

Terms and conditions of purchase and supply



1. Application of these terms and conditions

- 1.1. Our terms and conditions of purchase apply to all contracts with suppliers from which we buy products and raw materials.
- 1.2. Diverging terms and conditions of business of the supplier shall apply only insofar as we have agreed in writing thereto. They shall have no effect even if we have not rejected them or unreservedly accept deliveries from the supplier in knowledge of conflicting or diverging conditions of the supplier.

2. Conclusion of the contract, written form, change in the supplied item

- 2.1. Orders placed verbally or by telephone shall be of no effect unless we confirm them in writing. The written form also includes transmission by way of electronic data transfer. The same applies in the event that confirmed orders are later altered.
- 2.2. If we do not receive a binding acceptance from the supplier within one week from receipt of our order, we are entitled to revoke our order before receipt of the notice of acceptance. By acceptance of the order the supplier expressly warrants the properties of the offer and/or purchase order.
- 2.3. We may demand changes to the supplied item (especially regarding delivery dates) even after conclusion of the contract, provided this is reasonable for the supplier. Reasonable account must be taken of the effects of such changes on both parties, in particular with regard to any increase or decrease in costs and delivery dates.
- 2.4. The supplier is responsible for the product safety of the delivered goods. If the supplier passes the order or significant parts thereof (like blending, packing in cases etc.) to third parties without our prior written consent he has to take adequate quality assurance measures. If such consent is given, the supplier shall remain jointly and severally liable towards us.
- 2.5. In the event of non-performance or improper or defective performance, GW is entitled to demand, after expiry of a reasonable grace period specified by GW, fulfilment of the contractual obligations and/or to claim damages for non-performance or withdraw from the contract.

3. Delivery period

- 3.1. Agreed delivery periods and delivery dates are binding. The goods must have been received at the point of reception stated by us within the delivery period or on the delivery date. In the event of any delays in delivery, the supplier shall promptly inform us in writing that the contractual period of delivery cannot be complied with.
- 3.2. If the supplier culpably fails to meet an agreed delivery date (i.e. provides other customers first), it shall be in default even if no reminder is sent or no deadline is set. In the event of default, we have the right, after a reminder, to demand a contractual penalty of 0.5% per week or part of a week, not exceeding 5% of the gross order value including value added tax, because of the delayed performance. The paid contractual penalty shall be set against a claim for damages based on delayed delivery. The supplier is entitled to prove to us that it was not responsible for the failure to comply with the obligation or that we have incurred a loss that is less than the loss we have claimed. Our more far-reaching statutory claims as buyer remain unaffected by this provision.

3.3. If deliveries are made before the date stipulated by us or without any agreement on the delivery date, we reserve the right to return the goods or to charge the supplier for the costs of interim storage that we incur and to deduct such costs from the supplier's invoices.

3.4. If we request that the delivery be deferred, the supply must carefully store the properly packed and marked products and insure them at its own expense, but for no longer than three months. Should interests arise from delayed payments a mutual agreement has to be made.

3.5. Force majeure and industrial action release the supplier from its obligations for the period of disruption and to the extent of their impact.

As far as can be reasonably expected, the supplier shall promptly provide the required information and in good faith adjust its obligation to the changed conditions. We are wholly or partially released from our obligation to accept the delivery and are entitled to withdraw from the contract if the delivery or performance has been delayed for the aforementioned reasons and can no longer be used by us having regard to commercial considerations.

4. Delivery terms, retention of title

- 4.1. The supplier is not entitled to deliver partial quantities save as otherwise agreed.
- 4.2. All services and deliveries even partial services and partial deliveries shall be provided with a delivery note. Our references such as order number, article number and lot number stated in the order shall be included in full in the shipping papers and notes.
- 4.3. Documents and certificates that are required to obtain export subsidies or for clearance purposes in cross-border transport shall be provided by the supplier at its cost.
- 4.4. We reserve title and retain copyright in illustrations, drawings, calculations and other documents should they belong to the purchased product/service.
- 4.5. In the event that the supplier retains title, title to the delivered goods shall pass to us on payment. However, we are entitled to sell or process the goods after delivery in the ordinary course of our business. We do not accept a supplier's retention of title clause that is inconsistent with or goes further than this provision, even without objection on our part in a specific case.

