

GENERAL TERMS AND CONDITIONS OF SALE / ZERAIM GERERA

1. Definitions

- "Agreement" shall mean the supporting agreement or purchase order materializing the sale of Products from Zeraim Gedera to Buyer.
- "T&C" shall mean these general terms and conditions of sales.
- "Products" shall mean the products object of the Agreement, which features and capacities are specifically described in the Agreement, and which can be of the following kind: seeds, seedling, rootstock, young plants and ornamental plants of the following crops: cereals, corn, sunflower, rapeseed, sugar beet, vegetable crops and Flowers.
- "Flowers" shall refer to seeds, seedlings, rootstock, rooted and unrooted cuttings.
- "Delivery" shall refer to the shipment from Zeraim FCA (Incoterms 2010) to the agreed delivery point, unless otherwise provided in the Agreement. In case no delivery point should have been agreed, ZG shall be entitled to nominate the delivery point.
- "Zeraim" shall refer to the Zeraim Gedera contracting entity of the Agreement.
- The "Buyer" shall refer to the buying party to the Agreement.
- The "Parties" shall refer to Zeraim and the Buyer.

2. Applicability of these T&C

- These T&C shall apply to any Agreement, offer or order between Zeraim and the Buyer for the sale of the Products. Except for these T&C, no terms or conditions which the Buyer purports to apply under any purchase order, specification or similar document will form part of the Agreement.
- In case of any discrepancy between certain terms of the T&C and those of a previously signed distribution or purchase agreement, the terms of the distribution or purchase agreement shall prevail. All other dispositions of the T&C that do not contradict existing provisions of the agreements shall automatically apply.

3. Statement related to Genetically Modified Organisms

- (i) All the varieties currently sold by Zeraim have been created using traditional breeding methods without using genetic modification techniques leading to genetically modified organisms as defined in Directive 2001/18/EC on the deliberate release into the environment of genetically modified organisms.
- (ii) The methods used in the development and maintenance of those varieties are aimed to achieve high purity standards and to avoid the presence of off-types or genetically modified organisms.
- (iii) Seed production has been carried out in accordance with existing requirements related to marketing of varieties and seed production rules including specified isolation distances. Although unlikely, the risk of adventitious contamination during the seed production process cannot however be totally excluded.

4. Packaging and traceability of Products; and use of trademarks, signs and other indications

(i) Packaging

The Buyer shall not change or remove the trademarks, corporate or trade names and labels, bag tag, as well as any intellectual property right of any nature whatsoever belonging to Zeraim, from the Products' packaging, unless agreed upon by Zeraim.

(ii) Traceability

In all cases, Zeraim's Products shall have a batch number to ensure the Products' traceability. The Buyer shall ensure that all the Zeraim Products which it sells have a legible batch number. The Buyer shall also ensure compliance with the sell-by dates prior to marketing the Products. Consequently, the Buyer hereby acknowledges that any marketing by it of a Product, whose label, batch number, bag tag, sell-by date shall have been removed, erased or altered, represents a serious breach of these T&C and of the Agreement. Such breach can lead to the Agreement termination at the sole discretion of Zeraim, without any compensation whatsoever in Buyer's favor.

- (iii) **Use of trademarks, signs and other indication** Unless agreed otherwise in writing, the Buyer is not permitted to use trademarks, signs and other marks used by Zeraim, to distinguish its products from those of other businesses, with the exception of trading the Products in their original packaging on which trademarks, signs and other indications have been applied for by Zeraim. This provision shall also be imposed upon the Buyer's own buyer and to any subsequent buyers. Failure to comply with this provision is deemed a breach of the T&C.

5. Guarantee of conformity to Product specifications and conditions for conformity claims

(i) Guarantee

Zeraim shall make its best effort for the Products to conform to their specifications, provided that they are handled by the Buyer with utmost care. Products will comply with the applicable quality provisions of the European Seeds Association, International Seeds Federation Rules and Usages for the Trade in Seeds for Sowing Purposes (hereinafter "ISF") and the OECD Seed Schemes for the Varietal Certification or the Control of Seed Moving in International Trade and their national applications, and the national transposition of any applicable European directives on the marketing of seeds in as much as they do not contradict the present T&C (altogether referred to as the "Standard of Quality.") However, the Product specifications do not imply a warranty for a specific purpose. Whenever the Buyer notices that the Products do not conform to their specifications and/or Standards of Quality, it shall immediately inform Zeraim in accordance with the provisions of the article 5 b "Conditions for Conformity Claim"

(ii) Conditions for Conformity Claim

a. The condition and absence of conspicuous defect of the Products shall be checked by the Buyer upon reception of the Products. The Buyer shall bear the expenses and assume the risks related to such inspection.

