



GENERAL TERMS AND CONDITIONS OF THE PUBLIC LIMITED COMPANY TABAKSBEDRIJF STUBBE

1. Any commercial transaction between the public limited company Tabaksbedrijf Stubbe with its registered office in Plasstraat 6, 8980 Zonnebeke and VAT number BE 0431.207.164, registered in the register of legal entities (RPR) of Ghent (dep. Ypres) (hereinafter referred to as "Stubbe") and the customer shall be governed by the present general terms and conditions. Stubbe processes and produces tobacco products. By requesting a quote, signing an order form, placing an order or closing an agreement with Stubbe the customer declares that he has taken note of and that he agrees with these general terms and conditions. The legal relation between Stubbe and the customer and all other matters that relate to this shall be exclusively governed by these general terms and conditions. The present terms and conditions shall at all times prevail over the customer's terms and conditions, even if those conditions stipulate their precedence. These general terms and conditions shall only be valid for professional customers ("business-to-business"). Stubbe does not sell to end users or consumers.
2. The customer is expected to be in possession of all the permits required by law that are necessary for the distribution and import of tobacco products, and shall bear all responsibilities and costs associated herewith.
3. Quotes, offers etc. of Stubbe shall never constitute any obligations or commitment on the part of Stubbe and can be withdrawn by the latter at all times. They are to be regarded as an invitation for the customer to place an order. Stubbe reserves the right to refuse orders. Possible alterations of or supplements to the order after the closing of the agreement, e.g. with regard to the terms of payment, shall only be valid after both parties have agreed to this in writing. In case a purchase is partially or completely cancelled, Stubbe reserves the right to charge compensation to the customer equal to 15% of the price of the purchase that was cancelled, with a minimum of 250 EUR, without prejudice to Stubbe's right to prove greater damage.
4. The execution and/or delivery terms stated shall always be indicative and do not form an essential part of Stubbe's obligations nor of the agreement between the parties. Delayed deliveries shall never give rise to the termination of the agreement vis-à-vis Stubbe nor to subrogation or the payment of damages to the customer. Any changes to the order shall automatically void the delivery terms stated. Stubbe shall not be liable for any delays incurred due to default of suppliers of Stubbe, the customer or any other third party.
5. All prices are fixed and have been laid down in a separate agreement between the parties. All prices shall be exclusive of VAT, other taxes or costs for the delivery, transfer, transport or relocation, insurance and administration. Prices shall be mentioned in euros. Stubbe reserves the right to increase the agreed price in line with price increases in the costs of raw materials, wages, salaries, social security contributions, taxes, transport costs, import and export duties (this list is purely exemplary), insofar as they occur between the closing of the agreement and the execution of the agreement. If the goods are sold to the customer on consignment the customer shall be responsible for the storage of the goods. Furthermore, the definitive invoice shall be drawn up on the basis of a list that is provided to Stubbe by the customer on a monthly basis, containing the number of kilogrammes sold by the customer to end customers. Stubbe reserves the right at all times to demand complete payment from the customer before proceeding to the execution of

the agreement. Unless otherwise agreed, all invoices of Stubbe shall be payable in full and in cash on the invoice date, without discount, at Stubbe's registered office.

6. Invoices that are not or not completely paid on the maturity date shall by law and without proof of default be subject to the following:

- An annually capitalised interest on arrears of 12%;
- The customer shall be obliged to pay fixed damages amounting to 10% of the invoiced amount or 10% of the invoices that had already been sent, with a minimum of hundred euros (100.00 EUR), without prejudice to Stubbe's right to prove greater damage;
- All other invoices of Stubbe towards the customer, even those that are not due yet, shall become immediately payable;
- Stubbe reserves the right to - without proof of default or judicial intervention - suspend and/or terminate the (further) execution of the agreement in question and/or any other agreements or orders closed with or placed by the customer.

7. All the goods that are sold shall remain property of Stubbe until the principal sum, interests, costs and (fixed) damages, if any, have been completely paid. In case the customer already resells the goods purchased to a third party before having completely and correctly paid the abovementioned amounts the right to the resulting purchase price shall be transferred to Stubbe. In case the right to retention of title is enforced by Stubbe the agreement shall be terminated.

