

GENERAL TERMS AND CONDITIONS FOR DELIVERY OF GOODS TO LANTMÄNNEN

These Terms and Conditions constitute an integral part of the Agreement. Reference to the “Agreement” also includes these Terms and Conditions.

1 Definitions

In these general terms and conditions, the terms set forth below shall have the following meanings:

The “**Agreement**” means the written agreement entered into by the Parties to purchase goods or any other agreement in which reference is made to these Terms and Conditions, of which these General Terms and Conditions constitute an integral part;

“**Confidential Information**” means such information as referred to in section 14.2 below;

The “**Customer**” means the company or the unit within Lantmännen which places a Purchase Order (unless otherwise stated in the Agreement all companies within Lantmännen shall be entitled to make such Purchase Order, however, in relation to the Supplier each such company shall only be liable for its own liabilities, undertakings and commitments and shall in no respect be considered as guarantors for each other);

The “**Goods**” means the goods which are covered by the Agreement;

“**In Writing**” means messages sent by e-mail, fax or post;

“**Lantmännen**” means Lantmännen ek för, Reg. No. 769605-2856, and its subsidiaries and affiliates from time to time;

“**Purchase Order**” means an order for the Goods in accordance with the Agreement;

“**Party**” means the Customer and the Supplier, individually;

The “**Parties**” means the Customer and the Supplier jointly;

The “**Supplier**” means the party with whom the Customer entered into the Agreement; and

“**Terms and Conditions**” means these general terms and conditions, which constitute an integral part of the Agreement.

2 Scope and undertakings

2.1 The Supplier shall deliver the Goods and perform the commitments in the manner and within the time frames stated in the Agreement.

2.2 The Supplier shall ensure that all Goods are of the agreed quality and are of the highest quality and workmanship.

2.3 The Supplier shall ensure that its undertakings in accordance with the Agreement are performed in a professional and workmanlike manner, with the greatest care and quality, taking into consideration established industry practice and in accordance with applicable laws and regulations.

2.4 The Supplier shall ensure that the Goods (i) meet the general quality and other requirements set out in this agreement and its appendices, (ii) meet the specific quality, durability and other requirements agreed between the Parties or which can reasonably be expected by the Customer including, but not limited to, requirements according to applicable laws and regulations, (iii) be suitable for its intended use, e.g. the Goods must have the correct measures in order to fit the Customer’s production lines, production machines, etc., and (iv) be delivered in due time in accordance with the Agreement.

2.5 The Supplier shall have primary liability for any subcontractors and their acts.

3 Purchase Orders

3.1 Purchase Orders must be placed by the Customer In Writing.

3.2 Purchase Orders other than as stated in section 3.1 above shall not be binding for the Customer, unless the Parties have agreed otherwise in the Agreement.

3.3 Where the Customer requests, the Supplier shall accept and ensure that Purchase Orders can be placed electronically in accordance with the Customer’s instructions.

3.4 Each Purchase Order shall be subject to the terms and conditions of the Agreement.

3.5 The Supplier shall maintain a stock of the Goods sufficient to enable delivery in

accordance with the Customer's/Customers' Purchase Orders.

4 Delivery

4.1 Delivery of the Goods shall be made DDP (Incoterms 2010) to the Customer's address stated in the Agreement or in the Purchase Order.

4.2 Delivery shall not be deemed to be completed until the Goods and all necessary documentation in its entirety has been delivered to the delivery address in accordance with section 4.1 above.

4.3 All deliveries shall be clearly marked with the Customer's name. Deliveries which are not clearly marked may be returned at the Supplier's expense.

4.4 Delivery prior to the agreed delivery date or partial delivery of Purchase Orders may only take place where this has been approved In Writing in advance by the Customer.

5 Approval

5.1 As soon as possible after receiving the Goods in accordance with section 4 above, the Customer shall ascertain whether the delivery has been made in accordance with the Purchase Order and visually inspect to ascertain that there are no external defects or damage to the delivery. The Customer shall have no obligation to inspect the Goods other than by such visual inspection for external defects or damage.