5. Quality (product and packaging)

5.1. The supplier hereby expressly warrants that all deliveries have the properties of any sample provided by the supplier. Prior to the first order, the supplier must present a duly completed and signed product specification, a GMO-free certificate and an allergen statement.

If certificates on material tests, e.g. analysis certificates or other documentation are agreed on, they form a material part of the delivery and shall be sent to us together with the delivery.

The supplier guarantees that the delivered products and all ingredients conform to the statutory and official regulations under European food and health law, save as otherwise required under 5.3 et seq.

5.2. Quality assurance

The supplier shall carry out quality assurance measures that are suitable in terms of their scope and nature and shall provide evidence thereof upon request.

The supplier's own examinations shall ensure that the supplies are in accordance with our defined terms and conditions of delivery. The supplier undertakes to prepare records of the inspections and to keep these for at least three years. We are however entitled at all times to inspect such documents and to make copies.

5.3. Pesticide residues

We accept residue limits in accordance with the German Regulations on Pesticide Limits and EC Regulation 396/2005, 90/642 and amending regulations each valid at the date of order.

If a lower percentage of maximum residue limits is required, we will demand for, explicitly per article, in the inquiry.

Unless the supplier has already carried out a pesticide residue analysis and evidence of such an analysis has been provided to us, we will, if necessary, assess and analyse tea and vanilla raw materials in accordance with the EU MRL Regulation as amended from time to time and all other food raw materials in accordance with the MRL for herbal tea.

5.4. Genetically modified organisms

The supplier further guarantees that the goods are free from genetically modified organisms. The following shall apply in particular:

The goods must not consist of genetically modified organisms and must not contain such organisms and must not be manufactured from them. Regulations (EC) No. 1829 and 1830/2003 or following regulations as amended from time to time must be complied with.

5.5. Other treatments

The delivered goods must not have been radiated and must not have been treated with ethylene oxide.

5.6. Allergens

The supplier guarantees that cross-contamination with allergenic components can be ruled out in the case of all delivered products unless otherwise specified.

5.7. Microbiology

The goods must be within the limits of the EHIA (European Herbal Infusions Association) less a power of ten (10^1). Vanilla raw materials have to be within the limits defined in the product specification sheet forwarded at date of order placement.

5.8. Mineral Oil Residues (MOSH, MOAH)

To avoid the migration of mineral oil in delivered goods, no waste paper should be used in primary packagings, or there should at least be an adequate barrier layer to protect the goods against migration. Furthermore, mineral-oil-containing printing ink must not be used for markings.

5.9. Code of Practice ETC and GAHP EHIA

The supplier also guarantees compliance with the Code of Practice of the European Tea Association (ETC) as amended from time to time and, in the case of deliveries of herbs, fruits and other raw materials, guarantees compliance with the requirements set out in the "Practices for raw materials used for herbal infusions (GAHP)" of the

European Herbal Infusions Association as amended from time to time.

5.10. Product specification

The deliveries have to be effected according to the properties defined in the supplier's product specification. These specifications shall be updated every 24 months by the supplier unsolicited. If no valid article specification is available, one shall be issued and presented within the course of two weeks. Should this deadline be exceeded, we reserve the right to prepare such a specification ourselves, which the supplier has to accept by signature. However, this compromise leads to a degrading in the supplier assessment.

5.11. Palletisation

Palletisation must always be carried out in accordance with the specification in the order. The height of the pallet may not exceed 2.20 m, unless the order expressly allows an exceeding height.

The supplier must ensure that even the bottom layer of the pallet is not negatively affected by the pressure of the stack. Between raw material and wooden pallet has to be an interlayer to prevent the infiltration of splinters of wood into the packaging.

5.12. REACH

Suppliers of accessories and packaging shall comply with the requirements of the regulation (EC) No. 1907/2006 (REACH regulation) (Registration, Evaluation and Authorisation of Chemical Substances) as amended from time to time and shall inform us if substances contained in the product or packaging are included in the so-called "Candidate List".

