

**Breko GmbH** ... Wines & Natural Ingredients since 1977 Hoerneckestraße 3 ... 28217 Bremen ... GERMANY T + 49 421-46 07 07-0 ... F + 49 421-46 07 07-77 info@breko.de ... www.breko.de

### **General Terms and Conditions (version October 2020)**

### 1. Validity

- 1.1. These General terms and conditions (hereafter "GT&C") apply to all deliveries and services provided by Breko GmbH, Bremen (hereafter "BREKO" or "we").
- 1.2. These GTS apply exclusively to entrepreneurs, legal entities under public law or special funds under public law in the sense of Section 310 (1) BGB. They are part of every contract concluded between BREKO and our respective contractual partner (hereafter "customer"), except when otherwise stipulated in the individual case. BEKO only recognizes conflicting or differing terms and conditions of the customer if we have expressly agreed to them in writing. A general express to the customer's general terms and conditions is not required. These General Terms and Conditions also apply exclusively if we have performed the service without reservation in the knowledge of differing, conflicting or supplementary terms and conditions of the customer.
- 2. Offer, contract closing and scope of delivery
  - 2.1. Our quotations are non-binding and subject to change without notice.
  - 2.2. Our written order confirmation and invoice are decisive for the scope of delivery. Any other agreements, including ancillary agreements and declarations from our field staff and representatives, will only become effective upon our written confirmation.
  - 2.3. If standard commercial terms on the type of delivery are agreed upon, the Incoterms of the International Chamber of Commerce in Paris in the version applicable on the date the contract is made shall apply.
  - 2.4. Taxes or other charges incurred in the country of the customer or in the country of delivery in connection with the delivery, are to be borne by the customer.
  - 2.5. We shall reserve property and intellectual rights to any documents such calculations, cost estimates, product documentation etc. provided to the customer in connection with the placing of the order. These documents may not be made available to third parties

without the express written consent from BREKO.

- 3. Delivery, liability transfer, transport
  - 3.1. The delivery of the goods is regulated in accordance with the agreed Incoterms.
  - 3.2. The risk shall pass to the customer in accordance with the agreed Incoterms. If dispatch is delayed through no fault of BREKO, the risk shall pass to the customer upon notification of readiness for dispatch.
  - 3.3. The goods are insured by us. The insurance extends exclusively to the value of the goods and is carried out under the usual insurance conditions; risks and values exceeding this are not covered by the insurance cover.
  - We are entitled to make partial deliveries provided they are deemed reasonable for the customer.

## 4. Transport containers

- 4.1. The delivery is made in non-returnable packaging. The packaging is included in the price of the goods and becomes the property of the customer upon sale.
- 4.2. The possible disposal of the delivered packaging is the sole responsibility of the customer.

# 5. Delivery time and Force Majeure

- 5.1. Delivery times are only approximate. Delivery periods begin with the date of our order confirmation. The start of the delivery period presupposes the proper fulfilment of the customer's obligations. These obligations include additionally to the payment obligations, all cooperation obligations of the customer, which are prerequisites for the proper execution of the contract. The period shall in addition only begin to run once all technical and commercial details of the execution have been clarified. The contents of this clause shall apply accordingly when specifying delivery dates.
- 5.2. Force majeure events extend the delivery time appropriately or lead to an appropriate postponement of the delivery date. Other unforeseen events beyond the control of



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- BREKO, e.g. strike, lockout, interruption of operations, delays in delivery by subcontractors or other unforeseen circumstances for which we are not responsible, and which make timely delivery difficult or impossible. This also applies if the cited circumstances occur during a delay or at a subcontractor. We will notify our customers of the occurrence and the expected duration of such events in important cases.
- 5.3. If the customer is in default of acceptance or culpably violates other obligations to cooperate, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses. Further claims remain reserved. In addition, the risk of accidental loss or accidental deterioration of the object of sale shall pass to the customer at the point in time at which the customer is in default of acceptance or debtor's delay. After fruitless setting of a grace period, we are at the same time entitled to take the necessary measures ourselves and to deliver the goods or to withdraw from the part of the contract not yet fulfilled. If the goods are not, not in time or not completely accepted by the customer, we are entitled to store or dispatch the goods at the customer's expense and risk. The goods shall then be deemed to have been accepted.

### 6. Pricing

6.1. We reserve the right to adjust our prices, should the price basis due to changes to in material prices, wages, freight or other cost factors change up to the delivery date. This however only applies to deliveries which are made four months or more after conclusion of the contract and for which the price adjustment does not exceed 10% of the original price. If the price adjustment is above 10% a new price agreement is indispensable. If no such agreement is reached, BREKO shall be entitled to dissolve the contract within 14 days by written notification.

### 7. Terms of payment

7.1. Payments shall be made without deduction and free of charge to the bank account of BREKO GmbH as stated on the invoice on the

- agreed dates. If no payment date is agreed the purchase price is due immediately.
- 7.2. A cash discount deduction requires a prior written agreement in each individual case. Cheques or bills of exchange are generally not accepted as means of payment, unless this has been explicitly agreed in writing by BREKO prior to the respective individual case. We are not obliged to accept bills of exchange or cheques. Payments by cheque or bill of exchange are generally only accepted exceptional cases.
- 7.3. Payments shall always be credited first against interest and costs and then against the claims of BREKO in the order of their age, starting with the oldest, without regard to other dispositions of the customer.
- 7.4. Offsetting or assertion of a right of retention against claims of BREKO is only permissible with undisputed, legally binding counterclaims or counterclaims ready for decision. This prohibition shall not apply if the counterclaim of the customer for offsetting or the right of retention results from the same contractual relationship as the asserted claim of BREKO.
- 7.5. In the case of a SEPA direct debit, an invoice issued by us is valid as SEPA pre-notification. In deviation from the generally applicable SEPA conditions, a pre-notification period of 6 days before the due date is agreed.

