



AAK AB (publ)

GENERAL TERMS OF PURCHASE ("GENERAL TERMS")

GENERAL INSTRUCTIONS

These General Terms shall apply to all deliveries of products and/or services from suppliers to companies from time to time forming part of the AAK group (each such AAK company is separately referred to as "AAK" below) and will thus exclude application of any general or specific conditions or terms of the supplier.

1. SCOPE AND APPLICATION

1.1 All products and/or services delivered to AAK under these General Terms are hereafter referred to as the "Product" and the "Service" and any agreement between AAK and the supplier incorporating these General Terms are hereafter referred to as the "Agreement".

1.2 Deviations from the application of these General Terms are accepted by AAK only if approved in writing by an authorised AAK executive.

2. ORDERS AND FORECASTS

2.1 An order issued by AAK shall be confirmed by the supplier without delay. In the event that AAK does not receive the supplier's confirmation or rejection of an order within forty eight (48) hours from receipt, the order shall be deemed to have been accepted by the supplier. The commencement of any work by the supplier, or the delivery by the supplier in response to an order by AAK shall constitute acceptance by the supplier of these General Terms, and constitute an Agreement.

2.2 If the supplier confirms an order with changes (including, for the avoidance of doubt, references to terms and conditions which amend, or attempt to amend, the terms herein), AAK shall not be bound by the changed order, instead, the order shall be deemed as rejected by the supplier.

2.3 To the extent that AAK shall provide the supplier with a forecast of its requirements of the Product and/or Service, the supplier shall immediately inform AAK in case it does not have the capacity to fulfil deliveries according to such forecast. All forecasts shall be non-binding upon AAK unless explicitly stated otherwise in the Agreement.

2.4 The supplier shall maintain raw material sourcing and production-, staffing- and delivery capabilities which are sufficient and efficient enough to timely meet the delivery requirements of the Product and/or Service in accordance with the Agreement and any order. The supplier acknowledges that time is of the essence.

3. CHANGES AND CANCELLATION OF ORDERS

3.1 Upon giving the supplier prior notice at least ten (10) business days before the agreed delivery date, AAK may, at no cost or liability to AAK, (i) change the content of an order, wholly or partially; or (ii) reschedule the delivery date, wholly or partially.

3.2 Within two (2) business days of receipt of a notice in accordance with 3.1.(i) above, the supplier shall notify AAK what adjustments of the agreed delivery date that will have to be made and, if so, the supplier shall indicate the re-scheduled delivery date, which may however not exceed the agreed maximum lead time for the Product and/or Service. Within two (2) business days of receipt of a notice in accordance with (ii) above, the supplier shall confirm the rescheduled delivery date.

3.3 AAK may also cancel an order, in whole or in part, by giving prior notice not less than two (2) business days before the

delivery date. In this event, AAK shall reimburse the supplier for any proven actual costs and expenses incurred by the supplier. The supplier shall provide sufficient documentation for the supplier's claims of reimbursement.

4. DELIVERY AND TIME OF DELIVERY

4.1 Unless otherwise agreed in writing between the parties, the Product shall be delivered according to the agreed Incoterm (in accordance with the latest prevailing version of "INCOTERMS").

4.2 The delivery dates will be determined in the orders and shall not exceed the agreed maximum lead times. Title and ownership of the Product shall be transferred to AAK when the Product have been delivered to AAK.

4.3 Unless explicitly agreed with AAK for the individual order, the supplier may not split the delivery of the Product and/or Service designated in one and the same order into multiple deliveries or deliver prior to the delivery date.

4.4 If the supplier is not able to comply with the agreed delivery date of an order, the supplier shall as soon as the supplier becomes aware of the anticipated delay inform AAK thereof in writing.

4.5 If the Product and/or Service is not delivered on the delivery date, due to circumstances for which AAK is not responsible, the supplier shall be deemed to be in delay.

4.6 In case of delay, AAK shall be entitled to liquidated damages. The liquidated damages shall be payable at a rate of one (1) per cent of the agreed price for each commenced week of delay. If the delay concerns only a part of the Product and/or Service, the liquidated damages shall be calculated on the part of the price which is properly attributable to the part of the Product and/or Service which cannot be taken in use due to the delay. The liquidated damages shall not exceed ten (10) per cent of that part of the price on which it is calculated.

4.7 AAK shall be entitled to issue an invoice to the supplier for payment of liquidated damages, or to set off such liquidated damages against the supplier's invoices. The payment of any such amount or parts thereof shall not discharge the supplier of its obligation to supply the Product and/or Service.

