

GENERAL CONDITIONS OF SALE

1. Form of conclusion of contract:

Verbal agreements made with the official, employee and/or agent of Lazzeri s.s., hereafter referred to as the "Seller", have the mere effect of negotiation. This order must be filled out in all parts and points and duly signed by the Buyer and is binding for the Buyer from the moment of signing. The order is understood to have been accepted by the Seller unless within 45 days of being signed, the Buyer receives official notification to the contrary from the Seller.

2. Applicability:

The General Conditions of Sale are applicable to all orders accepted by the Seller. Any particular conditions negotiated separately from these explicit General Conditions of Sale must be expressly agreed upon in writing from case to case, and must include the specific acceptance of the Seller. Acceptance given solely by the agent is not to be held sufficient.

3. Price:

The prices agreed upon are intended Ex.Works/ premises of the Seller and do not include either V.A.T./I.V.A., the cost of packaging, transport or royalty fees. The Seller reserves the right to adjust the price formerly negotiated by notifying the buyer of variations by means of registered letter or telefax communication within 30 days of the delivery date agreed upon. Should the buyer not wish to accept the aforementioned price variation, he shall have the right to withdraw from this contract by giving written notification by means of registered letter or telefax not later than 10 days after receiving the Seller's communication as referred to in the preceding clause.

4. Consignment:

The goods will be consigned, as far as the Seller's cycle of production permits, in the week indicated in this order, whereby this date is to be considered merely indicative. The Seller is expressly exonerated from any responsibility for delay in consignment or for possible failure, or partial failure, to consign the products to be cultivated. The consignment is considered effectuated at the moment when the cultivated products have been put at the disposition of the buyer, or a third person who has been delegated by the latter, at the premises of the Seller (Ex.Works). The Buyer will be liable for any risk connected to the cultivated product from the moment the products have been put at his disposition in conformity with the dispositions of the following clause: In the case that the availability of the product ordered has run out at the time of consignment, the Buyer expressly recognizes the Seller's right, to substitute the variety of the cultivated product with another similar variety, in order to complete the order. The quantities ordered can be rounded up to fill the units of packaging fixed in advance by the Seller. In this case, the buyer accepts the obligation to buy and make remittance for the additional quantity.

5. Guarantee and limitation of liability:

The Seller guarantees the quality of the cultivated product subject to the intrinsic imperfections brought about by its natural conformation. The Seller does not guarantee the good result of the labelling, the correct growth or the blossoming of the cultivated product. Any technical assistance provided by the Seller to the Buyer is to be considered absolutely optional on his part and free of charge; and in any case such as to not bring about any source of responsibility for the Seller, nor recognition of liability on the part of the latter. The Buyer, in the knowledge that the cultivated products can undergo rapid variations and changes in state, is committed at the moment of delivery to carefully inspect the cultivated products, and to successively follow scrupulously the indications for cultivation, growth and maintenance of the cultivated product. Should the cultivated product reveal any defects or flaws, the Buyer must, under penalty of forfeit rights, report in writing such defects or flaws to the Seller within 8 days of receiving the product; and in any case before such products have been used or resold. Any possible defects or flaws, if ascertained, will give exclusively to the Buyer the right to request the substitution of the product or, if the product is no longer available, the restitution of any payment which has been already been remitted exclusively in relation to the faulty product. In any case, reduction in price, cancellation of the contract and compensation for damages or other claims are excluded.

6. Payment:

Payment must be made at the domicile of the Seller within 30 days of consignment, unless specifically agreed upon in writing case by case. Payment must be made for the entire sum, also in the case that the cultivated products have not been accepted in delivery in conformity with Article 4 of this contract, or that the Buyer has cancelled the order partially or totally. If the Buyer, for whatever reason, does not punctually meet his obligation to pay within the terms agreed and in the form agreed, he shall be deemed in default without need for further notice. In this case the Seller steadfast and without prejudicing his right to compensation for greater damages will have the right to request payment with interest for delayed payment at the rate of 1,25% per month beginning from the date of expiry established for payment, and the right to cancel any possible further orders, and to request, furthermore, the immediate payment of any further debts even if these are not yet due to the Seller. In the case that the application of interest for delayed payment mentioned above exceeds the interest rate established according to Art.2 comma 1 of the Law n.108 of 7th March 1996, the rate will be adjusted so as not to exceed the maximum measure foreseen by law. Except in the case of authorisation

in writing by the Seller, the buyer cannot effectuate payment to third persons, included therein agents or representatives.

