

GENERAL TERMS AND CONDITIONS OF SALE FOR SECONDARY CHANNEL SALES

These General Terms and Conditions of Sale (the “**Terms**”) apply to the sale of any Products by Lactalis US Yogurt, Inc., a Delaware corporation with a principal place of business at 10 Burton Drive, Londonderry, NH 03053 (“**LUSY**”) and/or The Icelandic Milk and Skyr Corporation., a Delaware corporation with a principal place of business at 80 Pine Street, 39th Floor, New York, NY 10005 (“**IMSC**”) (LUSY and IMSC, each individually referred to as a “**Company**” and, collectively, the “**Companies**”) to a secondary channel customer/liquidator entity (“**Customer**”) identified on a liquidation order acknowledgement sent to such entity by Company. The order acknowledgment, and these Terms which are incorporated therein, constitute the “**Agreement**”.

The terms and conditions of this Agreement may not be modified, supplemented, or superseded by any Customer document or otherwise except with prior written approval from Company. This Agreement applies to all sales of products by Company to Customer (“**Products**”) notwithstanding any conflicting, contrary or additional terms and conditions in any purchase order or other communication from Customer. No such conflicting, contrary or additional terms and conditions shall be deemed accepted by Company unless and until Company expressly confirms its acceptance in writing.

LUSY sells Products under the Stonyfield, Green Mountain Creamery and Brown Cow brands (the “**LUSY Brands**”), and IMSC sells Products under the siggi’s brand (the “**IMSC Brand**”). Where and to the extent that, through a liquidation order properly issued by Customer and accepted by Company pursuant to this Agreement, Company sells to Customer products under one or more LUSY Brands, the Company shall mean LUSY. Where and to the extent that, through a liquidation order properly issued by Customer and accepted by Company pursuant to this Agreement, Company sells to Customer products under the IMSC Brand, the Company shall mean IMSC.

1. **PAYMENT TERMS**

Customer shall pay, in full, all amounts due and payable to Company either (i) net fifteen (15) from the date of

invoice covering the Products shipped to Customer if Customer is paying by check, or (ii) net twenty (20) days from the date of invoice covering the Products shipped to Customer if Customer is paying by Electronic Funds Transfer (EFT/ACH). Late payments may be subject to late fees at the rate of 1.5% interest per month at Company’s sole discretion. Unless agreed to in writing by the parties, no part of any amount due and payable to Company may be reduced for any set-off, discount, adjustment or any other right or claim that Customer might have against Company.

It is acknowledged and agreed by Customer that Company does not offer extended payment terms, including, but not limited to, extended payment terms for new account openings, new warehouse openings, new store openings, or new product introductions. All payments shall be made in United States currency.

Company’s remit-to addresses for payments by checks and by EFT/ACH are as follows:

If to LUSY:	
Remit address for payments by check:	Lactalis US Yogurt, Inc. Dept. CH 19628 Palatine, IL 60055-9628
Remit address for payments by check sent by overnight mail:	Lactalis US Yogurt, Inc. 19628 5505 N Cumberland Ave., Suite 307 Chicago, IL 60656-1471
Remit address for payments by EFT/ACH:	Lactalis US Yogurt, Inc. HSBC Bank USA NA 452 Fifth Avenue New York, NY 10018 ABA: 021001088 Account# 000277886 Swift Address: MRMDUS33

If to IMSC:	
Remit address for payments by check:	The Icelandic Milk and Skyr Corporation Dept. CH 17665 Palatine, IL 60055-7665
Remit address for payments by check sent by overnight mail:	The Icelandic Milk and Skyr Corporation 17665 5505 N Cumberland Ave., Suite 307

	Chicago, IL 60656-1471
Remit address for payments by EFT/ACH:	The Icelandic Milk and Skyr Corporation HSBC Bank USA NA 452 Fifth Avenue New York, NY 10018 ABA for ACH: 022000020 ABA for Wire: 021001088 Account# 000310263 Swift Address: MRMDUS33

2. UNSALEABLES

Company will provide refrigerated Products in saleable condition at the transfer of ownership of those products from Company to Customer or Customer's carrier.