# 8. Retention of title

- 8.1. We reserve title to the goods sold until all present and future claims arising from the respective supply contract and an ongoing business relationship ("secured claims") have been paid in full. This also applies if the claim is included in a current invoice.
- 8.2. The goods sold under reservation of title may not be pledged to third parties or assigned as security before the secured claims have been paid in full. The customer must inform us immediately in writing if and to the extent that third parties have access to the goods belonging to us.
- 8.3. If the customer acts in breach of contract, in particular if he fails to pay the due purchase price, we shall be entitled to withdraw from the contract in accordance with the statutory



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- provisions and to demand the return of the goods on the basis of the retention of title and the withdrawal. If the customer does not pay the due purchase price, we may only assert these rights if we have previously set the customer a reasonable deadline for payment without success or if such setting of a deadline is dispensable according to the statutory provisions.
- 8.4. The customer shall be entitled to resell the retained goods in the ordinary course of business. The customer hereby assigns to us the claims against third parties arising from the resale of the goods delivered under reservation of title in the amount of the gross invoice amount agreed with us or the gross amount of the outstanding claims. We accept the assignment. This assignment applies regardless of whether the goods have been resold without or after processing. The customer remains authorised to collect the claim even after the assignment. Our authority to collect the claim ourselves remains unaffected. However, we will not collect the claim if the customer meets his payment obligations from the collected proceeds, is not in default of payment and, in particular, no application for the opening of insolvency proceedings has been filed or insolvency exists. If this is the case, however, we can demand that the customer informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment.
- 8.5. The retention of title shall extend to the full value of the products resulting from the processing, mixing or combination of the purchased goods supplied by us, whereby we shall be deemed the manufacturer. If a third party's right of ownership remains in effect after processing, mixing or combining with goods of a third party, we shall acquire coownership in the ratio of the gross invoice values of the processed, mixed or combined goods. Otherwise, the same applies to the

- resulting product as to the goods delivered under reservation of title.
- 8.6. If the realisable value of the security to which we are entitled under the above provisions exceeds the value of our claims by more than 10%, we shall release the excess security at the customer's request.

#### 9. Warranty

- 9.1. There will be no claims for defects in the case of only insignificant deviation from the agreed quality, in the case of only insignificant impairment of the usability.
- 9.2. Guarantees of quality or durability shall only be deemed to have been accepted by us, if we have expressly designated and assumed the guarantee as such in writing.
- 9.3. Delivered goods must be inspected immediately in accordance with § 377 HGB (German Commercial Code) and any defects must be reported immediately. Defects must be reported to us immediately after their discovery.
- 9.4. If, despite all the care taken by us, the delivered goods should have a defect, we shall, at our discretion, either repair the goods or deliver replacement goods. We must always be given the opportunity for subsequent performance within a reasonable period. If this does not take place or if the customer makes modifications to the defective delivery item, this shall release us from the warranty for defects, unless the customer proves to us that the modifications made by him have no influence on the defect. For replaced goods we provide warranty to the same extent as for the originally delivered goods.
- 9.5. If the supplementary performance fails, the customer may withdraw from the contract or demand a reduction of the remuneration. Before any return of the goods, our consent must be obtained.
- 9.6. Claims by the customer for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labour and material costs, are excluded if the expenses increase because the goods delivered by us have subsequently been taken to a place other than the place of delivery, unless the



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- transfer corresponds to the intended use. The same shall apply if the delivery item was taken to a place which is difficult to access or outside the territory of the Federal Republic of Germany.
- 9.7. The customer's rights of recourse against us shall only exist insofar as the customer has not made any agreements with his buyer that go beyond the mandatory statutory claims for defects. The above clause shall also apply to the scope of the customer's right of recourse.
- 9.8. Warranty claims expire within one year after delivery of the goods supplied by us. The above provision shall not apply if the law pursuant to § 438 para. 1 No. 2 BGB, § 479 para. 1 BGB (right of recourse), § 634a para. 1 BGB stipulates longer periods of time. In the event of injury to life, body or health, in the event of intentional or grossly negligent breaches of duty by us as well as in the event of fraudulent concealment of a defect or the assumption of a guarantee of quality, the statutory limitation periods shall remain in force.
- 9.9. Further claims of the customer due to defects are excluded.
- 9.10. The assignment of defect claims of the customer against BREKO is excluded.

### 10. Liability

10.1. We shall only be liable for breach of contractual or non-contractual obligations in the event of intent or gross negligence, in the event of culpable injury to life, body or health, in the event of fraudulent concealment of a

- defect or in the event of acceptance of a quality guarantee. In accordance with the provisions of the Product Liability Act, we shall be fully liable.
- 10.2. In addition, we shall also be liable for breach of material contractual obligations in cases of slight negligence. In this case, however, our liability shall be limited to reasonably foreseeable damage typical for the contract at the time of conclusion of the contract.
- 10.3. The above provisions shall also apply to the same extent to acts of infringement by our vicarious agents and assistants.
- 10.4. BREKO shall not assume any further liability. The above provisions do not imply a change in the burden of proof to the disadvantage of the customer.
- 11. Place of jurisdiction and applicable law
  - 11.1. Exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship between BREKO and the customer shall be the registered office of BREKO. However, we shall also be entitled to bring an action at the customer's general place of jurisdiction.
  - 11.2. The contractual relations shall be governed exclusively by German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
  - 11.3. Any invalid provisions shall be replaced by valid provisions which come closest to the meaning and purpose of the respective provision.

Managing Director Thomas Rust Trade Register Bremen HRB 6571