



PALMELIT'S GENERAL CONDITIONS OF SALE (GCS) FOR CIRAD® OIL PALM SEEDS

ARTICLE 1: SCOPE OF THE GCS

These GCS apply to the following planting material marketed by PalmElit: CIRAD oil palm seeds (dry seeds, preheated seeds, or germinated seeds) which are exclusively intended for oil palm growing (hereinafter referred to as "**Products**").

Unless a formal waiver is obtained from PalmElit, Product orders (hereinafter referred to as "**Orders**") sent to PalmElit by any client (hereinafter referred to as "**Client**") are subject to these GCS, irrespective of any other clauses that might figure on the Client's documents. Consequently, by placing an order with PalmElit for Products, the Client accepts these General Conditions of Sale, automatically and without reservation, which bind the Client contractually.

These GCS supersede, where applicable, all provisions of any earlier general conditions of sale or purchase existing between PalmElit and the Client.

Should PalmElit, at any given moment, decide not to avail itself of any of these general conditions of sale, this shall not be interpreted as amounting to an express or tacit surrender of its right to avail itself of any of the said conditions at a later date.

ARTICLE 2: ORDERS

In order to be valid, all orders must reach PalmElit in writing (by email, letter or fax) and be accompanied by a valid PalmElit offer, quotation or pro forma invoice signed by the Client.

Any order is subject to PalmElit's acceptance.

Such acceptance shall only be deemed to have been given once:

- PalmElit has received from the Client the whole or partial advanced payment, or has formally granted specific credit, or has accepted payment by letter of credit whose terms are acceptable to PalmElit.
- PalmElit has indicated its acceptance by sending acknowledgement of the received order.

PalmElit's acceptance of an order is given subject to technical, meteorological and production incidents which constitute events of force majeure in accordance with the provisions of article 11 below.

Once an Order has been accepted by PalmElit, no cancellation of the Order by the Client, in part or in whole, may be taken into account.

ARTICLE 3: PRICES - PAYMENT

3.1 Price

Product prices are indicated on the offer, quotation, or pro forma invoice and are exclusive of tax. Unless otherwise specified, these prices include packaging/conditioning, and instructions for Product use. The prices may or may not include delivery and insurance costs depending on the Incoterm chosen and indicated on the pro forma invoice.

3.2 Payment

The price stipulated above is to be paid by the Client in euros.

PalmElit may refuse to honour Orders by the Client, or suspend deliveries, notably in the event of a default or absence of payment of down payments or of the balance when due.

Unless otherwise stipulated, the Client shall pay for sales as follows:

- 30% down payment on placing the Order
- The balance, i.e. 70% of the Order, shall be paid, at the latest, 40 (forty) days net prior to the dispatch date indicated on the Order acknowledgement slip.

New Clients are required to pay 100% of the cost at the time of ordering.

Under all circumstances, invoices are to be paid to PalmElit head office. Payments are to be made by bank transfer or any other means of payment determined by PalmElit in compliance with the deadline – the Client must take all steps to ensure that payment is effective on the same date. Invoices shall be considered settled once the amount indicated on them has been definitively credited to PalmElit's bank account.

The Parties expressly agree that banker's costs for international transfers shall remain exclusively the responsibility of the Client.

In the event of late payment by the Client beyond the agreed deadline, and immediately from the day following the date of payment stipulated on the invoice, interest on overdue payment, at the interest rate applied by the European Central Bank, incremented by 10 percentage points on the tax inclusive acquisition price figuring on the said invoice, will be automatically acquired by the Vendor by right, without any formalities or prior formal notice, in compliance with Article L 446-1 of the Commercial Code. Such interest shall apply from the day of the deadline until total payment of the amount due.

The interest for overdue payment will be incremented by a lump sum compensation of 40 euros for recovery costs, in accordance with the provisions of articles L.441-3 and L.441-6 of the Commercial Code.

In addition, non-payment of a single invoice shall, by right, render immediately payable the sums of other invoices remaining due to PalmElit, with all the sums in question being subjected to the same provisions defined above.

