

GENERAL CONDITIONS OF SALE , DELIVERY AND PAYMENT OF “BIOORGANIC Srl.”, HAVING ITS REGISTERED OFFICE IN ITALY

Article 1 - applicability

- 1.1 These general conditions shall be applicable to all offers by and contracts with “Bioorganic Srl.”, with its registered office in Viale Andrea Doria 65- 95123 Catania (I) (hereinafter: the supplier), with regard to the delivery of goods by the supplier to the party that the offer is intended for or, as the case may be, the other party (hereinafter: the client). This shall also apply if the supplier acts as an agent (in his own name, yet for the client’s account) or as an intermediary (in the name and for the account of the client) in purchasing goods from a third party for the benefit of the client.
- 1.2 The applicability of the client’s general conditions is hereby expressly rejected.

Article 2 – offer

- 2.1 Each of the supplier’s offers shall be without prejudice and subject to contract, unless it has expressly been stipulated otherwise.
- 2.2 Without prejudicing the stipulation of paragraph 1 of this Article, a price list from the supplier shall be considered an offer being valid until a subsequent price list shall become valid for the supplier.

Article 3 - contract

- 3.1 A contract, which, in this Article, also includes changes and/or additions made to it, shall be binding to the supplier only after the express approval of the latter’s board of directors or in the circumstance when a commencement is made with its implementation. Undertakings by and contracts with employees of the supplier shall not be binding to him.
- 3.2 Each contract shall be entered into by the supplier subject to crop restrictions (both as regards harvest-opportunity and as regards crop yield).
- 3.3 Minor deviations with the usual tolerances shall be allowed in the implementation of the contract.
- 3.4 A unilateral annulment on the part of the client shall be void, unless the supplier has given his written approval of such annulment.

Article 4 – notifications, details and quotations

The notifications, details and quotations made or submitted by the supplier in whatever form or of whatever nature shall be as accurate as possible, yet they shall never be binding to the supplier, unless it has been expressly stipulated otherwise in the contract.

Article 5 - prices

All prices shall be exclusive of taxes – among which sales taxes (IVA= VAT) – and levies and shall be based on the delivery conditions specified in the following Articles.

Article 6 – delivery period / delivery

- 6.1 Unless it has been expressly agreed otherwise, delivery shall take place “ex works” from the supplier’s premises. In interpreting the delivery conditions, the determining factor shall be the issue of Incoterms most recently published at the time of making the contract and as has been published by the International Chamber of Commerce.
- 6.2 the delivery period shall take effect at the last of the following moments in time:
- the day of making the contract;
 - the day at which the supplier has all the documents and details required for the delivery of the goods at his disposal;
 - the day at which the supplier has received an advance payment and/or a security deposit due by the client.
- 6.3 If “direct delivery” has been agreed to, delivery shall take place on the day the contract has been made if that has taken place before 12.00 hours, and delivery shall take place on the day following the one on which the contract has been made if that has taken place after 12.00 hours.
- 6.4 The time of delivery is considered to be the moment at which the goods are ready for dispatch at the supplier’s premises and the supplier has notified this to the client or, as the case may be, if the goods have left the supplier’s premises for dispatch to the client.
- 6.5 If the supplier has acted as an agent in purchasing the goods from a third party for the benefit of the client, the

delivery of the goods by the supplier to the client shall take place – if necessary contrary to the provisions of the previous paragraph:

- a. in the event of a batch defined according to kind and quality or in some other terms or condition: at the time the goods have been individualised by the supplier for the client;
- b. in the event of a specifically defined batch of goods: at the time of delivery by the third relevant party to the supplier.

If the supplier has acted as an intermediary in purchasing the goods from a third party for the benefit of the client, the delivery of the goods concerned shall take place by the relevant third party directly to the supplier's client.

