

GENERAL TERMS AND CONDITIONS FOR THE DELIVERY OF GOODS AND SERVICES BY "VAN DE BILT ZADEN EN VLAS BV"

APPLICABILITY

ARTICLE 1

- These general terms and conditions apply to all quotations made and agreements concluded by "Van de Bilt Zaden en Vlas bv" and all companies in which Van de Bilt Zaden en Vlas bv has a full and direct legal and economic interest of 100%, further referred to as **Van de Bilt**.
- The underlying general terms and conditions apply to all subsequent quotations made and agreements concluded with the other parties, irrespective of whether they relate to or follow on from previously made quotations or concluded agreements.
- Changes or additions to these general terms and conditions must be confirmed explicitly in writing by **Van de Bilt** and apply only to the particular quotation or agreement that the change or adaptation was made for.
- If and insofar as the general terms and conditions used by the third party are in conflict with these underlying general terms and conditions, the general terms and conditions of the other party do not apply.

QUOTATIONS

ARTICLE 2

- All quotations by **Van de Bilt** are made without any obligation, unless specifically stated otherwise in the quotation. Quotations are valid for one month.
- An agreement is made once **Van de Bilt** has confirmed in writing the acceptance of the other party's offer or order. Materialisation of the agreement can, however, also be proven by the parties using other means.
- The samples, specifications and the like supplied by or on behalf of **Van de Bilt** accompanying the quotation, remain the property of **Van de Bilt** and must be returned immediately by the other party if no agreement is concluded between both parties.
- If and insofar as a conflict arises between **Van de Bilt** and the other party regarding the goods and/or services delivered or the quality of these goods and services, **Van de Bilt** and the other party have the right to go to arbitration. The costs of the arbitration are at the expense of the party proven to be in the wrong.
- All prices quoted are excluding sales tax unless specifically otherwise stated.
- The other party vouches for the data, specifications, calculations and the like they supply.

SAMPLING AND CLAIMS

ARTICLE 3

- The sale of goods (including flax) is based on the sealed and certified samples sent to the other party. Within eight days after receipt of these samples, the other party or a specialist appointed by the other party has the right to inspect or have inspected, the quantity, quality and state of these samples of the goods which will be delivered. The costs of the inspection are fully for the expense of the other party.
- The selling party always has the right to replace the goods to be delivered if the other party complains about the quality of the samples and the selling party holds these complaints to be valid.
- All claims regarding the samples or the goods delivered, explicitly including complaints regarding the difference in quantity and quality of the delivered goods compared to the supplied samples, must be reported to **Van de Bilt** immediately after detection; in any case within eight days after the delivery of the samples or goods by means of a registered letter. Failure to do so, means that all possible claims that the other party can make within the aforesaid framework lapse and the other party is expected to have irrevocably and fully accepted the samples and goods delivered as well as their quality and quantity. Claims regarding failings in the invoice must be made known to **Van de Bilt** in writing within eight days of the -invoice date.
- Claims regarding the goods delivered leave the commitments of the other party intact with respect to those goods, previously delivered goods and goods still to be delivered. In all cases, the other party does not have the right to defer any payment commitments.
- If a claim declared by the other party is recognised by **Van de Bilt**, the latter party has the right to either credit the buyer for the invoice amount concerned or to replace the goods delivered.
- Delivered goods can only be returned after consultation with and the approval of Van de Bilt. No rights of whatever nature can be derived from such approval. The returned shipments are fully for the expense and risk of the other party.

PRICE AND PRICE ADAPTATIONS

ARTICLE 4

- All prices agreed are excluding sales tax.
- Van de Bilt** retains the right to increase the agreed prices if - after the agreement has been concluded, though before its execution - changes to one or more cost price factors give cause to an increase. This explicitly includes the interim fluctuation of the freight charges and other costs which are beyond **Van de Bilt's** control.
- Van de Bilt** shall in good time inform the other party in writing if **Van de Bilt** uses the above mentioned clause to implement price changes. In such a case, **Van de Bilt** shall dissolve the agreement at the other party's written request, if the price change results in a difference of more than 15% compared to the quotation in force.
- Unless otherwise specifically stated, all prices are quoted in Dutch Guilders.
- All prices agreed are excluding any possible freight or packaging charges.

