GENERAL TERMS AND CONDITIONS OF SALE

DEFINITIONS

As used in these terms and condition ("General Terms"), "Seller" means Zentis Food Solutions NA.; "Buyer" means the individual or company buying goods from Seller; "goods" means the goods to be sold; and "Contract" means a legally binding agreement for the sale and purchase of Goods, which will arise if and when Buyer's order for such Goods is accepted by Seller in accordance with these General Terms.

APPLICATION OF GENERAL TERMS

These General Terms will govern all Contracts and will supersede and extinguish, to the extent possible, all terms and conditions implied by law, custom, or course of dealing. No modification or waiver of these General Terms will be effective unless expressly accepted in writing by Seller's duly authorized representative.

QUOTATIONS, ORDERS AND ACCEPTANCES

An oral or written order by Buyer will constitute an offer to buy the Goods specified in the order and may be accepted by Seller's written confirmation or dispatch of the ordered Goods, whichever occurs earlier. Each order so accepted will constitute a separate Contract subject to these General Terms. A quotation by Seller will not constitute an offer to sell. Seller may, upon written notice to Buyer at any time before deliver, increase the price of the Goods to reflect any increase in Seller's production costs. In that event, Buyer may terminate the relevant Contract by written notice to Seller, provided that such notice is received by Seller before delivery of the Goods and, in any case, not later than 7 days after Buyer's receipt of such notice from Seller.

DELIVERY, TITLE AND RISK OF LOSS

Goods will be delivered Ex works Seller's plant/warehouse at Plymouth, Indiana. Risk of damage to or loss of the Goods will pass to Buyer according to Incoterms 2000. Notwithstanding any other provision herein, title to the Goods will not pass to Buyer until Seller has received in cash or cleared funds the full price of the Goods. Until such times as title passes to Buyer, Buyer will keep the Goods separate from those of Buyer and third parties, properly stored, protected and insured as Seller's property save that Buyer will be able to resell or use the Goods in the ordinary course of its business but will account to Seller for the proceeds for any sales or disposal of the Goods, including insurance proceeds, and will keep all such proceeds separate from any funds of Buyer.

PAYMENT TERMS

Buyer will pay all invoices in full without deduction, set-off or counter-claim within 30 days from the date of invoice. Seller reserves the right to charge interest (both before and after judgment) on any overdue amount at the rate of 12% per annual, subject to any limit imposed by law, computed as from the due date for payment thereof until receipt by Seller of the full amount, such interest to accrue on a daily basis. If any amount is not paid on its due date, Seller may declare all sums due from Buyer under all Contracts immediately payable and will have all rights and remedies provided by law. Buyer will be responsible for all costs incurred by Seller in the recovery of amounts not paid by the due date. Where any excise duty, VAT or other tax becomes payable by Seller to a third party in relation to the supply, release from a warehouse or transport of the Goods, Buyer will pay such tax in addition to the sales price of the Goods. If payment is made by check, bill of exchanges or other negotiable instrument, Seller will not in any circumstances be deemed to have received payment until the check, bill of exchange or instrument has been honored on presentation for payment.

LIMITED WARRANTY

Subject to the provisions of the section headed “Inspection; Limitation of Liability,” Seller warrants that the Dairy Business Preparation sold hereunder will conform to the specifications therefore. ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTAVILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGMENT, AND WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE, ARE DISCLAIMED. IN NO EVENT WILL SELLER BE LIABLE FOR LOST PROFITS OR OTHER SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY.

INSPECTION: LIMITATION OF LIABILITY

Buyer will be responsible for inspecting and testing the Goods upon their arrival and prior to preceding to the storage or use thereof. Any claim by Buyer under the Limited Warranty must be made in writing and received by Seller within ten (10) working days after delivery of the Goods, except that with respect to a non-conformity that could not have been discovered by reasonable inspection and testing, such notice must be made in writing an d received by Seller within two (2) working days after discovery of the non-conformity. Failing this, Buyer will be deemed to have accepted the Goods unconditionally, and Seller will have to liability for any non-conformity. It will be the responsibility of Buyer to cease using the Goods immediately upon the discovery of any non-conformity. Seller’s sole obligation to Buyer under this warranty is to repair to replace the Goods.

FORCE MAJEURU

Seller will not be liable for any failure to perform due to the prospect, occurrence or results of any act of God, war, civil commotion, acts of civil or military authority, legislation, strike, labor dispute, breakdown of machinery, accident, inability to obtain supplies, raw materials, labor, equipment, fuel, power, components, or transportation, inability to obtain any necessary import or export or other licenses or the consent of any governmental authority or any other cause or circumstances whatsoever beyond its control, whether similar or dissimilar to the foregoing.

EXPORTS

Buyer will be responsible for compliance with all export and import laws and regulations, if any, that are applicable to the Contract. Notwithstanding any other provision hereof, no delivery can be made until any required export authorization is obtained, regardless of any otherwise stated delivery date. If any required export authorization is denied, Sell will have no further obligation under any Contract covered by such denial.

SEVERANCE CLAUSE

If any provision of these General Terms is held by a competent authority to be invalid and/or unenforceable in whole or in part, the balance of these General Terms will nevertheless remain fully enforceable. Invalid provisions shall be deemed to be replaced by such valid provisions that shall implement the economic purpose of the invalid or unenforceable provision to the greatest extent possible. The same applies in gaps of the General Terms and/or the Contracts.

GOVERNING LAW AND JURISDICTION

All Contracts will be governed by the laws of the State of Indiana, U.S.A., without regard to its conflict-of-laws principles. The state and federal courts situated in South Bend will have exclusive jurisdiction of any dispute with respect to Contract. The U.N. Convention on Contracts for the International Sale of Goods will not apply.

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