General

1

Formation of the contract

1.1 No contract shall be deemed to have been formed until and in so far as FrieslandCampina accepts an offer by placing a written order.

1.2 All costs incurred by the other party in relation to an offer are for the other party’s account.

2

Price, payment and security for advance payment

2.1 In the absence of express written agreement to the contrary made prior to the contract, the agreed price is all inclusive and therefore includes (i) all costs and rights, adequate packaging, inspections, tests, certificates, import duties, levies, transport and so on, but does not include VAT and for the rendering of services, and (ii) travelling and accommodation expenses, travelling hours, transport, office, meal, administrative costs and other overheads, the costs of any third-parties engaged by the other party with the written consent of FrieslandCampina.

2.2 Unless otherwise agreed in writing and to the extent the other party meets its contractual obligations, FrieslandCampina shall initiate payment of invoices within the movement of goods/legal period in force at any time, according to the nature of the goods or service in question. Invoices shall exclusively be deemed eligible for payment provided they are correctly specified. They do not bear and cannot be used for other purposes than those included in the contract, otherwise FrieslandCampina reserves the right to return rejected goods and/or documentation stored by the other party.

2.3 Payment by FrieslandCampina does not in any respect whatsoever imply a waiver of any right under the contract and these conditions or law. Payment cannot be regarded as constituting any acknowledgement by FrieslandCampina of the soundness of the delivered goods and/or services rendered and does not release the other party from any liability in that regard.

2.4 Payment releases FrieslandCampina from all obligations arising from the relevant contract and cannot be represented by the other party as payment of any other alleged claim of the other party on FrieslandCampina.

2.5 The other party shall not raise the agreed prices during the term of the contract. In the event the other party is obliged to increase the prices by virtue of a mandatory law or the contracts or by force majeure, FrieslandCampina shall have the right to terminate the contract with immediate effect.

3

Goods procurement

3.1 General

Articles 4 up to and including 9 apply, alongside the general provisions above and below, insofar as the contract between FrieslandCampina and the other party relates to goods purchased or to be purchased by FrieslandCampina from or via the other party. In cases of conflict between articles 4 to 9 and other articles of these conditions, the articles 4 to 9 take precedence.

4

Delivery, packaging

4.1 In the absence of written agreement to the contrary, deliveries shall take place ‘Delivered at Place’ (in accordance with the relevant provisions of the most recent version of Incoterms) at the place indicated by FrieslandCampina, with an accompanying waybill. The delivery time commences as soon as the contract is formed and is a firm deadline on penalty of forfeiture of rights. Excepting to deliver the delivery term places the other party in default without notice of default being required. The other party is obliged to give FrieslandCampina timely and adequate advance notice of delivery and the possibility of late delivery.

4.2 The goods and/or materials must be packed and preserved in such a way that protection against external factors is guaranteed. The other party is obliged to follow any instructions given by FrieslandCampina in that regard.

5

Transfer of risk and ownership

5.1 The other party guarantees that the full and unencumbered ownership of the goods is supplied.

5.2 The goods and/or materials will remain at the expense and risk of the other party until they are delivered, in accordance with the applicable Incoterms.

5.3 Ownership of the goods shall be transferred to FrieslandCampina at the time of delivery, unless (i) otherwise agreed upon between the Parties, or (ii) if the goods are rejected by FrieslandCampina in accordance with the provisions of article 7.

6

Documentation, parts and tools

All drawings, manuals, computer programs, parts, tools and user rights needed for the maintenance, repair, usage and/or onward delivery of the goods shall be jointly delivered to FrieslandCampina and, if made specifically in connection with the order placed by FrieslandCampina, transferred in ownership to FrieslandCampina in accordance with the provisions of article 13 of these conditions.

7

Inspection and quality control

7.1 Without prejudice to any further rights, including rejection of goods, FrieslandCampina reserves the right to inspect, to check and/or to test the goods delivered or to be delivered, as well as the facilities of the other party, either acting for itself or through another, irrespective of where the goods, or the facilities in question are located subject to providing reasonable notice. The other party shall cooperate with the above. FrieslandCampina can further require a production or confirmation sample, free of charge. The inspection costs shall be borne by the other party if the inspected goods and/or materials fail to meet the specifications or general requirements as provided for in article 8.

7.2 The other party acknowledges that FrieslandCampina does not carry out full entrance controls.

7.3 If any (part of a shipment or a production batch of the) goods do not conform to the representations and warranties as set forth in article 9 and the specifications, FrieslandCampina may reject, at its discretion, the entire shipment or production batch without any payment becoming due by FrieslandCampina for any part of such shipment or production batch of the goods and without any liability towards the other party. FrieslandCampina shall store the rejected goods or cause them to be stored at the other party’s expenses and risk.

8

Guarantee

8.1 The other party guarantees that the goods being delivered and the accompanying documentation meet the agreed specifications, properties and requirements or, if no agreements have been made in that regard, the specifications, properties and requirements that are customary for the trading of these goods. The other party further guarantees that the accompanying documentation meet all of the governmental regulations in the country of production.

