

## **GENERAL PURCHASE CONDITIONS**

### **I. Scope**

These General Purchase Conditions ("GPC") shall apply to all business relationships of the Lehmann Natur Gesellschaft zur Erzeugung und zum Vertrieb ökologischer Produkte mbH (Company for distribution and marketing of organic products) established in Meerbusch and registered in the commercial register of the District Court (AG) of Neuss under HRB 19089 (hereinafter also "lehmann natur") with farmers and suppliers ("Supplier"). The GPC shall only apply if the Supplier's enterprise (§14 of the Civil Code/BGB) is a legal entity or special fund under public law.

The GPC shall apply, in particular to the contracts for sale and/or delivery of organic fruit and vegetables ("the Goods"), irrespective of whether the Supplier of the Goods produces by his own or buys them from subcontractors (§§433, 651 BGB). Unless agreed upon otherwise, the GPC shall apply in the version valid at the time of the lehmann natur's order or in the version provided to the Supplier most recently in the text form, in particular for similar future contracts, without us having to refer thereto in each particular case.

These GPC shall apply exclusively. The Supplier's general terms and conditions varying from, in conflict with or supplementary hereto shall only be part of the contract if and insofar as explicitly consented to by us in writing. This requirement of consent applies in any case, for example even if we, being aware of the Supplier's general terms and conditions, accept his delivery without reservation.

Individual agreements concluded with the Supplier in specific cases (including collateral agreements, supplements and changes) shall always have priority over these GPC. In the absence of proof to the contrary, the contents of such agreements shall be governed by a written contract or our written confirmation.

Legally relevant declarations and notifications of the Supplier relating to the contract (e.g. setting a deadline, warning notice, rescission declaration) shall be provided in writing, i.e. in written or text form (e.g. letter, email, fax). Statutory provisions and other proofs, in particular in case of doubts regarding legitimation of the notifying party shall remain unaffected.

### **II. Conclusion of contract**

Our order shall be considered binding not earlier than with a written submission or confirmation. Before accepting any purchase order, the Supplier must point out obvious mistakes (e.g. misspellings or calculation errors) and any incompleteness in the purchase order including the purchase order documents for the purposes of correction or completion; the contract shall otherwise be considered not concluded.

### **III. Delivery period and delayed delivery**

The delivery period specified by lehmann natur in the order shall be binding. If the Supplier is likely to be unable to adhere to the agreed delivery deadline – for whatever reason – he is obliged to notify us immediately thereof in writing.

If the Supplier fails to deliver his performance or do so within the agreed delivery period or is in default, our rights shall be determined according to the legal regulations, which in particular shall apply to withdrawal and compensation for damages. Provisions of section III clause 3 shall remain unaffected.

If the Supplier is in default, lehmann natur shall be entitled to – in addition to further statutory entitlements – flat rate compensation for our damage amounting to 1% of the net price per completed calendar week, however, not more than a total of 5% of the net price of the delayed delivered goods. Lehmann natur retains the right to prove that the higher damage has occurred. The Supplier shall retain the right to prove that no damage at all or significantly lower damage has occurred.

#### **IV. Performance, delivery, transfer of risk, acceptance delay**

Without our prior written consent, the supplier shall not be entitled to assign his own performance to a third party (e.g. subcontractor). The Supplier shall bear the procurement risk for his performance, unless otherwise expressly agreed in individual cases (e.g. restriction of stock).

In absence of any other provision regarding the place of destination, the delivery shall be made to our warehouse at Hauptstrasse 1, 41352 Korschenbroich-Glehn. The respective place of destination is also the place of performance for the delivery and any supplementary performance (debt to be discharged at creditor's domicile).

The delivery must be accompanied by a delivery note, which states date (issue and dispatch), contents of the delivery (item number and quantity) and our order identification (date and number). If the delivery not is missing or incomplete, we shall not be responsible for the delays in processing and payment caused thereby. A corresponding notice of dispatch with the same content must be sent to us separately from the delivery note.

The risk of accidental loss and accidental deterioration of the item shall pass to lehmann natur at the place of performance. If an acceptance procedure has been agreed on, it shall be decisive for the transfer of risk. The statutory provisions of the services contract law shall apply to the acceptance procedure in all other respects accordingly. Default of acceptance by lehmann natur shall be equivalent to delivery or acceptance.

If acceptance is delayed on our part, the statutory provisions shall apply. The Supplier must, however, expressly offer his performance to lehmann natur even if a specific or definable calendar date has been agreed for an action or assistance on our part (e.g. for supply of packaging materials). If lehmann natur defaults in acceptance, the Supplier may demand compensation of his additional expenses according to the statutory provisions (§304 BGB).

