

UPDATED 12 OCTOBER 2021

Sales and Delivery Conditions

Unless otherwise agreed in writing, these sales and delivery conditions for Palsgaard A/S, Palsgaardvej 10, DK 7130 Juelsminde, Denmark (CVR no. DK 26447038) and Palsgaard Malaysia Sdn Bhd (company reg. No. 201101024040), Nusajaya, Johor, Malaysia ("Palsgaard"), shall apply to all services and deliveries of products ("Products") from Palsgaard to the buyer ("Buyer"). Palsgaard reserves the right to amend these sales and delivery conditions from time to time. The applicable sales and delivery conditions may be found at <https://www.palsgaard.com/en/about-us/company-overview/sales-and-delivery-conditions>. The Buyer is responsible for keeping itself updated at all times. Any special or general requirements from the Buyer stated in offers, orders, purchase conditions etc., shall not apply unless accepted by Palsgaard in writing.

1. ORDERS AND DELIVERY

- 1.1 All offers made by Palsgaard are open for acceptance within four (4) calendar days from the date of issue, unless otherwise agreed in writing between the parties.
- 1.2 All orders are subject to written acceptance from Palsgaard ("Palsgaard Order Confirmation").
- 1.3 Unless otherwise agreed in writing, delivery shall take place FCA Palsgaard, Juelsminde, Denmark, FCA Palsgaard, Nusajaya, Johor, Malaysia or FCA Palsgaard, Industrieweg 21, 4301 RS Zierikzee, The Netherlands in accordance with INCOTERMS 2020. All transportation shall be at the Buyer's account and risk. Palsgaard shall not be responsible for taking out transportation insurance etc., unless otherwise specifically agreed.
- 1.4 The time of delivery shall be as set forth in Palsgaard Order Confirmation, however all delivery dates are approximate. Palsgaard shall be entitled to make partial deliveries at Palsgaard's sole discretion, and all such deliveries are to be separately paid for when due, without regard to subsequent deliveries.
- 1.5 Palsgaard shall be entitled at any time to postpone delivery for up to 21 days without the Buyer being entitled to claim damages or other compensation resulting from any delay in delivery.
- 1.6 If Palsgaard does not deliver the Products within 21 days after the confirmed time for delivery, and this is not due to any circumstances for which the Buyer is responsible or any circumstances set out in clause 10 (Force Majeure), the Buyer may – as its sole remedy – by notice to Palsgaard terminate the delayed part of the specific order.
- 1.7 The Buyer shall not be entitled to (i) postpone the time of delivery and/or (ii) change the quantity of a delivery, unless the Buyer, in addition to any loss, costs and expenses incurred by Palsgaard due to such deviation, pays an administrative charge equivalent to 20 EUR (to be paid in the agreed currency for the deliveries if other than EUR) per metric ton of the agreed quantity affected by (i)-(ii) above, unless otherwise agreed in writing. Any changes to the time of delivery are subject to Clause 1.5 above and any changes to the quantity are subject to Clause 2.1 beneath.

2. QUANTITIES

- 2.1 Indicated weights and measures are intended values. Palsgaard reserves the right to increase or reduce the quantity agreed upon by up to $\pm 10\%$.

3. PRODUCT INFORMATION/SPECIFICATIONS AND WARRANTIES AND WARRANTY LIMITATIONS

3.1 The Buyer shall continuously familiarize itself with all potential information, data, technical advice, test results and recommendations ("Information") provided by Palsgaard from time to time in e.g. Palsgaard's product information literature, price lists, etc. However, the Buyer acknowledges that such Information is provided by Palsgaard solely to the best of its knowledge, and that Palsgaard does not warrant or assume any liability as to the content, completeness or accuracy or the results to be obtained from use of such Information provided by Palsgaard. Such Information shall be binding on Palsgaard only to the extent that Palsgaard confirms the Information in writing in a separate, direct communication to the Buyer.

3.2 The Buyer assumes full responsibility for compliance with all applicable laws, statutes and regulations of any relevant governmental or other authority related to the Products and the use hereof.

3.3 **PALSGAARD MAKES NO EXPRESS OR IMPLIED WARRANTIES OTHER THAN THE EXPRESS WARRANTIES SET FORTH HEREIN OR IN THE OFFER, ORDER CONFIRMATION OR CONTRACT BETWEEN PALSGAARD AND THE BUYER AND PALSGAARD MAKES NO IMPLIED WARRANTY OF MECHANABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

4. PRICES

4.1 All prices, including prices quoted in offers, order confirmations and/or contracts, are current prices inclusive of standard packing and exclusive of any VAT, duties, transportation, insurance, taxes and all other costs. Palsgaard reserves the right to alter the prices in cases of changes in production costs, wages, raw materials, packaging, sub-supplies, rates of exchange, events as stated in clause 10 and all other changes in costs which are beyond the control of Palsgaard.

