

Contract of Purchase and Sale of Asparagus in Thailand

This contract is established at the premises of [name of company 1], located at [address] on [date], between [name of company 1] represented by [name], with ID card No referred hereinafter as “the Buyer” and [name of company 2], represented by [name] hereinafter referred to as “the Seller”, located at [address]. The Buyer agrees to buy and the Seller agrees to sell the green asparagus to the Buyer according to the following details:

Clause 1. Purchase and sale:

The Seller will sell all green asparagus to the Buyer exclusively on a constant daily basis according to the size and the quantity of green asparagus (set forth in Exhibit No.1 hereto) for a period of three years beginning on [date] and ending on [date] according to the output in the notified area of production which has already been approved by the Buyer.

Clause 2. Agreement to buy:

The Buyer agrees to buy and the Seller agrees to sell green asparagus according to the price that depends on the quality of green asparagus (set forth in Exhibit No.2)

Clause 3. Maintenance, soil preparation, cultivating, post-harvest practice and delivery:

Soil preparation and cultivation: The participant farmers from the Seller side must prioritize to cultivation a leguminous plant to make green-plant fertilizer for bed preparation and fertilize soil for suitable pH by using compost to form a foundation to provide for good bed-making and drainage for asparagus cultivation.

Maintenance: The Seller must use chemical fertilizer, compost and various bio-substances, e.g. bio-substances for pest control in the quantity and of the type already approved by the Buyer only. The Seller must ensure use of bio-substances with care lest any adverse effect occur to the user and the environment and ensure the destruction of the containers thereof in accordance with the suitable and correct process, according to the guidelines for the application of the pest control substance (set forth in Exhibit No.3). The Seller must keep the asparagus growing plot clean and healthy in accordance with the guidelines and requirements of EUREP GAP and the Buyer. (Use of any kind of weed control and insects and animal decrease prevention chemical is prohibited in the growing plot and the surrounding area thereof that would affect the output in the growing plot, hereinafter referred to as “chemicals”).

Post-harvest Practices: The Seller must cleanly wash out earth, mud and various contaminants in the stem and bole parts of the asparagus harvested, and the water used for washing must be clean water, which must be approved by the Buyer only. Washing must not cause the top part of the asparagus to get wet. The Seller must deliver the green asparagus immediately after it has been harvested and cleaned. The green asparagus must not be soaked in water after harvest under any circumstances whatsoever. The Seller must take good care of the green asparagus, not to get crushed or damaged and ensure that the green asparagus has freshness and is not exposed to sun or heat before delivery to the Buyer. An output shelter for harvested green asparagus must be provided in the growing plot of every seller participant. In the post-harvest practices, if the Buyer or the Buyer’s agent discovers that the place and the procedure of washing, culling, cutting the green asparagus output is not healthy according to the EUREP GAP standard, the Buyer can suspend the acceptance of that Seller’s green asparagus output on a case to case basis until a correction is

undertaken and that correction must be approved by the Buyer in order that the purchase and sale under the contract may continue.

Clause 4. Delivery - acceptance and delivery of the evidence:

The Seller must deliver the asparagus to the Buyer at the buying spot designated according to the approval of both parties during the period of 09.00-13.00 hours of each day. When the Buyer has inspected the quality, the size and the quantity of the asparagus delivered by the Seller, the official assigned by the Buyer shall issue of certificate of acceptance to each Seller immediately and subscribe his name as evidence every time. The Buyer has the duty to notify the Seller of change of officials immediately. In the case the Buyer discovers the green asparagus of any Seller involves use of any kind of chemical substance, the Buyer will not accept the green asparagus of that Seller forever. If a large number of participants deliver asparagus involving use of a chemical substance, the Buyer may terminate this purchase/sale contract by giving the Seller seven days' advance notice in writing and may suspend acceptance immediately when discovering use of any type of chemical substance in the output and the growing plot.

Clause 5. Payment:

The Buyer must pay the value of green asparagus to the Seller in fixed periods of seven days each, which the Buyer will transfer through the bank into such account of the Seller group as prescribed by the committee and the members of the group. The Buyer must pay the said money within 15 days from the last day of each period.

Clause 6. Force majeure:

If the Seller is unable to deliver green asparagus to the Buyer in any period as prescribed in Clause 1 of the purchase/sale contract resulting from force majeure (set forth in Exhibit No.4), the inability to deliver green asparagus in that period shall be regarded as not affecting the amount and the quantity mutually agreed by the Seller and the Buyer under Clause 1 hereof and this purchase/sale contract shall continue being binding until the contract is completed. In the event of the occurrence of force majeure, either party shall immediately give a notice to the other party and must continue performing the contract as soon as possible he is able to. In this regard, the force majeure that arises must be verified to have actually taken place in all respects by both parties.