#### **V. Prices and payment conditions**

The price specified in the order is binding. The prices shall be understood including statutory sales tax, unless listed separately.

Unless otherwise agreed in a particular case, the price includes all services and additional services of

the Supplier and all additional costs (e.g. proper packing, transport costs including possible transport and liability insurance).

The agreed price shall be – unless otherwise agreed upon separately – due for payment within 35 calendar days of complete delivery and performance (including agreed acceptance if applicable) as well as receipt of a proper invoice. Every invoice must be marked with lot/order number assigned by lehmann natur and the number assigned by the corresponding organic certification agency. In case of bank transfer, the payment shall be considered made in time if the transfer order of lehmann natur is received by our bank before the expiry of the period for payment; lehmann natur shall not be responsible for the delays caused by the banks involved in the payment process.

Lehmann natur shall not owe any interests on arrears. If the payment is delayed, the statutory provisions shall apply.

Lehmann natur shall be entitled to the rights of offsetting and retention as well as the right to object to unfulfilled contracts to the extent permitted by law. Lehmann natur is entitled, in particular to withhold due payments as long as lehmann natur still has rights against the Supplier because of incomplete or defective performance.

The Supplier shall be entitled to the rights of offsetting and retention only due to the counterclaims that are uncontested or established as final by a court of law.

## **VI. Condition of the goods**

Unless lehmann natur and the Supplier have expressly agreed otherwise in an individual case in writing, the following shall apply to the condition of the goods to be delivered by the Supplier to lehmann natur:

### **1. Mandatory laws, regulations, guidelines:**

The Supplier guarantees that the goods supplied to lehmann natur comply with the laws, regulations and guidelines applicable in the Federal Republic of Germany in the current version and marketable according to German law. In this respect, in particular (but not exclusively) the following regulations shall mandatorily be adhered to:

EC Organic Regulation (EC 2018/848) and the currently applicable associated implementing regulations on organic farming and the corresponding labeling of agricultural products and foodstuffs.

Regulation (EC) No. 1935/2004 on materials and articles intended to come into contact with food

Regulation 10/2011 on plastic materials and articles intended to come into contact with food

Regulation 1169/2011 on the provision of food information to consumers (Food information for consumers regulation/FIC)

Regulation (EC) No. 1881/2006 setting maximum levels for certain contaminants in foodstuffs considering the regulation 2021/1317 and the regulation 2021/1323

Regulation 1829/2003 on genetically modified food and feed products

Regulation 1830/2003 on traceability and labeling genetically modified organisms and traceability of food and feed products produced therefrom

Regulation (EC) No. 178/2002 on general principles and requirements of food law and food safety e.g. as regards traceability of food and feed products

Regulation 1107/2009 on placing the plant protection products on the market

Regulation providing for the authorization of additives intended for use in technology (Additives Regulation/ZZuV)

EC Regulation 396/2005 on maximum residue levels of pesticides in or on food and feed products of plant and animal origin

Regulation (EC) No. 1924/2006 on nutrition and health claims made on foods

Regulation 1234/2007 establishing a common organization of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)

Implementing Regulation 543/2011 laying down the rules for application of the Regulation 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors

Implementing Regulation 594/2013 amending Regulation 543/2011 as regards marketing standards in the fruit and vegetables sector

Implementing Regulation 2020/25 as regards arrangements for import of organic products from third countries

Regulation 315/93 laying down Community procedures for control of maximum levels of contaminants in food

Regulation 852/2004 on food hygiene

Regulation 1333/2008 on food additives

The following regulations also apply for the German market in their currently valid versions:

- Food information regulation (LMIV)
- Pre-packaging regulation (FertigPackV)
- Lot labeling regulation (LKV)
- Additives regulation (ZZuV)
- Price indication regulation (PAngV)

- Food hygiene regulation (LMHV)
- Maximum residue level regulation (RHmV)

### **Marketing standards**

The special marketing standards of the Regulation (EU) 543/2011 (Part B) must also be observed. These shall apply as basic specification. Unless agreed otherwise, the UNECE standards shall apply as binding specification. The quality criteria for the products not specified therein can be derived from the UNECE standards (downloadable at: <http://live.unece.org/trade/agr/standard/fresh/FFV-StandardsE.html>). If no UNECE standard exists for a product, the general marketing standard of the Regulation (EU) No. 543/2011 (Part A) must be adhered to.