Customer shall not resell any damaged, out of code date, or otherwise unsaleable Products. Customer shall be solely responsible and liable for any and all costs, expenses, and/or other damages, including without limitation damage or injury to property or persons, arising as a result of the sale, directly or indirectly, of unsaleable Products by Customer.

3. CLAIMS

Company will honor claims verified and approved in writing in advance by an authorized Company regional manager. Any and all claims must be communicated in writing to Company within two (2) years from the date of the applicable original invoice.

Customers filing claims hereunder must submit complete documentation to Company. No claim will be processed unless and until Company has received all documentation reasonably necessary and proper to process it. Claims prepared by a third party (e.g., outside audit firms) on behalf of Customer must be thoroughly reviewed and approved by Customer before such claims are submitted to Company.

Company requires a minimum of sixty (60) days from the date of receipt of a properly submitted claim to approve or deny such claim for payment/reimbursement. Company, in its sole and exclusive discretion, shall determine if the claim is valid. If the claim is deemed valid,

payment/reimbursement will be made in accordance with a method of payment/reimbursement mutually agreed upon by the parties. A deduction taken by Customer for a claim determined to be invalid and thus denied by Company shall constitute a breach of this Agreement.

4. RETAILER FINES AND PENALTIES

Company will not pay fines or penalties levied by Customer unless proposed fines or penalties have been pre-approved in writing by an authorized Company regional manager. Company will not honor any charges or deductions without prior written approval, including without limitation, the following: charges or deductions for detention, unloading, late delivery, bad pallets, unsaleables, and/or lost sales. No deductions for Products being cut or shorted on a specific order are allowed.

Deductions that are taken in violation of this section shall be deemed invalid and Customer shall pay Company within thirty (30) days of Company's written request. Company reserves the right to suspend further shipments to Customer for invalid claims not paid.

5. ORDER MANAGEMENT AND SHIPPING TERMS

In accordance with the delivery arrangements and procedures agreed to by the parties, Company will make reasonable efforts to deliver all orders by the agreed upon delivery date. Company does not guarantee or warrant that it will supply all Products ordered by Customer. In the event that a purchase order from Customer cannot be completely fulfilled, Company will make reasonable efforts to notify Customer in advance to report what Products will not be shipped.

Order Requirements:

- Minimum order quantity is two hundred (200) cases per purchase order unless otherwise agreed to by Company.
- Customers will be notified of any order that does not meet the minimum requirement. If the purchase order is not revised by Customer to meet the minimum requirement, the order will not be processed or shipped.

Company has the right, in its sole discretion, to accept or reject any purchase order issued by Customer.

All order changes must be in writing and meet order management guidelines. Order changes cannot be made by Electronic Data Interchange - EDI. Company shipping terms are FOB Destination unless otherwise agreed to in writing by both parties.

6. PRODUCT CODE DATE

Products are stamped with both a code date and the time the product was manufactured. For the best freshness and quality, the Products should be consumed by their respective code date.

7. PRODUCT GUARANTEE

Products shall conform to Company's product quality standards, shall not be adulterated or misbranded within the meaning of the U.S. Food, Drug and Cosmetics Act, as amended (the "**Act**"), and shall be manufactured in accordance with Good Manufacturing Practices as defined in the Act.

8. TEMPERATURE REQUIREMENTS; NON-ADULTERATION

The parties acknowledge and agree that temperature requirements for shipping and distribution of Grade "A" dairy products, which include yogurt, are governed by the current Grade "A" Pasteurized Milk Ordinance issued by the Food and Drug Administration ("**FDA**"). As stated in Item 17p Cooling of Milk, "All pasteurized milk and milk products shall be stored at a temperature of 7°C (45°F) or less. On delivery vehicles, the temperature of milk and milk products shall not exceed 7°C (45°F)." The parties further acknowledge and agree that temperature requirements for storage of Grade "A" dairy products at retail establishments are governed by individual state requirements. Notwithstanding the foregoing, on delivery vehicles transporting all Products other than Grade A products, the ambient vehicle temperature shall be between 0.5C (33F) – 3.8 C (39 F).