In the event of a failure to respect the payment conditions set out above, PalmElit reserves the right to suspend or cancel the delivery of orders under way and, more generally, to suspend the execution of its obligations.

ARTICLE 4: DELIVERY

4.1 Incoterm

Deliveries are made in compliance with Incoterm 2010 (defined by ICC – International Chamber of Commerce) as indicated on the pro forma invoice.

4.2 Lead times

The lead times for the release or delivery figuring on the pro forma invoice are indicative only and are subject to PalmElit's supply and transport possibilities.

Such lead times will be governed by the time at which the Order is accepted and confirmed to the Client further to the said acceptance.

Late deliveries shall not give rise to damages or deductions, or to cancellation of on-going orders, subject to application of the following article on force majeure.



However, if the Product has still not been delivered three (3) months after the delivery date that was confirmed after acceptance of the Order, for any reason other than force majeure, the sale may, in that case, be rescinded at the request of either party by registered letter with recorded delivery: where applicable, the Client may recover any down payment, to the exclusion of any compensation or damages.

In all hypotheses, the delivery date can only be respected if the Client has fulfilled all its obligations towards PalmElit, whatever the causes.

A delay or any other problem affecting a delivery shall not be considered a legitimate reason for the Client to postpone or fail to fulfil its own obligations relative to other deliveries.

4.3 Methods of delivery

PalmElit is authorized to proceed with total or partial deliveries.

Products will be dispatched in packaging providing the maximum guarantees of protection and preservation for this type of planting material.

PalmElit will choose the means of transport it finds the most reliable and appropriate. However, the Client will have the possibility of adopting the transport of its choice, at its own expense and taking care of its organization. PalmElit will then confirm the costs associated with the exporting formalities, where applicable.

Products will be accompanied by the documents needed for customs clearance, insofar as PalmElit has been informed of the documentary and customs requirements by the Client one month prior to the dispatch date. As the legal documents for export are only issued by the relevant authorities in the country of origin on the day of dispatch, PalmElit will, on the same day, send the Client an email with a letter of release including a copy of the same documents required for customs clearance, along with confirmation of the flight times.

The Client is responsible for obtaining any permit or authorization required for Product imports from any relevant authority. The Client agrees to respect all legal and regulatory provisions relative to the Products applicable in the import territory. The Client agrees to report immediately to PalmElit any fact it may be aware of that might constitute or induce the infringement of a law or regulation by itself or by PalmElit.

In the event of a sale under Incoterm CIP, the risks pertaining to the Products shall be transferred to the Client once they have been released by the airline to the destination airport services for the customs clearance process.

For all other sales, it is the Incoterm indicated on the PalmElit invoice that applies for determining the transfer of risks pertaining to the Products.

As of the date-time of release, the Client must organize and cover the costs pertaining to customs clearance, reception, removal and transportation of the Products, within a maximum period of seventy-two (72) hours.

ARTICLE 5: GUARANTEE

As the Products require special care, it is up to the Client to ensure that the necessary and adequate know-how and structures are available on their receipt for the storage and germination of dry or preheated seeds and the immediate planting of germinated seeds (adapted prenursery, etc.).

The Client must also ensure the participation of qualified personnel to deal efficiently with the Products.

PalmElit will provide the Client with advice on use if the Client so requests.

PalmElit hereby commits to supply oil palm seeds derived from its breeding programme, in optimum physiological and phytosanitary condition.

PalmElit guarantees that dry seeds will have been harvested less than 12 months and preheated seeds less than 16 months at the time they leave the station. This guarantee has no relevance for germinated seeds.

A security batch amounting to a percentage of the total quantity ordered by the Client will be added to each seed Order. It will be defined in the offer sent to the Client and will form an integral part of it.

For dry or preheated seeds, PalmElit guarantees a germination rate of 85% provided the Client applies an adequate germination process and can prove that to be the case. Calculation of the guarantee quantity is based on the quantity ordered. Thus, for a hypothetical Order of 100,000 dry seeds delivered, with a 5,000-seed security batch, the guaranteed quantity of germinated seeds will be 85,000.