DELIVERY AND RISK

ARTICLE 5

- Delivery takes place at the location and at the time as stated in the quotation or order confirmation. If the order confirmation does not contain a place or time of delivery or if there is no order confirmation, the delivery shall take place ex-works within 14 days after concluding the agreement. The term within which delivery has to take place, starts only once **Van de Bilt** has received all data, permits, instructions, documents, exemptions, allocations and supplies which may be required for the delivery or production and transport of the goods.
- Delivery takes place ex-warehouse but in any case, immediately preceding commencement of loading the goods into the means of transport supplied by or on behalf of the other party or by **Van de Bilt**. Reception of the above mentioned goods covers all visible faults, explicitly including the humidity percentage of the flax. Any other flaw must be reported to **Van de Bilt** within eight days in conformance with the stipulations in article 3.
- Unless specifically agreed otherwise, **Van de Bilt** has the right to deliver goods in phases, whereby each delivery will be invoiced separately.
- Van de Bilt** reserves the right to deliver the goods in full or partially before the agreed date.
- The other party is bound to purchase the goods ordered (on call) within 30 days after the date at which delivery ex-warehouse took place, as stated in the order confirmation.
- If the other party does not purchase the goods, not in time or at the agreed location due to the other party's inadequate co-operation or due to any other impediment by the other party, the other party is in default by force of law and **Van de Bilt** has the right to transport and store the goods at the expense and risk of the other party at a location designated by **Van de Bilt** from the place where and the time at which delivery should take place. In this case, **Van de Bilt** is entitled to compensation for damages suffered. This compensation amounts to at least 15% of the net invoice amount whereby the right to claim compensation for the excess remains in full force.
- If the goods have not been collected by the other party within two months of the delivery date, **Van de Bilt** is entitled to cancel the agreement which the delivery was based on, without legal intervention and to sell or repossess the goods to be delivered. In this case, the other party is liable to pay compensation amounting to the lost profit and all related costs. The compensation amounts to at least 15% of the net -invoice amount whereby the right to claim compensation for the excess remains in full force.
- The risk of loss, damage or the full or partial negation of the goods to be delivered is for the other party commencing at the time at which and the place where the delivery is due, in conformance with the agreement. The goods are considered delivered just prior to loading into the means of transport. Shipment of the goods to the other party is fully for the expense and risk of the other party unless both parties have specifically agreed otherwise. If **Van de Bilt** has insured the goods, this insurance only covers the value of the goods, in conformance with the stipulations of the insurance policy taken out by **Van de Bilt**.
- The specified term in which delivery should take place, is aimed for by **Van de Bilt** in all reasonableness and fairness, however, it is not binding.
- Exceeding the specified delivery term does not entitle the other party to postpone its commitments with regard to the agreement.
- Exceeding the term within which delivery should take place, never results in liability for **Van de Bilt** for -direct or indirect consequences of the late delivery.
- The charges relating to the delivery of goods, such as costs for transport, insurance, obtaining the -required documents and permits, packaging, hoisting, loading and unloading are for the other party's -expense, unless both parties have specifically agreed otherwise in the agreement.

RETENTION OF OWNERSHIP

ARTICLE 6

- To ensure correct and full performance of the commitments of the other party, **Van de Bilt** retains ownership of the delivered goods until such time that the other party has met its commitments. The commitments include all commitments relating to the reciprocation owed to **Van de Bilt** relating to:
 - items delivered or to be delivered under this agreement;
 - work to be carried out for the benefit of the other party under this agreement;
 - claims due to shortcomings in the fulfilment of this agreement.
- If **Van de Bilt** has claims against the other party which carry retention of ownership as well as claims against the other party which do not carry retention of ownership, any payment by the other party goes -towards the claim not carrying retention of ownership.
- If the claims carrying retention of ownership on the delivered goods have been fully met by the other party, **Van de Bilt** retains when supplying the ownership of the delivered goods, - if so desired - a non-possessory right of lien to secure the present and future claims by **Van de Bilt** on the other party.
- In this case, the other party is bound to co-operate to establish this non-possessory right of lien under penalty of a directly claimable fine (not subject to moderation) totalling 50% of the net invoice amount for the delivered goods on which ownership is being retained.
- As long as the ownership of the delivered goods has not been transferred to the other party, the other party is not allowed to transfer the ownership of the goods, to mortgage in rem or under the law of obligations or to alienate, under whatever title.
- As long as the ownership of the delivered goods has not been transferred to the other party, the other party is bound to store the delivered items, if the goods are exclusively determined by sort and weight, separately and in an easily recognisable form.
- As long as the ownership of the delivered goods has not been transferred to the other party, the other party has the right to process or manufacture the items as part of his normal conduct of business, sell or hand over to third parties provided

that in the case of resale, he retains the ownership of the -delivered goods (not his buyer) or pays **Van de Bilt** the owed purchase price immediately or at **Van de Bilt's** first -request, supplies Van de Bilt the right of lien on the claim on his sale.

- Van de Bilt** has the right to repossess the goods on which ownership is being retained, if the other party is in default against **Van de Bilt** in fulfilling any commitment or has payment difficulties in **Van de Bilt's** -opinion.
- If this situation arises, the other party now gives **Van de Bilt** the irrevocable right to enter the company buildings of the other party either in person or by a third party designated by **Van de Bilt** to -enable **Van de Bilt** to repossess the delivered goods or in case **Van de Bilt** wants to check the actual presence of the -delivered items in the company buildings.

