

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY
AGRO FRUIT GROUP
Status April 2007

Article 1 Applicability

- 1.1 These terms and conditions are applied by AGRO FRUIT GROUP, as well as by all associated enterprises, hereinafter all referred to as AGRO FRUIT GROUP.
- 1.2 These terms and conditions apply to all offers of and all engagements with AGRO FRUIT GROUP.
- 1.3 Deviation from these general terms and conditions is only possible by further written agreement.
- 1.4 In the event of a conflict between these general terms and conditions and specially-agreed written provisions, such specially-agreed written provisions prevail over these general terms and conditions.

Article 2 Offers and orders

- 2.1 All offers and quotations are free of obligation, unless otherwise agreed in writing.
- 2.2 Information supplied verbally or by telephone shall only be binding if confirmed by AGRO FRUIT GROUP in writing.
- 2.3 In order for an order by Customer to be binding on AGRO FRUIT GROUP, this order must be confirmed by Us in writing. The Customer is however validly bound by an oral order to AGRO FRUIT GROUP. Written confirmation shall be deemed to include confirmation by fax, by mail and by e-mail, however is not limited to these possibilities. In the absence of a reaction of the Customer within two working days after dispatch by fax or e-mail and within four working days after dispatch by mail, the terms of the agreement, including these general terms and conditions of sale and delivery, will be deemed to be accepted by the Customer. Without prejudice to the above, AGRO FRUIT GROUP is entitled to substantiate the formation of an agreement in another way.

Article 3 Order and shipment process

- 3.1 Each specific delivery is accomplished only after prior written order on behalf of the Customer and after the relevant confirmation of the order on behalf of the AGRO FRUIT GROUP.
- 3.2 The Customer is bound to notify the AGRO FRUIT GROUP by fax or e-mail with a filled in Order form prepared by AGRO FRUIT GROUP as the details on the filling in and confirmation of the Order are applied at length in the form. Any missing information might lead to not accomplishing the delivery unless provided in due time.
- 3.3 The Customer is bound to advise the AGRO FRUIT GROUP of the parameters of the products, prepared for dispatch at least 2 (two) working days prior to the date of loading the products.
- 3.4 AGRO FRUIT GROUP is bound to confirm in written form the acceptance for accomplishing the shipment not later than 12:00 am on the day following the day of receiving the order. In case this day is not a working day, the confirmation is done on the first working day that follows.
- 3.5 The order is considered to operate and becomes a binding document for both Customer and AGRO FRUIT GROUP, when there is a written confirmation from both parties, by putting stamp and signature. AGRO FRUIT GROUP will not be held responsible for not accomplishing deliveries which not have been confirmed in writing.

Article 4 Prices and tariffs

- 4.1 The price of the product and the delivery depends on the applicable Incoterms 2000. Unless otherwise agreed in writing, deliveries shall be made by AGRO FRUIT GROUP on an FCA basis Free-carrier named place and in accordance with the prices as mentioned in the offer or the price list.
- 4.2 All invoices are to be paid net with no deduction whatsoever within the payment terms as set out in the invoice. The credit period amounts to 30 days net after of the date of invoice, if there is no dissent agreed in written form. Deductions, such as discounts, etc. shall only take effect if agreed in writing.

Article 5 Payment

- 5.1 Every payment must be effected within the term indicated on the invoice, net and in form agreed and without the Customer having any entitlement to any discount not explicitly agreed upon nor to the application of a setoff.
- 5.2 If no term is indicated on the invoice, the Customer is obligated to pay the purchase price within 30 days after the invoice date.
- 5.3 Payment is deemed effected when AGRO FRUIT GROUP can dispose of the money.
- 5.4 In case of delivery in instalments or terms the payment conditions are applicable for each part of the delivery.
- 5.5 AGRO FRUIT GROUP is entitled to set off any amounts owed by her to Customer with any amount that Customer is owed to AGRO FRUIT GROUP or any other group company of AGRO FRUIT GROUP.
- 5.6 As long as previous deliveries have not been paid in full, AGRO FRUIT GROUP is entitled, if there is reason to do so in its opinion, to require cash payment or payment in advance, and to suspend further delivery. The Customer is at all times obligated to provide all security deemed necessary by AGRO FRUIT GROUP for the payment of Customer's debts to AGRO FRUIT GROUP upon its first request.

Article 6 Delivery

- 6.1 All delivery terms are estimations.
- 6.2 Unless explicitly agreed otherwise, all deliveries will be made loaded on FCA basis, in accordance with the 2000 version of the Incoterms.
- 6.3 Exceeding the delivery time, for whatever reason, does not entitle the Customer to dissolve the agreement, to stop performance of any obligation to AGRO FRUIT GROUP entered into or to any damages, unless the Customer proves intent or gross negligence on the part of AGRO FRUIT GROUP.
- 6.4 In case the Customer fails to take delivery of the requested amount of products at the agreed time, AGRO FRUIT GROUP will be entitled, without any requirement of notification of default, to charge the extra costs to Customer.
- 6.5 In case of delay on behalf of AGRO FRUIT GROUP of the delivery of the product, it owes a penalty in the amount of 1.0 (one) % of the amount due for each day of delay, but not more than 20 (twenty) % of the value of the products.
- 6.6 In case of delay on behalf of the Customer of the payment of the amount set or collecting the products ordered a penalty in the amount of 1.0 (one) % is due of the amount for each day of delay, but not more than 20 (twenty) % of the value of the products.

