

## **GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY**

### **GENERAL PROVISIONS**

The General Terms and Conditions of Sale and Delivery of Products (hereinafter: General Terms ) are an integral part of all sales and delivery contracts (hereinafter: the Contract) stipulated between Cromaris d.d, Gaženička cesta 4b, 23000 Zadar, address, HR58921608350, (hereinafter: the Manufacturer) and the Buyer.

The Manufacturer is a reputable commercial company and a producer of highly qualified products with interest to enter into business cooperation with the Buyer based on the sale and purchase of Manufacturer's products on the Buyer's market. The production program is based on the breeding and production of the fresh fish from the Adriatic Sea in the breeding sites in Croatia and processed products of fresh fish and of other sea products.

The Buyer is a reputable commercial company interested in buying products from the Manufacturer's assortment. The interest of the Buyer is to buy Manufacturer's products for their further sale on the Buyer's market in line with the provisions of the present agreement.

The Manufacturer sells and the Buyer buys products from the Manufacturer's assortment (hereinafter the Goods). The Manufacturer assumes the obligation to provide the Goods for the Buyer and the Buyer undertakes the obligation to buy and duly pay the Goods. The Buyer is not authorised to further sell the Goods outside the Buyer's market without a written consent of the Manufacturer. The Buyer is not authorised to represent the Manufacturer. The Buyer guarantees to be in the possession of all necessary permits needed for the enforcement of all its obligations under this agreement on the Buyer's market.

In order to optimize the operational and service processes it would be highly recommended that Buyer and Manufacturer mutually agree to reconcile the Annual Sales Plan prior to the beginning of the following annual period.

### **PRICE**

The Manufacturer and the Buyer accept that the prices shall be agreed upon periodically. The Manufacturer retains the right to change the prices. The Manufacturer will notify the Buyer about change of prices in a written form; by fax or e-mail, at least 3 days prior to the entry into force of the new prices.

The notification of change of the price list can be sent via e-mail by the Manufacturer.

### **PAYMENT DEADLINE**

The Buyer commits to pay the amount from the invoices for Goods delivered by the Manufacturer, by bank transfer within 30 days from the date of the issuance of the Manufacturer's invoice, unless differently agreed in writing with the Manufacturer. Bank transfer should be made to the account no. 2407000-1100344854 at OTP Banka d.d., Domovinskog rata 3, 23000 Zadar, Croatia, in favor of Cromaris d.d. (SWIFT: OTPVHR2X, IBAN: HR4424070001100344854). In order to expedite order processing the Manufacturer may ask the Buyer to send, by fax or e-mail, a copy of the SWIFT by which it is confirmed that the Buyer has paid the funds. The payment is considered executed at the moment of the receipt of the funds on the mentioned account.

For the receivables collected with delay, the Manufacturer shall calculate the legal interest. Interest calculation is due for payment within 8 days from the date of the receipt of the calculation and which amount can be set off (compensate) by any monetary liability which the Manufacturer may eventually have towards the Buyer.

The Manufacturer has no obligation to deliver the goods in case where the Buyer has unsettled due liabilities towards the Manufacturer.

#### **PAYMENT GUARANTEE**

Save in the events where the parties agree on advanced payment and if the Manufacturer insures the receivables arising from the Contract in sufficient way to cover the amounts set forth in the Annual Sales Plan, as guarantee for the payment of the amounts due to the Manufacturer, the Buyer shall submit and maintain to the benefit of the Manufacturer, for the entire duration of the Contract, an irrevocable and first demand bank guarantee for an amount that will be communicated by the Manufacturer to the Buyer in writing at the moment the Contract is executed. The guarantee must be issued by the bank accepted by the Manufacturer. The Manufacturer has no obligation to deliver the goods, until the fulfilment of this Buyer's obligation. The Manufacturer has no obligation to deliver the goods under the present agreement should such deliveries cause the open debt of the Buyer towards the Manufacturer (regardless whether they are due or non-due amounts) to exceed the amount to which the bank guarantee was issued.

The Manufacturer is authorized to use this guarantee for collection of any Buyer's due monetary liability. In the event where the Manufacturer uses the guarantee for collection of the receivables, the Buyer assumes the obligation to issue a new guarantee which entirely fulfills the conditions set forth in the paragraph 1 of the present article, within the maximum of 7 days from the day when the guarantee has been sent for collection. The Manufacturer has no obligation to deliver the goods until the fulfillment of Buyer's obligation from the present paragraph.

#### **BUYER'S PURCHASE ORDERS AND DELIVERY**

The Buyer has the obligation to submit the purchase order to the Manufacturer at least 5 days prior to the delivery – in written form, by fax or e-mail. The day of delivery of goods is agreed in accordance with the logistic capabilities of the Manufacturer.

The Goods are delivered by the Incoterm DAP Buyer's Warehouse. Minimum amount for one delivery is upon agreement, in accordance with the logistic capabilities of the Manufacturer, but not less than 120kg or 20 boxes.

The products will be delivered to the warehouse of the Buyer, non-cleared through customs, based on the submitted purchase orders.

The fresh fish is packed in various format and sizes. Entire packaging is included in the price, except for the cargo palletes. The Manufacturer has the obligation to submit to the Buyer, with every delivery, the sanitary veterinary certificate for each delivered LOT and the declarations in accordance with the regulations of the Buyer's market.

