

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF ARLA FOODS INGREDIENTS GROUP P/S (AFI)

1.0 Scope of Application

1.1 These General Terms and Conditions of Sale and Delivery (hereinafter referred to as the Terms) shall apply to all deliveries made by Arla Foods Ingredients Group P/S (hereinafter referred to as AFI) to its customers (hereinafter referred to as the Customer) of all products including services incidental thereto (hereinafter referred to as the Goods), to the exclusion of the Customer's terms and conditions of purchase.

1.2 Any deviating terms and conditions of purchase issued by the Customer or additions, modifications or limitations to these Terms shall apply only if expressly approved by AFI in writing.

2.0 Formation of the Contract

2.1 Unless otherwise agreed or stated by AFI in writing, all written offers and quotations given by AFI shall be open for acceptance for a period of 7 days from the date of such offer or quotation. After the expiry of the said period of time, AFI shall no longer be bound by the contents of any such offer or quotation.

2.2 A binding contract for the sale and delivery of the Goods (hereinafter referred to as the Contract) shall be deemed to exist only when AFI has confirmed such in writing or when AFI has effected delivery of the Goods, subject in either case to these Terms.

2.3 In the event that AFI's order confirmation does not conform with the Customer's purchase offer, the Customer shall, without undue delay, object to such non-conformity in writing. If the Customer fails to object, the Contract shall be entered into on the terms indicated in AFI's order confirmation, including these Terms.

2.4 AFI shall accept no liability for any typographical or other errors or omissions in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by AFI. AFI reserves the right to correct any such errors and omissions.

2.5 No order accepted by AFI may be cancelled by the Customer except with the prior acceptance thereof by AFI in writing and provided always that the Customer shall indemnify AFI for all costs and losses sustained as a result hereof.

3.0 Prices

3.1 The price of the Goods shall be AFI's quoted price. Reference is also made to Clause 2.1 above.

3.2 Unless otherwise stated by AFI in writing, prices quoted shall be net prices for delivery CIP (Incoterms 2020), exclusive of taxes and duties.

3.3 Prices shall be based on the raw material prices, subsidies, rates of exchange, customs tariffs, etc. in force on the date of the quotation. In the event of material changes to such raw material prices, subsidies, rates, tariffs, etc. AFI reserves the right to adjust the prices and, by that, the Contract accordingly.

4.0 Payment

4.1 Unless otherwise confirmed by AFI in writing, the terms of payment shall be net cash. In the event that the Customer is granted a credit, the Customer shall provide full and good security for such credit on terms approved by AFI.

4.2 Payment shall be deemed to have been effected once the sums due without deduction are made available to AFI in the account designated by AFI. Agents and distributors have no authority to receive payment.

4.3 The Customer shall not be entitled to make any deductions, set-offs or counterclaims in sums due to AFI, unless confirmed by AFI in writing.

4.4 AFI shall be entitled to cancel the Contract and/or suspend any further deliveries under any current Contract until any and all outstanding sums have been paid in full.

4.5 Title in the Goods shall pass from AFI to the Customer only when payment of all sums due has been made in full.

5.0 Delivery

5.1 Unless otherwise confirmed by AFI in writing, delivery shall be made CIP (Incoterms 2020).

5.2 All dates quoted for delivery of the Goods shall be approximate only, and AFI shall not be liable for any losses or damages suffered by the Customer due to any delay in delivery or non-delivery of the Goods howsoever caused.

5.3 If the Customer fails to take timely delivery of the Goods – or if, where the Customer is to give delivery instructions, the Customer fails to give such instructions – AFI may at its discretion either extend the time of delivery or shipment of the Goods, storing the Goods at the Customer's risk and cost until actual delivery or cancel the Contract or any part thereof, in either case without prejudice to any other right or remedy available to AFI.

5.4 Partial shipment or partial delivery and/or transshipment shall be permitted. Each partial shipment or delivery shall be regarded as fulfilment of a separate and independent Contract.

5.5 Risk of damage to or loss of the Goods shall pass to the Customer at the time of delivery as defined in Clause 5.1, or if the Customer wrongfully fails to take delivery of the Goods, at the time when AFI has tendered delivery of the Goods.

5.6 The Customer undertakes to abide strictly by the instructions of AFI in respect of the customs handling of the Goods and to provide to AFI, as and when requested by AFI, all relevant documents, including but not limited to export/import documents from EU member states and/or third country required for the entitlement to export refunds or other subsidies. The Customer shall be liable for and shall hold AFI and its affiliates harmless from and against all costs and losses suffered or incurred by AFI and its affiliates as a result of the Customer's breach of this undertaking.

6.0 Examination and Notice

- 6.1 Immediately upon receipt of the Goods the Customer shall carry out a thorough examination of the Goods in order to ascertain whether the Goods are conform.
- 6.2 The Customer shall lose the right to rely on a non-conformity in the Goods if the Customer fails to notify AFI thereof in writing, specifying the nature of the non-conformity as soon as possible after the Customer has discovered or ought to have discovered such non-conformity, and in any case before the end of the shelf life of the Goods.

7.0 Indemnification and Liability

- 7.1 Unless otherwise confirmed by AFI in writing the Goods shall comply with the national legal requirements applicable in the country of manufacture. AFI is not liable for the compliance of the Goods with the requirements of statutes, administrative rules and/or regulations applicable in the country of delivery and undertakes no risk or liability in respect hereof.
- 7.2 The Customer shall be responsible for complying with any and all legislation, administrative rules and/or regulations governing the importation of the Goods into the country of distribution and the subsequent processing, marketing, distribution, resale and/or use hereof.
- 7.3 If the Goods are non-conform due to circumstances for which AFI is liable, the Customer may – subject to the time limits contained in Clause 6.2 and the provision of evidence of the non-conformity – reject such Goods whereafter AFI at its discretion may either issue a credit note in respect of such non-conforming Goods, make a deduction in the price of the Goods corresponding to the reduced value of the Goods, or replace the non-conform Goods.

