

TERMS AND CONDITIONS
to Maize Sale & Purchase Agreement
(Version No.: 2019/01)

1. General Provisions

These Terms and Conditions constitute the part of every individual Sale & Purchase or Supply Agreement arranged between HUNGRANA Keményítő- és Izocukorgyártó és Forgalmazó Kft., (2432 Szabadegyháza, Ipartelep) (hereinafter: Buyer) and Seller. Seller's differing and/or other stipulations shall be valid only with Buyer's case written acceptance statement.

The maize subject to this Sale & Purchase is governed by Act CXXVII of 2007 (amended by Act XLIX of 2012), Section 276 and Annex 6/A, therefore, this Agreement is subject to reverse taxation, thus Buyer, as taxing subject shall pay the VAT. Parties set forth, however, that if the personal scope of this Act does not cover Seller, then the invoice shall be issued, and the purchase price shall be paid according to the actual laws in force.

Parties expressly underline, that obviously commodity future specified by type and quantity, pursuant to Civil Code (Ptk.) Sec. 6:231, sub-type of Sale & Purchase Agreement has been arranged between them, and their intention is to conclude that, and they acknowledge, that Parties shall obtain the Annexes to the Agreement pursuant to EU and domestic provisions of laws, which shall not change the name, type and legal status of the Agreement.

Seller unconditionally warrants that any goods subject to this Agreement is free of any burdens or encumbrances. Seller unconditionally warrants further, that any goods subject to this Agreement are not subject to enforcement in part or in whole, nor is under court or criminal closure, nor any third party has any title on them.

2. Place & Date of Performance

2.1 The date of performance is the day when Buyer credibly received the goods at the place of performance (by actual hand-over or through transfer of title statement).

2.2. The place of performance is determined in the Sale & Purchase Agreement, including that the arising expenses shall be borne by which Party.

2.3. The transfer of risk of damages is determined by the parity.

3. Quality and Quantity requirements

3.1. Qualitative requirements

3.1.1. Seller hereby declares, that the goods to be sold originates from seeds officially distributed in Hungary, not contaminated with gen-manipulated organisms (GMO) (48/2004. (IV.21.) FVM Decree, Sec. 52/A, its tracking is ensured and documented, and complies with the provisions of 178/2002/EC Decree, Art. 18. Seller shall credibly certify the origin of the seeds on Buyer's request in writing. It declares further, that during the breeding season, no ripening accelerator or desiccant chemicals were applied. Seller declared the above being aware of its indemnification liability.

Seller may store GMO critical products next to the non-GMO maize only in the event the goods are certified to be GMO-free, or may be properly isolated. List of GMO critical products: alfalfa, rape, carnation, chicory, cotton, speargrass, linseed, lentil, maize, melon, papaya, plum, potato, rice, soy, pumpkin, sugarbeet, tobacco, tomato, wheat. In case of DAP parity, those cargo vehicle, where the previously transported product was GMO critical organism, must be properly cleaned prior to delivery.

3.1.2. The product must meet the requirements of MSZ 12540-98 standard, unless it would be in contrary to the relevant EU regulation. The goods must be healthy, free of living and died pests, must not be deteriorated, mouldy, warmed up, muggy or alien odour. The product must not contain (even due to its potential mixed condition) the seeds of cereal grains. In case of feed corn dry according to the season, the humidity must be max. 28%.

3.1.3. The goods must comply with the actual healthcare and plant protection requirements, and provisions of Act XLVI of 2008 on Food product chain and administrative supervision, and 65/2012 (VII.3.) VM Decree on the enactment of Act CXIX of 2001 on the Detailed rules of producing, distribution and use of forage, as well as the relevant provisions of the 44/2003. (IV.26.) FVM Decree on the mandatory requirements of the Forage Code. The DON-toxic content of the delivered goods shall not exceed the value of 2.0 mg/kg. Its aflatoxin content must be lower than 3.0 ppb per cargo. The delivered goods must not contain any dioxin. In case of dry maize: Seller hereby declares by undertaking penalty payment and indemnification obligation, that the goods handed-over to Buyer has been dried at all times, even in case of harvesting at low humidity. Buyer may check the performance of drying in laboratory.

3.1.4. Seller acknowledges, that the goods must concurrently comply with all quality requirements per each delivery. Buyer and its agent may refuse to accept maize with quality other than as stated above in any phase of the acceptance procedure, or, based on its choice, may arrange the options to accept with Seller.