#### **2. Goods specifications / sample of goods:**

The supplier commits to supply produce to lehmann natur that are exclusively from agricultural businesses that have a valid Global Gap Certificate (or an accepted standard) for the product concerned. Prior to the first delivery, the valid organic certificate and the valid Global GAP certificate with social standard shall be sent in German or English. The address of the producer or the producer group must be identifiable in the Global GAP certificate. Certificates with addresses that are blacked out are not accepted. If certificates are rejected or suspended, the supplier shall notify lehmann natur before the still valid certificate becomes invalid.

All commercial enterprises that are identifying the goods with the GLOBAL G.A.P number, that are packing GLOBAL G.A.P. certified products or labelling these as such, must show a valid GLOBAL G.A.P. chain of custody certification. Companies that already include the packing house in the GLOBAL G.A.P. certification are not affected by this new rule.

Each producer must have a social standard. If the social certification is GRASP, the compliance status must be "fully met". SMETA audits are valid for 12 months. The audited unit (farm/packing firm) must be clearly specified in the SMETA audit report. The validity of amfori BSCI audits is dependent on the audit results (A and B - 24 months; C and D 12 months; E and ZT are not accepted).

Our suppliers are expected to correct nonconformities (NC) in accordance with the corrective action plan (CAP) report agreed in the audit and provide this to us on request.

The supplier assures that the products it supplies are labelled in accordance with EC Regulation or UNECE standard. The specific marketing standards of Regulation (EU) 543/2011 (Part B) must also be adhered. these are considered as the specification basis. unless otherwise agreed, the UNECE standards are considered as the binding specification. For products not specified there, the quality criteria arise out of the UNECE standards (downloadable at: <http://live.unece.org/trade/agr/standard/fresh/FFV-StandardsE.html>).

Should there not be a UNECE standard for a product, the general marketing standard of Regulation (EU) No. 543/2011 (Part A) must be complied with.

For produce that are to be market in sale according to certain quality standards, the supplier assures that the corresponding certificate can be provided (Bio, Global GAP, Demeter, Fairtrade, etc.).

With regard to material for final packaging, plastic is excluded for Demeter products in the “Grüne Frische” range (except potatoes). For lettuce, herbs, carrots, berries, and small tomatoes, recycled materials and fully recyclable plastic may be used at the moment. Corresponding confirmations of recyclability shall be provided upon request.

In addition, the specific requirements of LEH for organic produce shall be met. (Overview of the most important maximum amounts, see annex).

The supplier commits to send a representative sample of the produce, consisting of leaf and fruit, to a laboratory accredited and accepted by QA, upon request prior to the start of delivery. The supplier provides the result of these analyses to lehmann natur GmbH without charge. Optionally, lehmann natur GmbH may also instruct the collection and analysis of a sample, the costs will be charged to the supplier.

For all products that are packaged for the end client LIDL, retention samples of each production batch of a product must be taken. It shall be ensured that all staff members are informed about the following requirements for the retention samples.

- A minimum number of three packages or one package per product for loose items is required.
- The storage temperature corresponds to the transport temperature of the packing firm to the company.
- The retention samples must be stored for 7 days protected from access.
- The documentation must contain the following points: Batch number, lot number, packing date, storage date

At the primary production, the 2017/C 163/0 Commission notice with the guidance on addressing microbiological risks in fresh fruits and vegetables at primary production through good hygiene must be observed.

### **3. Organic food:**

The supplier ensures compliance with the EC Organic Regulation (EC 2018/848) and the currently valid associated implementing regulations on organic farming and the corresponding labelling of the agricultural products and foods. In particular, the supplier ensures that the products it supplies comply with the following points:

- Organic produce supplied to lehmann natur GmbH does not contain any ingredients that are not listed and approved in the Implementing Regulation (EU) No. 2021/1165 of 15 July 2021. Documentation on the necessity of using the listed substances shall be provided upon request (field catalogue) by lehmann natur GmbH.
- For the production of the products supplied, exclusively raw materials or finished products are supplied that correspond to the legal requirements and have been checked for their condition by independent institutes as well as during own inspections and found to be marketable in this respect.
- Provisions on the import of ecological/organic produce from third countries to be complied with.
- For imported produce, when establishing the COI, the following documents are uploaded at Traces
  - Bill of lading or freight documents/waybill,
  - Commercial invoice
  - Packing list
  - if appropriate, the results of the analyses or tests that have been conducted on the samples taken
- The threshold value for inorganic bromide in organic goods of 5mg/kg is complied with, in the case of higher bromide content it must be ensured that the total bromide is of natural origin.
- All conditions for affixing the logos to be applied to the products (in particular, the EU eco-label as well as the German organic label) shall be met. This also includes that the use, in particular, of the aforementioned labels has been applied for and is registered at the respective competent authority.