A control batch will be kept at the producing station and will undergo germination. PalmElit hereby agrees to provide the Client, on request, with the results obtained for the control batches.

Details of Products figuring in brochures or documents provided by PalmElit or on the PalmElit Website are only indicative.

ARTICLE 6: CLAIM PROCEDURE

Under no circumstances may a Client avail itself of a dispute before the courts to suspend payment of its order.

6.1 Transport-related damage to Products

At the time of release, such as defined under ARTICLE 4, the Client or its agent is required, subject to preclusion, to take a reading of the recording thermometer and to check the condition of the packages containing the Products. The standardized recording thermometer is placed in packing case No.1 of each seed shipment.

If there is visible or suspected damage, or if temperatures below 5°C or over 35°C have been recorded, the Client must:

- a. clearly indicate any reservations on the airway bill and/or last delivery slip
- b. within 3 days of the arrival of the flight (excluding public holidays), call in the damage surveyor indicated on the insurance certificate, or obtained from PalmElit
- c. procure a damage assessment statement from the transporter
- d. take photographs of apparent damage
- e. inform PalmElit immediately, to agree on the best procedure for preserving the products as well as possible, and send a copy of the temperature recording and of the photographs of apparent damage
- f. inform the transporter (or producer in the case of an EXW delivery) of any reservations in detail by registered letter with recorded delivery and by email with an acknowledgement request within three (3) days
- g. within three (3) days send PalmElit a detailed breakdown of the claim in writing, along with a copy of each of the documents mentioned in the previous points

If the flight is delayed compared to the date indicated in the release letter, the Client must systematically mention its reservations on the airway bill.

If transport-related damage only becomes apparent once the delivery has been made, the Client must proceed as indicated above at the complete unpacking stage, except points a and b.

These responsibilities lay with the Client, who will take any useful steps in the event that the Products are not addressed to the Client personally.

Once the insurers have examined the claims file drawn up in accordance with the above procedure and subject to their agreeing to damage compensation, PalmElit may either issue a credit note in the Client's name to the value of the damaged material, or propose a new free delivery.

6.2 Claim relative to Product quality

A claim relative to the quality of the products delivered may be taken into consideration if duly vindicated and sent to PalmElit in compliance with the following conditions and time-frames:

- *For dry seeds:*
 - Dry seeds must not be more than 14 months old from the harvest date indicated on the dispatch slip, when placed in the germinator.
 - A claim will not be acceptable beyond a period of 5 months from the time the seeds are placed in the germinator
 - In all cases, a claim will not be acceptable beyond a period of 12 months from the seeds being released

Any claim regarding seed germination must be accompanied by a detailed report indicating the exact quantities discarded, along with precise soaking, heating and germination dates and showing a germination rate below 85% of the quantity ordered.

- *For preheated seeds:*
 - A claim will not be acceptable beyond a period of 2 months from the seeds being released
 - Seeds must be placed to germinate within 30 days after delivery.

For any claim, the Client must send PalmElit a detailed report indicating the exact quantities discarded, along with precise soaking and germination dates and showing a germination rate below 85% of the quantity ordered.

- *For germinated seeds:*
 - A claim will not be acceptable beyond a period of 10 days from the seeds being released

The Client will take all necessary steps to achieve the best possible striking of germinated seeds and may be called upon to prove his actions of safekeeping.

In this respect, the Client will comply with the procedure set out in the document entitled "Recommendations on receiving seeds" which accompanies the Products, along with the advice provided in the booklet "CIRAD® germinated oil palm seeds, recommendations for prenursery and nursery management" sent to him beforehand by email and/or post.

In any event, PalmElit shall in no way be held responsible for the striking rate and/or development of germinated seeds, which depend on factors beyond the quality and compliance of PalmElit Products and notably the respect of good agricultural practices, meteorological factors, previous crop cover, the sanitary condition of the soil and its preparation, appropriate implementation of treatments by the Client, watering and appropriate care, in the prenursery, nursery and in the field.