3.1.5. Buyer reserves the right to request preliminary quality check documentation service from Seller regarding each individually determined quality parameters of the goods. Buyer may refuse to accept the goods and apply the legal consequences stipulated in this T&C in the event of non-performance if Seller fails to provide the requested documentation. Buyer is entitled to determine the requirements related to the documentation (right to issue, form, validity).

3.2. Determination of Quantity and Quality

3.2.1. DAP parity

In case of delivery to a destination determined by Buyer, the weight certified on the balance weight ticket issued based on the empty/full scaling at the destination is deemed final. The basis of weight settlement is the settlement issued by Buyer and accepted by Seller based on the balance weight ticket. In case of wet maize, the final weight is determined by the result of the humidity measurement using dry-rack in Buyer's laboratory.

In case of delivery to destination determined by Buyer, cargo vehicles exceeding the gross total weight of 40,500 kg shall not enter Buyer's area, and Buyer may refuse to accept the delivery. The weight limit is checked on Buyer's validated scale. Seller shall take care of observing the weight limit. Costs arising due to failing to observe the weight limit shall be borne by Seller.

The quality check of goods delivered to the destination determined by Buyer is performed at hand-over, by sampling per cargo vehicle. Buyer performs inspection and instrumental

measurement on every delivery unit. Buyer primarily checks the sample taken in its own laboratory to learn whether the quality of the delivered product complies with the quality parameters stipulated in this Sale & Purchase Agreement. In certain cases, Buyer may check the quality through a quality inspector assigned by it, however, the basis of Parties' settlement will be the test result of the sample taken at all times.

If justified by quality features that can be determined only later (eg. checking residual chemicals, etc.), or quality reasons arising later, becomes necessary due to potential complaints, then Buyer may also avail the test of third-party, independent laboratory.

If, in the course of the inspection and the instrumental quick test, the quality of the delivery provided at hand-over does not comply with the quality category provided in the Terms and Conditions, the quality requirements assigned to it above, Buyer may stop the delivery and refuse to accept the goods.

In disputes regarding quality, the sample taken from the disputed quality item, which was taken by Buyer or the assigned quality inspector at delivery at their own or hired site, in an independent laboratory chosen by Buyer, upon Buyer's assignment, is tested and both Parties acknowledge its result as mandatory on themselves. The costs of the test shall be borne by the unsuccessful Party.

3.2.2. FCA parity

In case of public road, railway transportation, the weight certified on the Delivery Note and stated on the Waybill on the basis of the empty/full scaling at the lading-in site on a validated scale is deemed final. The basis of the weight settlement is the weight stated on the Delivery note. If the lading-in site does not have a scale of min. 60 tons capacity, then Seller shall acknowledge the weight measured at the recipient/lading-out site as final weight, or, in a separate agreement, Seller ensures a scaling opportunity near the lading-in site, and Seller shall bear the expenses potentially arising in this regards (scaling costs, transportation cost arising due to the increased distance, etc.). Seller shall provide the licence plate numbers of the cargo vehicles and the lading-in weight on the business day following the deposit latest until 10am in writing (e-mail) to Buyer.

Buyer undertakes to invite the quality inspection body required by the delivery provisions for the lading-ins. During the lading into the cargo vehicles at the lading-in site, sampling is performed per each vehicle. The quality inspector performs inspection and instrumental test on every delivery unit. Buyer may also check the sample taken in its own laboratory to learn whether the quality of the delivered product complies with the quality parameters stipulated in this Sale & Purchase Agreement. In such case, the test result will be the basis of their settlement.

If justified by quality features that can be determined only later (eg. checking residual chemicals, etc.), or quality reasons arising later, becomes necessary due to potential complaints, then Buyer may also avail the test of third-party, independent laboratory.

If, in the course of the inspection and the instrumental quick test, the quality of the delivery provided at hand-over does not comply with the quality category provided in the Terms and Conditions, the quality requirements assigned to it above, Buyer may stop the delivery and refuse to accept the goods.

In disputes regarding quality, the sample taken from the disputed quality item, which was taken by Buyer or the assigned quality inspector at delivery at their own or hired site, in an

independent laboratory chosen by Buyer, upon Buyer's assignment, is tested and both Parties acknowledge its result as mandatory on themselves. The costs of the test shall be borne by the unsuccessful Party

3.2.3. Common Rules on all Parities

In all cases, Seller shall ensure that the quality of goods comply with the provisions of this Agreement, the actual Hungarian and EU laws. Seller shall obtain the documents certifying the quality.

