

LACTALIS CANADA INC.
GENERAL TERMS AND CONDITIONS OF PURCHASE ORDER FOR GOODS AND SERVICES

1. Acceptance of Order and These Terms.

a) These terms and conditions, including any appendices attached hereto, comprise the agreement between us (the "P.O." or "Contract"). Vendor's name and Purchaser's purchase and shipping order numbers must be shown on all invoices, packages, shipping documents and correspondence.

b) Vendor agrees to deliver the ordered products, goods, raw material, equipment, manufactured products, labour or other materials ("Goods") as specified ("Specifications") and/or services ("Services") as described ("Descriptions") in the Contract. ONCE VENDOR BEGINS PERFORMANCE UNDER THIS P.O. IT IS AGREEING TO ALL TERMS AND CONDITIONS OF THIS P.O., WHETHER OR NOT THE P.O. IS SIGNED. All Goods and Services sold by Vendor to Purchaser are made, and all purchase orders for such Goods and Services are accepted, subject to this P.O. This P.O. contains the entire agreement between Vendor and Purchaser and no other agreement or understanding shall be binding upon Purchaser unless made in writing and signed by both parties. Vendor and Purchaser expressly agree that the sale of Goods or Services hereunder shall not be governed by any terms and conditions contained in any sales invoice, sales order, quotation, order acknowledgment or other document relating to the Goods or Services referred to herein that Vendor may give to Purchaser, either before or after the date of this P.O., whether or not any such document is or purports to be accepted by Purchaser.

2. Delivery.

Time is of the Essence. Unless Purchaser agrees in writing to an extension of time for delivery, Vendor must comply with the delivery schedule set forth in this P.O. The parties expressly agree that time is of the essence. The Goods shall be delivered according to good packaging practices suitable for optimum protection, and shall be accompanied by separate packing inventory lists. All documents accompanying delivery should contain the applicable P.O. number. Unless otherwise specified by Purchaser, legal and equitable title and risk of loss of the Goods shall remain with the Vendor until the Goods are delivered to and accepted by the Purchaser at the designated Purchaser facility, irrespective of F.O.B. point or other terms.

3. Payments.

Unless otherwise expressly set out and clearly contemplated by the Vendor and Purchaser elsewhere in the Contract, after Purchaser has accepted the Goods or Services as specified or described in the Contract, Purchaser shall pay the amounts agreed to net 45 days. The price of the Goods shall include all charges for handling, packing, shipping and taxes unless otherwise specified. If no price is stipulated in the Contract, the goods shall be charged at prices not exceeding the last previously quoted or charged to Purchaser. Vendor warrants that the prices set forth in the Contract are as low as any net prices now given by Vendor to any other customer for like goods in like quantities and Vendor agrees that if at any time during the life of this P.O. Vendor quotes or sells at lower net prices like goods in like quantities and under similar conditions, such lower net prices shall be substituted for the prices set forth in the Contract.

4. Acceptance/Rejection/Remedies.

a) If Vendor does not make delivery within the time agreed upon, or should none be specified, within five days of receipt of shipping order, Purchaser may cancel this P.O. and refuse delivery of the goods, at Vendor's expense. Without limiting any other rights herein, Purchaser may obtain such goods from other sources, in which case, Vendor shall reimburse Purchaser to the extent of any additional cost Purchaser may incur by reason of advanced prices or otherwise. Vendor hereby grants Purchaser the right to inspect at any time during normal business hours any work being performed for Purchaser hereunder and the facilities and equipment used by Vendor in the performance of such work.

b) After delivery has commenced or occurred, Purchaser shall have a commercially reasonable time to inspect and conduct acceptance tests regarding the Goods and to evaluate any performance of the Services. Such acceptance tests shall meet the criteria and be conducted according to the procedures as set forth in any appendix to this Contract. If no such appendix exists, the acceptance test shall be a commercially reasonable test for Goods and Services of the type tested. The decision as to whether such tests satisfactorily demonstrate that the Goods and/or Services conform to the Specifications and/or Descriptions shall be in the reasonable discretion of the Purchaser. The date on which Purchaser notifies Vendor in writing of its acceptance shall constitute the Acceptance Date. Similarly, acceptance of any single tender for a specific Good or Service shall not be deemed to be an acceptance of subsequent tender of similar goods or services even if such subsequent tender is identical in all respects.

c) Vendor must show delivering carrier on bill of lading and must follow Purchaser's routing instructions unless (1) lower transportation charges would result from use of Parcel Post or Railway Express; or (2) deviation is necessary to protect transit or lowest rate making route. Excess transportation or other cost resulting from any other deviation shall be borne by Vendor.