The Client must allow and assist PalmElit, or any other person designated for that purpose by PalmElit, to verify any claim on site.

Any claim relative to Product quality will comprise a report precisely describing the characteristics and quantities of the damaged Products, along with photos and any other proof of damage, which should be sent by registered letter with recorded delivery and by email with an acknowledgement of receipt, otherwise the Products will be considered to have been approved and definitively accepted. Under no circumstances can delivered products be returned to PalmElit.

For all types of Products against which a claim is made for quality reasons, PalmElit will assess the disputed quantity within the limit of the guarantees specified under ARTICLE 5, comparing the results and proof of use supplied by the Client with the control batch kept by PalmElit.

As compensation, after deduction of the security batch delivered, it may proceed with an equivalent replacement with the delivery of a future order, or issue a credit note in the Client's name, excluding any damages or other compensation, bearing in mind that in any event, the costs of pulling up and replanting remain the responsibility of the Client.

ARTICLE 7: PRODUCT USE

In its capacity as a professional operator, the Client shall be solely responsible for the choice, employment and use of Products it acquires from PalmElit.

To that end, the Client declares itself to be perfectly informed of the characteristics and evolution of the products acquired from PalmElit.

The Client acknowledges having been able to procure all the information and advice required for their transportation and storage, preservation measures, their use, the conditions for transfer to the prenursery and nursery, and for planting out, and consequently to have acquired them and used them with full knowledge of the facts.

All the information or recommendations provided by PalmElit, which, by their very nature, are general and cannot cover all situations, do not relieve the Client of its duty to carry out its own checks and verifications as regards their adaptation to local conditions and the strict respect of good practices.

All the technical information and data provided by PalmElit to present and characterize its planting material were obtained under strictly supervised and controlled conditions, with a maximum of precision, objectivity and scientific rigour. While being reproducible under identical conditions, these elements and results, notably those related to productivity and disease resistance, are highly dependent on a multitude of factors, such as the technical itineraries applied, crop management, climate, soil conditions and pathogen pressure. Consequently, such technical information and data can in no way be construed as a contractual commitment to which PalmElit is bound.

The Client hereby declares that it has been perfectly informed that the Products are exclusively intended for direct planting with a view to oil palm growing for bunch production and shall refrain from any multiplication, propagation or reproduction of the Products supplied, either by itself or a third party, by any means and processes whatsoever.

ARTICLE 8: RESERVATION OF TITLE

THE PRODUCTS ARE SOLD SUBJECT TO OWNERSHIP. TRANSFER OF OWNERSHIP IS GOVERNED BY THE COMPLETE PAYMENT OF THE PRICE BY THE CLIENT, WITHIN THE AGREED DEADLINE.

PalmElit retains ownership of the Products sold up to the effective payment, on its bank account, of the total price in principle and accessory. Under this clause, the provision of a document creating an obligation to pay (bill of exchange or other) does not constitute payment.

Products are considered effectively paid for once the total price, including taxes, has definitively been credited to PalmElit's bank account.

Failure to pay any of the instalments may lead to the Products being reclaimed. These provisions do not impede transfer to the Client, on delivery, of the risks of loss and deterioration of the sold Products, along with any damage they may give rise to.

Products sold on by the Client must imperatively be so on behalf of PalmElit, with the receivables arising from that resale belonging, by right, to the latter.

ARTICLE 9: RESPONSIBILITY

Responsibility for the Products lies solely with the Client once they have been released at the destination airport or at the date-point defined by the Incoterm specified on the invoice. Under no circumstances may PalmElit be held responsible for any faulty handling committed by the Client.

Thus, following release, the responsibility for damage, related notably to poor storage, to a faulty delivery by the end-user, to a case of force majeure, and more generally any operation beyond PalmElit's control, lies solely with the Client, and may therefore not be passed on to PalmElit, notably by way of a debit note or penalty invoice.