5.2 Defects or deficiencies which are discovered upon inspection in accordance with section 5.1 above shall be reported In Writing by the Customer to the Supplier within eight (8) business days from the discovery of the defect or deficiency; otherwise the Customer shall be deemed to have accepted the defect or deficiency.

6 Payment

6.1 The price for the Goods is set forth in the Agreement.

6.2 An invoice shall contain a clear reference to the relevant Order, contact person, specification of the relevant Goods, agreed price for each type of Good delivered, total price, value added tax, agreed delivery date

and payment instructions.

6.3 Following completed delivery, payment for the Goods shall be made against invoice not later than on the Monday or Thursday closest to the expiry of sixty (60) days after the Customer received the invoice.

6.4 Upon the Customer's request, the Supplier shall accept and ensure that invoicing can take place electronically in accordance with the Customer's instructions.

6.5 In the event of delayed payment, the Supplier shall be entitled to demand penalty interest on arrears corresponding to the reference interest rate plus two (2) percentage points commencing the due date until such time when payment is made. The Supplier shall not otherwise be entitled to charge any fees for delay or advice notes, or fees for transportation or suchlike.

7 Delay

7.1 A delay exists when delivery of the Goods in accordance with section 4 above has not taken place on the agreed delivery date.

7.2 The Supplier shall, as soon as practically possible, notify the Customer In Writing of any expected delay, stating the reason for delay and, to the extent possible, the time when delivery can be expected. If the Supplier fails to deliver such notice, the Customer is entitled to compensation for any costs incurred which could have been avoided had the Customer received such notice.

7.3 In the event of delay, for each day of delay, the Supplier shall pay liquidated damages in the amount of one (1) per cent of the price for the delayed Goods per commenced week of delay. The number of weeks of delay shall be calculated commencing on the first day after the date on which delivery should have taken place in accordance with the Agreement. The total amount of liquidated damages shall not exceed the price of the delayed Goods.

7.4 If only part of the Goods is delayed, liquidated damages shall be calculated on the part of the price relating to the Goods, which due to the delay cannot be used in the way intended by the Parties.

7.5 However, if the delay is material, the Customer shall be entitled to cancel the Purchase Order and to terminate the Agreement. The Customer shall also be entitled to compensation for any cost, loss or other damages exceeding the liquidated damages in accordance with section 7.3 incurred due to the delay. The total amount shall not exceed the price of the delayed Goods.

8 Defects

8.1 A defect exists when the Goods, upon delivery in accordance with section 4 above, deviate from the Agreement or from that which the Customer otherwise could reasonably expect.

8.2 Where the Customer discovers a defect in the Goods, the Customer shall notify the Supplier In Writing thereof without unreasonable delay. The notice of defect shall contain a summary description of how the defect manifests itself.

8.3 The Customer shall be entitled to present claims appearing within two (2) years from the date of delivery of the Product. The Supplier shall be liable for defects in the Goods only where the defect occurred in conjunction with proper handling of the Goods and in conjunction with their intended purpose. Thus, there shall be no liability for defects which are caused by deficient maintenance or handling by the Customer or its customers, after delivery of the Goods to the Customer in accordance with section 4 above.

8.4 The Supplier shall without delay rectify, free of charge, the defects in delivered Goods resulting from causes other than those set forth in section 8.3 above.

8.5 In the event that the Supplier fails to fulfil its undertakings in accordance with section 8.4, the Customer shall be entitled to a price deduction which shall correspond to the reduced value of the Product for the Customer, or, where the defect is material, to cancel the Purchase Order. The Customer shall also be entitled to terminate the Agreement with immediate effect.

8.6 All transportation in connection with an exchange of Goods shall take place at the Supplier's risk and the Supplier shall bear the costs associated therewith.

9 Liability

9.1 The Supplier shall hold the Customer harmless from all claims by third parties arising from personal injury or property damage caused by the Goods, provided that the Supplier has been notified by the Customer In Writing of such a claim and is given the opportunity to settle the claim or intervene in the case.