5.13. Certificate of origin

The supplier shall attach a complete and properly signed certificate of origin that is effective for the purposes of inspection by the customs authorities. The supplier shall indemnify us against loss or damage incurred because the authorities do not accept the certificate of origin. If, in the individual case, the supplier is not able to issue a certificate of origin, a long-term supplier declaration has to be provided.

5.14 Additional quality requirements for non-food articles

5.14.1. Quality of packaging

All deliveries must be properly packed and in particular must be break and shock-proof.

5.14.2. Number of articles in the sales unit

The number of articles in the sales unit defined in the order may not be changed.

5.14.3. Food conformity

The supplier shall on or before the date of delivery provide a written specification and notice of conformity for all materials and articles that come into contact with food.

5.14.4. Residue analysis

The supplier has to present a certificate of analysis of an EU-accredited laboratory every 24 months for all supplied non-food products.

6. Social standards

6.1. Social standards in accordance with ILO

The supplier undertakes to guarantee the current core labour standards set up by the International Labour Organization ILO in addition to the statutory minimum standards that are applicable in the respective country of origin of the goods for workers involved in harvest and production.

The supplier shall obtain corresponding undertakings in writing from the service providers and subcontractors that it uses and shall regularly monitor compliance with such undertakings.

6.2. Code of Conduct

All suppliers shall be bound by the Code of Conduct of Gebrueder Wollenhaupt GmbH as amended from time to time. This largely corresponds to the content of the Code of Conduct of the German Tea Council [Deutscher Teeverband].

7. Industrial property rights, third-party rights

7.1. The supplier warrants that no industrial property rights or other third-party rights will be infringed as a result of the delivery of the ordered goods.

7.2. The supplier is not entitled to use our trade name, logos, trademarks or industrial property rights for its own benefit or for the benefit of third parties without our written consent.

7.3. If our use of the delivered batch necessarily involves using a patent or some other industrial property right of the supplier, the supplier shall grant us for the period of consumption the irrevocable right to use the same absolutely and for an unlimited period and at no cost. The same shall apply correspondingly to copyright.

7.4. If a claim is made against us or our customers by a third party as a result of a breach of the obligation referred to in clause 7.1 above, the supplier shall indemnify us against such claims upon first written demand and shall compensate us for all further loss or damage.

7.5. We and the supplier undertake to inform each other promptly after we become aware of infringement risks and alleged infringements of protected rights in order to counter such liability claims.

8. Notification of defect, liability for defects, liability

8.1. The supplier shall inspect the delivered goods and raw materials prior to delivery to ensure compliance with the characteristics required by contract and law.

8.2. Our notification of a defect is deemed to be made on a timely basis if, in the case of apparent defects, it is received by the supplier within a period of 10 working days from the date of receipt. The period for notifying hidden defects is 10 working days from the date of discovery of the defect. If company holidays or days between public holidays and weekends fall within such period and are announced by us in advance, the period shall be extended correspondingly. Forbidden residues in foods or genetic modifications (see also clause 5.1. to 5.7. Quality) in particular are deemed to be hidden defects.

8.3. The supplier shall be liable for any defects in accordance with the statutory provisions. We reserve the right to demand rectification or a replacement delivery. A limitation of the supplier's statutory liability for defects or liability for breaches of obligations in accordance with the

statutory provisions – of whatever kind – is hereby expressly rejected. This shall also apply to any limitation on liability in terms of the amount.

8.4. If the supplier culpably fails to meet its obligations relating to liability for defects within a reasonable period set by us, we may take the measures required to avert further deterioration ourselves or have them taken by third parties at the expense and risk of the supplier. We may remedy small defects ourselves to meet our duty to minimise loss or in connection with measures taken in this regard without prior consultation and the supplier's obligations relating to liability for defects will not thereby be restricted. We reserve the right to pass the costs incurred to the supplier. The same shall apply if there is a threat of unusually high loss or damage or if there are other particular circumstances that, having regard to the interests of both parties, justify prompt rectification on our part without prior notification of the supplier.

