

<p style="text-align: center;">PROLAC general conditions of sale</p>

Unless specially agreed otherwise in writing, all sales made by Prolac (referred to hereafter as the “Company”) imply the Purchaser’s full and unreserved acceptance of the present general conditions of sale to the exclusion of any other documents, meaning that the Purchaser waives its own general purchase conditions or any document that it issues.

1. Quotes

Quotes given by the Company may be amended or withdrawn until such time as unconditional acceptance is received from the Purchaser.

Any order sent by the Purchaser must be explicitly confirmed by the Company to be considered as a sale.

2. Prices

The goods price is as stated in the sale contract. Unless otherwise stipulated in the contract, our prices exclude tax and cover goods on the means of transport, loaded or stowed on a truck or in a full container load (FCL) in the case of European origin not cleared through customs and in the case of non-EU origin cleared through customs for export.

Unloading costs are borne by the Purchaser in the case of trays or by the carrier in the case of solid bulk (pressure discharge, pumping or any special vehicle system).

a) Export regime – goods cleared through customs

Unless otherwise agreed, any changes to duties / taxes affecting contractual goods after the conclusion of the contract will be borne by or benefit the exporter if the duties / taxes are instituted or changed by the authorities of the exporting country and, vice versa, will benefit or be borne by the importer if the duties / taxes are instituted or changed by the authorities of the importing country.

b) Domestic regime – goods not cleared through customs

Unless otherwise agreed, any changes to duties / taxes affecting contractual goods after the conclusion of the contract will be borne by or benefit the Purchaser.

3. Packaging / Quality / Technical specifications

For milk Powders butter and other dairy product, the Prolac specification sheet for the specified product forms an integral part of the present general conditions.

4. Loading / unloading locations

If the sale contract does not specify the exact loading location, the Purchaser may demand the designation thereof at most fifteen ordinary days before the proposed loading date. If a parity clause is agreed, any carriage difference compared with the area of destination specified by the contract starting from the contractual departure base will be borne by or benefit the Purchaser, for which the cost price must remain identical. If the sale contract does not specify

the exact loading location, the Company may demand the designation thereof at most fifteen ordinary days before the contractual delivery period. Any delay in designating this location will extend the contractual delivery period correspondingly.

5. Consignment instructions and advance notice of loading

The Purchaser must enable the Company to deliver the goods within the contractual timescales and at the scheduled rate by providing all consignment and acceptance instructions in a timely fashion and in the advance notice at the latest.

For proper performance and on penalty of default, the Purchaser must give advance notice of loading / delivery at least fifteen ordinary days before the date of commencement of the operations, taking account of the number of working days needed to fulfil the obligation within the contractual period and of the maximum daily rate specified by the parties, in the absence of which the rate will be deemed to be spread over the entire contractual delivery period.

6. Delivery / Loading

Delays due to fortuitous events or cases of *force majeure* as defined in Article 15 below that prevent the consignment, handling, carriage or delivery of goods will not entitle the Purchaser to damages under any circumstances.

The good condition and materiality of the departure load will be deemed to be established by the first carrier initialling the consignment documents. Irrespective of the means of transport and the carriage charge payment terms, any damage caused to the goods during carriage will not in any way exempt the Purchaser from paying the price in full to the Company. In the event of average, ullage, etc following carriage, the Purchaser must express any reservations to the carrier and carry out any formalities or procedures with the latter. The Purchaser will benefit from any actions against the said carrier that the Company is entitled to take.

The Purchaser must inform the Company via any written means (e-mail, fax, etc) of any dispute whatsoever with the carrier within twelve hours of unloading / delivery. The Purchaser must also carry out the necessary steps, notably official formalities, to declare any dispute to the insurer at the earliest possible opportunity.

7. Recording weights

Weights are recorded upon loading using the scales at the loading location, which must be checked regularly in accordance with the operative local regulations at the expense of the Company, whether the Purchaser or its representative is present or not provided that proper advance notice has been given (two working days). Weights recorded in this way will be definitive.

8. Identifying goods

Goods identification (quality and packaging) is final upon loading and if necessary sampling takes place during loading. The goods will be deemed to comply with the contractual terms if the Purchaser is not present or represented during loading provided that it has been informed of the start thereof.

9. Sampling

If specified by the contract or demanded by one of the parties, samples of the average quality of the goods will be taken and sealed at the loading location specified in the contract in the joint presence of the Company and Purchaser or their duly empowered representatives.

The final samples must be formed and sealed according to the operative International Dairy Federation (IDF) standard.

10. Analyses

Samples taken in compliance with Article 9 will be used for analysis according to the methods stated in the technical specifications applicable to the contract.