- b. Any claim or reservation regarding differences in weight, defective packaging, errors in the numbers of parcels or packages, exterior appearance, moisture content, specific purity and specification of the seed including grading and coating, shall be made on the purchase order and on the carrier's receipt and confirmed by registered letter with acknowledgment of receipt, sent to Zeraim as soon upon first discovery of the defect and within a maximum eight (8) working days as from the delivery of the Products, with the exception of seed trays and young plants for which claims shall be submitted within 48 hours of their delivery. The Buyer shall specify and justify the nature of its claim or reservation, and designate the Products which are subject to said claim or reservation, in terms of volume, quality and price. The Buyer shall provide any and all document and supporting evidence of the defects. Zeraim reserves the right to make any observations and verifications on the Buyer's site, either directly, or through an agent. Consequently, the Buyer is bound to keep the disputed Products and shall provide Zeraim or its agent with every assistance in order to make the abovementioned observations and verifications.

(iii) Provisions only relating to vegetable seeds and Flowers

Aside from the above mentioned claim procedure, any claim or reservation in regards of the aforesaid grounds shall be made by the Buyer by registered letter to Zeraim with acknowledgment of receipt within the following time lines:

- when the defects relate to the germinating capacity of the seeds, the claim shall be made at first discovery of the inferiority and within a maximum of sixty (60) days after delivery of the seeds to the Buyer;
- when the defects relate to trueness to variety or varietal purity, the claim shall be made within normal delays of sowing and of control in the region within the country of the Buyer and, at the latest, within a maximum period of one year after delivery of the seeds to the Buyer.

- (iv) If the Buyer does not report the defects within the above-mentioned terms, the Buyer's claim will not be dealt with and its rights will become void, and Zeraim may no longer be held liable for the non-conformity of the Products.

6. Latent Defects Guarantee

- Latent defects for which the warranty may be exercised must exist at the time of Delivery. The transfer of risks of damages or loss takes place as from the Delivery, and transfer of title related to the Products takes place upon full payment of the Products. The Buyer shall initiate the warranty for latent defects as soon as he becomes aware of the existence of such defects. The Buyer shall provide evidence of such defects.
- Zeraim reserves the right to investigate on the Buyer's site, either directly, or through an agent and confirm the existence of the alleged latent defects. In this case, the Buyer shall provide Zeraim or its agent with every assistance in order to perform the above investigation.
- No action to enforce a warranty under these provisions may be initiated by the Buyer for defects appearing after the Products have been planted if the Buyer is unable to prove that it has legally acquired the disputed Products by providing invoices and/or certificates from the Service Officiel de Contrôle (SOC)/ NAK Tuinbouw, issued by Zeraim at the time of the sale.
- In the event the above conditions are not met, the warranty for latent defects shall not apply.
- If it is established that the delivered Products are defective, and subject to prior agreement of Zeraim and depending upon products' availability, the defective Products may either be recovered by Zeraim and replaced with similar or identical products, or subject to repayment.
- In all cases, Zeraim shall only be held liable in respect of the warranty for latent defects under the abovementioned conditions if the Buyer has used the Products in an ordinary course of business, has not modified them in any way whatsoever, and has stored, kept and handled them so as to ensure that they remain in a good state of conservation.

7. Liability

- (i) The Buyer undertakes to mitigate the damages for which the Buyer lodges a claim.

- (ii) Zeraim is liable under the present T&Cs only insofar as the Buyer demonstrates that he has followed reasonable agricultural practices and cultivation methods relevant to the weather and soil conditions. The Buyer explicitly acknowledges that the degree of growth of the crops resulting from and/or bred from the purchased Products, even if of the highest quality, depends to a decisive extent on the cultivation method, weather and soil conditions and the Buyer's knowledge.

- (iii) In the event of a justified and valid claim from the Buyer, Zeraim's liability shall be limited to the invoice value of the Products, excluding VAT, or the Products replacement in accordance with the Products availability without this giving rise to any indemnification or compensation, unless there is gross negligence or willful misconduct on the part of Zeraim. Zeraim shall in no cases be liable for any kind of indirect damage to the Buyer, including, but not limited to indirect and/or consequential damage or loss of profit. Furthermore, Zeraim shall in no event be liable for damages caused by alleged delays in the delivery of the Products. Any delivery dates specified by Zeraim are approximate only.

- (iv) In the event of an unresolved dispute between the Parties with regard to Standards of Quality, a (re) inspection can be carried out by the NAK Tuinbouw or the Station National d'Essais des Semences (hereinafter the "SNES"), at the request of one of the Parties, for the account of the party found to be in error. The results of this (re) inspection shall be binding for both Parties, without prejudice to the Parties' right to initiate a judicial claim.