- 6.6 The supplier shall always have the right of carrying out partial deliveries, unless it has been expressly stipulated otherwise.
- 6.7 The delivery time cannot be regarded as a deadline unless it has been expressly stipulated otherwise. In the event of an attributable overdue delivery, a notice of default shall always be required. From an attributable overdue delivery, in as far as it does not exceed a period of one week, the client can not derive any right whatsoever.
- 6.8 In the event the supplier is in default regarding the delivery time, the client shall only have the right of dissolving the contract (or, as the case may be, if it concerns a contract involving several deliveries: the contract for the delivery / partial delivery in question). In that event, any advance payments shall be returned.

Article 7 - shipment

- 7.1 If the supplier is obliged to ship the goods, this shall take place for the account and risk of the client in a way to be determined by the supplier and by the means of transport chosen by the supplier, unless it has been expressly stipulated otherwise.
- 7.2 If, due to circumstances beyond the supplier's control, the goods cannot be shipped to their destination or cannot be delivered at their destination, the supplier shall have the right of putting the goods in storage or having them put into storage for the account and risk of the client and demanding payment as if delivery has taken place.

Article 8 - packaging

- 8.1. Single-use packaging will not be taken back by the supplier. The supplier shall have the right of taking back re-use packaging, yet is not obliged to do so.
- 8.2 The supplier shall have the right of invoicing the client separately for re-use packaging along with the delivered goods.
- 8.3 In the case referred to in the previous paragraph, the supplier shall send a credit-invoice to the client at the originally invoiced value soon after receipt of the packaging returned to the supplier at the client's cost, unless the packaging received back is in a less good condition than it was when received by the client, in which case a proportionately less sum of money shall be credited.
- 8.4 Only on receipt of the credit-invoice shall the client be authorized to deduct the value of the returned packaging, up to the credited amount from the amount payable by him to the supplier.

Article 9 – risk and transfer of ownership

- 9.1 The client shall bear the risk for all direct and indirect damages that might happen to the goods immediately after the goods are considered to have been delivered.
- 9.2 The supplier reserves the ownership of all delivered goods until all his claims on the client regarding the goods delivered or to be delivered to the client in accordance with the contract, as well as regarding any default on the part of the client in observing any such contracts, shall have been paid in full.
- 9.3 The client shall be obliged to keep the goods delivered subject to retention of title in good and proper care and as the recognizable property of the supplier. Furthermore, the client shall be obliged to insure the goods against damage or loss, whatever it may be caused by, for the duration of the retention of title, under which insurance the supplier must be the designated (co-)insured party with an independent right of action with respect to the insurer(s).
- 9.4 The supplier shall have the right of taking back the goods delivered subject to retention of title and still in the client's possession forthwith and without prior notice of default if the client fails to observe the obligations referred to in paragraph 2. Whenever necessary in such event, the client shall irrevocably authorize the supplier to exercise the take-back right referred to in this paragraph.
- 9.5 In the event, and to the extent where, the supplier has used his take-back right as referred to in the previous paragraph, the contract shall be dissolved in full or in proportionate part without judicial intervention, and without prejudicing the supplier's right to a payment for damages and costs. In the event of a dissolution as referred to in the previous sentence, the client shall be credited at market value (which, in no event, can exceed

the original purchase price) less the damages suffered and the costs made by the supplier.

- 9.6 The client who is acting in the practice of his job or operation shall be permitted to sell and deliver the goods delivered subject to retention of title to third parties within the context of running his operation. In the event of such sales, the supplier's claim on the client regarding the goods re-sold by the client shall become due and payable forthwith and in full, that is, in as far as this has not already been due and payable.
- 9.7 The client shall always be obliged to point out to third parties the supplier's retention of title. Furthermore, the client shall be obliged, if so requested, to inform the supplier of the whereabouts of the goods and to whom they may have been sold.