4.8 AAK may, at its own discretion and at any point during the time period which an order is delayed, also choose to terminate the order, without any liability towards the supplier.

4.9 AAK shall further have the right to claim compensation for any claims, losses, damages, costs, fees, expenses, penalties and other liabilities, including but not limited to labour costs and costs of covering purchases, incurred as a result of delay in delivery, if such claims, losses, damages costs, fees, expenses, penalties and other liabilities exceeds the aggregate of the liquidated damages paid or payable by the supplier to AAK.

5. PACKAGING, LABELLING AND TRANSPORT

5.1 The supplier shall properly pack, mark, and provide transport documentation for the Product in accordance with applicable laws, any instructions provided by AAK, and as set out in the Product specification.

5.2 The supplier shall further provide all documentation required by the carriers involved and by the authorities of the country of destination and any other country in relation to which such documentation would be required.

6. TRACEABILITY

The supplier shall ensure full traceability of the Product and all materials and ingredients used in the Product and it shall at all times be able to present to AAK documentary evidence in relation thereto.

7. TESTING AND INSPECTIONS

7.1 The supplier agrees to inspect and/or take samples of the Product prior to delivery and the Service in connection with the delivery, to measure and maintain records of the out-going quality level of the Product and/or Service, and to confirm that the Product meets the Product specification and that the Service meets the Service specification, respectively.

7.2 The supplier shall record and save all Product and/or Service inspection- and testing records for a period of ten (10) years after the date of delivery, and upon request, provide such inspection- and testing records to AAK.

7.3 The supplier further agrees to properly inspect and supervise the quality of raw materials, ingredients and components used in the manufacturing process and to ensure the continuous proper quality of the Product and/or Service.

7.4 Unless otherwise agreed, each delivery of the Product and/or Service will be accompanied by the supplier's certificate of conformity confirming the compliance of the Product and/or Service with the Product and/or Service specification.

7.5 Upon delivery of the Product or within a reasonable period thereafter, AAK may, by taking a sample test or otherwise, verify whether the Product complies with the ordered quantity and type and whether there is any apparent damage resulting from their transport or any other visible defect. Also, upon delivery of the Service, or within a reasonable period thereafter, AAK may verify whether the Service comply with the ordered type, quality and result. However, the performance of any such incoming inspection(s), or the omission thereof, shall in no way affect or limit AAK's rights, nor the supplier's obligations, under the Agreement.

8. TAXES AND CHARGES

All applicable taxes, charges, custom or import duties relating to the delivery of the Product and/or Service in the country of destination, except for VAT, shall be paid by the supplier, unless otherwise agreed in writing.

9. PRICE

Unless otherwise agreed in writing, the price for the Product and/or Service shall be fixed during the duration of the Agreement.

10. INVOICING AND PAYMENT

10.1 All invoices shall comply with AAK's instructions and policies for supplier invoices from time to time.

10.2 If an invoice is disputed in good faith, AAK shall pay or credit the amount not in dispute. AAK shall not be obliged to pay or credit the amount in dispute until the dispute is resolved. No late payment charges shall be applied with regard to the disputed portion of the payment/credit.

10.3 A bona fide disputed invoice may not be relied upon by the supplier as an excuse or reason for ceasing to supply the Product or threatening to cease to supply the Product and/or Service (or invoke any other remedies available hereunder or under law) until and unless the dispute has been resolved amicably by the parties or an arbitration award in favour of the supplier in relation to the dispute has been issued.

10.4 Payment shall be effected by AAK within the time period agreed in writing between the parties.

10.5 AAK shall be entitled at all times to set-off any amount owed by the supplier to AAK, whether under the Agreement or otherwise.

10.6 Payment of an invoice by AAK shall never imply a waiver by AAK of any rights it might have under the Agreement and/or by law.

11. CHANGES TO AND AVAILABILITY OF THE PRODUCT/SERVICE

11.1 If the supplier intends to make changes to a Product and/or Service which, with respect to a Product, may affect price, form, fit, function, quality, safety, reliability, performance, maintainability, raw materials, place of manufacturing or any type-approval issue and, with respect to a Service, may affect price, safety, reliability, performance, quality, result, place of performance; the supplier shall seek AAK's approval at the earliest possible date, but not less than 12 months from the date the change is planned to take effect. No such changes may be carried out without AAK's prior written approval. Upon AAK's approval, the parties shall in good faith discuss the consequences of such changes, including but not limited to the necessary amendments of the Product specification and/or the Service specification, respectively, as well as any price impacts.