d) If at any time any delivered portion or shipment of the Goods and/or Services materially does not conform to the Specifications, Descriptions and other terms and conditions of this Contract ("material non-conformities"), Purchaser may reject such portion or shipment without affecting Vendor's continued obligations under the Contract. FAILURE OF PURCHASER TO REJECT ANY PORTION OF THE GOODS AND/OR SERVICES SHALL NOT CONSTITUTE A WAIVER OF ITS LEGAL RIGHTS (INCLUDING THE RIGHT TO REVOKE ACCEPTANCE) IF PURCHASER SUBSEQUENTLY DISCOVERS SUCH GOODS OR SERVICES ARE DEFICIENT. ANY PREVIOUS ACCEPTANCE BY PURCHASER OF SIMILAR GOODS OR SERVICES SHALL NOT CONSTITUTE A WAIVER OF OR DEFENSE AGAINST PURCHASER'S RIGHT TO REJECT ANY FUTURE GOODS OR SERVICES.

e) Upon rejection of the Goods or Services under this Section, Purchaser may ship the Goods back to Vendor C.O.D. and require the Vendor promptly to repair or replace the non-conforming Goods, or require that the Services be improved to conform to the Descriptions, all at Vendor's expense. Moreover, Purchaser shall be entitled at its option to return the Goods and receive full credit or cash payment from Vendor for any such Goods in the event of any prior payment to Vendor in respect of same. Quantities of Goods shipped to Purchaser in excess of quantities ordered shall be returned to Vendor at its expense and risk.

5. Warranties.

a) Vendor warrants and represents that any Goods provided shall be satisfactory to Purchaser, merchantable, fit for their intended purpose, in conformance with the Descriptions and Specifications of Purchaser (including Purchaser's quality control standards), free from any defects in design, workmanship and materials, and, in the case of any packaging materials, shall have no taste taint or microbiological or other contamination. The Services provided shall be at a level of quality equal to the highest standards of Vendor's trade, profession or industry. Vendor shall perform, in a proper and reasonable manner, its obligations herein using labor with appropriate skills. Vendor further warrants that it has and is conveying to Purchaser clear and marketable title to any Goods and that it is in compliance with all applicable laws, rules or regulations relating to the Goods and Services provided and to this Agreement. Nothing herein shall be deemed or construed to limit any other warranties, express or implied, available to Purchaser under applicable law.

b) All Goods and Services and the prices at which they are sold shall comply with all applicable local laws and regulations and Vendor shall so certify when and in such form as Purchaser may require from time to time. If to be used in the manufacture of food, such Goods or Services shall be free from adulteration by foreign material or contamination, shall have a best before date as agreed to by the parties or as is reasonable in the ordinary course of business, and shall comply with all applicable local food laws and regulations as to their composition, process of manufacture, packaging, labelling and their use in food products to be manufactured by Purchaser.

c) If shipment is from a foreign point, Vendor shall fully comply with the provisions of the customs laws of Canada, including those with respect to valuation for duty.

6. Termination.

In the event Vendor breaches any terms, conditions or warranties herein contained or in the event Vendor should make an assignment for the benefit of its creditors or if a receiver should be appointed for Vendor or its property or any proceedings under applicable bankruptcy legislation should be filed by or against Vendor, then Purchaser may, notwithstanding anything else herein contained, at its option and without cost to it, immediately terminate this P.O. in whole or in part and Vendor shall be liable to Purchaser for all damages, losses and liability incurred by Purchaser, directly or indirectly resulting from Vendor's breach or default. Any advance payment made by Purchaser to Vendor prior to any cancellation by Purchaser of this P.O. shall be returned to Purchaser within five (5) days of such cancellation. The remedies herein provided to Purchaser shall be cumulative and not alternative and in addition to any other remedies provided by law or equity.

7. Indemnification.

a) Vendor shall indemnify and hold harmless Purchaser, its parent, subsidiaries, parent and corporate affiliates, and its owners, shareholders, officers, directors, employees, agents, successors, and assigns (hereinafter, the "Indemnified Party") against any and all claims, losses, damages, expenses, fees (including, without limitation, all fines, penalties, court costs, and legal costs) and liabilities (including strict, statutory and regulatory liabilities) regardless of the form of action brought against Purchaser, other than any claims, losses, damages, expenses or liabilities due solely to the gross negligence or willful misconduct of any Indemnified Party, arising from, or in connection with, but not limited to, (i) claims for bodily injury or death, personal injury, advertising injury or property damage (including theft) arising from any act, omission or negligence of Vendor; (ii) any claim for infringement of any intellectual property rights (including patents, trade secrets, copyright and trademarks), or for misuse of proprietary information related to any goods or services sold, provided or used by Vendor; (iii) the violation or threatened violation by Vendor of any law, rule or regulation of any governmental agency or authority (including, but not limited to, any environmental law related to contamination by, or the release or threat of release of, any hazardous or toxic substance, waste or pollutant into any environmental medium); (iv) any claim arising out of Vendor's acts or omissions relating to any obligation with respect to Vendor's employees or any subcontractors; (v) Vendor's breach of any warranty, representation, agreement or other provision of this P.O.; and (vi) any other act, omission or negligence of Vendor in connection with its performance of this P.O.