The Manufacturer will use its best efforts to deliver the requested quantity of Product, in accordance with the purchase order of the Buyer, whenever it is possible, but the Manufacturer reserves the right to reject certain orders or to postpone delivery of the Product due to internal organizational, fish structure or other questions or any other reason by sending a written notice to the Buyer. The delivery terms will not be considered peremptory and binding and will not represent the basis for any liability of the Manufacturer.

## **THE PRODUCT QUALITY**

The quality of products must correspond to the regulations in force at the moment of the delivery of goods. The quality of the product must satisfy a valid ordinance on the quality of fish in line with the EU, Buyer's market and Croatian Laws. Furthermore, the Goods must satisfy the hygienic-sanitary standards valid on the market to which the Goods are exported.

## **COMPLAINTS**

Any complaint with regard to quantity, quality and price of Product shall be made in writing within 24 hours following receipt of the Product. After this deadline, no complaint can be made.

For any complaint with regard to quality Buyer has the obligation to send LOT number of the product and pictures of the product. In case of timely and full complaint with regard to quality Manufacturer will do the analysis and reply to the Buyer in shortest possible time whether the complaint is justified or not.

In the event when the complaint with regard to quantity, quality and price of Product is established justified, in accordance with the previously established written terms between the Manufacturer and the Buyer, the Buyer shall be entitled, and in agreement with the Manufacturer, solely for the replacement of the Product subject to complaint or refund in the value of the Product subject to complaint. No other claims will be accepted. The Buyer will waive any right to be refunded for direct or indirect damage.

Submitted complaint from the Buyer will not represent the basis for a delay, postponement or reduction of the amount of payment for Product subject to complaint.

The Buyer will guarantee the complete traceability of the Product and, in the case of mandatory and / or voluntary withdrawal and/or recall of the Product, shall cooperate with the Manufacturer. In the event that the Manufacturer decides to withdraw/recall the Products from the Market, the Buyer shall be entitled for a replacement or, alternatively, a refund of the value of the Products subject to withdrawal or recall. The Buyer will waive any right to be refunded for direct or indirect damage, what is, exemplary and not exhaustive the loss of turnover or the loss of commercial reputation.

## **INTELLECTUAL PROPERTY**

By aiming to achieve the object of cooperation, the exchange of information which include the information on intellectual property may take place between the parties.

All rights related to the products, including, but not limited to, the right to the brand, patent and industrial design, know-how, especially the recipes and productive-technological processes, experience and knowledge of which the Manufacturer is the proprietor, remain the exclusive right of the Manufacturer, throughout the term of the Contract and after its termination and are not transferred to the Buyer.

The Buyer assumes the obligation not to use, during the term of the Contract as well as after its termination, the brand, patent or industrial design, which would by itself or in combination of words or any other mark, resemble or suggest the Manufacturer's company name as well as trademarks, patents or industrial designs of which the Manufacturer is the proprietor.

For any violation of this article an irreducible penalty of 100,000.00 (one hundred thousand) euros will be charged to the Buyer, except in case of greater damage.

## **CONFIDENTIALITY**

Business secret, for the purposes of mutual cooperation, shall mean any information related to the structure and organization of Manufacturer and the Buyer, business processes, technologies and the equipment of the production, product development, product recipes, experience and knowledge, market research, lists of buyers and suppliers, buying and selling calculations, as well as all other information which are as such indicated in the conversations of the Manufacturer and the Buyer.

It shall not be considered as a business secret the information as of the previous paragraph of the present article, provided that:

- the information was publicly accessible to the other contractual party or it became publicly accessible on a later stage, without the fault of contractual parties and in a way which is not contrary to the good business practices and moral,
- the other contractual party came to the knowledge of the information based on the valid legal act with third parties by which the confidentiality rules towards the contractual party to which the information represents a business secret, as well as good business practices and moral, have not been breached.

The Manufacturer and the Buyer agree not to make in any way, directly or indirectly, publicly accessible to other natural and legal persons or public, any information which represents a business secret, except to its employees for whom it is reasonably necessary to know such information in order to carry out the agreement and to use all reasonably necessary measures to protect its confidentiality.

## **OTHER CONDITIONS**

The Manufacturer and the Buyer agree to exchange the information in order to mutually achieve as better possible results in sales of the fresh fish and other sea products on the Buyer's market. The Manufacturer will thereto specially inform the Buyer on eventual events in the production of the Goods. The Buyer will cooperate with the Manufacturer by exchanging the information on further placement of products on Buyer's market aiming to enhance, as much as possible, the sales of such products.

Any change or amendment to these General Terms shall be valid exclusively if formulated and approved in written, by both Manufacturer and Buyer. No verbal agreement shall influence the present written terms. Each, as well as repeated, non-observance of one or more agreed provisions and clauses contained in these General Terms must not be considered as tacit elimination of the same.

Obligations and rights which are not agreed in these General Terms and Contract shall apply in accordance with the general obligations act for trade of goods and services.

The Manufacturer and the Buyer accept to resolve any possible dispute related to these General Terms by mutual agreement. In the event of failure, all disputes related to General Terms shall be ultimately resolved by arbitration in Croatian Chamber of Commerce in Zagreb. The Croatian law shall be the competent law. The language of the procedure shall be English.