

SALES AND DELIVERY TERMS

1. GENERAL CONDITIONS

- 1.1 The following general conditions shall apply to all goods or services supplied by Danetto Ingredients A/S: (hereafter referred to as Danetto Ingredients).
- 1.2 Conditions or requirements of the buyer contained in the buyer's order, stated in his general conditions of purchase or elsewhere, shall not bind Danetto Ingredients unless Danetto Ingredients has accepted them in writing.
- 1.3 In his use of the goods the buyer shall observe all relevant national legislation including any regulation or requirement of governmental or other regulatory authority. Consequently Danetto Ingredients assumes no liability for any infringement of patents or violation by the buyer of any relevant legislation, regulation or requirement which is due to his use of the goods. This shall apply even if Danetto Food, its employees or agents have made statements or recommendations (whether before or after the purchase) relating to the goods.
- 1.4 All information in brochures, publications, etc. regarding goods offered for sale by Danetto Ingredients is based on Danetto Ingredients' own research and development work. The information is of an informative nature only and does not constitute a warranty. Danetto Ingredients accepts no liability for such information.

2. FORMATION OF CONTRACTS

- 2.1 A final contract of sale shall not be deemed made until Danetto Ingredients has either forwarded a written order confirmation to the buyer or has delivered the goods to the buyer, whichever happens first.

3. TERMS OF DELIVERY

- 3.1 Unless otherwise agreed in writing, the delivery terms are "Ex Works (Incoterms 2000)" (rules laid down by the International Chamber of Commerce regarding the interpretation of commercial terms).
- 3.1 If other terms of delivery have been agreed upon, they are to be interpreted in accordance with Incoterms 2000.

4. DELIVERY

- 4.1 The stated date of delivery or length of time for delivery is an estimate made to the best of Danetto Ingredients knowledge. Danetto Ingredients shall notify the buyer of the actual date of delivery when it has been finally determined.
- 4.2 In a sale "Ex Works (Incoterms 2000)" delivery is affected when Danetto Ingredients makes the goods available for collection by the buyer at the place of delivery.
- 4.3 Danetto Ingredients reserves the right to deliver goods by instalments. In such cases Danetto Ingredients shall notify the buyer of the delivery date of each instalment.

5. PASSING OF RISK

- 5.1 In sale "ex Works (Incoterms 2000)" risk shall pass to the buyer on delivery and consequently Danetto Ingredients undertakes no liability for any damage to the goods caused in Transit.

6. COSTS AFTER DELIVERY

- 6.1 In a sale "EX Works (Incoterms 2000)" the buyer is responsible for all costs incurred after delivery, including costs of insurance, storage, carriage and shipment.

6.2 The buyer shall be responsible for procurement and maintenance of insurance for the goods after delivery.

7. DELAY

7.1 If delivery is delayed beyond the date or length of time agreed upon or stated by Danetto Food according to 4.1, the buyer can by notice to Danetto Ingredients demand delivery and fix a final, reasonable time-limit for delivery. If the buyer wants to cancel the contract, should delivery not be effected within this time-limit, such intention shall be stated in the notice.

7.2 If delivery is not effected within the reasonable time-limit fixed in any notice served under clause 7.1, and the time-limit is exceeded by more than 20 (twenty) days, then the buyer is entitled to cancel the contract. The buyer cannot cancel when goods are delivered to the buyer prior to his serving the notice of cancellation.

7.3 The buyer cannot claim damages of any kind whatsoever including damages to consequential loss suffered due to a delay.

8. DEFECTS

8.1 Upon receipt of the goods, and before use thereof, the buyer shall make such examination of the goods as is required by proper trade practice. The buyer shall satisfy himself that the goods meet all contractual requirements and are fit for the purpose for which the buyer intends to use them.

8.2 Complaints about defects shall be made in writing and must reach Danetto Ingredients not later than 5 (five) days after the defect was or ought to have been detected. The complaint shall include a description and picture of the alleged defect.

8.3 Claims based on defects shall be advanced within 1 (one) month of delivery.

8.4 No complaint can be made after expiry of the deadlines stipulated in 8.2 and 8.3. If Danetto Food enters into any discussion with the buyer concerning a complaint lodged after expiry thereof, Danetto Ingredients does so purely as a gesture and without waiving the right to contend that the complaint in question was lodged too late.

8.5. If goods are defective and a claim based on the defect is brought against Danetto Food, then Danetto Ingredients can choose within a reasonable time either to deliver replacement goods in return for the defective goods or make subsequent delivery, repair the defect or grant the buyer a pro rata reduction in the purchase price, whereupon the rectification of the defect shall be deemed final.

8.6 With the exception of what has been stipulated above Danetto Ingredients assumes no liability for defects and the buyer cannot assert any other rights in case of default than the ones stated above.

9. CLAIMANT'S DEFAULT

9.1 If the buyer is unable to collect the goods on delivery the buyer shall give notice thereof to Danetto Ingredients stating the cause of the expected delay and the time at which collection may be expected to take place.

9.2 If the buyer fails in due time to collect or receive the goods, or if, due to the conduct of the buyer, the goods cannot be transferred to the buyer, then Danetto Ingredients may either enforce or cancel the contract. The option can independently be applied to goods that have already been delivered to the buyer and goods that have not yet been delivered to the buyer.

9.3 If the buyer does not pay the purchase sum or if the buyer does not in time make arrangements for the payment of the purchase sum, then Danetto Ingredients may cancel or enforce the contract, although in the latter case Danetto Ingredients shall have the right to delay delivery of goods to the buyer.

9.4 Should Danetto Ingredients choose to cancel the contract, Danetto Ingredients can claim compensation for costs incurred as well as loss of profit.