b) Vendor's obligation to indemnify any Indemnified Party will survive the expiration or termination of this P.O. by either party for any reason. Each party shall promptly notify the other party of the existence of any claim, demand or other action giving rise to a claim for indemnification under this P.O. Promptly upon the request of Purchaser, Vendor shall conduct the defense of any action against Purchaser arising under this P.O., including the employment of counsel reasonably acceptable to Purchaser and the payment of all expenses of such defense. Purchaser shall at all times have the right to participate in such defense using its own

counsel and if Vendor fails to assume or vigorously and diligently conduct the defense of Purchaser, then Purchaser shall have the absolute right to control the defense of such claim. Unless otherwise expressly so provided, this indemnity shall not be limited by any insurance coverage obtained or required to be obtained by Vendor or any limits of liability or limits on the type of damages with respect thereto. All references to "Vendor" in items (i) through (vi) of this Section shall be deemed to include Vendor's shareholders, officers, directors, employees, agents, invitees, contractors, subcontractors or any person or entity within Vendor's direction or control.

c) Notwithstanding any other clause contained herein, all indemnification and guarantee provisions herein contained are for the benefit of the Purchaser, its parent, affiliates, successors and assigns and the customers and users of its products, and all warranties and other obligations of Vendor, shall apply and continue to apply at all times, notwithstanding any payment for the Goods or Services or acceptance of same by Purchaser.

8. Ownership of Intellectual Property Rights.

Unless otherwise provided in an applicable appendix, Purchaser owns all intellectual property rights such as, but not limited to, trade-mark, copyright, industrial design, patent and trade secrets created in the course of the Vendor designing, developing or producing any Goods, or reports and materials generated while rendering the Services pursuant to this P.O. (the "Works") and paid for by the Purchaser. Vendor expressly waives all legal, equitable and moral rights in the Works and acknowledges that any such Works shall be deemed to be "work in the course of employment" pursuant to Section 13(3) of the *Copyright Act*. Vendor agrees to assign, grant and convey to Purchaser all of its right, title and interest, now pursuant to this Contract and Vendor agrees to waive all moral rights to such Works and/or obtain from Vendor's employees or commissioned independent contractors and its employees, a waiver of moral rights to such Works as applicable. Vendor shall at Purchaser's expense, execute at a future date any further documentation that may be necessary to perfect the Purchaser's ownership of any Works created by Vendor hereunder. Vendor shall not submit an application for copyright, patent, design or other registration, for Works created by Vendor hereunder.

9. Confidentiality.

Vendor acknowledges that any and all information emanating from Purchaser's business, and learned from representations in the course of performance of this P.O., is confidential and proprietary and may cause irreparable harm to the Purchaser if used or disclosed without the written permission of the Purchaser. Vendor is not permitted to disclose such information or the Purchaser's name or in any way to publicize the fact that this Contract is being performed or that there is any business relationship with the Purchaser unless the Purchaser gives its express written permission to the specific use or disclosure being requested. Vendor agrees that the Purchaser may be irreparably harmed if any confidential information should be disclosed in violation of this agreement, and agrees that the Purchaser and/or its parent or affiliated companies may obtain injunctive relief in the event that Vendor reveals or attempts to reveal any confidential information provided to it.

10. Insurance.

Vendor is responsible for obtaining and maintaining in full force and effect workers' compensation, employer's liability, business automobile liability, commercial general liability insurance, and umbrella liability insurance with limits of not less than \$5,000,000 per occurrence. The Vendor's commercial general liability and umbrella liability insurance policies shall include contractual liability and shall include all defense costs, including, but not limited to, legal costs, court costs, and other similar costs and expenses. It is understood and agreed that any insurance limits shall not be construed as a limitation on Vendor's liability. Purchaser shall not be deemed to fall within the definition of "an insured" for purposes of any bodily injury to employee exclusions that may exist within the Vendor's policy, and Vendor will provide an endorsement to this effect if so requested. All insurance maintained by Vendor shall be primary to any which may otherwise be available to Purchaser. All insurance required hereunder shall be obtained through insurers reasonably satisfactory to Purchaser. If requested by Purchaser, Vendor shall provide certificates of insurance in the form prescribed by the relevant authorities as evidence of all insurance policies satisfying the terms and specified minimum limits and naming Lactalis Canada Inc. as additional insured.