If, based on the quality test result, the goods do not meet the requirements of HUNGRANA, the EU or Hungary, since they have such parameters, or contain such chemical residuals (eg. pesticide) or alien materials etc., that it must not be distributed or processed in the territory of the EU or Hungary, and the quality can not be improved by simple sieving, cleaning, then Seller's performance is defective, and shall return the goods and provide new goods instead of it. Taking into consideration, that these quality parameters of the goods may be learnt only by time-consuming expert's test, the forfeiture deadline to quality acceptance or performance are not applicable here.

Buyer – in case of prior agreement – may accept the cargo of such vehicles, whose certain quality parameters differ from the Agreement, however, if this cause deterioration of goods during the storage in the delivered or warehoused goods, or they do not comply with the contractual quality parameters at storing-out, Seller shall be liable for that.

In the event of return/replacement of goods due to deficient performance, if the title is meanwhile transferred to Buyer, Seller shall account the goods from accounting aspects, and instead of the defective goods, shall deliver excellent goods meeting the requirements, and invoice them as a new delivery. All extra expenses arising from the return of goods and delivery of new goods, including the invoicing and transportation costs, shall be borne by Seller. If Seller is unable to replace the goods, it shall indemnify Buyer's damage in full, including the damage and additional expenses arising during its cover purchase.

In the event Parties agreed in final report deadline, and such final report is not conducted until the provided deadline, then Buyer may take the goods within the deadline extended with the delay compared to the final delivery deadline, but min. 10 calendar days. If Buyer is unable to take the goods due to its contamination with pests, Buyer is entitled to extend the final delivery deadline with the time required to gas the goods including the quarantine period provided by the relevant Decree, and the expenses arising in this regards shall be borne by Seller.

4. Sustainability, Monitoring (if Seller undertakes that in the Sale & Purchase Agreement):

4.1. Seller hereby declares, that it delivers only such goods to Buyer, that comply with the sustainability criteria provided in the **Directive 2009/28/EC on the Support of energy produced from renewable energy sources. Seller hereby declares, that the goods delivered by it, pursuant to Act CXVII of 2010 on the Promotion of using renewable energy in traffic and reduction of greenhouse gases in traffic, 279/2017. (IX. 22.) Government Decree on the Sustainability requirements and certification of bio-fuels and liquid bio-energy sources, and 42/2010. (XII.20.) VM Decree on the Detailed rules of area segmentation of bio-fuel base materials for sustainable production**, are deemed sustainable.

4.2. Seller undertakes to provide the documents certifying the compliance in accordance with Clause 4.1. Seller shall make these documents available to Buyer when handing-over the product, but latest when issuing the invoice or purchase receipt, as their annex. If the properly issued certification is not received by Buyer until the provided deadline, or not submitted as an annex to the invoice, Buyer may retain the transfer of the purchase price until Seller provides the properly issued certificate. The type of certificate to be provided by Seller to Buyer: ISCC-EU.

If Seller distributes goods originating from its own production, then Seller shall submit the following documents as payment documents:

- ***ISCC EU Farm Statement***
- ***Statement on Land***
- ***The following pages of the actual year's Uniform Area based Request:***
- ***Table Data page***
- ***Total areas per utilization data, and total areas per block use***

If Seller distributes goods not originating from its own production, but acquired from commercial traffic, then (unlike above) Seller shall submit the following document constituting the annex to the respective Agreement as payment document:

- ***Declaration of Sustainability (ISCC EU)***

Buyer, as necessary, may also request from Seller the documents certifying the origin of purchase and monitoring of goods. Seller shall provide the requested documents (eg. spraying report, data on seed, table register, gassing data, etc.) within 2 business days to Buyer. Seller consents to make Buyer perform a comprehensive audit on Seller's site regarding the checking of sustainability if deemed necessary by Buyer anytime. Seller undertakes to promptly notify Buyer if it observes any change regarding the sustainability of any product to be distributed.

If according to the laws in force, Seller shall register the particular delivery into the EKAER system, it shall record the time of arrival to the acceptance place (on the EKAER interface: 'report Goods arrival time'), latest until the deadline provided by the laws in force. On the Delivery Note to be issued by Seller, the EKAER number shall be stated in an identifiable manner. If any authority applies sanction against Buyer due to the non-performance of any obligations set out herein, Seller shall reimburse Buyer's all damages arising in this regards.