11.2 If AAK requests a reasonable change to a Product and/or Service (including the provision of any supplementary services), the supplier shall implement such change subject to agreement between the parties in relation to consequences to such Product and/or Service in respect of e.g. quality, function, performance and price. For the avoidance of doubt, the supplier shall in all aspects remain responsible for the Product and/or Service (other than if the Product is manufactured in accordance with AAK's express written requirements), regardless if a change has been carried out on the request of AAK.

12. WARRANTIES

12.1 The supplier warrants that it will perform all of its obligations hereunder in conformity with applicable laws, orders and regulations and good industry practice.

12.2 The supplier warrants that the Product; (i) complies with the Product specification; (ii) complies with any requirements set forth in applicable laws, orders, regulations and trade standards; (iii) is free from any defects in production, workmanship and material; (iv) is free from all defects in design (to the extent designed by the supplier or any of its subcontractors); (v) does not adulterate or impart any unintended flavour, odour or colour to any AAK finished product (other than as specifically set out in the Product specification); (vi) does not infringe any intellectual property rights of any third party (including the use, processing or other commercial exploitation of the Product); and (vii) fits and is sufficient for its intended purpose.

12.3 The supplier warrants that the Service; (i) complies with the Service specification; (ii) complies with any requirements set forth in applicable laws, orders, regulations and trade standards; (iii) is free from any defects in workmanship and material; (iv) is free from all defects in design (to the extent designed by the supplier or any of its subcontractors); (v) does not infringe any intellectual property rights of any third party (including the use or other commercial exploitation of the Service); (vi) is fit and sufficient for its intended purpose and (vii) is performed with care and in a professional manner by experienced, properly trained and skilled personnel.

12.4 The supplier warrants that it has the necessary resources to perform the Service in accordance with the Agreement, that it possesses all licenses and other required governmental or official approvals, permits, authorisations necessary for manufacturing, packing, storing and distribution of the Product and for the provision of the Service, and that, if applicable, it complies with the HACCP Principles referred to in the General Food Law and Hygiene Regulation and any other EU legislation (as amended from time to time) applied as from the intake of (raw) materials, throughout the whole manufacturing process up to and including the distribution of the Product, with respect to the control of microbiological, foreign body and chemical hazards.

12.5 The warranties of the supplier as stated above shall, with respect to a Product, be in force during the applicable shelf life of

the Product starting on the date of delivery of each Product. The warranties of the supplier as stated above shall, with respect to a Service, be in force for a period of 12 months, unless otherwise agreed in writing between the parties, starting upon delivery of the Service, as confirmed by AAK. Notwithstanding the above, the warranty regarding intellectual property right infringement in relation to both the Product and the Service shall be unlimited in time.

13. DEFECTS AND SHORTAGES

13.1 AAK shall give notice of any claim in respect of a breach of warranty within reasonable time from the date AAK became aware of the breach.

13.2 In the event that any Product is found to be in breach of any of the warranties during the warranty period set out in Section 12.5 or should the quantity of the delivered Product deviate from the agreed quantity, then the supplier shall (at the option and instruction of AAK) either remedy or replace the Product without undue delay or refund such proportion of the purchase price received corresponding to the relevant defect or shortage. The supplier shall reimburse AAK for any claims, losses, damages, costs, fees, expenses, penalties and other liabilities incurred by AAK due to the defect or the shortage. If the supplier does not remedy a warranty breach without undue delay, AAK may at its discretion either (i) grant the supplier additional time to remedy the non-compliance or (ii) purchase a substitute product from a third party or have the Product replaced or remedied by a third party at the supplier's expense (but not at the supplier's risk).

13.3 In the event that any Service is found to be in breach of any of the warranties during the warranty period set out in Section 12.5, then the supplier shall (at the option and instruction of AAK) either remedy the Service without undue delay or refund such proportion of the purchase price received corresponding to the relevant defect. The supplier shall reimburse AAK for any claims, losses, damages, costs, fees, expenses, penalties and other liabilities incurred by AAK due to the defect or the shortage. If the supplier does not remedy a warranty breach without undue delay, AAK may at its discretion either (i) grant the supplier additional time to remedy the non-compliance or (ii) have the Service remedied by a third party at the supplier's expense (but not at the supplier's risk).

13.4 In the event of a series defect where a warranty deviation occurs due to the same or similar defect in at least twenty (20) per cent of the delivered Products and/or Services, all Products and/or Services as the ones wherein the serial defect have been identified shall be considered defective (irrespective of whether the serial defect has manifested itself in all of the individual Products and/or Services), whereby the provisions of Sections 13.2 and 13.3 above shall apply to all such Products and/or Services.