11. Miscellaneous.

a) No changes or modifications of the Goods or Services as specified or described shall result in additional compensation to the Vendor unless an appropriate change order form is completed and executed by both parties. Any waiver, modification, extension, or amendment by Purchaser of any of Vendor's obligations hereunder shall not be effective unless in writing, executed by the parties hereto, and such waiver, modification, extension, or amendment shall not affect any of Vendor's later or other obligations hereunder.

b) Vendor represents that it is engaged in a business independent of Purchaser. Vendor retains the sole and exclusive right to control or direct the manner and means by which the Services are to be performed. Neither Vendor nor its employees or subcontractors shall represent itself to any third party as the agent or employee of Purchaser for any purpose.

c) Vendor acknowledges that it has read, and will abide by (a) the Purchaser's "On Site Rules of Conduct for Contractors", which is incorporated by reference into this Contract; and (b) the Parmalat Group's Code of Ethics, as amended from time to time, available at the following link: http://www.parmalat.net/en/corporate_governance/how_we_govern/policies/

d) Each party shall be responsible for payment of those taxes, if any, imposed upon it in connection with or as a result of performance of this Contract.

e) Vendor shall not assign any of its rights arising under this P.O. nor shall Vendor subcontract with any other party for the furnishing of the Goods or Services without the express written consent of the Purchaser.

f) This Contract shall be interpreted, construed, and enforced in accordance with the laws of the Province of Ontario, Canada and the federal laws of Canada applicable therein, and the courts of Ontario shall have exclusive jurisdiction, to the exclusion of any other Court or tribunal, over any dispute arising out of this Contract, without giving effect to the principles or provisions thereof concerning choice or conflict of laws. Vendor hereby waives any claim of forum non conveniens or the right to bring an action or suit in any other place and hereby consents to the jurisdiction of the Courts of Ontario, Canada. The United Nations Convention for the International Sale of Goods shall not apply to this Contract.

g) Any invalidity, in whole or in part, of any provision of this Contract shall not affect the validity of any other of its provisions.

h) No delay or omission by Purchaser in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

i) All notices required under this Contract shall be in writing and shall be sent by facsimile, or by registered mail, or by overnight courier to the facsimile number or address as the case may be set out in this P.O. Such notices shall be deemed to have been received upon the date of confirmation of delivery at such facsimile number or address as the case may be.

j) In the event of any conflict in the provisions of any portion of this Contract, the following order of precedence shall prevail: (i) Typed provisions on the face or supplemental pages of this P.O.; (ii) these terms and conditions; (iii) appendices.

k) Vendor covenants and agrees that Vendor and its subcontractors will not discriminate against or harass any employees or applicants for employment because they are female, a member of a racial minority, an aboriginal or a person with a disability or on the basis of any ground of discrimination or harassment prohibited under applicable federal or provincial human rights or employment equity legislation.

l) Vendor expressly warrants that Vendor has complied and will comply with (i) all applicable employment and labour standards legislation, and regulations thereunder, as amended; (ii) all applicable human rights or employment equity legislation and regulations thereunder, as amended; (iii) all applicable workers' compensation legislation and regulations thereunder, as amended; (iv) all applicable occupational health and safety legislation and regulations thereunder, as amended; (v) the Canada Pension Plan Act and regulations thereunder, as amended; (vi) the Employment Insurance Act and regulations thereunder, as amended; and all other local laws and regulations relating to the employees of Vendor. Vendor is solely responsible for the withholding and payment of all provincial and federal payroll or employment taxes of any kind relating to the supply of Goods or Services under this P.O.

m) The parties agree to make a good faith effort to resolve any differences prior to bringing any legal action.

n) There are no representations, warranties, covenants, conditions, promises, or obligations except as set forth herein. This P.O. supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, written or oral, of the parties hereto, relating to any transaction contemplated by this P.O. Vendor acknowledges that it has not been induced to enter into this P.O. by any representations or statements oral or written not expressly contained herein.

o) The parties acknowledge and declare that none of the provisions of the P.O. are either incomprehensible or illegible and that they fully understand the nature and scope of such provisions.

p) THE PARTIES DECLARE THAT THEY HAVE REQUIRED THAT THIS AGREEMENT BE DRAWN UP IN THE ENGLISH LANGUAGE. LES PARTIES AUX PRESENTES DECLARENT QU'ELLES ONT EXIGE QUE CETTE ENTENTE ET TOUS LES DOCUMENTS Y AFFERENT SOIENT REDIGES EN LANGUE ANGLAISE.