NO further remedy is available to the Customer in the event of non-conformity of the Goods, howsoever caused.

Non-conforming Goods rejected by the Customer are the property of AFI and shall, at AFI's request, be made available to AFI. Unless AFI elects to take back the non-conform Goods, such Goods shall be disposed of by the Customer for AFI's risk and account in the manner directed by AFI, always provided that the Customer shall use all commercial efforts to mitigate the costs of such disposal.

- 7.4 AFI SHALL NEVER BE LIABLE FOR ANY OPERATING LOSS, LOSS OF ORDERS, LOSS OF INCOME, LOSS OF PROFITS, LOSS OF TIME, LOSS OF PUBLIC SUBSIDIES, LOSS OF GOODWILL OR FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES WHATSOEVER, HOWSOEVER CAUSED.
- 7.5 Except for the sale of retail-packed Goods the following provision shall apply; AFI is not liable for the fitness for intended purpose of the Goods and the Customer undertakes the risk and liability that the Goods are suitable for the purpose for which they are marketed and/or used.
- 7.6 Unless otherwise confirmed in writing by AFI, AFI shall at all times without incurring liability be entitled to modify or amend the specifications, production processes, packaging and/or labelling of the Goods without notice to the Customer.

- 7.7 Force majeure: AFI shall not be liable for a failure to perform any of AFI's obligations or deemed in breach thereof, if AFI shows that the failure was due to an impediment beyond the control of AFI. The occurrence of such an event relieves AFI from damages, penalties and other contractual sanctions.

Such events shall include in particular, but shall not be limited to strikes, lockouts, labour disputes, interruptions of operations, explosion, fire, natural disasters, governmental measures and restrictions imposed by national or foreign authorities, confiscation, embargoes, currency restrictions, lack of transport, veterinary diseases, malicious tampering, acts of terror, environmental measures and defective or delayed supplies from sub-contractors.

Further, it postpones the time for performance for such period as may be reasonable, thereby excluding the Customer's right, if any, to terminate or revoke the Contract.

- 7.8 Where the performance of a Contract becomes onerous on AFI due to the occurrence of events that fundamentally alter the preconditions of the Contract either because the costs of performance have increased or the performance for other reasons is subject to hardship AFI shall be entitled to withhold performance or be released of such Contract without incurring liability.

8.0 Product Liability

- 8.1 The Customer agrees to hold harmless and indemnify AFI, its affiliates and representatives against and from all costs, losses, liabilities, damages and expenses arising out of or resulting from the death of or injury to any person or from any damage to or loss of property due to the acts and/or omissions of the Customer.

- 8.2 AFI shall only be liable for physical injury and/or damage to property caused by the Goods if it is proven that the injury or damage is attributable to AFI or such liability follows from applicable mandatory law.

- 8.3 AFI SHALL NEVER BE LIABLE FOR ANY OPERATING LOSS, LOSS OF ORDERS, LOSS OF INCOME, LOSS OF PROFITS, LOSS OF PUBLIC SUBSIDIES, LOSS OF GOODWILL OR FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES WHATSOEVER, HOWSOEVER CAUSED.

- 8.4 Recall: In the event of a recall of the Goods instigated by AFI or a competent authority the Customer shall in consultation with AFI take all necessary actions that are appropriate in the circumstances. These may include, without limitation, to stop delivery of the Goods and to recall the Goods from warehouses, distributors and retailers. The Customer shall not interfere with the recall proceedings, which shall be controlled by AFI only, and shall not make public any actual or planned recall of the Goods, except as provided by applicable mandatory law or as instructed by AFI.

9.0 Intellectual property rights

- 9.1 All intellectual property rights or other proprietary rights in and to the Goods or related to the Goods, including but not limited to their formula, design, packaging and know-how, and any modifications or developments thereto, as well as the trademarks and trade names under which the Goods are marketed are and shall remain the sole and exclusive property of AFI and the Customer acquires no rights, title or license

therein or thereto. If the Customer challenges, harms or prejudices the validity or enforceability of such proprietary rights, AFI shall without liability be entitled to immediately terminate any cooperation between the parties with immediate effect and to cancel any Contract.

10.0 Miscellaneous

- 10.1 If any provision contained in these Terms should be held to be void or unenforceable, the validity of the other provisions shall not be affected thereby.
- 10.2 No waiver by AFI of any breach by the Customer, or failure by AFI to insist on the Customer's performance of obligations shall be considered a waiver of any subsequent breach of the same or any other provision.
- 10.3 The Customer shall hold in confidence and not disclose to any third party any confidential information disclosed by AFI. The Customer shall not use such information for the Customer's own benefit or the benefit of any third party.
- 10.4 Nothing in the relationship between AFI and the Customer shall create an agency, partnership or joint venture between the parties and in specific the Customer shall not be entitled to make any representation or warranty on behalf of AFI.

11.0 Governing Law and Jurisdiction

- 11.1 The validity, performance and construction of any Contract with AFI shall be governed by Danish law. Any disputes arising out of or in connection with any Contract or offer, quotation or order confirmation issued by AFI or in connection with the delivery of the Goods to the Customer, including but not limited to disputes relating to the construction of these Terms, shall be settled in accordance with Danish law.
- 11.2 Any dispute shall be settled before the courts of law in Denmark and legal proceedings shall be instigated at the Maritime and Commercial Court of Copenhagen (Sø- og Handelsretten).
- 11.3 Notwithstanding the above, AFI shall at all times at its discretion be entitled to initiate legal proceedings against the Customer in the country in which the registered office of the Customer is located.

January 2020