

GENERAL TERMS AND CONDITIONS

effective from 1st November 2016

These General Terms and Conditions (hereinafter: the “Terms”) regulate the sales by Agroport-D Kft., a company having its registered seat at the address H-4033, Debrecen, Paptava u. 21, Hungary (hereinafter: the “Seller”), and constitute an inseparable part of every contract of export sale between the Seller and the Buyer regarding pelleted and unpelleted tobacco seed (hereinafter: the “Goods”) unless otherwise agreed.

1. ORDER

The Seller accepts orders in written form (e-mail, fax) and shall confirm with conditions also agreed to by the Seller.

2. SEED QUALITY

2.1 The Seller, as the owner of the varieties, declares that it produces the tobacco seed using vector net technology developed by it, in compliance with the relevant Hungarian regulations. The tobacco seed is produced on a field that had been supervised during the vegetation period by the authorities.

2.2 The quality of the tobacco seed, in addition to being supervised in the field, is also tested under laboratory conditions by NÉBIH (National Food Chain Safety Office), which issues a quality certificate for every seed lot.

2.3 The varieties of the Seller are not genetically modified, as is proved by the GMO certificate.

2.4 The pelleted tobacco seeds can be used within 8 months after the date of delivery, while the unpelleted tobacco seeds can be used 2 years after the date of sealing under proper storage.

3. TERMS OF DELIVERY

Agreed delivery terms are EXW Debrecen, Hungary in accordance with INCOTERMS 2000.

4. ACCEPTANCE OF GOODS

4.1 If Goods do not conform to the terms of agreement, the Buyer shall notify the Seller in written form within 3 days after taking receipt of the Goods.

4.1.1 If the Buyer fails notify the Seller within 3 days, then the Seller shall consider the Goods as accepted by the Buyer, and the Seller shall be exempted from all kinds of obligations arising therefrom.

4.1.2 If the Buyer notifies the Seller of any complaint in written form within 3 days after taking receipt of the Goods, then the Buyer may, at his discretion:

- refuse to accept these Goods and refuse to pay for them, or
- demand reimbursement of the amount paid, in case these Goods have already paid for, or
- demand replacement of poor quality Goods with proper quality Goods

4.2 In case of a complaint by the Buyer, the latter shall be required to store the Goods separately in order to ensure that its condition at the time of receipt acceptance can be determined subsequently by way of an expert investigation.

4.3 The Buyer shall be responsible for any expenses incurred in connection with the complaint if it proves to be unfounded.

5. LIABILITY

The Seller shall warrant to the extent of the purchase price that the tobacco seed conforms to the label description, quantity and the official certificates. There shall be no other warranties provided by the Seller.

Moreover, it is noted that the seed is a living product and its performance is affected by a large number of factors, many of which are beyond the control of both the Seller and the

Buyer. Accordingly, liability for damage from any cause with respect to seed purchased from the Seller is limited.

In the case of damage which can be proved unequivocally to be attributable to the Seller, the sole and exclusive compensation shall be the refund of the purchase price. In no event shall the Seller be liable for any consequential damages, including loss of profits.

The price of the seed is based on this limited liability.

6. PAYMENT TERMS

6.1 The full amount of the purchase price shall be due before the delivery of the Goods.

6.2 All bank costs related the bank transfer shall be paid by the Buyer.

6.3 Interest on late payment shall be charged on any outstanding amount at a rate of 0,4% per week until all sums due have been received in full.

7. FORCE MAJEURE

7.1 Force majeure shall mean all circumstances which could prevent performing the contract, and which are beyond the control of the Seller, including, without limitation, strikes, natural disasters, general shortage of raw materials, unforeseeable loss of production capacities affecting companies that the Seller depends on, delivery problems.

7.2 In case of force majeure, the Seller shall inform the Buyer immediately.

7.3 Both parties have the right to terminate the contract if the force majeure lasts over 2 months.

8. SETTLEMENT OF DISPUTES

8.1 All disputes and differences which may arise in connection with the given order shall be settled as far as possible by means of negotiation between the parties.

8.2 If the parties are unable to find a solution by means of negotiation, then it shall be subject to the exclusive jurisdiction of the Municipal Court of Debrecen or the Hajdú Bihar County Court, in accordance with the relevant rules of competence and jurisdiction.

8.3 All issues not regulated in these Terms shall be governed by the laws (the Civil Code) of Hungary.

9. THIRD PARTIES

These Terms reflect all wishes of the contractual parties in every respect of sale and delivery, which are in the order.

The parties declare that no third parties have rights or claims with respect to their rights and obligations in this legal relationship, and nor does any contract grant any such rights to third parties.

10. ACCEPTANCE OF TERMS AND CONDITIONS

The Buyer accepts these Terms by sending the seed order to Agroport-D Kft.