10. PRICES

- 10.1. Prices are based on the prevailing prices excluding V.A.T., costs, duties, etc. according to the delivery terms "Ex Works (Incoterms 2000)".
- 10.2. If delivery takes place more than 90 (ninety) days after making the contract of sale, Danetto Ingredients can, in the absence of an express agreement to the contrary, invoice sales on the basis of the prices prevailing at the time of delivery.

11. TERMS OF PAYMENT

- 11.1. Payment shall be effected to Danetto Ingredients address or any present factoring Company as stated in the invoice.
- 11.2. In case of late payment, Danetto Ingredients charges interest for default on the amount owing at the time in question, at a rate of 1.5 (one and a half) per cent per month from the due date. Interest will be calculated each month on the outstanding balance due which will include previously added interest, reasonable costs etc.
- 11.3. The buyer shall not withhold payment or make any deductions from the price of the goods in respect of claims that have not been approved by Danetto Ingredients.

12. RETENTION OF TITLE

- 12.1. Danetto Ingredients shall retain full and clear title to goods delivered hereunder, and ownership of the goods shall not pass to the buyer until full and final payment has been made.

13. FORCE MAJEURE

- 13.1. Neither party shall be liable to pay damages or make compensation in any way for any delay or failure to perform any of its obligations when such delay or failure is due to force majeure.
- 13.2. Force majeure is defined as an act of god or an event or contingency outside the reasonable control of the party affected thereby. It shall include but not be limited to delay in the delivery of or defects in goods supplied by subcontractors, substantial price increases for such deliveries, war (declared or undeclared), revolution, riot, strike and lockout, labour disturbances, fire, flood, epidemic, earthquake, explosion, blockade, embargo, unavailability of basic raw materials, lack of or failure of transportation, any unusual or unexpected acts of government or governmental agency, and other similar events.
- 13.3. Upon the occurrence of force majeure the party suffering thereby shall promptly give the other party written notice hereof specifying the cause of force majeure and how it will affect the performance of its obligations.
- 13.4. If the delivery of goods is temporarily prevented owing to force majeure events, the obligation to deliver shall be suspended as regards the period during which the force majeure situation exists with the effect that the buyer shall not be entitled to cancel the contract.
- 13.5. If contractual performance, delivery of goods or other duties are prevented by force majeure for at period of 120 consecutive days, then either party may terminate the obligations prevented by force majeure.

14. PRODUCT LIABILITY

- 14.1. Danetto Ingredients shall not be liable for personal injury or damage to property or goods caused by goods unless evidence is produced to the effect that the injury or damage was caused through wilful misconduct or gross negligence on behalf of Danetto Ingredients.
- 14.2. However, Danetto Ingredients shall under no circumstances be liable for damage to goods or property resulting from pollution of or through air, soil or water; nor shall Danetto Ingredients be liable for damage to goods or property which is due to the fact that the goods have been used as, added to incorporated into finished products that are used in the operation of aircraft or in off-shore installations.

- 14.3 If damage caused by the goods purchased or danger that such damage will occur comes to the attention of the buyer, the buyer shall without undue delay notify Danetto Ingredients thereof in writing. The notice does not relieve the buyer of his obligation to minimise such damage.
- 14.4 To the extent Danetto Ingredients incurs product liability towards third parties, the buyer shall be under an obligation to indemnify Danetto Ingredients to the extent such liability exceeds the limitations according to this section 14.
- 14.5 The buyer hereby submits to the jurisdiction of any court before which an action for product liability may be brought against Danetto Ingredients.
- 14.6 The buyer shall notify Danetto Ingredients if third parties bring claims based on product liability against the buyer.

15. LIMITATIONS OF LIABILITY

- 15.1 Sections 1.3, 1.4, 7, 8, 13 and 14 herein contain limitations of liability. Such limitations shall not apply to the extent the loss suffered is a result of wilful misconduct or gross negligence on behalf of the party which is in default.
- 15.2 However, notwithstanding any negligence, Danetto Ingredients shall never be liable for punitive damages, financial loss, consequential loss, loss of profit, loss of time or other indirect loss or consequential damage whether arising from delay, from the supply of defective goods or otherwise.

16. RIGHT OF SET-OFF BETWEEN GROUPS, ETC.

- 16.1 If the buyer has a financial claim on Danetto Ingredients, the latter shall be entitled to set off such claim in whole or in part against any claim that Danetto Ingredients or one of Danetto Ingredients subsidiaries or associated companies might have against the buyer or against one of the buyer's subsidiaries or associated companies.
- 16.2 Securities provided by the buyer to Danetto Ingredients or one of Danetto Ingredients subsidiaries or associated companies shall secure any claim which Danetto Ingredients or one of Danetto Ingredients subsidiaries or associated companies has or might in future have against the buyer or one of the buyer's subsidiaries or associated companies.

17. JURISDICTION AND GOVERNING LAW

- 17.1 The validity, construction and performance of the obligations of the parties shall be governed by and interpreted in accordance with the laws of Denmark.
- 17.2 Disputes, controversies, claims or differences which may arise between the parties out of, in relation to, or in connection with delivery of goods or services from Danetto Ingredients, or for the breach thereof, shall be settled by the ordinary courts of law.
- 17.3 The Court of Aarhus, Denmark, shall be the accepted venue in the first instance. However, Danetto Ingredients shall be entitled to sue the buyer at the buyer's venue, if the lawsuit is necessary for Danetto Ingredients in order to collect a financial claim originating in deliveries made to the buyer.
- 17.4 However, each of the parties shall be entitled to sue the other party, at the venue of that party, provided the action is brought in connection with the enforcement of a judgment duly made hereunder.

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