The supplier shall present the following documents upon request:

- Organic certificate of the entire supply chain
- Details of the field / production block
- The crop protection products and fertilisers used
- The previous preceding crop on the field / production block (for annual crops)
- Organic certificate of the packing station

lehmann natur GmbH fulfils its responsibility due to extensive residue monitoring. The laboratory analyses are carried out in QA-certified laboratories. Should sample A as well as sample B, by way of two independent analyses, detect substances that are not listed in the annex of the respective valid EU Eco Regulation and the cause of them cannot be fully explained by the supplier, the letter shall be suspended as supplier of lehmann natur GmbH with immediate effect. All purchase

agreements made are thereby void. In this case, lehmann natur GmbH reserves the right to charge all costs arising from this to the supplier, regardless of the right to assert claims for defects /compensation claims.

lehmann natur GmbH reserves the right to inspect the business premises and fields of the supplier as well as the field catalogue to be held, at any time with or without prior announcement. The supplier expressly declares that a representative, client, or representative of a client of lehmann natur GmbH is granted access to all business premises and fields at any time.

#### **4. Processed foods**

The recommendations of the German Society for Hygiene and Microbiology (DGHM: [www.dghm.org](http://www.dghm.org)), regarding the microbiological threshold values shall be complied with up to the end of the expiration date of the product. To confirm this, tests on the expiration date shall be conducted by the supplier.

Product specifications, residue analyses, nutritional value provisions, and microbiological analyses in respect of each article shall be sent to lehmann natur GmbH prior to each delivery.

#### **5. Quaternary Ammonium Compounds**

For quaternary ammonium compounds (QACs), which may be contained in cleaning agents for surface cleaning, disinfectants/hand sanitisers, etc. or in plant fortifiers, zero tolerance applies, the use of these is prohibited. The supplier guarantees that there are no substances/products containing QACs used in the entire supply chain. The supplier has an obligation to check its produce for contaminants on a regular basis.

Further requirements in respect of residues can be found in the annex to this agreement.

#### **6. Packaging:**

The supplier guarantees that the packaging in which it delivers the produce is harmless for the use with foodstuff and that it has a corresponding clearance certificate as well as a specification of the packaging manufacturer, which can be inspected by lehmann natur GmbH at any time.

All products supplied by the supplier to lehmann natur GmbH must categorically be licensed with a dual system by the company/supplier. In addition, the supplier and the brand(s) supplied by the supplier must be properly registered at the Central Agency Packaging Register (ZSVR) in the Packaging Register LUCID.

The supplier is registered at the Central Agency with the brands supplied and has a corresponding



register number that has been issued by the Central Agency.

Irrespective of the place of delivery, the supplier supplies Lehmann natur exclusively with packaging that is licensed with a dual system, registered at the Central Agency, and is subject to mandatory system participation. In assessing whether packaging is subject to mandatory system participation, the supplier has adhered to the catalogue of packaging that is subject to mandatory system participation, issued by the Central Agency Foundation, which can be inspected on the website of the Central Agency. The supplier indemnifies lehmann natur GmbH in respect of all damages resulting from the supplier's breach of the obligation to deliver exclusively packaging that is subject to mandatory system participation, licensed with dual systems.

The supplier ensures that all applicable EU regulations on packaging and labelling are complied with (Lot Labelling Regulation (LKV), Food Information Regulation (LMIV), as well as the Food Information Implementation Regulation (LMIDV) and, if appropriate, the Pre-packaging Regulation, in particular also that each Package/Box/Packet bears a lot number. Furthermore, the supplier ensures that all packaging materials coming directly into contact with the foodstuff are suitable for direct contact with the packaged food. The following regulations apply in particular: (EC) No. 1935/2004, (EU) No. 10/2011, Consumer Goods Ordinance (BedGstV), DIRECTIVE 2002/72/EC in the respective consolidated version, current publications of the German Federal Institute for Risk Assessment (BfR). The supplier submits the verification for the compliance with the legal requirements as well as current migration tests upon request.

The supplier assures that a system for traceability of packaging materials is in place (VO 1935/2004) and that all products supplied and their packaging comply with European Directive 94/62 EC on packaging and packaging waste.

### **Industrial Property Rights**

The supplier is permitted to use the packaging and labels exclusively for the contract duration and exclusively for the production of the volume ordered by lehmann natur GmbH. The supplier ensures that all third-party industrial property rights are observed and protected. This includes, in particular, trademark rights and plant variety rights.

