

General Terms and Conditions of Sale and Delivery of Palziv Ein Hanatziv

Agricultural Cooperative Society Ltd.

1. **Validity**
 - 1.1. The following terms and conditions of sale, as shall be amended from time to time (the "GT&C") shall apply to any and all contract of sale, sales activities, services and offers of PALZIV EIN HANATZIV AGRICULTURAL COOPERATIVE SOCIETY LTD. and/or any of its affiliates (collectively: Palziv").
 - 1.2. The GT&C forms an integral part of all agreements which Palziv and its contractual partners (each a "Buyer") regarding the sale of products or services by Palziv to Buyer.
 - 1.3. Upon placement of an order, the Buyer agrees to and accepts these GT&C.
 - 1.4. Palziv is and will not be bound by any terms and conditions of business of the Buyer or a third party, even if Palziv do not specifically object to their validity in the respective case. Even if Palziv refers to correspondence which includes the Buyer's or third party's terms and conditions of business, this shall not constitute any agreement to the validity of such terms and conditions of business.
 - 1.5. Any specific written agreement between Palziv and a Buyer will supersede these GT&C only if it includes a specific condition that these GT&C shall not apply to that certain agreement.
2. **Orders and Conclusion of Contracts**
 - 2.1. The Buyer's orders shall be issued in writing and are subject to Palziv's approval. A binding agreement is only concluded, when orders are accepted by Palziv with a written "Customer Order Confirmation" sent to the Buyer. The Customer Order Confirmation indicates the description of the item ordered, the price, the payment terms, the dispatch date, the delivery terms and place, the quantity and sales terms applied and the ordered quantity should be a multiple of batches in sale.
 - 2.2. Any request for modification of an order is subject to Palziv's approval and must be sent in writing. Palziv is entitled to accept or reject the said request for modification and charge the Buyer any possible increased cost arising from or related to this modification.
3. **Prices and Payment**
 - 3.1. Prices apply to the scope of services and sales as stated in the Customer Order Confirmation. Additional or special services shall be invoiced separately.
 - 3.2. The prices are net, "Ex Works" including packing but excluding transport, insurance and VAT.
 - 3.3. In the event that the delivery shall take place more than three months after the confirmation order was sent by Palziv, Palziv's list prices valid at the time of the delivery shall apply
 - 3.4. Without derogating from Section 3.3 above and in addition thereto, Palziv may update the order price specified in the Customer Order Confirmation due to change of production and raw material prices. In such event Palziv shall notify the Buyer of such change at least 30 days in advance and the Buyer will have 7 business days to cancel the order. If the Buyer did not send a written cancellation notice by the end of such 7 business days period, the updated price shall apply.
 - 3.5. The payment is to be made according to the agreed; if the Buyer does not make due payment, then without limiting any other remedy available to Palziv: the interest on the outstanding amounts will be calculated according to the late payment interest rate charged by Bank Hapoalim Le'Israel Ltd., for unsecured credit in the relevant currency. In addition, any discount given, or other payment term agreed in favor of the Buyer will become ineffective. Palziv may delay any delivery of an order or any part thereof in case of nonpayment by the Buyer (even if the nonpayment refers to a separate order) and/or demand advance payment for future deliveries.
 - 3.6. The payments by the Buyer must be made without any deduction including but without limitation, for cash discount, expenses, taxes or fees of any kind.
 - 3.7. Palziv has a right to offset and deduct any amount due to it by the Buyer from any amount owed by it (or any of its affiliates) to the Buyer and the Buyer waives any and all offset and/or deduction rights against Palziv (or any of its affiliates).
4. **Quantity and Delivery**
 - 4.1. Palziv reserves the right to supply and deliver certain products via another Palziv group company than the one with which the order has been placed (Tropal Romania Srl, Palziv North America) However, Palziv - with which the order has been placed - remains the contractual partner of the Buyer.