- 6.7 AGRO FRUIT GROUP has accomplished his obligation to deliver the product by its loading in the vehicle of the carrier, specified by the Customer. The loading of the products is done at AGRO FRUIT GROUP's production facilities in Stara Zagora. A person, appointed by the Customer can be present at loading the products in order to accept them.
- 6.8 The delivery of the products will be done within the time specified in the Contract and/or the Order form.
- 6.9 At delivery and acceptance the representatives of the two parties create a handover protocol, describing the products delivered, their quantity, temperature, the date and place of the delivery, as well as record of the representatives of the two parties. In case the Customer does not send his representative, the handover protocol is signed by AGRO FRUIT GROUP and the driver.
- 6.10 The transportation of the products is organized by the Customer. The transport /refrigerator container or truck/ is provided by the Customer at his expense, unless else stipulated.
- 6.11 The vehicle /refrigerator container or truck/, has to arrive at the time agreed upon with the necessary number of exchangeable euro pallets, meeting the standard. At shortage of the necessary number of exchangeable euro pallets, the Customer is charged € 10.00 (€ ten) for each missing or incongruous pallet.
- 6.12 Loading the products in the vehicle is provided by the AGRO FRUIT GROUP at his expense.
- 6.13 Provided after an order has been made by the Customer and accepted by AGRO FRUIT GROUP, the Customer fails to take the order and the sale is not accomplished, the Customer owes AGRO FRUIT GROUP a penalty in the amount of 20% (twenty percent) of the value of the products, that have been ordered, but not purchased.
- 6.14 In case the delay to redeem certain liability has been more than 30 (thirty) days, the correct party can terminate the agreement and the annexes to it by unilateral written expression of will. The termination of the agreement does not release the correct party of claiming penalties and amends.
- 6.15 At violations of the conditions not related to deadlines, the delinquent party on the agreement owes amends for all damages and missed benefits, which have a direct causal connection with the unfulfilled.
- 6.16 In case of transportation delay /refrigerator container or truck/, of more than 24 (twenty-four) hours of the announced loading date, the Customer is charged € 100.00 (€ one hundred) for each day of delay.
- 6.17 At termination of the agreement, the delinquent party owes refund of all the amounts it has received in advance with a lawful interest on these amounts, calculated from the day of their receiving to the day of their paying in full.
- 6.18 Paying amends, penalties, and forfeits does not relieve the delinquent party of its obligations on the agreement, unless the agreement is terminated or broken by the correct party's request.

Article 7 Inspection and complaints

- 7.1 In case defects are found in the products on sale, the Customer is within his rights to:
- demand substitution of the products (in case this is possible);
 - be partly refunded or break the agreement, in case he has been acting conscientiously and has paid in full his obligations, specified in this agreement and the law
- 7.2 Claims for the quantity of the products, missing of a single package, of wooden transport packing (euro pallets - 80cm x 120cm), as well as for their quality and wholeness are placed at the moment of transferring the goods.
- 7.3 Claims for the quality of the products after their discharge by the Customer are made in written form, by conscientious filling in and sending of a Claim form provided by the AGRO FRUIT GROUP which is an inseparable part of this Agreement in terms as follows:
- for evident defects that are not due to the transportation – at discharging the products;
 - for inaccurate labelling and physical defects - within 5 (five) working days of discharging the products;
 - for hidden defects – within 4 (four) weeks of receiving the products;
- 7.4 The Customer is bound to check for hidden defects the products received, within the time from its receiving and notify the AGRO FRUIT GROUP of the products' defects he was not aware of and could not find out about before its receiving.
- 7.5 The AGRO FRUIT GROUP, after verifying the groundness of the claim could commence to replacing the products object of the claim or making a reduction of the price.
- 7.6 The Claim may be considered not well-grounded and thereof rejected if the above listed conditions are not completely met.
- 7.7 Complaints with regard to defects not visible upon delivery must be reported clearly in writing within 24 hours after discovery. AGRO FRUIT GROUP deals with complaints provided the complaint has been made within the minimum shelf life and the product has been stored in the prescribed manner.
- 7.8 Complaints submitted after the terms referred to in paragraphs 1 and 2 will not be dealt with.
- 7.9 Complaints will be dealt with provided the product's nature and/or composition have not been changed after delivery, the products have not been damaged in part or in full and have not been repacked.
- 7.10 Complaints are dealt with provided the product is retained for AGRO FRUIT GROUP in accordance with instructions to be given by AGRO FRUIT GROUP or returned.