Clause 7. Pest-infested asparagus produce:

In the case the spread of a pest occurs or some kinds of pest prohibited from importing in the importer country occurring to the asparagus are found, the Seller must stop cropping asparagus and must completely get rid of the said pest. When the Seller has practically affected the remedy and no pest and no residual chemical substance are found during an inspection by the Buyer, the Buyer must immediately accept to buy the produce within 7 days after receipt of a notice from the Seller and after the asparagus has been inspected in all respects according to all the procedures of the requirements.

Clause 8. The Buyer breaking the contract:

If the Buyer breaks any of the terms of contract or refuses to buy the asparagus for any reason other than those prescribed in the contract and the exhibits (Nos.1; 2 and 3) or according to the mutually agreed schedule of the delivery day, the Buyer consents to the Seller terminating the contract forthwith and consents to compensate the Seller for damages according to the actuality

that arises within 15 days from the date of receipt of a notice from the Seller, which date shall be counted as the commencing date.

Clause 9. The Seller breaking the contract:

If the Seller breaks any of the terms of contract or refuses to deliver asparagus having a quality and a quantity according to the contract or according the mutually agreed day of delivery, the Seller consents to the Buyer terminating the contract forthwith and consents to compensate the Buyer for damages according to the actuality that arises within 15 days from the date of receipt of notice from the Buyer, which date shall be counted as the commencing date.

Clause 10. The exhibits:

The exhibits shall be regarded as forming a part of this contract. If there is one statement conflicting with another between the statements in the contract and the exhibits, the statements in the contract shall be regarded as prevailing.

The exhibits consist of the following parts:

- 10.1 Exhibit No.1 : Details of the standard of the quality of green asparagus and the breed;
- 10.2 Exhibit No.2 : Details of the minimum insured price of fresh asparagus;
- 10.3 Exhibit No.3 : Use of pest control Bio-substances;
- 10.4 Exhibit No.4 : Details of force majeure incapacitating delivery or acceptance of fresh asparagus;
- 10.5 Exhibit No.5 : EUREP GAP standards. These standards can change along with the standards of EUREP GAP, there being a change of the standards of the institution that sets the EUREP GAP standards;
- 10.6 Exhibit No.6 : Copy of the certificate of the Bangkok Partnership and Company Registry, 1 copy;
- 10.7 Exhibit No.7 : Copy of the certificate of limited company registration;
- 10.8 Exhibit No.8 : Names of participants together with the cultivation areas.

This contract is made in duplicates [indicate number of copies]. With presence of witnesses whereof, the parties having read and understood the contents in detail, have hereunto set their hands and their seals (if any) and each of them maintains one copy hereof.

Signature :..... Signature :.....
The Seller The Buyer

Signature :..... Signature :.....
The Seller The Buyer

Signature :..... Signature :.....
The Seller The Buyer

Exhibit No.1
Detailed standards of the quality of asparagus and the breed

Good-quality asparagus:

1. The general character:

- 1.1 The character of the asparagus top: it must be tight and not blooming (there must be no leaf bunch showing up beyond the leaf sheath);
- 1.2 The character of the shoot: it must not be bent or undersized;
- 1.3 The length of the shoot bought must not exceed 25 cm., the green part of which must have a length of 20 cm. or more, which the Seller must cut to the said length size before delivering it to the buyer;
- 1.4 The standard of asparagus of each grade is used to consider only the green part of the asparagus.
- 1.5 The green asparagus brought to deliver must be clean, free of disease, insects and free of use of any kind of chemical substance.

2. The asparagus size:

- 2.1 Size A (greenness 20 cm.)
The one with a length of 25 cm. must have a diameter size of 1.0 cm. or more at the place measuring 20 cm. down from the top end;
- 2.2 Size B (greenness 20 cm.)
The one with a length of 25 cm. must have a diameter size of 0.8 cm. or more but less than 1.0 cm. at the place measuring 20 cm. down from the top end;
- 2.3 Size C (greenness 20 cm.)
The one with a length of 25 cm. must have a diameter size of 0.6 cm. or more but less than 0.8 cm. at the place measuring 20 cm. down from the top end;

The asparagus breed:

1. The grower must grow asparagus by using the breed approved by [buying company] only.
2. For the time being, the breed approved by the company is:
 - 2.1 Block Improve or Block Imperial.
3. The company may change the asparagus breed approved by it and give the grower a notice in writing of this change and also cause the exhibits to be changed.
4. In the case the company gives a notice of the change under Article 3, the grower who has already grown or seeded the above breed may carry on the action until he grows anew and then he shall change breed to the latest one notified by the company.

Exhibit 2
Details of the minimum insured price of green asparagus

Good-quality asparagus:

1. Size A bud: the minimum insured price per kilogram is [currency and amount]
2. Size A bloom: the minimum insured price per kilogram is [currency and amount]
3. Size B bud: the minimum insured price per kilogram is [currency and amount]
4. Size B bloom: the minimum insured price per kilogram is [currency and amount]
5. Size C bud: the minimum insured price per kilogram is [currency and amount]

Note: Due to an unusual asparagus market situation [name of company] can change the buying price.