14. SUBCONTRACTORS

The supplier shall, prior to engaging any subcontractors for the manufacturing of the Product and/or provision of the Service, obtain AAK's written approval of such subcontractors. The supplier is vis-à-vis AAK responsible for the acts and omissions of its subcontractors involved in the supply of the Product and/or Service to the same extent as if the tasks assigned to the subcontractor would have been carried out by the supplier.

15. INTELLECTUAL PROPERTY RIGHTS

15.1 All technical information, models, drawings, recipes, formulas, formulations and any similar items provided by or on behalf of AAK and any intellectual property rights therein (or otherwise furnished by AAK to the supplier) shall remain the property of AAK and shall be returned by the supplier on demand and may not be used by the supplier for any other purpose than for sale and delivery of the Product and/or Service to AAK. Other than as expressly set out in the Agreement, the supplier shall not at any time acquire or have been granted a right to use any intellectual property rights belonging to AAK.

15.2 Any inventions, discoveries, improvements, processes,

designs, drawings, documentation, results, data and materials, and any intellectual property rights therein ("Inventions"), produced by or on behalf of the supplier for the purpose of the supplier providing the Service to AAK and/or as a result of performing the Agreement shall be the exclusive property of AAK and the supplier shall treat (and shall ensure that all supplier's employees, agents and subcontractors treat) all such Inventions as confidential information of AAK. The supplier shall provide AAK with all information, documentation and materials, which AAK may reasonably request for the purpose of allowing AAK to fully protect and exercise its proprietary rights in any Inventions.

16. GENERAL LIABILITY

In addition to any other remedies agreed between the parties, the supplier shall be liable towards AAK, its affiliates, representatives, agents and employees for any and all claims, losses, damages, costs, fees, expenses, penalties and other liabilities and obligations arising out of any claim or damage which is caused, directly or indirectly, or relates to any non-compliance by the supplier with any of its obligations under the Agreement.

17. PRODUCT LIABILITY AND RECALL

17.1 The supplier shall defend, indemnify and hold AAK harmless from all claims, losses, damages, costs, fees, expenses, penalties and other liabilities arising from any bodily injury or damage to property provided that these are caused by defects in the Product attributable to the supplier, and/or any subcontractor of the supplier.

17.2 If AAK decides or is required to carry out a recall of its finished products owing to defects or suspected defects in the Product and/or the Service, the supplier shall (at its own expense) cooperate fully and comply with AAK's reasonable instructions regarding such recall. The supplier shall defend, indemnify and hold AAK harmless from all claims, losses, damages, costs, fees, expenses, penalties and other liabilities arising out of such a recall provided that the recall is caused by defects or suspected defects in the Product and/or Service attributable to the supplier and/or any subcontractor of the supplier.

18. LIABILITY

The supplier shall hold AAK, AAK's representatives, AAK's affiliates and its agents and employees harmless from and against any and all claims, costs, fees, penalties, and other liabilities and obligations arising out of any claim or damage which relates to non-compliance by the Supplier with any of its obligations under the Agreement or the General Terms.

19. INSURANCE

The supplier shall enter into and maintain a customary global general liability insurance protection including global coverage for product liability adequate to cover its undertakings hereunder and which is consistent with standard business practices of prudent companies similarly situated. Such insurance shall be valid as long as (i) claims can be made by AAK against the supplier under the Agreement; or (ii) against AAK by any third party under applicable laws or regulations. The supplier shall at AAK's request provide to AAK a copy of the insurance certificate. The supplier may not terminate such insurance without the prior written consent of AAK.

20. AUDITS AND INSPECTIONS

AAK (and/or any third party appointed by AAK) is, subject to reasonable prior notice, entitled to be present at the supplier's and at the supplier's subcontractors' facilities at any time to inspect, audit and review the supplier's respectively the supplier's subcontractors' adherence to the requirements under the Agreement and other applicable standard industry practices and procedures. The supplier and its subcontractors shall also provide any relevant information in relation thereto upon AAK's request. In the event it is discovered that the procedures applied are insufficient as to ensure consistent acceptable Product and/or Service quality, then reasonable corrective measures shall be taken by the supplier at its cost without delay.

21. ANTI-BRIBERY LAWS, SANCTIONS LAWS AND CODE OF CONDUCT

21.1 During the term of the parties' agreement, the supplier shall, and shall procure that its personnel shall, at all times, conduct business in compliance with: (i) the US Foreign Corrupt Practices Act, the UK Bribery Act 2010, the Swedish Penal Code and the anti-bribery laws of any territory in or from which the supplier provides the Product and/or Service to AAK, in each case as amended from time to time ("Anti-Bribery Laws"), as if such laws applied to them; (ii) all applicable laws, rules, regulations or orders of any jurisdiction imposing or enforcing or otherwise pertaining to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by any governmental authority ("Sanctions Laws"); and (ii) AAK's Supplier Code of Conduct as from time to time notified by AAK in writing.