Customer shall not adulterate or misbrand the Products, or engage in any activity that could or does render Products adulterated or misbranded. Customer shall keep the Products secure from adulteration (within the meaning of the Act), contamination, damage, theft, or loss. Customer shall not distribute or

dispense any Product "out of code." Without limiting the generality of the foregoing, the Products shall be stored and handled by Customer so as to prevent any such adulteration, contamination, damage, theft, or loss.

9. COMPLIANCE

9.1 Compliance with Applicable Laws. Customer shall comply with all laws, regulations, rules, ordinances or other governmental requirements of any jurisdiction applicable to the activities contemplated herein, including without limitation Customer's sale of Products, and shall be solely responsible and liable for its violation of such laws. Company makes no representations or warranties that the Products comply with any foreign laws, regulations, rules, ordinances or other governmental requirements ("**Foreign Laws**"), including, without limitation, Foreign Laws applicable to product packaging, labeling and distribution, expressly disclaims any and all representations and warranties of any kind, either express or implied, regarding infringement of intellectual and/ or other proprietary rights of a third party located outside of the United States or the Products' compliance with Foreign Laws, including any representations or warranties that the Products are and shall be accurately labeled in accordance and compliance with Foreign Laws, and assumes no liability or responsibility for any such infringement or violations of such laws.

9.2 Diversion. Customer shall not divert any Products to current Company customers without Company's express written consent nor contract for the sale of Products to any third party which Customer knows or has reason to believe (including, without limitation, by reason of a previous history of diversion of Products), may divert Products to Company customers. Nor shall Customer sell, transfer or otherwise divert, directly or indirectly, any Products in violation of applicable laws and regulations.

9.3 No Export. Customer shall not (a) export Products from the United States; or (b) contract for the sale of Products to any third party which Customer knows or has reason to believe (including, without limitation, by reason of a previous history of exportation of Products), may export Products from the United States.

9.4 Anti-Bribery. Customer warrants and represents that, in the performance of this Agreement and in connection with its solicitation and sales of Products, it has not offered, or given, and will not in

the future offer, or give, directly or indirectly, anything for the purpose of influencing or inducing a sale. Customer further warrants that it is and will remain in full compliance with all applicable laws and regulations governing such offers or gifts, including but not limited to the U.S. Foreign Corrupt Practices Act. Customer warrants and represents that it is not on, nor is Customer associated with any organization that is on, any list of entities maintained by the United States government that identifies parties to which the sale of goods or services is restricted or prohibited.

9.5 Health Claims. Customer will not publish, cause to be published, or distribute any advertising or other materials which describe or pertain to any Products, or refer to Company unless the materials are furnished or previously approved by Company. Customer is prohibited from making any health or functional claims with respect to Company's Products, without the prior written authorization of Company.

10. TERM AND TERMINATION

10.1 Term. The term of this Agreement shall commence on the date upon which Company sends such liquidation order acknowledgement to Customer, and shall continue in effect until terminated by either party in accordance with its terms.

10.2 Termination.

10.2.1 Customer may terminate this Agreement upon written notice to Company in the event of a material breach by Company of this Agreement that remains uncured for fifteen (15) days after written notice thereof has been given, or such longer cure period as Customer otherwise may designate in writing.

10.2.2 Company may terminate this Agreement for any or no reason, with or without cause, upon thirty (30) days prior written notice of termination to Customer.

10.2.3 If Customer shall be dissolved, become insolvent, or become the subject of a proceeding under law for the relief of debtors, or if any Products for which Customer is indebted to Company shall be levied upon or seized by any authority, then in any such event Company may, at its option,

immediately terminate this Agreement by written notice to Customer.