9.2 In the event of a product recall, the Customer shall, to a reasonable extent, provide the Supplier with the necessary assistance in accordance with the Supplier's instructions. A condition for the Customer's assistance in accordance with this provision is that the Supplier compensates the Customer for all costs incurred in connection with the product recall in question.

9.3 The Supplier shall be liable for any cost, loss or other damage incurred to the Customer, if such cost, loss or other damage is due to the Goods failing to perform to the Agreement or due to the negligence of the Supplier.

9.4 Unless expressly set out in this Agreement, neither Party shall be liable for indirect or consequential damage or loss. This limitation of liability shall however not apply in case of gross negligence or wilful misconduct on the part of the Party causing the damage or loss.

10 Liability insurance

10.1 For its undertakings pursuant to the Agreement including, but not limited to, any liability in damages in accordance with sections 7-9 above, the Supplier shall maintain necessary liability and product liability insurance in an amount of not less than SEK ten million (10,000,000). The insurance shall include cover for property stored at the Supplier in which the Customer has an interest.

10.2 The Supplier shall, upon request, provide the Customer with a valid insurance certificate in respect of such insurance.

11 Force majeure

11.1 A Party shall be discharged from the consequences of failing to fulfil a specific commitment under the Agreement where the failure to perform is based on a circumstance beyond the Party's control and which

- precludes performance thereof ("force majeure circumstance"). Unless proven otherwise, war, acts of war, mobilisation or general military draft, civil war, fire, flood, and circumstances comparable thereto shall be deemed to be force majeure.
- 11.2 If force majeure pertains to acquisition of material and services that can be acquired from another source at no essential extra cost, force majeure does not give the Supplier the right to suspend performance of its obligations under the Agreement.
- 11.3 Where a Party wishes to invoke a force majeure circumstance, the Party shall notify the other Party In Writing immediately regarding when the event commenced and when it ceased. Where the Party fails to provide such notice, the Party shall not be discharged from the consequences of failing to fulfil a specific commitment where the failure is based on a force majeure circumstance.
- 11.4 The time for performance of the relevant commitment shall duly be extended by length of the duration of the force majeure situation. Notwithstanding the provisions of sections 11.1 and 11.3 above, a Party shall, however, be entitled to terminate the Agreement with immediate effect where performance of a specific commitment is delayed by more than six (6) months as a consequence of force majeure.
- 12 Supplier Code of Conduct and independence**
- 12.1 The Supplier undertakes to maintain and observe an environmental, social and ethical standard and behaviour which fulfils the requirements set forth in Lantmännen's Supplier Code of Conduct, as worded at the time of execution of the Agreement. The Customer shall inform the Supplier of any changes to Lantmännen's Supplier Code of Conduct and the Supplier undertakes, as soon as possible thereafter, to take any measures which are required in order to fulfil the requirements thereof.
- 12.2 In the event that the Supplier or any of its subcontractors fails to meet the standards set forth in section 12.1 above, the Customer shall immediately be notified In Writing thereof. In such case, the Supplier shall provide the reason for failure to comply with the undertaking and the measures which are planned to rectify such deficiency.
- 12.3 In the event that a deficiency as set forth in section 12.2 above is not rectified in full within 30 business days from the date on which the deficiency arose, the Customer shall be entitled to cancel the Purchase Order and terminate the Agreement. In such case, the Customer shall not be obliged to await planned measures in accordance with section 12.2 above, which cannot reasonably be expected to result in complete rectification of the deficiency within ten (10) business days.
- 12.4 In the event that the Supplier or any of its subcontractors has failed to meet the standards set forth in section 12.1 above (or if there are reasonable grounds to suspect that this is the case), the Supplier undertakes, at Lantmännen's reasonable request, to participate in audits where the Supplier's compliance with the Supplier Code of Conduct shall be monitored. If Lantmännen conducts such an audit, the Supplier shall without undue delay provide the documentation reasonably requested by Lantmännen and otherwise reasonably cooperate in connection thereto. The Supplier shall bear its own costs in connection with any such audit.
- 12.5 The Supplier shall deliver the Goods and fulfil its commitments in accordance with the Agreement without undue influence from any third party and, in connection therewith, shall not receive compensation from any party other than the Customer without the prior consent of the Customer.
- 13 Intellectual property rights**
- Intellectual property rights, such as design, trade mark and other commercial marks, patents and patentable inventions, copyrights and related rights, dispensary rights (*Sw. receptur*), etc., which are created within the scope of the Agreement, shall vest exclusively with unrestricted title in the Customer, including the right to freely modify, transfer and licence such rights. All material which bears or otherwise relates to the Customer's intellectual property rights including appurtenant information, whether stored in physical or digital form shall, upon Customer's request, be returned to the Customer immediately after the Goods have