 - 4.2. Without derogating from the provisions of Section 4.5 below, Palziv may notify the Buyer of a postponement of the dispatch. of up to 14 business days. In addition, Palziv may notify the Buyer that the supply will be divided over several existing Buyer's orders or that the supply of several items (order lines) out of the order will be postponed to another supply date planned for the same Buyer.
 - 4.3. In an event of late unjustified delivery (subject to the provisions of Sections 4.1, 4.2 and 4.5 below), the Buyer can claim for direct documented proven damage (excluding third party damage), provided that Palziv's liability for such late delivery shall not exceed 5% of the purchase price of that certain delivery.
 - 4.4. The delivery is Ex-Works. The delivery place that is indicated in the Customer Order Confirmation. In case of no specification in the Customer Order Confirmation the delivery is Ex Works (Incoterms 2020) Kibbutz Ein Hanatziv ,Israel.
 - 4.5. Palziv is not liable for cases where it is impossible to make the delivery or provide the services or for delays in the delivery if these have been caused by a force majeure (including but not limited to act of terror, strikes, bombing, war, military events, pandemics, closures, governmental orders, a major production failure or damage caused to any of Palziv's manufacturing lines) or other events affecting Palziv (e.g. business disruptions of all types, difficulties in procuring material or energy, delays in transport, strikes, legal lock-outs, lack of workers, energy or raw materials, difficulties in procuring compulsory official permits, official measures, or the lack of or incorrect delivery by suppliers or delivery by suppliers which is not in due time), which events were unforeseeable when the agreement was concluded and provided that Palziv is in a legal sense not responsible for such events. If such events significantly hinder Palziv or make it impossible for Palziv to carry out the delivery or render the services and the hindrance is not only of a temporary nature, Palziv is entitled to withdraw from the agreement. If the hindrance is of a temporary nature, the periods for delivery or services shall be extended or the dates for delivery and services shall be postponed by the duration of the hindrance plus an appropriate start-up period. If it is not reasonable to expect the Buyer to accept the delivery or services due to the delay, the Buyer can withdraw from the agreement through a written declaration made to Palziv.
 - 4.6. In the event that the Buyer did not collect the order goods upon its delivery, Palziv may charge the Buyer for storage services. In the event that the goods were not collected within 21 days, Palziv may cancel the delivery of goods and goods are free to be alternatively used by Palziv.
5. **Retention of Title**
 - 5.1. Notwithstanding delivery and the passing of risk in the products, the title of property in the products shall not pass to the Buyer until Palziv has received payment in full of the price of the products and goods sold by Palziv to the Buyer for which payment is due (the "Retained Products").
 - 5.2. Palziv shall have absolute authority to recover, sell or otherwise deal with or dispose of all or any part of the Retained Products in which title remains vested in Palziv. Until the property in the Retained Products is passed to the Buyer, the Buyer shall hold the Retained Products as Palziv's fiduciary agent, and shall keep the Retained Products properly stored, protected and insured. Until that time, the Buyer shall be entitled to resell or use the Retained Products in the ordinary course of business. The Buyer shall hold the revenues from the sales or other revenues the Buyer receives in return for the Retained Products, including revenues from insurance, as a fiduciary on the account of Palziv, and shall keep such revenues separate from any moneys or properties of the Buyer and third parties.
 - 5.3. If third parties lay an attachment on the Retained Products or otherwise dispose of the Retained Products, the Buyer shall immediately notify Palziv in order to enable Palziv to protect its rights by means of the appropriate judicial procedures.
 - 5.4. Palziv shall have the right but not the obligation, and the Buyer hereby authorized Palziv to register in any local registry institution of the Buyer, its ownership or pledge over the unpaid delivery goods on buyer's expense.
6. **Warranty and Liability.**
 - 6.1. The delivered items products and goods must be diligently inspected by the Buyer immediately at delivery to the Buyer or to the third party specified by the Buyer. Any possible claim related to product compliance or status is accepted and its content is assessed only if expressly indicated in writing in the delivery bill or other shipping document upon delivery, unless the claimed deviation was not detectable upon inspection as set forth in sentence 1 of this clause 6.1, then the claim must be notified in writing to Palziv no later than 8 (eight) days from the detection.