21.2 AAK shall have the right to review and audit, or appoint a suitable professional adviser to review and audit, during normal business hours and subject to reasonable prior notice, the supplier's books and records, insofar as they relate to the Product and/or Service provided hereunder, for the purpose of assessing the supplier's compliance with this Section 21.

21.3 AAK or its representatives shall have the right to reproduce (at their cost) and retain copies of any such books and records; and AAK may terminate the Agreement with immediate effect, in whole or in part, by written notice to the supplier at any time, if in AAK's reasonable judgment; the supplier is in breach of any provision of this Section 21. Termination in accordance with this Section 21 does not affect (i) any accrued liabilities and rights of the parties prior to such termination and (ii) any provision of the Agreement, which is expressed to survive its termination.

21.4 AAK shall be under no obligation to fulfil any outstanding payments (and may withhold such payments), if such payments would, or at AAK's opinion be deemed to, constitute a breach by AAK of any relevant Anti-Bribery Laws or Sanctions Laws or otherwise would constitute a criminal offence by AAK or accomplishment to a criminal offence. AAK shall be entitled to withhold such payments until it is resolved whether AAK has any obligation to fulfil such payments pursuant to the Agreement.

22. CONFIDENTIALITY

22.1 Each party undertakes to (i) use Confidential Information of the other party only for the purpose of meeting the objectives of the Agreement; (ii) not to disclose Confidential Information to any third party, save to the extent explicitly permitted by the Agreement or approved to in advance by the other party in writing; (iii) to impose a corresponding duty on its representatives; and (iv) to return to the other party on demand all Confidential Information which was furnished or acquired in written format or, upon the other party's demand, to destroy and finally delete such information from any media, and confirm in writing such destruction to the other party.

22.2 Confidential Information shall mean any information furnished by one party to the other party under the Agreement, including without limitation, financial, technical or commercial information, plans and processes, reports, drawings, methods, instructions, formula, projections, specifications, techniques, manuals, samples, intellectual property rights and the like, whether provided in writing, orally or by other medias.

22.3 The restrictions set out above shall not apply to: (i) information which at the time of disclosure was already published or generally available to the public; (ii) information which after disclosure is published or becomes generally available to the public other than through breach of the Agreement; (iii) information which, as shown by written records, was rightfully acquired from a third party which was entitled to disclose the information and (iv) disclosure necessary in order to comply with any applicable law, regulation, stock exchange rule or legally binding order of any court, governmental agency or administrative judicial body. In the latter case, a party shall, to the extent legally admissible, notify the other party without delay to enable the other party to express its opinion on to what extent disclosure can be

limited in order to prevent its commercial interests.

23. FORCE MAJEURE

23.1 No party shall be liable for any non-performance of its obligations caused by circumstances beyond the party's control, and which cannot reasonably be foreseen, including natural disasters or catastrophic events such as pandemics, epidemics, nuclear disasters, fire, flood, typhoons or earthquakes, war, riots, revolutions and similar circumstances of similar gravity but do for the sake of clarity not include occurrences or disruptions that make the performance under the Agreement merely commercially impracticable or more burdensome.

23.2 AAK is entitled to cancel any order by written notice, with immediate effect and without compensation to the supplier, if the supplier's delivery under the order is delayed by force majeure by more than one (1) month.

24. PROCESSING OF PERSONAL DATA

If applicable, the supplier shall process personal data on behalf of AAK according to AAK's instructions under the provisions of a separate data processing agreement between the parties.

25. RELATIONSHIP OF THE PARTIES

The relationship of the parties is that of independent contracting parties. Nothing in these General Terms and/or the Agreement shall be construed as creating a partnership, agency or joint venture between the parties.

26. DISPUTES AND GOVERNING LAW

26.1 Any dispute arising out of or in connection with the delivery of the Product and/or Service and/or the Agreement shall be finally settled by arbitration in accordance with the Arbitration Rules of the SCC Arbitration Institute. The arbitration proceedings shall take place in Stockholm, Sweden. The Rules for Expedited Arbitrations shall apply if the amount of the dispute does not exceed SEK one million (1,000,000). The amount of the dispute shall be considered the amount the plaintiff claims at the beginning of the procedure, excluding claim of interest.

26.2 These General Terms and/or the Agreement between AAK and the supplier shall be governed by Swedish law, without regard to its principles of conflict of laws.

These General Terms of Purchase are valid as from 7 October 2024.