5. TERMS OF PAYMENT

5.1 The terms of payment appear explicitly from Palsgaard's offer, order confirmation or contract.

5.2 If the Buyer does not effect payment in due time, Palsgaard is entitled to charge interest from the maturity date in accordance with the Danish Interest Act. In the event of overdue payment, Palsgaard shall be entitled to suspend its performance and withhold future deliveries to the Buyer, until Palsgaard has received the outstanding amount. In the event of overdue payment for more than 30 days, Palsgaard shall be entitled to cancel all concluded agreements with the Buyer.

5.3 The Buyer cannot set off any amount against the purchase price, unless accepted by Palsgaard in writing.

5.4 Payment can only be effected directly to Palsgaard. Agents have no authority to receive payment.

6. RETENTION OF TITLE

6.1 The Products shall remain the property of Palsgaard until payment for all amounts concerning the Products have been paid in full.

7. Defects, Complaints and Effect of Defects

7.1 Immediately upon receipt of a delivery, the Buyer shall examine the Products in order to make sure that the delivered Products are free from any visual external defects or shortcomings in quantity, and to make sure that the Products comply with the specifications for the Products.

- 7.2 Any claims regarding defects or non-conformity of the delivered Products must be submitted in writing to Palsgaard within 7 days after the Buyer's discovery of the defect or non-conformity to the Products, however any complaints or claims as to any visual external defects or shortcomings in quantity shall be made by written notice to Palsgaard within 7 days from the Buyer's receipt of the delivery. In the absence of any such notice, the Buyer shall be deemed to have accepted the delivery.
- 7.3 If delivered Products are proven defective or non-conforming, the Buyer is, as its sole remedy, entitled to demand replacement Products that comply with the applicable specifications for the Products in all material respects.
- 7.4 Palsgaard is only liable for defects in the delivered Products until the date of expiry of the Product's shelf life (as stated on the Product), and no later than 24 months from the time of delivery of the Products to the Buyer, whichever comes first. Palsgaard shall under no circumstances be liable for defects due to faulty storage or handling of the Products.
- 7.5 In case of defects or damage to the Products, the Buyer is not entitled to resell the Products. Palsgaard shall not be liable for the Buyer's reselling of defective or damaged Products.

8. PRODUCT LIABILITY

- 8.1 The following provisions shall apply with respect to Palsgaard's product liability for damages resulting from defective Products:

Personal injury

- 8.2 Subject to mandatory applicable law, Palsgaard can only be held liable for personal injury if it is proved that the injury was caused by failure or negligence committed by Palsgaard or others for whom Palsgaard is liable.

Damage to property or objects

- 8.3 Palsgaard can only be held liable for damage to property or objects if it is proved that the injury was caused by negligent acts or omissions committed by Palsgaard or others for whom Palsgaard is liable.

Indirect losses

- 8.4 Notwithstanding clauses 8.2-8.3, Palsgaard shall in no event be liable for (i) losses, expenses or costs connected to recall, reproduction, redelivery, destruction, repair, removal of the products, (ii) operating losses, loss of time, loss of earnings, or (iii) incidental, consequential, special, punitive, or indirect damages and/or losses cf. clause 11.1.

General provisions

- 8.5 To the extent that Palsgaard is held liable for product liability towards a third party, the Buyer shall be obligated to indemnify Palsgaard to the extent that Palsgaard's product liability exceeds the liability limitations set out in clause 11.
- 8.6 In the event that a third-party lodges a claim against either Party for damages pursuant of the provisions regarding product liability, the Party in question shall immediately inform the other Party hereof.
- 8.7 The parties are mutually obliged to participate as defendant/involved Party at the court/arbitration that considers the claim for product liability.

9 INGREDIENT AND COMPONENT LIABILITY

9.1 Palsgaard carries a commercial and product liability insurance, including insurance for ingredient and component liability (“Commercial and Product Liability Insurance”).

9.2 Notwithstanding the limitations of clauses 7 and 8, Palsgaard may be liable for damages to or loss of property or objects (“End-Products”):

- (i) which Palsgaard’s Products or services are made part of, mixed with or incorporated into, joined with or with which it is otherwise connected, or
- (ii) which Palsgaard’s Products or services are processed into, used in the processing of or used as feed for; or
- (iii) which Palsgaard’s Products or services are used for in the manufacturing, processing or other form of treatment of.