### **Primary Packaging Made of Recycled Material**

The primary packaging does not consist of recycled material. Should recycled material be used, the product shall be separated from the cardboard packaging by means of a suitable inner bag or an appropriate inner coating of the carton.

**For EDEKA and Netto MD + tegut own brands the following applies: Use of sustainable certified packaging material (FSC):**

- Primary end consumer packaging or all packaging components of primary end consumer packaging including labels, stickers, and similar made of wood, paper, cardboard, or cellulose (tissue) must preferably be made of certified recycled material (FSC Recycled, Blauer Engel, or similar). If the use of recycled material is not feasible for quality reasons, FSC-certified fresh fibre must be used. The packaging material used must be certified in accordance with the current guidelines of the FSC (FSC 100%, FSC Recycled, FSC Mix), “Blauer Engel” or equivalent standard.
- Secondary packaging (Transport/outer packaging) including labels, stickers, and similar, made of wood, paper, cardboard, or cellulose (tissue) must be made of recycled material and certified in accordance with the current FSC guidelines (FSC Recycled), “Blauer Engel” or equivalent standard. If the use of recycled material is not feasible for quality reasons, it is necessary to carry out case-by-case examinations.

Where recycled material (also mixed materials) is used, neither mineral oil nor mineral oil components may come into contact with the foodstuff. For corresponding analytics, the most precise and sensitive measuring method must be used, respectively.

#### **7. Mineral Oil Components (MOSH/MOAH) in Foodstuff:**

The supplier shall take appropriate measures to reduce mineral oil components (MOSH/MOAH) in foodstuffs. In doing so, an approach in accordance with the ALARA principle (as low as reasonably achievable) must be taken. In the course of this, the supplier shall pursue the objective that, in the long term, the contents of mineral oil components (MOSH / MOAH) in the food is below the detection level specific for the respective food. The measures taken contain the production processes of the supplier / producer and the load situation of the raw goods as well as the potential reduction by using appropriate packaging (if appropriate, with barrier function).

The following maximum values of mineral oil in food must be complied with:

- MOSH C20-C25 (C35) max. 2 mg/kg
- MOAH C16-C25 (C35) max. 0.5 mg/kg

#### **8. PVC/PVDC/Chlorinated Compounds, Softening Agents, and Nanomaterials**

The packaging, print colour, and ink shall be free of PVC/PVDC/chlorinated plastics as well as softening agents and nanomaterials. Excluded are technologically unavoidable traces.

#### **9. Genetically modified organisms (GMO):**

The supplier shall guarantee, in accordance with Regulation (EC) No. 1829/2003 as well as Regulation (EC) No. 1830/2003, not to supply products that contain genetically modified organisms (GMO) or consist of the same. Excluded from this are incidental or technically unavoidable contaminations with genetically modified material up to a threshold value of 0.9 %.

#### **10. Breeding Method for Organic Products**

The supplier shall guarantee that the breeding method “cytoplasmic male sterility” (CMS) is not used for organic products.

The supplier shall guarantee that products from ecological cultivation are produced without the use of so-called “new breeding methods”. New breeding methods shall, in particular, include so-called “genome editing process”, such as, for instance,

- ODM (Oligonucleotide targeted mutagenesis)
- RTDS / rapid trait development system)
- CRISPR/Cas
- ZFN (Zinkfinger-Nuclease)
- TALEN ((Transcription activator-like effector nuclease)
- Graft (Combination of classic grafting with genetic engineering)
- Agro-infiltration

as well as other, comparable molecular-biological methods for the removal, insertion and/or modification of DNA.

#### **11. Traceability:**

The supplier shall ensure that by means of labelling at the crate or at the product packaging

1. the packing company and
2. the producing company

are traceable at all times. The supplier ensures that the produce supplied as well as the packaging are subject to a traceability system, which enables to clearly trace a batch back to the sub-supplier/producer (EU Regulation 178/2002 and Regulation 1935/2004). This point also applies to goods that are not Global GAP certified. The supplier furthermore ensures to be able to provide all information on traceability, in particular, the producing company of the goods supplied and the corresponding Global GAP numbers upon the respective request within four hours after the receipt of the request.

Should it not be possible to make an allocation to the producing company, in the event of an exceedance of the threshold value regarding pesticides or an identified inadmissible, fertilization, the complete product of the supplier delivering to us shall be stopped.

## **12. Storage and Transport:**

The supplier shall ensure that all warehouses and packing stations are certified in accordance with the standards of an internationally recognised quality management system, e.g. IFS or BRC. The supplier shall provide the corresponding certificates upon request. Furthermore, the supplier guarantees that the requirements of Regulation (EC) No. 852/2004 are complied with.

