages suffered by PM, including loss of potential profit and compensation for downtime, failing which they shall indemnify and hold harmless PM.

Allergen management

Any allergens contained in the delivered goods of Supplier must be listed in the specifications. Supplier shall perform internal procedures and measures to rule out any cross-contamination with other allergenic substances, failing which they shall indemnify and hold harmless PM. Supplier shall explicitly point out any possible cross-contamination, and shall ask PM how they will use Supplier's proprietary goods and specified products, failing which they shall indemnify and hold harmless PM. The EU list of allergens (14 allergen groups) of the Regulation EC 1169/2011 can serve as a reference to this end.

Freedom from GMOs

Supplier confirms that the products they deliver are not "Novel Foods" pursuant to EC Organic Food Regulation No. 258/97, and therefore do not need to be labelled as such, failing which they shall indemnify and hold harmless PM. This includes all genetically modified microorganisms, plants and plant components, enzymes and ferments or other substances used to manufacture the product, unless they are exempted in EC Regulation "Novel Foods" (currently EU 2015/2283 latest Version). Any change to the product in this regard must be communicated to PM immediately and without being asked. If cross-contamination with genetically modified materials might occur, Supplier shall ensure through suitable measures, processes and analysis that the products delivered to PM are not affected, failing which they shall indemnify and hold harmless PM. The applicable limit values for technically unavoidable impurities will apply in each case. Supplier shall provide PM, free of charge, with certificates of GMO-free status or InfoXGen statements for the delivered products. The products' GMO-free status and the certifying body granting it must be listed on the delivery documents, failing which Supplier shall indemnify and hold harmless PM.

Products from organic farming / ecological production

Supplier shall ensure that if products come from organic farming or ecological production, the appropriate currently valid EU Organic Food Regulations for the production processing and labelling of organic foodstuffs will be complied with, failing which they shall indemnify and hold harmless PM. Supplier shall provide PM, free of charge, with certificates of biological origin for the delivered products. Information in this regard and the certifying body granting it must be listed on the delivery documents, failing which Supplier shall indemnify and hold harmless PM.

WADA & REACH Statement

Supplier shall not deliver substances which are listed on the WADA Prohibited Substances List or the Appendix XIV of the REACH legislation (EG) 1907/2006 latest valid version, failing which they shall indemnify and hold harmless PM. Supplier shall inform PM, without delay and without being asked, about WADA or REACH -listed substances and possible cross-contamination with substances on the above list, failing which they shall indemnify and hold harmless PM.

Foreign substances

Supplier shall ensure that adequate measures for avoiding foreign substances are implemented whenever the goods are manufactured, packaged or transported, failing which they shall indemnify and hold harmless PM. Supplier shall explicitly point out any risk that exists in this regard.



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Food defence

Supplier confirms that all necessary measures have been taken reliable to rule out negative influences on the product, such as sabotage (internal or external).

Defective products and recall

If Supplier becomes aware that any products they have delivered to PM are defective in terms of quality or quantity, they must inform PM thereof immediately, regardless of the legal consequences. Supplier shall also inform PM as soon as possible of any recall actions, by telephone and in writing.

Protection of data privacy

Supplier take note and accept the data privacy terms of PM – see www.pinzgaumilch.at/datenschutz-partner

Contact persons for PM

- **During business hours:**
Your appropriate contact partner in purchasing.
- **For imminent danger:**
The Executive Board or the head of Quality Management.
- **Outside of business hours: Emergency number**