Article 10 - payment

- 10.1 If it has not been expressly stipulated otherwise in writing, payment must take place at the time of delivery. If it has been agreed that delivery shall take place on account, payment will always have to take place no later than 30 days after the date of invoice.
- 10.2 All payments must take place without any deduction or settlement, effectively in the currency specified on the invoice. In the event the client feels entitled to make a claim on the supplier regarding the implementation of the contract, this shall not discharge him from the obligation of payment by the method agreed.
- 10.3 If the supplier has good reason to fear that the client will not observe his obligations, the supplier shall have the right of demanding, prior to his performance or the continuation of his performance, a security deposit that he deems to be sufficient for the observance of the payment obligations by the client. The supplier shall have the right of suspending the observance of his own obligations until the client has made a security deposit.
- 10.4 If the client has not paid at the time or within the period as referred to in paragraph 1, he shall be in default in accordance with law and without notice of default being required, and he shall owe the legal amount of interest on the amount that is due and payable as of the last day on which payment should have taken place, without prejudicing the rights that are further due to the supplier.
- 10.5 The costs, both in and out of court, that are made regarding the client's non-, late- or undue observance of his obligations, including the extra-judicial collection costs and the costs of legal aid, must be paid by the client. The extra-judicial collection costs shall be calculated by the supplier and the client in accordance with rates of the Netherlands Bar Association, with a minimum of Eur 1.000,--.

Article 11 – return shipment

It shall not be allowed to send the goods delivered by the supplier back to him without his prior permission in writing. In the event of a return shipment, this shall always take place for the sender's account and risk.

Article 12 – quality and claims

- 12.1 In the event of the sale of a batch defined according to kind and quality or in some other terms or condition, the goods shall meet the requirements that prevail or, as the case may be, have been agreed at the time of delivery regarding quality, assortment, tolerance, packaging, labelling and the like. In this respect, the label "field crop" or "tree crop" shall mean that the goods will be delivered free of soil and weeds and – in the case of fruit – free of "flat " and "fall", unless it has been expressly stipulated otherwise. In this respect, the label of "quality" followed by a particular grade shall mean that the goods will at least meet the minimum requirements applicable to the grade in question in accordance with prevailing regulations. If the goods have been sold under the condition of the ICE inspection-certificate, the quality regulations of Italy shall apply. This stipulation shall not prejudice the stipulation in paragraph 2 of Article 3.
- 12.2 In the event of sale of a specifically defined batch of goods, the supplier shall observe his obligation by delivering that specific batch in the condition it was in at the time of making the contract.
- 12.3 The client shall be obliged to inspect the goods (have the goods inspected) on delivery with respect to the regulations referred to in the previous paragraph, as well as with respect to quantity or, as the case may be, weight. Inspection with respect to quantity and weight must be done by an independent, competent authority or, as the case may be, is the presence of a representative of the supplier. Any claims for shortcomings that can reasonably be found within 24 hours after the aforementioned inspection must be made in writing within 24 hours after the goods have been received by the client, fully specifying the alleged shortcomings and - where applicable - submitting the documents relating to weight or, as the case may be, quantity, failing which any claim in this regard shall become null and void. Any claim regarding further shortcomings must be made within 24 hours after they have been found, yet no later than within one week after delivery, fully specifying the alleged shortcomings and submitting any applicable documents, failing which any claim in this regard shall become null and void. If the goods have been sold under the condition of the ICE inspection-certificate, the regulations applicable within the context of that condition shall apply to inspection and claims – if necessary, contrary to the

above stipulations of this paragraph.

- 12.4 Furthermore, each of the client's claims regarding the goods delivered or the work done shall become null and void if:
- the goods cannot be identified (any longer) as coming from the supplier;
 - the shortcomings (also) result from normal deterioration, injudicious and/or improper handling, use and/or storage of the goods;
 - if the client does not forthwith give the supplier the opportunity of looking into the claims and observing his guarantee obligations;
 - If the client has failed to observe any of the obligations that fall to him, or has done so belatedly or improperly.
- 12.5 In the event of a timely and justified claim, the supplier shall be obliged to choose either to undertake the renewed delivery in the same way and under the same conditions as have been originally agreed, or to restitute the originally agreed purchase price.