The analysis request and sample(s) must be sent to the laboratory designated by the parties within seven working days of sampling and the other party must be informed of the request within the same timescale.

If either party demands a counter-analysis, it must advise the other party within seven working days of receiving the analysis report, using a different sample that must be sent to the laboratory/ies.

The requesting party must state the name and address of the other party on the analysis request so that the laboratory can send the official results report to both parties, though the requesting party alone will be liable for officially notifying the other party of the report.

All analysis reports must be sent to the other party without delay. In the event of a third analysis being requested by both parties, it will be carried out by a European laboratory with International Laboratory Accreditation Cooperation (ILAC) accreditation chosen by the Company and will be considered authentic.

The costs of analyses will be borne by the losing party in each case.

11. Transfer of risks / Insurance

Unless otherwise stipulated in the contract, risks are transferred once the goods are loaded onto the agreed means of transport.

Unless otherwise stipulated in the contract, goods insurance is borne by the Purchaser.

12. Company's liability

The Company will be exempted from any guarantee for hidden defects in sold goods.

Should the Company fail to fulfil any of its contractual obligations, its liability will be limited to the direct material prejudice suffered by the Purchaser up to the limit of the sale price of the contractual goods excluding tax except in the case of fraud or gross negligence.

13. Trade marks and other distinctive marks

Trademarks, logos and graphics created by the Company will remain its exclusive property and may not be used without prior agreement.

14. Payment

A. In cash against documents

Payment is due against the invoice / any other documents agreed upon conclusion of the contract or in the documentary instructions received from the Purchaser in accordance with the contract.

Irrespective of the contractual payment terms, in the event of credit insurance cover being refused the Company reserves the right to demand the opening of a documentary credit in its favour by the Purchaser, according to the opening, validity and use conditions described below, within five working days of the demand, or payment before delivery via an SEPA transfer.

No discounts will be granted by the Company.

B. Via documentary credit

If specified that payment must be made by credit, it must be irrevocable and confirmed by a first-class international bank, which must receive the opening notification at least fifteen working days before the start of the loading / delivery period.

The credit must be valid for at least twenty working days after the end of the contractual loading / delivery period and will be extended under the conditions defined in Article 15 below in the event of an occurrence of *force majeure* as provided for in the same article.

C. Payment delays

The Purchaser must take the necessary steps for payment to be made at the Company's address by the contractual due date. In the event of a payment delay, the Purchaser will be liable for a penalty of 10% per annum without the need for a formal notice, though the statutory minimum rate, i.e. three times the operative statutory interest rate, will apply if this is higher than 10%. The penalty will continue to accrue until the debt has been paid in full. Statutory fixed compensation of €40 (forty euros) will also be due automatically for collection costs, though the Purchaser will be obliged to reimburse any costs incurred in excess of this amount, including law officers' fees, on presentation of supporting documents. Except in the case of mandatory legal provisions to the contrary, the Company will be entitled:

- to demand payment for any previous delivery for which payment is overdue at any time and before continuing delivery;
- to suspend performance of the contract in the event of a delay in the credit facility until receipt of the bank's confirmation thereof;
- in either of the above cases, to cancel the remaining tonnage due under the contract after serving a formal notice of a period of at least two working days without prejudice to the rights to damages provided for in the "Defaulting" article.

All expenses resulting from delayed payments / credit facilities will be borne by the defaulting Purchaser.

15. Force majeure

Should an event defined as *force majeure* occur that prevents goods loading or delivery, the Company will be entitled, automatically and at any time, to terminate the contract for the period(s) remaining to be fulfilled if it thinks necessary. In the absence of termination, the contractual term will be extended by as many working days as the days of prevention during the contractual performance period up to a limit of thirty ordinary days. The contract will be terminated automatically after thirty days of suspension.

Any event of any nature whatsoever outside the control of the Company that it could not reasonably have foreseen or prevented, such as the following events (non-exhaustive list), is considered as a case of *force majeure*:

- war, whether declared or undeclared, civil war, riots, revolutions, acts of piracy and sabotage;
- natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods and destruction by lightning;
- explosions, fires and destruction of machines / factories / facilities of any type whatsoever;
- boycotts, strikes and lockouts in any form whatsoever, working to rule and occupations of factories / premises;
- acts by public authorities, whether lawful or unlawful.