The supplier commits to store and transport the produce in the temperature range optimal for the respective group of produce until delivery. The parties agree that quality defects (in particular, damage due to low temperatures) occurring after delivery can in part be identified later and therefore the complaint can also only be made with a time delay. Such delayed complaints shall not lead to a loss of the right of execution and/or warranty rights of lehmann natur GmbH. In particular cases and upon request by lehmann natur GmbH, all goods shall be subject to an appropriate output quality control which is documented in written form. The results shall be made available to lehmann natur GmbH upon request. The supplier shall ensure that vehicles transporting produce that are subject to temperature control are equipped with the necessary temperature recorder. The records of the temperature recorders shall be provided upon request.

If the transport is organised by the supplier, the following requirements must also be observed:

The driving personnel is responsible for the safety of all goods of lehmann natur in terms of transport as well as operationally. Delays that arise during the course of the loading or unloading process and have an effect on the specified delivery date must be reported immediately. In the event of discrepancies regarding transport volumes, temperature deviations, or other incidents, lehmann natur must be notified immediately.

Loading and unloading shall be carried out by the driving personnel without any additional costs. The driving personnel has an obligation to wear PPE (safety shoes), and shall be insured for this purpose via your company. Prior to loading, the condition of the transport vehicles is checked and, if necessary, measures shall be taken (e.g. foreign smells, dust formation, humidity, pests, mildew).

Measures shall be taken to exclude cross-contamination (food/non-food/different produce groups, with regard to allergens, GMO or non-compatible products, organically or conventionally produced goods).

A cleaning schedule for all transport vehicles is in place. The measures shall be documented. The proof of cleaning shall be provided to lehmann natur GmbH upon request.

The refrigerated vehicles must be equipped with a functional temperature recorder. Compliance with the specified temperature shall be ensured and documented prior to loading and during transport. These data shall be made available to Lehmann Natur upon request. The temperature of the refrigerated vehicles shall be set in accordance with the client's specifications in the freight order.

The loading units shall be provided hygienically impeccable as well as odourless for the transport of fresh fruit and vegetables. Compliance of the applicable food hygiene law, considering the HACCP requirements in accordance with the principles contained in the Codex Alimentarius is deemed to have been agreed. Lehmann Natur expects a smart appearance from the vehicle and the driver. The safety of the transport vehicles shall be maintained accordingly and the load shall be secured.

### **13. Food defence (product protection):**

The supplier confirms that it has established a system with which "intentional manipulation" and "sabotage" of the products is prevented as far as possible. Part of this system are defined responsibilities in the company for product protection, company-related risk analysis, and staff training. Should the company use the services of others during the course of the supply (e.g. subcontractors for: transport, preparation, etc.), it has been ensured that these companies also have a process for product protection.

### **14. Food Fraud (Authenticity of Food)**

The parties are promoting the "Code of Good Organic Practice" of the Anti-Fraud-Initiative with the following objectives:

- All players of the value chain - producers, processors, and retail trade, are taking social responsibility for the area for which they are responsible, in order to maintain and protect the integrity in the entire sector.
- All players are active in their sector and contribute to the development of projects in organic farming.
- All players are working with sustainable relationships and fair pricing across the entire value chain.
- All players agree on complete transparency of the value chain and communicate the same in public.
- All players are striving for open communication among each other as well as with inspection bodies and authorities in all relevant matters.
- All players are supporting the harmonisation of the system for ecological foodstuffs and

farming as well as the management handling breaches.

- All players must establish a quality management system which considers the specific requirements of the ecological production and ensures the authenticity of the organic products.

## **VII. Deficient delivery**

For the rights of *Lehmann Natur* in case of defects of quality and title of the goods (including wrong and short delivery, improper assembly, and inadequate assembly or operating instructions) and other breaches of duty by the Supplier, the statutory provisions shall apply unless agreed otherwise in the following.

According to statutory provisions, the Supplier is liable, in particular to ensure that the goods, at the time of risk transfer to us, have the agreed quality i.e. at least the quality provided for in section VI of these Purchase Conditions. In any event, the product descriptions which – in particular by indication or reference in our order – are the subject of the respective contract or included in the contract in the same way as these GPC shall apply as agreements on the quality. It makes no difference, whether the product description derives from us, Supplier or pre-manufacturer.