5. Settlement

Seller hereby acknowledges, that if it or its affiliated company has due liability against Buyer, then Buyer is not required to fulfil its payment obligation until the settlement of such debt, or may account it into the purchase price. Buyer is entitled to enforce its claim remaining after such settlement accounting. Retaining payments under this title, or the non-performance of the Agreement under this title shall not mean breach of contract on Buyer's side, and the legal consequences related to default or breach shall not apply against Buyer either (eg. interest rate, penalty, indemnification obligation, etc.).

6. Force majeure

6.1 Contracting Parties shall be mutually exempt from their obligation against each other, if the delivery of goods is hindered or delayed by unexpected and unavoidable (force majeure) causes arising in the period following the conclusion of the Agreement continuously for more than two months. Force majeure events include, but are not limited: earthquake, lightning, flood, fire, hurricane, hail-storm, war, revolution, strike, sabotage, administrative interventions, seizures, import and export embargo. Wild animal damages, inland water, frequent raining, drought or any weather condition affecting the production are not deemed force majeure events. In case of force majeure and similar events, the competent Party who wishes to refer to force majeure event, shall promptly notify the other Party in writing when such event arises, and then send the official certification on force majeure event.

6.2 If Parties arrange and agreement not on production or distribution of agricultural product, or Seller's self-produced product in the present or in the future, but on the sale & purchase of already harvested or commercially available goods, then the force majeure clause shall not apply on hindrances occurring during the production process, only to those of related to the obligation of the actual hand-over of goods.

7. Penalty

Contracting Parties acknowledge, that they shall fulfil their obligations undertaken on the basis of the Agreement at all times. Taking this into consideration, in the event Seller fails to hand-over the goods in the quantity and quality provided in the Agreement, it shall pay penalty. The amount of penalty is the 20% of the purchase price, but min. 5,000 HUF/ton. The authorized Party may also claim for its actual damages exceeding the penalty. No penalty may be used as a sanction for payment default.

8. Severability

Should any clause of this Agreement become invalid or unenforceable, it shall not affect the remaining clauses. The ineffective or unenforceable clauses shall be replaced by primarily such effective and enforceable terms, that are as close to the original clauses from legal or business aspects as permissible by the laws.

9. Effect of Terms and Conditions

With respect to matters not regulated in the Agreements between Seller and Buyer, these Terms and Conditions, the relevant laws in force, and the provisions of the Civil Code shall apply. These T&C are available online at: www.hungrana.hu, T&C version No.: HUN-AV ÁSZF-2019/01

10. Competent Court

The Hungarian laws shall apply on this Agreement. In the event of dispute, Parties, depending on the litigation value, submit to the exclusive jurisdiction of the Székesfehérvár Local Court, or the Székesfehérvár Superior Court, respectively.

11. Final Provisions

11.1. Should final liquidation, final accounting or bankruptcy proceeding is initiated against Seller, or based on Buyer's judgement, its financial condition, liquidity has deteriorated, then Buyer is entitled to withdraw from this Agreement, whereas Seller is not entitled for any indemnification or other reimbursement regarding such withdrawal.

11.2. If Parties communicate by post, and the recipient fails to receive the registered mail in spite of the post's notification, Parties deem the mail received on the 5th day following its submittal. Denial of a mail is deemed the reception thereof. If Parties' provided contact details have changed, then they shall notify each other in this regards. In the event failing to provide such notification, the expenses arising on the consignor's side regarding searching the new contact details shall be borne by the other party.

11.3. Parties set forth, that from the date of the conclusion of this Agreement, they acknowledge contact keeping in e-mail as valid written communication between each other.

11.4 Upon signing this Agreement, Seller acknowledges that Buyer retains its personal data for contractual performance purposes for 5 years from the termination of the Agreement according to the relevant laws. Seller further acknowledges, that the organizations and persons conducting Buyer's financial audit check the content of the Agreement, thus access to Seller's personal data contained therein. Buyer undertakes to provide additional information to Seller within 25 days on the data processing related to the Agreement as requested by Seller.

11.5. Seller hereby declares, that it has learnt the content of the Terms and Conditions, and expressly accept and acknowledge it by its signature. Should these Terms & Conditions and another condition of the Agreement differ, the latter shall become the part of the Agreement.

Dated: Szabadegyháza, 1st July 2019