REPLACEMENT

ARTICLE 7

- Faults which are fully or partially the result of a processing method outlined by the other party, by construction or manufacturing outlined by the other party or caused fully or partially by a supplier, consultant or assistant appointed by the other party, are fully for the expense and risk of the other party.
- All faults which can be fully or partially traced back to:
 - improper treatment by the other party;
 - improper storage by the other party allowing the delivered goods to be stored for too long or -exposed to the effects of humidity, pollution, high and low temperatures;
 - use, processing or manufacturing of the delivered goods into a product that does not meet the applicable norms, guidelines and the like;are fully for the expense and risk of the other party.
- Van de Bilt** has the right to correct the faults in the delivered items as desired by full replacement of the delivered goods. Van de Bilt can also fulfil the agreement by refunding the price.
- Van de Bilt** is not bound to replace the goods delivered during the period in which the other party is in -neglect in fulfilling any commitment resulting from the underlying agreement or any agreement -relating to this one.
- Any liability against the other party with respect to faulty delivery is at all times limited to the above -mentioned commitments.

LIABILITY

ARTICLE 8

- Without prejudice to the stipulations in article 3, **Van de Bilt's** liability for all direct costs and damages, in any way relating to or caused by a fault or shortcoming in the execution of the agreement is at all times limited to the net invoice with respect to the order.
- Van de Bilt** is never liable for any indirect costs and indirect damages, in any case including consequential damage, in any way relating to or caused by a fault or shortcoming in the execution of the agreement.
- The other party indemnifies **Van de Bilt** against all claims by third parties for compensation of -damages or otherwise which directly or indirectly relate to the execution of the agreement between **Van de Bilt** and the other party.

FORCE MAJEURE

ARTICLE 9

- If and insofar as **Van de Bilt** cannot meet its commitments resulting from the agreement, not in full, not in time or not at the agreed location as a result of circumstances beyond the control of **Van de Bilt**, **Van de Bilt** is entitled to either cancel the agreement in question without legal intervention and without being liable for damages on that account or to postpone the commitments from the agreement in question for a period deemed reasonable.
- The causes which **Van de Bilt** is not accountable for include items such as: all unforeseen stagnations in **Van de Bilt's** enterprise with respect to the regular processes or in the enterprise of a third party supplying goods or services to **Van de Bilt**, as well as evident changes in the actual circumstances since the realisation of the agreement which directly or indirectly influence cost price factors or -delivery possibilities, as well as causes for which **Van de Bilt** is not accountable, including: fire, water damage, exceptional weather conditions, disasters, war, threat of war, contagious diseases, -government measures, riots, -molestation, strikes, exclusions, work-to-rule, defects to machines or installations, interruption, stagnation in the supply or rationing of raw or additional materials and fuels, the non-compliance of a commitment by a third party supplying goods or services to **Van de Bilt**.
- If one of the above mentioned circumstances occurs, **Van de Bilt** will inform the other party as soon as possible submitting the available proof.

PAYMENT

ARTICLE 10

- All payments must take place within 60 days of the invoice date, without any right to settlement (also in the event of bankruptcy) at the offices of **Van de Bilt** or by payment into a bank account designated by Van de Bilt.
- If the other party has not paid within the above mentioned term, he is in default and no proof of default is required.
- If the other party has not paid within the above mentioned term or not within the agreed term, he is in -default by force of law and **Van de Bilt** has the right - without further injunction or proof of default - to charge the other party a 2% interest rate per month from the date of maturity until the date of full payment whereby **Van de Bilt's** other rights remain in full force.
- All costs incurred by **Van de Bilt** as the result of the other party's non-, late or inadequate compliance with any commitment from this agreement are for the other party's expense. These costs include the costs of injunctions, notice, collection and bailiffs, as well as costs resulting from currency losses and costs for a lawyer and attorney and all other extrajudicial and judicial costs. These costs are set by **Van de Bilt** and the other party at a minimum of 15% of the sum total. The other party is in default in case of non- or inadequate compliance.
- If and insofar as the other party is in default with the payment, as well as in case of a bankruptcy, a -request for temporary suspension of payment and close down or liquidation of the company, all claims by **Van de Bilt** on the other party immediately mature.
- Van de Bilt** reserves the right to demand full or partial pre-payment of the agreed price.
- At **Van de Bilt's** first request, the other party is bound to give surety or a bank guarantee for all monies owed to **Van de Bilt** resulting from this agreement or otherwise.
- Van de Bilt** has the right to compensate any due demands by the other party on **Van de Bilt** with all monetary claims by **Van de Bilt** on the other party.
- Van de Bilt** has the right to postpone delivery until the other party has met all commitments towards **Van de Bilt** or any legal person belonging to the **Van de Bilt** group.

APPLICABLE LAW AND FORUM CHOICE

ARTICLE 11

- Dutch law applies to all agreements between **Van de Bilt** and the other party.
- All disputes arising from the agreements between **Van de Bilt** and the other party which are not within the cantonal judge's competence, must initially be taken up with and tried by the district court in Middelburg (The Netherlands).