

## **ESSENTIA PROTEIN SOLUTIONS AB: GENERAL CONDITIONS OF PURCHASE**

### **1. APPLICATION**

The General Purchase Conditions below are applicable to all contracts entered into or all orders placed by Essentia Protein Solutions AB (hereinafter called "Essentia") with suppliers, unless otherwise expressly agreed.

### **2. CONCLUSION OF A BINDING AGREEMENT**

An order shall only be binding upon Essentia if it is in writing and has been confirmed by Essentia in writing. By confirming or executing orders, the supplier accepts Essentia's General Conditions of Purchase. Any conditions of the supplier, e.g. the supplier's sales terms that do not comply with Essentia's General Conditions of Purchase, shall not be binding, even though such conditions have not been explicitly rejected by Essentia. Essentia's taking delivery of goods shall not be interpreted as Essentia's implied acceptance of any deviating terms of delivery.

### **3. TIME AND PLACE OF DELIVERY AND TRANSPORT**

The place of delivery is the delivery address stated in the purchase confirmation. The time of delivery specified by Essentia is fixed and shall be strictly observed. Essentia does not accept early delivery and may reject such delivery. The supplier must immediately inform Essentia of any anticipated delay. Any delay of delivery entitles Essentia to cancel the order and Essentia is exempt from paying any consideration. In addition, Essentia is entitled to claim damages for its direct and indirect losses suffered following the delay including compensation paid to Essentia's customers due to the delay. If Essentia fixes a new time of delivery, this is deemed the agreed delivery date and implies that any deviation from such time of delivery shall be deemed a material breach. The parties' agreement on transport, costs of transport and passing of the risk appears from the Incoterms 2010 condition stated in the purchase confirmation.

### **4. DEVIATION IN QUANTITIES**

Deviations in quantities of up to +/- 5% shall be deemed acceptable. Deviations of more than +/- 5% shall be deemed unacceptable and shall entitle Essentia to cancel the order and/or claim damages.

Even if the quantity delivered is less than -5% of the agreed quantity, Essentia is always entitled to compensation for any extra transport expenses imposed on Essentia because of the shortfall of quantity.

### **5. QUALITY REQUIREMENTS**

The goods supplied shall be of satisfactory quality and fit for the purpose according to the purchase confirmation. The supplier shall be responsible for supplying goods that meet the quality, veterinary and other requirements and standards of both the country of origin, the country of production and the country of destination. In the event of disagreement among such requirements and standards, the strictest requirements and standards shall apply. The supplier must ensure that the goods supplied are not in any way restricted from being sold in the country of destination. The supplier shall be responsible for ensuring that the necessary official certificates, e.g. veterinary certificates, are issued for the goods, also in the event of transiting of the goods.

### **6. WARRANTY**

The supplier warrants that the goods supplied (i) will be of general good merchantable quality, (ii) will be free from defects and errors, (iii) comply with applicable industry norms and standards including applicable health and safety regulations, and (iv) strictly meet the requirements specified by Essentia. If the goods deviate from the before-mentioned, Essentia is entitled at its discretion to cancel the order or demand replacement delivery immediately without any expenses on the part of Essentia. In addition, Essentia is entitled to claim damages for any direct or indirect losses caused by the defect, including, but not limited to, reimbursement for product recall, cf. section 7. Essentia accepts no limitation of the supplier's liability in the event of delivery of defective goods. The supplier acknowledges that it is not practically possible for Essentia to inspect the goods upon delivery. Accordingly, a complaint from Essentia shall be deemed timely if made within reasonable time after Essentia became aware of the defect.

### **7. PRODUCT RECALL**

In the event Essentia or one of its customers performs a recall of the goods, or of products containing the goods and the recall is required due to a defect in or non-compliance of the goods, the supplier shall reimburse Essentia's direct and indirect losses, costs, including, but not limited to, notification costs, return costs, cost of field recall, freight, and rework incurred in effecting any product recall.

### **8. PRODUCT LIABILITY**

The supplier warrants, without any limitation in terms of time, that the goods do not suffer from any defects that may cause damage or injuries. The supplier shall indemnify and hold Essentia harmless against any product liability claims from its customers, distributors or other third party arising from any such goods delivered by the supplier as well as

May 2019

any legal cost of such action. Essentia will permit the supplier to assume or participate in the defence of such liability claim at the supplier's expense. The supplier must co-operate with Essentia in such defence when requested to do so.

#### **9. DISPATCH**

If the supplier does not comply with the shipping instructions issued by Essentia, the supplier shall be liable for any additional transport costs and other losses or damages arising as a result hereof.

#### **10. CANCELLATION**

The purchase confirmation from Essentia is issued subject to no circumstances arising in the country of destination and/or origin prior to passing of the risk to Essentia - regardless of the nature of such circumstances, for example veterinary, legal, economic or political circumstances - that partly or totally prevent the import of the goods into the country, or the export from the country of origin. If Essentia due to such circumstances is unable to import or export the goods as intended, Essentia has the right to renegotiate and/or cancel the order.

#### **11. EXPORT REFUNDS**

If Essentia or others are entitled to export refunds from the EU in relation to the goods supplied as stated in Essentia's purchase confirmation or otherwise, the supplier will be responsible for ensuring that Essentia receives, well in advance of any deadlines in EU or national legislation, all required documentation in relation to the export of the goods to the country of destination (including without limitation all documents related to the customs clearing within 1 month of the goods crossing the border of the country of destination) to enable payment of the EU export refunds. The supplier warrants that all conditions related to the import to the country of destination and subsequent use and further circulation of the goods under applicable EU or national legislation for entitlement to export refunds are adhered to. The supplier will at its own cost assist Essentia in relation to any investigations or request for further documentation from EU or national authorities related to the goods. The supplier will indemnify and hold Essentia harmless from any damages, claims, sanctions (including penalties or re-imbursments), costs or expense (including reasonable fees for attorneys and other professionals to settle any claim in or out of court) arising out of the supplier's failure to fulfil its obligations in relation to the goods.

#### **12. VENUE AND APPLICABLE LAW**

The venue for any dispute between Essentia and the supplier arising out of the purchase of goods subject to these General Conditions of Purchase shall be Essentia's home court in Sweden. Swedish law shall apply to any dispute between Essentia and the supplier. The United Nations Convention on Contracts for the International Sale of Goods (CISG) and the Swedish Acts No 1987:822 and 2011:852 incorporating the United Nations Convention on Contracts for the International Sale of Goods into Swedish law shall not be applicable. If the goods delivered by the supplier are resold by Essentia, the supplier accepts that a dispute between Essentia and the supplier is settled before the same venue where a dispute between Essentia and Essentia's customer is settled.