10.3 Effect of Termination.

10.3.1 In the event of termination of this Agreement for any reason, Customer shall pay within the payment term all open purchase orders as of the effective date of termination.

10.3.2 The termination of this Agreement, for any reason, shall not release either party hereto from any liability, which at said time has already accrued to the other party thereto.

10.3.3 In addition to, and in no way abrogating, any right or remedy set forth in any other provision hereof, in the event of a termination for cause, as set forth herein, the parties shall have the right and ability to pursue any remedy or cause of action they may have as of the effective date of termination at law or in equity.

11. FORCE MAJEURE

Neither Company nor Customer shall be liable for any delays, damages or failures to perform arising from causes reasonably beyond its control, including, but not limited to, unforeseen, unpreventable acts of God or public enemies, compliance with a domestic governmental regulation or order, acts of civil or military authority, labor disputes, fires, riots, acts of terrorism, wars or conditions of war, embargoes, accidents, epidemics, floods or other unusually severe weather, closing or obstruction of highways, bridges or ferries, shortage of raw materials or power, or breakdown or other failure of equipment which have a material, substantial and adverse effect on either party's ability to perform (events of "**Force Majeure**"); provided the party claiming Force Majeure promptly notifies the other party of the event of Force Majeure, the anticipated duration of the event of Force Majeure, and the steps taken to remedy the failure. The party claiming Force Majeure shall use its best, commercially reasonable efforts, promptly commenced and diligently pursued, to minimize the extent, duration, and effect of the delay or failure on the other party hereto.

12. INDEMNIFICATION

Customer shall indemnify, defend and hold harmless Company, and its parent, affiliates, and successors and

assigns, and each of their shareholders, directors, officers, agents, employees, insurers, and legal representatives (“**Indemnitees**”) from and against any and all claims, demands, suits, actions, liability and/or damages (including reasonable attorneys’ fees and other costs and expenses) (“**Liabilities**”) arising out of or incident to: (i) the conduct of Customer’s operations under this Agreement, including, without limitation, compliance with all applicable laws, regulations, rules, ordinances or other governmental requirements; (ii) the negligence or willful misconduct of Customer, its employees, its agents, sub-distributors, and/or its subcontractors; (iii) a breach by Customer of any covenant, obligation, representation, or warranty contained in this Agreement; (iv) any direct or indirect diversion, export, or unauthorized sales or transfer of Products by Customer, its employees, its agents and/or its subcontractors; and/or (v) the failure of Customer, its employees, its agents, sub-distributors, and/or its subcontractors to handle Products as specified and required, including, but not limited to, Customer’s alteration, adulteration, handling or storage of Products after receipt of the Products from Company, or failure to refrigerate Products after delivery, or sale of any Products “out of code”. The provisions of this section shall survive termination of this Agreement.

13. INSURANCE

Customer shall maintain at its sole cost and expense, insurance with carriers with A.M. Best’s ratings of not less than A, and with a minimum Financial Rating of Class VII. Customer shall carry statutory workers’ compensation, including employers’ liability insurance with a minimum limit of \$1,000,000, commercial general liability insurance written in occurrence form with a combined single limit of not less than \$1,000,000 per occurrence or \$2,000,000 aggregate. Coverage must include Products/Completed Operations, Personal and Advertising Injury, and Blanket Contractual Liability. Customer shall also carry business auto liability for all owned, hired, or non-owned vehicles with a combined single limit of not less than \$1,000,000. Excess liability policy can be used to satisfy minimum requirements.

It is the intent of Customer and Company that all such liability policies purchased by Customer shall be primary with regard to any liability insurance carried by Company, whose policy shall always be excess. Each policy shall contain an endorsement waiving all rights of subrogation against Company. The commercial

general liability policy should also contain a severability or cross liability clause. All such insurance policies purchased by Customer must be paid and in force. Company must be named as an additional insured with respect to liability Company incurs arising out of Customer’s actions, or performance of its duties or obligations under this Agreement on all general liability, auto and foreign policies purchased by Customer.