8.5. If deliveries that we do not accept or defective goods are returned, the return transportation shall be at the expense and risk of the supplier. The equivalent value of the return shipment and further costs for picking up/putting down goods, storage and freight inward if any shall be borne by the supplier. Every shipment that is rejected and that we refuse to accept will be stored, at the risk of the supplier, in our plant or in another third-party place of storage unless the immediate return of the shipment is demanded and takes place.

9. Costs of analysis

The costs of analysis for the examination of goods after delivery shall be borne by the supplier if the maximum limits or the maximum levels accepted by us are exceeded. In such cases, we may, in our own discretion, carry out a second analysis at the cost of the supplier. If the analysis shows that the maximum limits are exceeded, we are entitled to reject the goods and to return them to the supplier at the supplier's cost. This is without prejudice to more extensive contractual or statutory rights of the buyer.

Certificates of analysis commissioned by suppliers will be accepted by us only if the analyses have been performed by an EU-accredited and certified laboratory.

10. Product liability, insurance cover

10.1. If the supplier is responsible for product damage or loss, it shall indemnify us upon first demand against third-party claims for damages insofar as the cause is to be found in its area of organisation and control and it is liable itself in relation to third parties.

10.2. In connection with its liability under 10.1, the supplier shall indemnify us against any and all expenses that arise out of or in connection with any recall that we carry out. More extensive statutory claims remain unaffected.

10.3. The supplier shall maintain a product liability insurance policy with a reasonable sum insured and shall provide us with evidence thereof on demand. Our claims for damages remain unaffected.

11. Invoices

Invoices (single copies) must be submitted for every order to the buying department and must show our order number. The supplier is responsible for all consequences arising out of failure to meet this obligation unless the supplier proves that it was not responsible for such consequences.

12. Prohibition on offsetting and assignment

- 12.1. The supplier is not entitled to offset any counterclaims against our claims or to exercise a right of retention on the basis of such counterclaims unless they are final and absolute or have been expressly acknowledged by us.
- 12.2. The supplier is not entitled to assign or pledge rights arising out of the business relationship without our written consent.

the remaining provisions in the agreement. The statutory rule shall then apply instead of the ineffective provision. On no account shall the provision in these conditions be replaced by the supplier's terms of business.

As of January 2020

13. Supplier's credit standing and ability to deliver

We are entitled to withdraw from the contract in whole or in part if the supplier's credit standing or ability to deliver worsens to such an extent that the fulfilment of the contract appears to be at risk. No claims shall accrue to the supplier from such a withdrawal. We reserve the right to assert claims for damages against the supplier.

14. Secrecy

- 14.1. The supplier shall treat our inquiries, the offers that result therefrom and the conclusion of the contract as confidential and may not refer to business relations with us in any publications, e.g. in advertising material and reference lists, unless we have given our written consent.
- 14.2. All documents and papers that we provide to the supplier are our property and may not be disclosed or made available to third parties without our express written permission. The supplier shall have no right to retain any documents and papers.
- 14.3. Products or documents prepared in accordance with our information, drawings and models may not be provided to third parties without our written consent. If we have consented thereto, the supplier must impose the obligations under 14.3 on the third party.

15. Data protection

We will store the personal data necessary for the business relationship in electronic form.

16. Place of performance and jurisdiction, choice of law

- 16.1. Unless otherwise expressly agreed, the place of performance for all delivery and performance obligations arising out of the contractual relationship with the supplier is Reinbek.
- 16.2. If the supplier is a businessman ("Kaufmann"), legal entity under public law or a special fund under public law, the sole place of jurisdiction should be Hamburg – other places have to be mutually agreed upon by the buyer and seller/supplier in writing.
- 16.3. The contract shall be governed exclusively by German substantive law and the UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply. However, we would also be open to finally settle any disputes by a mutually selected international arbitration panel. The arbitral decision shall be binding upon both parties.

17. Saving clause

If a provision in these conditions is or becomes ineffective, this shall be without prejudice to the effectiveness of