Undergraded asparagus (not being within the scope in case of good-quality asparagus classification):

This can be divided into 3 sizes, namely:

1. Size A failing
2. Size B C failing
3. Size Z

Undergraded asparagus: the buying/selling price fluctuates, can change along with the domestic market situation.

Exhibit No.3
Use of pest control bio-substances

It is necessary to control use of pest control bio-substances, including the correct and suitable period of use. When the farmer crops asparagus for delivery to the Buyer under the above contract of purchase and sale, the participant farmer must receive approval from the company every time before using a bio-substance. The control of use, stocking and correct and suitable use are subject to the following principles:

- 1) Stocking must be done separately from the residence in a place where there is a tightly close house, and children or animals be prevented from entering the area. There must be good ventilation, no dampness.
- 2) The particulars of the stocking of each type of bio-substance, hormone or chemical fertilizer must be made in detail, setting forth the date of buying into the stock and the date of taking out to use, including the quantity taken out to use, in detail, and the ingredients must be recorded in detail every time when a bio-substance, hormone or chemical fertilizer is used.
- 3) Each type of bio-substance must be used according to the specified ingredients of each product so that pest control will be effective.
- 4) The bio-substance container must be taken to destroy by burying in the ground or the method of holding after it has practically been washed clean lest it be brought back to contain something else (selling for use in the recycling industry can be done only when the container has been cleaned according to the requirements of [buying company]).
- 5) The farmer group must be the party being responsible for the use of bio-substances, hormones or chemical fertilizers according to the above details. The committee of the group must be the party explaining, controlling and following up the use of said bio-substances in detail according to the requirements of the company. If it appears that there is a residual toxin in the asparagus delivered to the Buyer, the participant farmers concerned and the committee must be responsible for the damage that arises.
- 6) The member of the group consents to the agent of the Buyer entering to inspect the process of the particular stockings and use of bio-substances and the control of the use of bio-substances as the Buyer may see fit.
- 7) The Seller and the Seller group must use such bio-substances, hormones, as the Buyer has prescribed without any exception.
- 8) In the case a chemical substance is used, the Buyer will not buy the asparagus of each Seller so discovered. The Buyer will not accept the asparagus of the whole of the Seller groups in the case where there are several Sellers using a chemical substance and may terminate the purchase and sale contract by giving 7 days' advance notice in writing. In addition, the Buyer may suspend buying immediately when discovering that any type of chemical substance is used in the growing plot.

Exhibit No.3 (Cont.)

Biological product list for disease, insects and pest control

The group of substances permitted to use in the harvest and rest period:

1. The insects, worm, aphid control products:

Ordinary name	Tradename	Manufacturer Company	Safe Period
Bacillus thuringiensis	Bactosepin (liquid)	Thepwattana Chemical	1 day
	Bactosepin (powder)	Thepwattana Chemical	1 day
	Red Cat	Applied Chem	1 day
	Delphil	Angro-Thai Chemical Supply	1 day
	B.T.K.	Uniline	1 day
	BT-TF-A	TFI. Green Biotech	1 day
	Talose	Biochem (Thailand)	1 day
	Refine	Universal Ago	1 day
	Lightning	Applied Chem	1 day
	B.T.Insecticide	Partech Agrochemical Product	1 day
	Uni-BT	Uniseeds	1 day
	Rung B.T.	Phol Pui Rung	1 day
	Juliana	Ladda Karn Kaset	1 day
	Trichocillus	Sermsiri Karn Kaset	1 day
Beauveria bassiana	Beauverin	Applied Chem	1 day
White oil	A.P. oil	Applied Chem	1 day
Azadirachtin	Uninims	Uniseeds	1 day

Exhibit No.3 (Cont.)

Biological product list for disease, insects and pest control

The group of substances permitted to use in the harvest and rest period:

2. Plant disease-causing fungus control products:

Ordinary name	Tradename	Manufacturer Company	Safe Period
Bacillus subtilis	Larmina	Applied Chem	1 day
	Lavida	Applied Chem	1 day
Trichoderma harzianum	Trizan	Applied Chem	1 day
	Unisef	Uniseeds	1 day
	Tricoderma (powder)	Kasetsart University	1 day
	Nora	Phol Pui Rung	1 day
	Vproclean	M.V. Agreetech	1 day
	Divert	Applied Chem	1 day

Exhibit No.5
EUREP GAP
(Available in www.eurep.org)

Exhibit No.6
Certificate of Partnership and Company Registry

Exhibit No.7
Certificate of Registration

Exhibit No.8
Name of Participant Farmer, Cultivating Area,
together with Contract of Purchase and Sale of Asparagus
(For Participant Farmer)