Customer shall provide to Company certificates of insurance setting forth the coverage as required above together with the insurance company’s name, policy number and expiration dates of the insurance. Customer shall endeavor to provide no less than thirty (30) days’ written notice (except in the case of cancellation for non-payment) to Company in the event of any policy cancellation, or non-renewal. Failure of Customer to provide the certificates referenced hereunder, or failure of Company to hereafter specifically request such certificates, shall in no way limit or release Customer of its obligations or liabilities under this Agreement. The required limits above shall be subject to periodic review, and Company reserves the right to require Customer to increase said coverage limits if, in the reasonable opinion of Company, said limits become inadequate.

14. CONFIDENTIALITY

All confidential and/or proprietary information of any kind, in any form disclosed or learned by either party in connection with this Agreement shall be deemed “**Confidential Information**.” For purposes of this Agreement, “Confidential Information” shall include any and all product concepts, financial or budgetary information, costs, customer and supplier information, marketing and sales information, recipes, formulae, audits and audit reports, and other information related to the business activities of the Disclosing Party and/or its affiliates, as defined below, regardless of any confidentiality designation or restrictive markings, and which the Receiving Party learns by any manner or method, including, but not limited to, while a visitor or present at the business locations of the Disclosing Party. Confidential Information also shall include third party information that the Company is obligated to keep confidential.

The Confidential Information of each party (“**Disclosing Party**”) may not be used by the party receiving the Confidential Information (“**Receiving Party**”), or any agent or representative of the

Receiving Party, for any purposes except in connection with the provision of services hereunder, and may not be disclosed under any circumstances, in whole or in part, by the Receiving Party, or any agent or representative of the Receiving Party, to any third party, except (i) to third parties engaged in the provision of services hereunder, only on a need-to-know basis, who agree to maintain the confidentiality of the Confidential Information, (ii) to the extent necessary to comply with law or the valid order of a court of competent jurisdiction, (iii) to its parent company, its auditors or its attorneys as part of its normal reporting or review procedures, and provided that such parent company, auditors or attorneys agree to be bound by the provisions of this section, or (iv) in order to enforce its rights pursuant to this Agreement. The Receiving Party, to the extent permitted by law, agrees to notify the Disclosing Party in advance in the event Confidential Information must be disclosed pursuant to Section (ii) or (iv) above, and agrees to cooperate with the Disclosing Party in seeking orders of protection or such other measures as may be reasonably necessary to protect the confidentiality of the Confidential Information.

Confidential Information shall not include any information to the extent it (i) is or becomes a part of the public domain through no act or omission on the part of the Receiving Party, (ii) is disclosed to third parties by the Disclosing Party without restriction on such third parties, (iii) is in the Receiving Party's possession, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Agreement, (iv) is disclosed to the Receiving Party by a third party having no obligation of confidentiality with respect thereto, (v) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information, or (vi) is released from confidential treatment by written consent of the Disclosing Party.

The obligations and restrictions with respect to any Confidential Information shall continue to bind the parties, even following termination of the parties' business relationship or the termination of this or any other agreement between the parties. Such obligations and restrictions shall not terminate until such time as the Confidential Information becomes generally known, unless such general knowledge is the result, directly or indirectly, of wrongful conduct by the Receiving Party or any of the Receiving Party's officers, employees, agents, representatives or

independent contractors, or a breach of this Agreement. The Receiving Party agrees to cease use of Confidential Information of the Disclosing Party and return to the Disclosing Party all Confidential Information and all materials and all portable media embodying or containing such information promptly upon termination of this Agreement or at the request of the Disclosing Party.