In any event, for any claim arising from an Order, PalmElit's responsibility to the Client, for all causes combined, in terms of direct and foreseeable damages, is limited to the amount of the sums received for the sale of the Products covered by the disputed Order.

Under no circumstances may PalmElit be held responsible for:

- damage due to the Client's failure to fulfil its obligations,
- any financial or commercial injury, such as loss of profits, loss of clientele, loss of data, any commercial disruptions, losses of orders, which constitute unforeseeable and indirect damages that consequently do not open up the right to compensation.

ARTICLE 10: INTELLECTUAL PROPERTY

The Client may not acquire, modify, exploit or register any right of industrial or intellectual property, such as patents, plant breeder's certificates, drawings, models and brands, commercial names and other distinctive signs, granted or belonging to PalmElit, and notably on Products, technical or commercial documents, designations, brands, etc.

Any exploitation, production, modification and more generally any use contrary to PalmElit's rights will lead PalmElit to take any action of its choice, be it civil or penal, in order to bring such behaviour to an end and repair the harm incurred.

The Client agrees not to register, directly or indirectly, within the territory or outside it, any patents, plant breeder's certificates, drawings, models, brands, commercial names and other distinctive signs, granted or belonging to PalmElit, or which might resemble them, or to incorporate them, even partially, in its name or one of its distinctive signs or domain names.

The Client agrees to inform PalmElit without delay of any infringement of its industrial or intellectual property rights that might be brought to its attention in the territory. The Client hereby agrees to do its utmost to assist and help PalmElit to protect itself against such infringements.

ARTICLE 11: FORCE MAJEURE

Under no circumstances may PalmElit be held responsible for total or partial failure to fulfil its obligations under these conditions of sale if such failure is due to a fortuitous event or a case of force majeure, such as any action by a civil or military authority, in fact or in law, total or partial strike, lock-out, accident, riot, interruption or delay to a means of transport, adverse weather or climatic events (flood, drought, tornado, etc.), damage due to diseases and pests, phytotoxic products, a cultural accident, epidemic, pandemic or any other outside cause likely to halt or reduce production, hence the sale of Products, or arising through any third party including the Client, or any independent circumstances beyond the control of the parties or affecting one of PalmElit's suppliers.

As such, PalmElit must inform the Client as soon as it becomes aware of such an event and shall not be liable in respect thereof for any form of compensation.

ARTICLE 12: VALIDITY OF THE GENERAL CONDITIONS OF SALE

If one or more of the provisions in these GCS were to be held void or unenforceable by a relevant jurisdiction or legal text, that (those) provision(s) will be deleted, without affecting the validity and enforceability of the other provisions of these GCS.

ARTICLE 13: APPLICABLE LAW / RELEVANT JURISDICTION

These GCS and any action undertaken in connection with their application are subject to French law. Any dispute or litigation that might arise in the interpretation or application of these GCS which cannot be settled amicably will be submitted to the sole authority of the Commercial Court within the jurisdiction of PalmElit's Head Office, even in the event of plurality or the introduction of third parties. The French language shall prevail over any translation in the event of a dispute, litigation, difficulty in the interpretation or execution of the general conditions of sale, and more generally regarding the relations existing between the parties.

ARTICLE 14: SUSTAINABLE OIL PALM DEVELOPMENT

Under its Code of Conduct available at www.palmelit.com, PalmElit reserves the right not to sell to Clients who, when the planting project equals or exceeds 3,000 ha, are unable to become RSPO-certified due to failings in respect of FPIC (Free, Prior and Informed Consent) and/or planting in an HCV (High Conservation Value) zone after the deadline of November 2005, or planting on peat of more than 3 metres. By accepting these General Conditions of Sale, associated with PalmElit's pro forma offer, the Client is committed to being able to implement RSPO Principles and Criteria by 2020 in order to obtain certification.

<p>Signed as agreed by the Client</p> <p>For pro forma No. dated</p> <p>Company and location:</p> <p>Name and position of signatory :</p> <p>Date:</p> <p>Signature:</p>
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