Article 8 Force majeure

- 8.1 Force majeure entitles AGRO FRUIT GROUP, after having notified the Customer in writing, to suspend performance, without the Customer being entitled to damages.
- 8.2 Force majeure includes every circumstance or event that cannot be attributed to AGRO FRUIT GROUP, as a result of which performance of an obligation cannot reasonably be required of AGRO FRUIT GROUP, as well as to the extent not included, bad harvest, disruptions or interruptions of operations of any nature whatsoever, strikes, government actions during war or other extreme actions or a moratorium over the payments on behalf of a competent state body, regardless of the cause, delayed or late delivery by one or more suppliers, impediments to transport of any nature whatsoever, as a result of which the transport to AGRO FRUIT GROUP and/or from AGRO FRUIT GROUP to the Customer is hampered or impeded, strikes, fire, and defective means of transport.
- 8.3 Bad harvest means the partial or full failure of the harvest of the raw and ancillary materials required by AGRO FRUIT GROUP as a result of which AGRO FRUIT GROUP cannot dispose of them, cannot do so in good time or can only do so under conditions objectionable to AGRO FRUIT GROUP.
- 8.4 In case any of the circumstances on the preceding product arises, the parties are bound to notify each other in time, not longer than 7 (seven) days from the start of its influence and submit a certificate, verifying the event, issued by a government authorized organization.
- 8.5 If the delivery is delayed more than three months as a result of force majeure, both the Customer and AGRO FRUIT GROUP shall be authorised to terminate the agreement.

8.6 If the force majeure occurs when the agreement has already been executed in part and if the remaining delivery is delayed more than three months, the Customer shall retain that portion of the products delivered and pay the purchase price owed.

Article 9 Termination

9.1 The Contract resulted on the cited Terms of Sale can be terminated in the following cases:

- by mutual consent;
- with its fulfilment in accordance with the terms of the agreement;
- as a sanctional consequence in the cases explicitly stated in this agreement

9.2 Without prejudice to its entitlement to performance and/or damages, AGRO FRUIT GROUP shall be authorised, without any compensation being owed to the Customer, to terminate the agreement with the Customer in full or in part without judicial intervention and/or to claim damages, retrieve the goods already delivered and in the case of partial dissolution, to suspend the delivery to the Customer, if the Customer is in breach in any respect of the performance of its obligations, if the Customer ceases operations, applies for suspension of payments, if suspension of payments is requested with regard to the Customer, if the Customer is granted suspension of payments, if the Customer applies for bankruptcy or if bankruptcy is applied for with regard to the Customer, if the Customer is declared bankrupt, if the Customer offers a settlement to its creditors or if other, comparable, circumstances occur.

9.3 In the case of termination of the agreement on the basis of one or more of the grounds listed in the previous paragraph, every claim which AGRO FRUIT GROUP has against the Customer shall become immediately due and payable.

9.4 Neither party has the right to transfer its rights and obligations, resulting from this agreement, to third parties, without the consent of the other party.

Article 10 Confidentiality & Trade secrets

10.1 Either of the two parties on the agreement is bound to keep confidential the existence, nature and substance of the agreement, along with other corporate and production information which they have come to know due to the fulfilment of the present agreement and shall not disclose or use any information regarding that without the written permission of AGRO FRUIT GROUP. This obligation operates not only within the term of fulfilling the agreement, but for 3 (three) years after its breaking, respectively – its fulfilment as well.

Article 11 Applicable law

11.1 All agreements with AGRO FRUIT GROUP are exclusively governed by the laws of Bulgaria.

11.2 Each argument over the existence and operation of the agreement or relevant to it or its violation, including arguments and discord on its reality, interpretation, termination, fulfilment or non- fulfilment, will be settled by the parties in an amicable manner. In case agreement is not reached, the argument will be brought to a three-member jury of the Court of Arbitration at the Bulgarian Trade and Industry Chamber.

11.3 For all cases that are not settled in this agreement, the normative regulations of Bulgarian legislation in place shall be applied. The applicability of the Vienna Sales Convention (CISG) (United Nations Convention on Contracts for International Sale of Goods) is explicitly excluded.

Article 12 Disputes

12.1 All disputes between the Customer and AGRO FRUIT GROUP shall in first instance be adjudicated by the competent court in Bulgaria which court shall be exclusively competent.

12.2 In deviation from the provision in paragraph 1 of this Article, AGRO FRUIT GROUP is at all times authorised to submit a dispute to the Court of Arbitration at the Bulgarian Trade and Industry Chamber.

Article 13 Final provisions

13.1 The Bulgarian language is the authentic language of these terms and conditions.

13.2 In the event one or more provisions of these general terms and conditions prove to be entirely or partially non-binding, the remaining provisions of these general terms and conditions remain in force between the parties. AGRO FRUIT GROUP reserves the right to replace the non-binding provisions with provisions which are binding and which, in view of the object and purport of these general terms and conditions, deviate as little as possible from the provision being replaced.