8.2 The other party further guarantees that the goods are fit for purpose and can be used and processed for that purpose and that the goods possess at all times a high and consistent level of quality and that they meet the requirements laid down by or pursuant to law, and/or applicable self-regulatory rules, inter alia in regard to quality, health, safety, the environment and advertising.

FrieslandCampina reserves the right to return rejected goods and/or documentation to the other party at the other party’s expense and risk of the other party. If the goods and/or documentation are stored by FrieslandCampina, the other party is obliged to collect them from FrieslandCampina within two days of receiving a request from FrieslandCampina to do so. If that is not done, FrieslandCampina is free to act as it sees fit.

Rendering of services

9

General

Articles 9 up to and including 11 apply alongside the general provisions above and below, insofar as the contract between FrieslandCampina and the other party relates to services to be received by FrieslandCampina from or via the other party. In cases of conflict between articles 9 to 11 and other articles of these conditions, the articles 9 to 11 take precedence.

10

Execution

The other party shall complete the order within the agreed period of time in accordance with a programme approved in writing by FrieslandCampina. Exceeding this period will result in the other party being in default of the contract.

The other party shall give FrieslandCampina timely advance notice of the progress of and the possibility of the term being exceeded. That advance notice does not release the other party from its obligation of liability in the event of the term actually being exceeded. The other party will inform FrieslandCampina in writing when it judges that it has completed the agreed work. FrieslandCampina will inform the other party whether it accepts the completed work within fourteen days of receiving that notification. The fact that FrieslandCampina has put the work into operation cannot be deemed to constitute acceptance of the work. The acceptance of the completed work does not extinguish the other party’s rights of FrieslandCampina with regard to defects, irrespective of whether FrieslandCampina has discovered or could reasonably be expected to have discovered the defects at the time of acceptance.

If and insofar as the work is performed at FrieslandCampina’s location, that shall be done during the normal work hours at that location, unless parties have agreed otherwise in writing. The other party is obliged to carry out the work outside of those working hours on FrieslandCampina’s first request. Travelling and waiting times do not constitute worked time and can only be charged to FrieslandCampina if that has been expressly agreed in writing between FrieslandCampina and the other party.

The other party shall arrange at its own expense and in good time the permits, exemptions, approvals and decisions needed for the performance of the work and/or the employment of personnel.

11

Guarantee

11.1 The other party shall, perform all of its obligations under this contract: (i) in strict accordance with the terms of this contract, including all amendments, work orders and other related documents; (ii) in a professional, commercially diligent basis, in accordance with the generally accepted industry and professional standards, procedures and practices, to the reasonable satisfaction of FrieslandCampina and (iii) in accordance with the requirements laid down by or pursuant to law, and/or applicable self-regulatory rules, inter alia in regard to quality, health, safety, the environment and advertising.

Finally, the other party guarantees that the work will at all times be carried out with due observance of all statutory and other governmental provisions concerning the payment of social insurance contributions and taxes, safety, the environment, hygiene, product designations or other matters as applicable under the relevant law and at the location of the work. All costs of measures, including repair measures, needed to meet these provisions or that may be needed to meet them, and all penalties and or damages resulting from non-compliance with these provisions, shall in all cases be defrayed by the other party, even if they are initially borne by FrieslandCampina.

12

Intellectual and industrial property rights

12.1 Drawings, images, designs, models, calculations, processes, methods, tools, moulds and everything else that can be the subject of any right of intellectual or industrial property (which may be the subject of one or more intellectual rights) ("documentation and materials"), which are issued by FrieslandCampina or which are made on the instructions of FrieslandCampina or in that connection by or on behalf of the other party for FrieslandCampina and all intellectual and industrial property rights in their regard accrue exclusively to FrieslandCampina, which is also deemed to be the maker and/or designer, irrespective of whether FrieslandCampina pays a separate or compound fee for that purpose. The other party undertakes to do everything necessary to provide FrieslandCampina with the exclusive rights referred to above (including any necessary deeds of transfer). FrieslandCampina holds the rights to all documentation and materials, regardless of their form, provided by FrieslandCampina.
to the other party in relation to the making of an offer and the execution of the contract, irrespective of how they are used or stored.

12.2 The other party is obliged to return documentation and materials issued by FrieslandCampina on the first request of FrieslandCampina and in all cases upon termination of the contract. The risk concerning the aforementioned documentation and materials is borne by the other party until such documentation and materials are returned. The other party will check the aforementioned documentation and materials for accuracy and mutual cohesion prior to commencing execution of the contract and will report deviations and inaccuracies to FrieslandCampina, in the absence of which the other party will be liable for all damages and costs suffered by FrieslandCampina in that regard.

12.3 The other party shall clearly mark the documentation and materials issued by FrieslandCampina as being the property of FrieslandCampina and inform third-parties of FrieslandCampina’s right of ownership. The other party shall immediately inform FrieslandCampina if the documentation and/or materials are subjected to attachment or no longer freely available to the other party for other reasons.

12.4 The other party shall refrain from using the documentation and materials issued by FrieslandCampina for purposes other than those for which they were provided and will not reproduce them in full or in part, by any means whatsoever, issue them to third-parties or show them to third-parties.