9.3 Palsgaard can only be held liable for the events mentioned in clause 9.2(i)-(iii) above if it is proven that the damages and losses arise solely and directly from defects in the Products or services delivered by Palsgaard or others for whom Palsgaard is liable.

9.4 Palsgaard’s liability is, however, always subject to the following limitations:

- a. Palsgaard is only liable to the extent such damages and losses are covered by the Commercial and Product Liability Insurance.
- b. Palsgaard is only liable for the Buyer’s direct losses attributable to the fact that an End-Product must be discarded, repaired, or the End-Product’s manufacturing or processing costs increase or its value decreases.
- c. Palsgaard is only liable for the End-Product’s decrease in value, for additional manufacturing or processing costs or for the cost of repair itself.
- d. Palsgaard shall not be liable for other costs and losses – including costs or losses attributable to sending out staff, recall, tracing or transport of the End-Product or attributable to issuing notifications in this respect.
- e. Palsgaard’s liability is in any event subject to the limitations set out in clause 11 below.

9.5 Notwithstanding clause 9.4 (d) Palsgaard may be liable for certain recall expenses to the extent such expenses are covered by the Commercial and Product Liability Insurance, subject always to the limitations in clause 11 below.

10. FORCE MAJEURE

10.1 Palsgaard shall not be liable to the Buyer for any non-performance, damages or failure to make delivery of any order, where such obligations are obstructed or made unreasonably onerous or expensive due to force majeure, including war, acts of terrorism, civil commotion, epidemic, pandemic or other health-related disaster, government intervention or intervention by local authorities, strikes or other labour conflicts, ban on imports or exports, natural disasters, fire or other accident, inability or obstacles to obtain raw materials, flooding, fuel or power shortages, obstacles or interruptions regarding transportation, breakdowns or interruptions of any kind as regards Palsgaard’s equipment or facilities, which are deemed necessary for the performance of Palsgaard’s obligations, or any similar cause beyond the control of Palsgaard. Nor shall Palsgaard be liable for any non-performance, damages or failure to make delivery of any order, due to impediments as mentioned, occurring at sub-suppliers.

10.2 In the event that Palsgaard cannot meet its obligations for a period of 6 months, cf. clause 10.1, the Buyer or Palsgaard may in whole or in part cancel the delivery of the relevant order.

11. GENERAL LIMITATION OF LIABILITY

11.1 In no event shall Palsgaard be liable for any indirect losses including, but not limited to loss of time, loss on operations, loss of profits and savings, loss of goodwill, brand value or reputation, costs related to a recall (except as set out in clause 9.5 or if ordered by a governmental authority due to safety reasons), any indirect, punitive, incidental or consequential loss or damage, irrespective of whether such loss or damage was foreseeable or in contemplation of the Parties.

11.2 Palsgaard's aggregate liability for all claims, losses, damages, penalties, costs and other liabilities related in any way to the delivery of Products is limited to EUR 2,000,000 in total per delivery and in total per calendar year for all deliveries to the Buyer. Claims arising from similar or identical events shall be treated as one claim.

11.3 Irrespective of clause 11.2, to the extent Palsgaard is proven to be liable for recall expenses, Palsgaard's aggregate liability for all claims, losses, damages, penalties, costs and other liabilities in relation to recall is limited to EUR 200,000 in total per delivery and in total per calendar year. Claims arising from similar or identical events shall be treated as one claim.

11.4 The limitations of liability set out in clauses 11.1-11.3 shall not apply, where Palsgaard has acted with fraud, wilful misconduct or gross negligence.

12. GOVERNING LAW AND VENUE

12.1 These sales and delivery conditions and the validity thereof shall be governed by and construed in accordance with Danish law disregarding its rules of conflict of law. The international law pertaining to the sale of goods (U.N. Convention, C.I.S.G.) shall not apply between the parties.

12.2 All disputes arising between Palsgaard and the Buyer shall be finally settled by arbitration under The Danish Institute of Arbitration with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The arbitration shall take place in Copenhagen, Denmark, and the arbitrators shall have the powers of amiables compositeurs. The language of the arbitration shall be English.

12.3 Notwithstanding clause 12.2 above, Palsgaard reserves the right to refer any dispute arising out of or in connection with these sales and delivery conditions to the Maritime and Commercial High Court in Denmark.

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