7. Reservation of property:

The cultivated products object of this order are subject to a reservation of property in favour of the Seller up to the date of the entire settlement of payment due by the Buyer in whatever title in regard to the aforementioned products.

8. Trademarks and patents:

Cultivation material in relation to plants, cuttings, seeds and/or parts of such which are protected by patent rights will be appropriately marked by the Seller with the letters "P" or "R" (Protected products). In no case whatsoever is the Buyer allowed to cede Protected Products to third parties before such products have reached the state of "finished products in bloom". Protected Products must be used exclusively for cultivation inside the company of the Buyer. Furthermore, the Protected Products which have reached the state of "finished products in bloom" can be resold solely under the name or individual trademark of the Protected Product as indicated in the Order of Buying or in other pertinent sales documents. The Buyer acknowledges that the products of the Seller marked on the order form with the letters "P" or "R" are protected by patents. In all cases, every form of reproduction or multiplication of Protected Products, either by means of cuttings or other methods, without prior written authorization on the part of the Seller is prohibited. The Buyer pledges himself to observe without fail the directives formulated by the Seller for the protection of the nature and vegetal characteristics of the cultivated products. For such purpose the Buyer authorises unconditionally the access to his own productive premises on the part of the personnel of the Seller and/or the agent inspector charged by the title holder of the patent for the purpose of verifying the correct application of the regulations in force for the protection of the patent rights, herein included the correct use of the original label as mentioned below, as well as the control of the quality standards of the cultivated product.

The Buyer pledges himself without fail to commercialise and/ or sell the cultivated products marked by the Seller with the letter "E" only if they are furnished with the original label supplied by the Seller. The Buyer pledges to affix the aforementioned label to each product, as well as to inform his own clients that the trademarks of the cultivated products sold have been registered, that the vegetal variety referred to on the label are non-reproducible Protected Products and that they are under obligation to put such products on sale exclusively accompanied by the original label. The Buyer commits himself to exhibit on the sales documents, e.g. invoices, accompanying delivery notes and transport documents, the exact denomination and quantity of the cultivated product sold and furthermore to attest on the same documents that the products were supplied with labels. Should the Buyer find a mutation of one of the Protected Products he shall inform the Seller of this immediately by registered letter.

On written request of the Seller, the Buyer shall cede to the former, free of charge, trial material of the mutation which will be promptly consigned following receipt of the relative request.

The Buyer acknowledges that all patent rights relative to mutations by whatever means or method obtained are the exclusive entitlement of the Seller.

9. Handling of data:

The Buyer in conformity with the effects of Art.11 of the Law 675/1996 expressly declares, after having received ample and regular information, to render his consent to the handling of his personal data as above by the Seller and/ or, at the Seller's communication, by the company delegated to effectuate controls on the legitimate reproduction of the patented vegetal varieties.

10. Applicable Law:

The General Conditions of Sale, the orders and the declarations relative to them are regulated exclusively by the laws of the Codice Civile Italiano (Italian Civil Code). The Seller is nevertheless acknowledged the option of having his rights recognized likewise by the application of the uniform laws of international sale of mobile goods.

11. Capacity of Entrepreneur:

In the transmission of the order the Buyer confirms by the signing of the General Conditions of Sale his capacity of entrepreneur and commits himself to accept all the conditions above that form an integral part of the concluded contract.

12. Court of Competence:

The Court of Merano shall be held exclusively competent for any controversy relating to these General Conditions of Sale.

Conditions elaborated by the Associazione Italiana Giovani Piante
(A.I.Gi.P.)