8. Stubbe commits itself to sell all the goods to the customer in a type of packaging that complies with all the legal requirements in that respect. The customer shall be responsible at all times for correctly submitting to Stubbe all the information with regard to the legal packaging requirements as imposed by the countries which the goods are to be offered or resold in by the customer. This obligation to provide information relates to different matters, including but not limited to the images on the packaging, warnings with regard to the harmful effect on people's health and the components. After the delivery the customer may not alter this packaging in any way whatsoever. In case the customer fails to comply with the latter Stubbe shall under no circumstances be responsible for the altered packaging or its content. The customer is solely responsible for specifying the terms and conditions under which the goods are offered and sold by the customer to the end user. In case it is determined that the customer fails to comply with the legal requirements in that respect Stubbe shall under no circumstances be held liable.

9. The customer undertakes not to disperse or communicate (or to have dispersed or communicated), or directly or indirectly use the confidential data, inquiries, information or any other document that he took note of during the execution of the agreement, without the prior written consent of Stubbe.

10. The goods are delivered EX WORKS (Incoterms 2010). In case the goods can no longer be collected/delivered at the agreed place and time due to default of the customer or a third party, the risk and the responsibility for the goods shall be transferred to the customer as from the moment the receipt of the goods could be demanded or expected. This moment shall also be regarded as the delivery. Stubbe shall reserve the right to claim compensation from the customer for the damage and costs, if any, resulting from the refusal of or the delay in the receipt as well as for the costs related to the storage of the goods. The risk of the storage of the goods before they are collected/delivered shall be solely borne by the customer. After the collection/delivery the customer shall be fully responsible for the correct storage of the goods.

11. The customer needs to inspect the goods for the first time within 3 days after the delivery. This immediate inspection duty relates to different matters, including but not limited to the number, composition, quality, conformity of the delivery, correct location(s) etc. (hereinafter referred to as "visible deficiencies"). The customer needs to immediately write down the visible deficiencies on the delivery note. If he fails to do so, it will be assumed that the customer did not receive goods with visible deficiencies. The customer himself is responsible for the correct storage of the products after the delivery. Stubbe cannot be held liable

for quality loss after the delivery. Hidden deficiencies need to be communicated to Stubbe in writing as soon as possible, at least within 3 months after the delivery or immediately after their discovery. In case no complaints are filed within these terms, it is assumed that the customer has approved of and accepted the delivery. The customer needs to enable Stubbe to assess the deficiencies, in order to determine whether the customer's complaint is justified or not.

12. The obligations of Stubbe with regard to the deficiencies mentioned in article 11 shall be limited to, at Stubbe's sole discretion, Stubbe either taking back the faulty goods and reimbursing the customer or Stubbe replacing the goods that are missing or that do not match with the goods ordered, provided that these are available and in stock. Any other compensation for direct or indirect damage or for missing goods with the same characteristics is explicitly excluded. Filing a complaint does not give the customer the right to postpone any payments. Under no circumstances shall Stubbe be held liable for indirect damage, including but not limited to loss of profit, nor shall Stubbe be responsible for deficiencies that were directly or indirectly caused by an act of the customer or a third party, whether these deficiencies are the result of a mistake or negligence.

13. Stubbe shall not be responsible for not being able to fulfil its obligations due to force majeure in the broadest sense possible. Force majeure includes but is not limited to: abnormal and unforeseeable circumstances, hardship, mobilisation, strikes and lock-outs, both at Stubbe and its suppliers, machine breakdowns, fire, water damage, interruption of transport means, problems with the supply of raw materials and equipment. In case of force majeure Stubbe can, at its sole discretion:

- temporarily suspend the execution of its obligations;
- terminate the agreement with the customer;
- invite the customer to negotiate on new, adjusted terms and conditions.

14. Any omission or even repeated omission by Stubbe to invoke any of its rights can only be considered as acquiescence in a certain situation and shall not lead to Stubbe forfeiting its rights.

15. In accordance with the Law on Financial Collateral of 15 December 2004, Stubbe and the customer shall mutually compensate and automatically and lawfully set off all existing and future debts vis-à-vis each other. This means that in the permanent relation between Stubbe and the customer only the largest receivable after the above-mentioned automatic calculation shall remain payable. This settlement of accounts shall have legal effect in relation to the official receiver and other concurrent creditors who shall be unable to challenge the settlement implemented by the customer and Stubbe.

16. In case one or more provisions of these general terms and conditions are invalid or made invalid by a judge this shall not affect the validity of the other provisions in these general terms and conditions. In that case the parties shall consult on the provision that is invalid or made invalid in order to replace it by a valid provision which does not affect the scope of these general terms and conditions or the agreement.

17. These general terms and conditions and the agreements between the parties shall be subject to the Belgian law. The courts of the district of Stubbe's registered office shall have exclusive jurisdiction.