Commercial duty to inspect and to give notice of defects shall be subject to the statutory provisions (§§ 377, 381 of the German Commercial Code (HGB)) with the following proviso: Our commercial duty to inspect is limited to the defects that often become evident in the course of the goods income control and can be visually identified including shipping documents, as well as in the course of the quality control in the sampling procedure (e.g. transport damage, wrong and short delivery). No duty to inspect exists insofar as, in case of processed goods, an acceptance is agreed upon. Beyond that, essential is the extent to which an inspection, considering the circumstances of an individual case, is feasible according to the proper course of business. Our duty to give notice of defects discovered later shall remain unaffected. Without prejudice to our duty to inspect, our objection (notice of defects) shall be deemed timely and immediate each time when delivered within 2 business days of the defect detection or, in case of apparent defects, of the delivery.

Without prejudice to our legal right the following applies: If the Supplier fails to comply with his obligation to render supplementary performance – by either rectifying the defect (rectification) or supplying a non-defective replacement (substitute delivery) as we see fit – within a reasonable period set by us, we shall be able to rectify the defect ourselves (e.g. by a covering purchase) and demand that the Supplier reimburse the necessary expenses or commensurate down payment. If supplementary performance by the Supplier has failed or is unreasonable for us (e.g. because of particular urgency or imminent occurrence of disproportionate damages), no time limit need be set; as far as possible, we shall immediately notify the Supplier of such circumstances.

Beyond that, in case of defects of quality and title of the goods, according to statutory provisions, we are entitled to reduce the purchase price or withdraw from the contract. Moreover, according to statutory provisions, we are entitled to claims for damages and reimbursement of expenses.

Beyond that, the Supplier is obliged to pay to lehmann natur for each case of delivery of defective goods a flat-rate compensation amounting to EUR 1,000.00 per individual case. Each complaint documented by lehmann natur shall be considered an individual case. The Supplier shall retain the right to prove that lehmann natur suffered no damage at all or that the damage has been significantly lower than the above flat-rate amount. The flat-rate compensation for damages shall be credited against any further damage asserted by lehmann natur.

### **VIII. Regress against suppliers**

In addition to the defect claims, we shall have unrestricted entitlement to our legally determined rights of recourse within a supply chain (regress against suppliers according to §§ 445a, 445b, 478 BGB). We shall be entitled, in particular to demand exactly the type of supplementary performance from the Supplier (rectification or substitute delivery) that we owe to our buyer in an individual case. Our statutory right to choose (§ 439 clause 1 BGB) shall not be restricted hereby.

Before we recognize or fulfill a claim for defects asserted by our buyer (including reimbursement of expenses according to §§ 445a clause 1, 439 clauses 2 and 3 BGB), we will inform the Supplier and request a written statement after a brief description of the facts of the case. If no substantiated statement is provided within a reasonable period, while the parties have failed to reach a mutually acceptable solution, the claim for defects effectively allowed by us shall be regarded as owed to our buyer. In this case, the Supplier is responsible for providing counter evidence.

Our claims for Supplier recourse shall also apply in case when the defective goods have undergone further processing by us or another entrepreneur.

### **IX. Producer's liability**

Where the Supplier is liable for product damage, he shall hold us harmless in respect of third-party claims insofar as the cause lies within his domain and organization area and the Supplier is liable in relation to third parties.

Under his obligation to indemnify, the Supplier must reimburse any expenses that arise from or in connection with any recourse taken by third parties including for recall campaigns carried out by us. We will inform the Supplier of the content and scope of the recall measures – to the extent possible and reasonable – and give an opportunity to make a statement on the case. Further legal claims shall remain unaffected.

The Supplier shall take out and maintain a product liability insurance for a flat-rate cover sum of at least EUR 2 million per personal injury/material damage.

**X. Due diligence obligations and quality assurance:**

If the Supplier has clear evidences of the product-related or other defects and/or that the marketability of the goods is not guaranteed, this shall be immediately communicated to lehmann natur. The Supplier may not ship contractual goods in this case. Release of the products is only possible subject to written authorization of lehmann natur. The Supplier also undertakes to immediately inform of all authority complaints related to the products for lehmann natur.

**XI. Retention of title**

We reserve property rights and copyrights in respect of illustrations, drawings, calculations, execution instructions, product descriptions and other documents. Such documents shall only be used for execution of the contract and returned to us after completion thereof. The documents must not be disclosed to third parties during the contract or after termination thereof. The obligation to maintain secrecy shall only expire if and insofar as the knowledge contained in the provided documents has become generally known.