been provided or upon the termination of the Agreement, regardless of the reason therefor.

14 Confidentiality

14.1 The Parties undertake, during the term of the Agreement and thereafter, to refrain from disclosing to any third party such Confidential Information as a Party has learned as a result of the Agreement. The Customer shall take the necessary measures in order to prevent employees, subcontractors, or others from using or disclosing Confidential Information to third parties and, upon the Customer's request, ensure that they undertake to do so in writing in an undertaking to that effect provided by the Customer.

14.2 "Confidential Information" means all information (both written or oral) including, but not limited to, the Agreement, technical information, financial information, trade secrets and other information concerning the Parties which is not in the public domain, with the exception of the following information:

- (a) information which is in the public domain or entered the public domain in a manner other than through breach of this confidentiality provision; or
- (b) information which a Party can prove the Party possessed before the Party obtained the information from the other Party.

15 Entire agreement

This Agreement constitutes the entire agreement of the Parties with respect to all issues related to the Agreement. All written or oral undertakings, warranties and commitments made by any employee or representative of either Party prior to the Agreement are superseded by this Agreement.

16 Amendments and supplements

Amendments of and supplements to this Agreement must be In Writing and signed by authorised signatories of the Parties to be binding.

17 Termination

17.1 A Party shall be entitled to terminate the Agreement with immediate effect where:

- (a) the other Party fails to perform its commitments in accordance with the Agreement, where such failure is of material significance to the first Party and the failure has not been rectified within 30 business days of the date on which the first Party gave the other Party written notice thereof;
- (b) the other Party fails, repeatedly, to perform its commitments under the Agreement, regardless of whether the first Party gave the other Party written notice thereof in accordance with (a) above; or
- (c) the other Party suspends its payments, commences settlement negotiations with its creditors, becomes the subject of an application for bankruptcy, submits an application for company reorganisation or composition or suchlike, discontinues its operations, enters into liquidation or has a receiver appointed with respect to all or part of the Party's assets.

17.2 The Customer shall be entitled to terminate the Agreement with immediate effect where:

- (a) the ownership structure of the Supplier changes, directly or indirectly, in any manner;
- (b) the Supplier divests a significant part of its assets or changes the focus of its business; or
- (c) in cases set forth in section 7.5, 8.4, 11.4 and 12.3 above.

18 Applicable law and disputes

18.1 This Agreement shall be governed by the UNIDROIT Principles, supplemented when necessary by the law of Sweden. Disputes arising from this Agreement shall be conclusively determined through arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce

(“SCC”). The Rules for Expedited Arbitration shall apply unless the SCC, taking into consideration the level of difficulty of the case, the disputed amount and other circumstances, determines that the Arbitration Rules shall apply. In the latter case, the SCC shall also determine whether the arbitral tribunal shall consist of one or three arbitrators. The arbitration shall be held in Stockholm. The proceedings shall be held in English.

- 18.2 Arbitration which is requested with reference to this arbitration clause shall be confidential. All information which arises during the arbitration, as well as any decision or award which is issued as a result of the arbitration shall be confidential. Information subject to confidentiality may not be communicated in any form to a third party without the other Party's written consent. However, a Party shall not be precluded from communicating such information in order to best preserve its rights against the other Party due to the dispute or where a Party is required to provide such information pursuant to any law, regulation, decision of a public authority, listing agreement or the equivalent.
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