Article 13 - liability

- 13.1 The supplier's liability by virtue of the contract shall be limited to the observance of the obligations specified in the contract, particularly the obligations specified in the previous Article with respect to renewed delivery or, as the case may be, restitution of the purchase price.
- 13.2 The supplier's liability shall never include loss of profits or other consequential losses.
- 13.3 It applies to all persons and all goods, for the period during which they are under the supervision and/or are on the (company) premises of the supplier and/or on the premises where the supplier is working, that the supplier shall under no circumstance be liable for death, physical- and/or mental injury or whatever wound it may be (regarding persons) nor for damage, theft, destruction, losses, perishing or whatever damage it may be (regarding goods), providing where an intentional act or omission, or gross negligence is involved on the part of his director(s) personally.
- 13.4 Should the supplier be held liable for damages for which he bears no liability in his relation with the client, then the client shall be obliged to indemnify the supplier against such damages and liability and to fully compensate him in this respect.
- 13.5 The restrictions, respectively exclusions from liability, as well as the indemnification that the supplier has stipulated for himself in the above paragraphs shall be stipulated equally with respect to and for the benefit of his employees, everybody else used by him within the context of the contract, as well as those from whom he acquires the delivered goods and/or parts, also in the event where an intentional act or omission or gross negligence is concerned.

Article 14 – force majeure

- 14.1 In these conditions, force majeure shall be understood to mean every circumstance that is outside the supplier's control, even if it may have been a foreseeable one at the time of concluding the contract, and that permanently or temporarily prevents the observance of the contract or makes it difficult to do so to such an extent as to make it unreasonable for the supplier to be asked to implement the contract in full, as well as, in as far as it is not already included in the above, war, threat of war, civil war, riot, import- and export prohibitions, government measures making the implementation of the contract more troublesome and/or more expensive, strike, expulsion of workers, transport problems, fire, theft, failures in the supply of energy, in machines or otherwise, a fully or partially failed crop, abnormal weather conditions, frost, diseases and pests in crops, a failed-, incomplete- and/or delayed delivery by third parties (sub-suppliers). All the circumstances referred to here result in force majeure for the supplier, regardless of whether those circumstances occur on the part of the supplier or, as the case may be, of third parties (sub-suppliers).
- 14.2 In the event of force majeure, the supplier shall have the right of suspending the contract for no more than three (3) months, or fully or partially dissolve the contract, without being obliged to pay for any costs or damages.
- 14.3 If, as a result of force majeure, the total amount of a particular product that can still be delivered in a reasonable way is not sufficient to meet all his delivery obligations, the supplier shall have the right of delivering the available amount to all his clients on a pro rata basis.

Article 15 – (impending) default

In the events referred to in law, as well as in the event the client fails to observe one or more of the obligations that fall to him as a result of the contract, or if he does so improperly or belatedly, or, as the case may be, if it is open to serious doubt whether the client is able to observe his obligations with respect to the supplier, as well as

in the event of insolvency, a moratorium on payments, a full or partial closing down, liquidation, a transfer or encumbrance of the client's company, including the transfer or, as the case may be, the pledging of a significant part of his claims, and, furthermore, in the event the client's goods are seized before judgement or in execution, the supplier shall have the right, without notice of default or judicial interference, of either suspending the implementation of the contract for no more than three (3) months, or of fully or partially dissolving it, all of which shall not oblige him to pay any of the costs, damages or guarantee and shall not prejudice any of the rights that are further due to him.

Article 16 - general

- 16.1 If one or more of the stipulations of this contract are void or become legally invalid, the rest of the contract shall remain effective. The parties shall discuss the stipulations that are void or become legally invalid in order to make a replacing arrangement.
- 16.2 If one or more of the stipulations of the contract should come into conflict with mandatory stipulations laid down or to be laid down by the competent authority, then the latter stipulations shall be deemed to have replaced the relevant stipulations of the contract.

Article 17 – disputes and applicable law

- 17.1 Regarding all disputes in relation to the contract or, as the case may be, further contracts pursuant to it, resulting from it or connected with it, only legal officials in Italy (where the company has its registered office) shall be competent in the first instance, unless the supplier expressly appoints a different competent legal official.
- 17.2 To the contract, as well as to all further contracts pursuant to it, resulting from it or connected with it, only Italian law shall be applicable, where the city of Catania is the place of court.

Date:.....

Company name:.....

Signature:.....

BIOrganic

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