The transfer of ownership of the goods to lehmann natur shall take place unconditionally and regardless of the payment of the price. However, if we accept, in an individual case, the Supplier's offer of ownership transfer conditional upon purchase price payment, the reservation of the Supplier's ownership rights shall expire at the latest with the purchase price payment for the goods delivered. We shall also be authorized to resale the goods in the normal course of business before the purchase price payment subject to advance assignment of the resulting claims (alternatively, validity of the simple reservation of title to ownership extended to resale). At any rate, all other forms of the reservation of title, in particular, extended and prolonged forms and the reservation extended to further processing shall be thus excluded.

**XII. Confidentiality**

The parties agree to maintain the strictest confidentiality as regards the content of the business relations between the Supplier and lehmann natur.

The Supplier undertakes, in particular to make confidential information unavailable to any third parties, in particular to press and/or other media. The Supplier shall only make confidential information available to the persons, who are involved in support and development of the contractual relationship between the Supplier and lehmann natur and had been expressly obligated to maintain secrecy towards third parties for an unlimited period before they received access to the information. This should be documented.

The Supplier further undertakes to use the content and confidential information exclusively for exercising the contractual relationship with lehmann natur and refrain from use thereof otherwise, either directly or indirectly without prior written consent of lehmann natur.



For the purpose of this agreement, the "Confidential information" shall include: any information, in particular also price and competitive information, data and documents by or about lehmann natur and/or delivery conditions, irrespective of whether these are written or oral information or data on data carriers or other corporeal and/or incorporeal information and whether this information is labeled as "confidential".

Information is considered non-confidential if demonstrably

- has been already publicly known at the time of disclosure or became publicly known after disclosure through no fault of the Supplier;
- has already been known to the Supplier at the time of disclosure or was brought to the knowledge of the same after disclosure while being legally at the disposal of a third party, who is not bound to confidentiality towards lehmann natur;
- shall mandatorily be disclosed based on legal or administrative provisions. In such a case, the Supplier shall notify lehmann natur of the disclosure immediately, if permissible, before the disclosure.

lehmann natur shall be entitled to charge the Supplier with the contractual penalty of up to EUR 5,000.00 for each violation of the Supplier or one of his representatives of the non-disclosure obligation according to section XII of these GPC. The principles of continued offense are excluded. Payment of the contractual penalty shall not exclude assertion of the claim on the basis of omission or claims for additional damages, where adequate evidence is available. The contractual penalty will be set against claim for damages that may be asserted. The Supplier shall retain the right to prove that effectively no damage occurred or it was significantly lower than the contractual penalty.

### **XIII. Data protection**

lehmann natur may be processing personal data within the framework of business relations with the Supplier. Protection of this data is essential for lehmann natur. The Supplier can find out about personal data processing in the data protection declaration for business partners of lehmann natur downloadable at <https://www.lehmann-natur.com/kontakt/datenschutzerklaerung/>.

### **XIV. Statutory limitation**

The reciprocal claims of the parties to the contract shall become statute-barred according to the legal regulations, unless agreed otherwise in the following.

Notwithstanding §438 clause 1(3) BGB, the general limitation period for claims for defects shall be 3 years of the transfer of risk. If acceptance has been agreed, the limitation period begins with the acceptance. The 3-year limitation period shall also apply accordingly to claims resulting from defects in

title, whereby the statutory limitation period for claims in rem for the restitution of property remain unaffected (§438 clause 1(1) BGB); Beyond that, claims arising out of defects in title shall on no account become time-barred as long as the third party can still assert the right against us, particularly because it is not time-barred yet.

The limitation periods of the sales law including the aforementioned extension, apply for all contractual claims for defects to the extent permitted by law. Insofar as lehmann natur is also entitled to non-contractual claims for damages based on a defect, the standard statutory period of limitation (§§ 195, 199 BGB) shall apply, unless the periods of limitation under sales law result in a longer period in an individual case.

## **XX. Applicable law and jurisdiction**

These GPC and contractual relationship between lehmann natur and Supplier shall be governed by the law of the Federal Republic of Germany, while application of the international uniform law, in particular the UN sales law, shall be excluded.

In the event that the Supplier is merchant within the meaning of the German Commercial Code, legal entity or special fund of public law, our registered office in Meerbusch shall be the exclusive place of jurisdiction for all disputes – including international – arising from the contractual relationship. The same shall apply if the Supplier is an entrepreneur within the meaning of §14 BGB. However, we are also entitled in all cases to bring actions in the place of fulfillment for the delivery commitment according to this GPC or preferential individual agreement, or at the place of general jurisdiction of the Supplier. Preferential legal provisions, in particular in exclusive jurisdiction, shall remain unaffected.