15. INDEPENDENT CONTRACTOR

Both parties are independent contractors under this Agreement. Nothing contained in this Agreement shall be deemed to create an employment, agency, joint venture or partnership relationship between the parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one party for the act or failure to act of the other party. Neither party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other party, or to bind the other party in any respect whatsoever.

16. NOTICES

All legal notices, reports, consents and receipts shall be in writing and shall be deemed duly given on (a) the date of personal or overnight courier delivery; (b) the date of transmission by facsimile or other electronic transmission service, provided a confirmation copy is also sent no later than the next business day by postage paid, return receipt requested; or (c) three (3) business days after the date of deposit in the United States mail, by postage paid, return receipt requested, addressed to the recipients set forth below. Either party may change its mailing address by written notice to the other party in accordance with this section.

If to Customer:	To the Customer at the address set forth in the "Sold To" line of the applicable Company liquidation order acknowledgment
If to LUSY:	Lactalis US Yogurt, Inc. 10 Burton Drive Londonderry, NH 03053 Attn: Office of General Counsel
If to IMSC:	The Icelandic Milk and Skyr Corporation 10 Burton Drive Londonderry, NH 03053 Attn: Office of General Counsel

17. GOVERNING LAW; JURISDICTION; VENUE

This Agreement shall be deemed to have been delivered and accepted by the parties in the State of Delaware, and is governed by the laws of the State of Delaware, without regard to its principles of conflicts of laws or The United Nations Convention on Contracts for the International Sale of Goods, and any and all disputes, claims and/or actions arising from or related in any way to this Agreement must be brought exclusively in a state or federal court located in the State of Delaware. The parties hereby waive any objections against and expressly agree to submit to the jurisdiction and venue of any such Delaware court for all purposes connected herewith.

18. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be found to be illegal or invalid under applicable law, such provision shall be either modified to conform to applicable law or considered ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement. If the finding of illegality or invalidity has a material impact upon the economic expectation of the parties hereto, the parties agree to make appropriate modifications to this Agreement to take such impact into account.

19. ENTIRE AGREEMENT; WAIVER; AMENDMENT; SURVIVAL

This document, including attachments and exhibits hereto and any documents incorporated by reference herein, constitutes the entire agreement and understanding between the parties regarding the subject matter hereof, and supersedes and merges all prior discussions and all oral and/or written agreements between them relating thereto. No waiver, modification or amendment to this Agreement shall be valid unless in writing, signed by the authorized representatives of the parties hereto. No usage of trade or course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any party hereunder. No failure or delay by either party in

exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege. All provisions of this Agreement that, by their express terms or by their nature or context would ordinarily be deemed to survive beyond the termination of this Agreement shall survive such termination for any reason.

20. CONFLICT OF TERMS

In case of any conflict between the terms of this Agreement and the terms of any purchase orders, acceptances, correspondence, memoranda, listing sheets or documents exchanged between the parties during the term of this Agreement, the terms of this Agreement shall govern and prevail. The terms of this Agreement prevail over any terms or conditions contained in any other documentation issued by Customer and expressly exclude any and all of Customer's general terms and conditions or prices contained in any purchase order or other document issued by Customer. In the event of any conflict between the terms of this Agreement and the terms of any purchase order or any other document issued by Customer, the terms of this Agreement shall prevail.

21. ASSIGNABILITY

Except as otherwise stated herein, this Agreement may not be assigned by either party without the express prior written consent of the other. Company, without Customer's prior written consent, may assign its rights and obligations hereunder to an acquiring or successor entity in connection with a merger, a sale or disposition of its business or a line of business relevant to this Agreement, a sale of all or substantially all of its assets, by stock sale or otherwise. Any assignment in violation of this section shall be void. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

22. NO JOINT LIABILITY

Notwithstanding anything to the contrary in this Agreement, all representations, covenants, obligations and liabilities under this Agreement are several, and not joint, to each LUSY and IMSC, and neither will be jointly or severally liable to Customer for any breach, obligation, liability, act, or omission of the other parties to this Agreement.