12.5 The other party guarantees to FrieslandCampina that the use (including sale or delivery) of the goods delivered to FrieslandCampina does not infringe any right of intellectual or industrial property belonging to a third-party and will indemnify FrieslandCampina on its first request against claims of third-parties and defray in full all damages and costs suffered and incurred by FrieslandCampina in connection with those claims. FrieslandCampina’s approval of documentation and materials and other notifications or information issued by or on behalf of the other party does not affect or diminish the obligations of the other party under this article and these general conditions.

13 Confidentiality

13.1 The other party is obliged to protect the confidentiality of all information originating from FrieslandCampina, including all information coming to its notice in the context of a request for an offer, an order and/or the execution of a contract and to stipulate the same in respect of personnel and third-parties engaged in the context of making an offer, assessing an order or executing a contract. The provisions of this article are applicable in particular – but not solely – to recipes, know-how or procedures of production, prices, confidential business and technical information, documentation and other materials provided by FrieslandCampina to the other party. The other party is prohibited from using the aforesaid information for its own purposes or for third-parties. To the extent that the other party must disclose any information originating from FrieslandCampina in the performance of this contract to third parties, it shall do so after either having obtained written consent of FrieslandCampina, or having entered into confidentiality undertakings with such third parties.

13.2 Without FrieslandCampina’s prior written consent the other party shall abstain from any publicity in whatsoever form about any contract and/or cooperation between the parties or of any of the terms and conditions or other facts with respect to any contract between the parties, including the status thereof and will direct its directors, officers, employees and representatives to do the same.

14 On-site instructions and regulations

14.1 The other party shall at all times adhere to the applicable rules on the sites and at the facilities of FrieslandCampina, such as hygiene and safety regulations.

14.2 The only persons granted access to the grounds of FrieslandCampina are those registered by the other party with FrieslandCampina and whose admission has been approved by FrieslandCampina.

14.3 Other than in cases of intentional act or omission or gross negligence on its own part or its executive management staff, FrieslandCampina cannot be held liable for any damages or any injuries of any nature whatsoever and originating or caused in any manner whatsoever in the execution of the contract to the other party, to third-parties engaged or otherwise involved by the other party in the execution of the contract, to goods of the other party or those third-parties or persons employed by the other party or those third-parties.

15 Prohibition on outsourcing and assignment.

15.1 The other party is forbidden without the prior written permission of FrieslandCampina to transfer or outsource the contract or its execution in full or in part to third-parties. FrieslandCampina is authorised at all times to transfer the contract in full or in part to any other group company of FrieslandCampina without the prior permission of the other party.

15.2 Claims of the other party on FrieslandCampina are not transferable without the written consent of FrieslandCampina.

16 Termination

16.1 Either party is entitled to suspend the implementation of the contract or to terminate or rescind the contract in full or in part by means of a written statement and without a prior notice of default or judicial intervention with immediate effect, whilst retaining all its rights to compensation for costs, damage, losses, and interest; a) if the other party fails to meet one or more of its obligations under or otherwise related to the contract or to meet them on time or in full, or if it established that full compliance will be impossible; b) if the other party is declared bankrupt or its bankruptcy or (provisional) suspension of payment is applied for or granted, if it liquidates or discontinues its business, offers a composition, if an attachment is imposed on (part of) its assets or if it otherwise proves to be insolvent; c) if material changes are made to direct or indirect ownership or control ratios at the business of the other party.

16.2 FrieslandCampina reserves the right to terminate this contract at all times for any reason, subject to a reasonable notice period.

16.3 In the event of termination in accordance with the terms of this contract, neither party can be held liable for any form of compensation for damages.

17 Incoters and AEO (Authorised Economic Operators) Certificate

17.1 The commercial terms used in these conditions or other agreements between the parties shall be interpreted and construed in conformity with the provisions of the most recent version of the Incoters.

17.2 The other party guarantees that it is either (i) a holder of a combined AEO certificate for Customs Simplifications and Safety or (ii) has submitted an application for such an AEO certificate or (iii) is able to issue a statement signed by the other party’s board of management with regard to “safety and security” as referred to in the “Common format of security declarations for AEOS and AEOF” of the European Commission (reference number TAXUD/2007/1729).

18 Further provision, applicable law and court of competent jurisdiction

18.1 In the event of one or more of the provisions of these General Conditions proving to be invalid or being set aside by a court of law, the other provisions will remain fully in force. The parties shall in good faith attempt to replace any unforceable provision of these General Conditions with a provision that is enforceable and that comes as close as possible to expressing the intention of the original provision.

18.2 All contracts between FrieslandCampina and the other party are subject to the laws of the Netherlands. The applicability of the United Nations Convention on Contracts for the International Sale of Goods of 1980 (CISG) is however excluded.

18.3 Any disputes between the parties that result from or are otherwise connected with any contract and/or these General Conditions and that fall under the jurisdiction of the civil bench of a court, shall only be put before the Court of First Instance in Utrecht.

These conditions are filed at the Chamber of Commerce under number 11057544.