 - 6.2. Any possible claim related to material quality must be notified to Palziv no later than 8 (eight) days from the detection, in writing, and should indicate the number of delivery bill, batch number, item reference code and rejected quantity; the products should be kept available in whole and not used or tampered with, otherwise the guarantee and/or warranty provided by law or agreement is not valid.
 - 6.3. If the Buyer does not notify Palziv in accordance with Sections 6.1 to 6.3 any delivered items shall be deemed accepted by the Buyer.
 - 6.4. In case of a defective product, and provided that the provisions of Sections 6.1 to 6.3 were kept by the Buyer, Palziv will then, at its own expense, repair the products subject to the defect notice or replace them with normal products (including similar but not necessarily identical models), at its sole discretion, within 30 days of Palziv's notice. The replacing or repaired products will be supplied at Palziv's plant (EXW). Products with a manufacturing defect that have been replaced as aforesaid will become the property of Palziv.
 - 6.5. The warranty on the repaired or replaced products will continue until the end of the warranty period of the products subject to the defect notification or until the end of one year from the date of repair or replacement, whichever is longer.
 - 6.6. Notwithstanding the aforesaid, Palziv is not liable if the products subject to the defect notification:
 - 6.6.1. have been installed, activated or maintained not in accordance with the manufacturer's instructions; and/or
 - 6.6.2. have been damaged or damaged after leaving the Palziv's plant; and/or
 - 6.6.3. were used not for the purpose for which they were intended; and/or
 - 6.6.4. were corrected or changed without the prior written approval of Palziv; and/or
 - 6.6.5. If the damage or defect in the products subject to the defect notice was caused by any third party; and/or
 - 6.6.6. 6.7.6 if Palziv has not been given an adequate opportunity to inspect the products subject to the defect notice, as stated in these GT&C; and/or
 - 6.6.7. if the defect notice was not given on time or was not given at all; and/or
 - 6.6.8. 6.7.8. if due to climatic conditions, temperature, winds, water properties, salinity, waves, currents, precipitation, etc. the products subject to the defect notification were exposed to conditions that were not designed to meet their specifications.
 - 6.8. The warranty according to the provisions of Section 6 above, exhausts Palziv's liability and confers the sole and exclusive remedy against Palziv due to a manufacturing defect in the products. Beyond its liability under this Section 6, Palziv will not be liable for any direct, indirect or consequential damages caused to the Buyer or anyone else due to a manufacturing defect in the products, and without derogating from the aforesaid generality, will not be liable for loss of revenue and/or profits and/or customers and/or reputation if and as much as caused.
7. **Confidentiality**
 - 7.1. The information related to Palziv and its products belong solely to Palziv, regardless of their nature and content and related support. Such information is strictly confidential and secret. Therefore, any divulgence or use, direct or indirect, of the said information without prior consent of Palziv in written form is expressly prohibited.
 - 7.2. The Buyer undertakes to comply with this obligation and cause his employees and partners to comply with it and will be liable for any breach thereof.
8. **Applicable Law and Competent Court**
 - 8.1. All delivery and contractual relationship between Palziv and the Buyer and in particular all relationship arising from the application of the GT&C and any agreement signed according to them shall be governed exclusively by Israeli law.
 - 8.2. Any dispute concerning the interpretation, validity, efficacy, execution of this GT&C and of other agreements regulated by them shall be submitted exclusively to the jurisdiction of the Court of Tel-Aviv Israel. The United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980 (CISG) and any other convention shall not apply and are hereby explicitly excluded.
 - 8.3. Should a provision in the agreement or these GT&C be or become invalid or unenforceable either in full or in part, the validity of the remaining provisions in these GT&C shall not be affected.