- (v) Any possible damage claim pursuant to T&C shall be barred after one year has lapsed from the delivery of the Products, if such claim has not been notified to Zeraim in writing and sent by registered letter.

- (vi) Unless imperative laws apply, Zeraim may not be held liable, on the grounds of liability for defective Products as provided by Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulation and administrative provisions of the Member States of the European Union concerning liability for defective products as implemented as the case may be by national laws, for damages caused to property used by the injured party for professional purposes.

8. Terms of use of the Products and usage

- (i) A bag-tag setting forth the restrictions of use of the Products by the Buyer and the Buyer's buyers is included along with the Products' packaging and/or labelling. By opening the bag of Products and using the Products, the Buyer or further buyers confirm his/their commitment(s) to comply with these use restrictions. The Products delivered by Zeraim are exclusively intended for the growing of crops for human or animal usage and/or consumption. This Product and the packaging, is proprietary to Zeraim and/or its Affiliates or its licensors and is protected by intellectual property rights. The Buyer's use of the Products is limited to production of a single commercial crop of fresh produce, forage, fiber or grain for food, feed or processing to the exception of seeds and cuttings. Production shall exclude producing seeds for replanting or vegetative reproduction. Unless expressly permitted by law, use of the seed, including the parental lines that may be unintentionally contained herein, for research, breeding or molecular or genetic characterization is strictly prohibited. User has and shall acquire no rights in relation to parental lines that may be unintentionally contained herein. Non-compliance with these use restrictions is subject to prosecution. Buyer hereby agrees to enforce said restrictions and any further obligations that may be contained in such bag-tag, including the restrictions pertaining to the chemical seed treatment of the Products. Buyer further agrees not to remove the bag-tag off the Products' packages and or labelling. The same restrictions apply to the Buyer's buyers.
- (ii) Right of access and to inspect. The Buyer shall, if requested, give Zeraim access to the part of its business premises where the Products are located at any time, so as to enable Zeraim to inspect the usage of such Products. Zeraim shall notify the Buyer of its visit in a timely manner.

9. Force Majeure

- The latest International Chamber of Commerce force majeure clause is hereby incorporated by reference to apply to the present T&C.

10. Plant Breeders' Rights and Other Intellectual Property Rights

Buyer shall comply with the restrictions and limitations imposed on the Products by the UPOV Convention, hereby incorporated by reference. Buyer shall comply with these additional obligations:

- (i) If the Buyer finds a mutant in the Products, the Buyer shall report this immediately to Zeraim by registered letter. Upon request by Zeraim within a period of two (2) years after the detection of the mutant, the Buyer shall, as soon as possible after detecting the mutant, make available to Zeraim materials of the mutant for testing purposes and for any other purposes without charge.
- (ii) The Buyer indemnifies Zeraim for any damages Zeraim has incurred as a result of any violation of plant breeder's rights or other intellectual property rights.
- (iii) The Buyer undertakes to fully cooperate as desired by Zeraim, including cooperating with the collection of evidence, in the event that Zeraim is engaged in legal proceedings with regard to plant breeder's rights or other intellectual property rights.

11. Indemnification

- (i) The Buyer holds harmless and indemnifies Zeraim against any and all claims of third Parties for damages which have been caused by or are otherwise connected with any Products delivered by Zeraim, including claims filed against Zeraim in its capacity of producer of the Products pursuant to any arrangement with regard to product liability unless such damage is caused by gross negligence or willful misconduct on the part of Zeraim.
- (ii) The Buyer undertakes to subscribe to and maintain an appropriate insurance against claims arising from the indemnification provided for in the first paragraph of this article, and an insurance certificate shall be submitted to Zeraim at Zeraim's first request.

12. Definitions of Terms

The latest International Seed Federation (I.S.F) terms and definitions describing the reaction of Plants to Pests and Pathogens and to Abiotic Stresses for the Vegetable Seed Industry (hereinafter the "Terms") are hereby incorporated by reference. The meaning of the Terms in the Agreement and any related statement made by Zeraim shall be as provided by the I.S.F. If Zeraim adopts a proper term to define the reaction of plants to pests and pathogens and to abiotic stresses, Zeraim shall inform the Buyer of such term, and of its definition.

13. Applicable Law

Any agreement between Zeraim and the Buyer shall be governed by law of the country where the contracting Zeraim or its Affiliates entity is located, unless otherwise provided in the Agreement. In any event, the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded from these T&C. In the event of conflict between the I.S.F. rules and the T&C, the T&C shall prevail.