16. Defaulting / Determining prejudice

Except in the cases provided for above, in the event of either party defaulting the other party will be entitled, without the need to serve a formal notice though taking account of the limitations of Article 12 above, either (a) quite simply to terminate the contract, (b) to purchase or resell the goods, depending on the case, within seven working days at the defaulting party's expense and on its behalf and to claim reimbursement for the prejudice, with the proviso that in the event of repurchase the undelivered goods may be replaced, if they cannot be found, by other goods of equivalent quality, of different origin or manufacture, or (c) to apply the difference between the contractual price and the price on the day of defaulting in its own favour. The non-defaulting party must inform the other side of which option it intends to take up within seven working days of the default and prior to the operation concerned in the event of repurchase or resale. If this information is not provided on time or at all or if the repurchase or resale does not take place according to option (b), the provisions of option (c) will apply. In any event, irrespective of which option (a, b or c) that the non-defaulting party takes, if the Purchaser is in default and the contractual goods are packaged with the mark of the Company or Purchaser, the latter will be obliged to compensate the Company for the expenses that it bears for repackaging / reselling the goods to which the defaulting relates.

17. Insolvency of one party

Should either party be in a state of insolvency or be subject to company protection, conciliation, official administration, liquidation of assets or any other similar legal event, the other party will be entitled to demand, via a formal notice served on the private or official administrator of the party concerned, information on its intentions in respect of performing the contract within a period of ten working days except in the event of statutory provisions to the contrary.

If this formal notice fails to have any effect within this timescale or if the private or official administrator declares that the administered business will not fulfil its obligations, the other party will be entitled to take up the rights conferred in the “Defaulting” article otherwise the claims arising from the administrator’s undertaking to comply will benefit from the highest priority payment rules.

18. Reservation of ownership

Ownership of sold goods will not be transferred to the Purchaser until the price in principal and incidentals has been paid in full.

Since the present clause will not prevent transfer of the risks to the Purchaser upon delivery of the products in accordance with Article 11 above, the latter undertakes to take all care with the safekeeping and preservation of the goods and to take out all useful insurance.

The parties explicitly agree that in the event of any one payment not being made on time the full price will be due without delay and the goods may be claimed back immediately.

19. Arbitration

A. Notification on penalty of foreclosure

1. Quality and packaging

Any request for arbitration must be notified to the other party within at least thirty ordinary days of the date of arrival of the goods at the contractual destination although, if an analysis is provided for by the contract or made necessary either as a result of disagreement between the parties at the time of joint acceptance or the impossibility of checking in accordance with the contractual terms, a request for arbitration may be notified to the other party within at most fourteen working days of receipt of the analysis report.

If one of the parties expresses its right to have a second analysis carried out according to the conditions specified in Article 10, the party wishing to take advantage of its right to arbitration must notify its request to the other party within at most seven working days of receipt of the second analysis report

2. Other disputes

For all disputes other than those involving quality / packaging, the party wishing to take up its right to arbitration must notify its request to the other party within one year of the first day specified for the fulfilment of the obligation.

3. Financial settlement

Foreclosure does not apply in the case of a financial settlement representing an indisputable, liquid and collectible claim.

B. Referral

1. Quality and packaging

The applicant must refer the dispute to the *Chambre Arbitrale Internationale de Paris* within fourteen working days of notification of the request for arbitration and send it samples within the same timescale.

2. Other disputes

The applicant must refer the dispute to the *Chambre Arbitrale Internationale de Paris* within one year of the first day specified for the fulfilment of the obligation.

3. Financial settlement

Foreclosure does not apply in the case of a financial settlement representing an indisputable, liquid and collectible claim.

20. Timescales

Contractual timescales are fixed.

Working days are indivisible and last from 9am to 5pm, Paris time.

By convention, the following days are considered as non-working days: Saturdays, Sundays, public holidays, 24th, 26th & 31st December and 2nd January.

The notion of a public holiday extends to the place of fulfilment of the obligation.

Written messages arriving after 5pm or on a non-working day will be supposed to have arrived on the following working day, while timescales other than those for loading, delivery and advance notice that expire on a non-working day will be extended to the following working day.

21. Governing law / Contractual language

The present general conditions were originally written in French. If they are translated into one or more other language(s), the French version will be the sole authentic text in the event of a dispute.

All contracts for the sale of goods with the Company will be governed by French law unless otherwise agreed.

22. Arbitration clause

Any disputes arising in the course of the transaction, even if they concern the existence or validity thereof, will be judged without appeal via arbitration proceedings organised by the *Chambre Arbitrale Internationale de Paris* (6 avenue Pierre 1er de Serbie, 75008 Paris, France / Tel: +33 1 4236 9965 / Fax: +33 1 4236 9958 / E-mail: caip@arbitrage.org / website: www.arbitrage.org) in accordance with its rules, which the parties declare that they know and accept.