Ascona Foods Conditions of Purchase

Effective date: March 23, 2021

1. **Entire Agreement; Acceptance.** This purchase order, including these Conditions of Purchase (collectively “Order”) is an offer by Ascona Foods Group (Canada) Ltd. (“Buyer”) and supersedes all other agreements, oral or written, and all other communications between Buyer and the person or entity to whom this Order is addressed (“Seller”) suggesting additional or different terms, and represents the final and complete understanding of the parties. Seller’s acknowledgement of this Order or commencement of any work or performance of any services hereunder shall constitute acceptance by Seller of this Order and all of its terms and conditions. No other terms, conditions or understandings, or quotation or other document submitted by you in any manner, shall be effective to alter or add to terms of this Order, even where we do not object to them, unless made in writing and signed by our authorized representative.
2. **Prices; Payment.** (a) All prices are firm and include all costs and expenses; and (b) payment terms are as set forth in the Buyer’s purchase order, or if not stated, shall be deemed to be net 30 days from the later of the date of the receipt of a complete invoice or Buyer’s acceptance of the goods (“Goods”) or provision of services (”Services”) covered by this Order. No invoices may be rendered by Seller until after the Goods have been shipped or the Services rendered. No increase in the price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer. Seller is not entitled to suspend deliveries of the Goods or performance of the Services as a result of any sums being outstanding. Seller further agrees to accept payment based upon Buyer’s evaluated receipt record/self billed invoice. Notwithstanding the foregoing Buyer reserves the right to request an invoice from Seller at any time.
3. **Shipping.** Seller agrees: (a) to properly pack, mark and ship Goods in accordance with the requirements and instructions (hereafter “requirements and instructions” are collectively “instructions”) of Buyer, the involved carriers, and, if applicable, the country of export and/or destination; (b) to route shipments in accordance with Buyer’s instructions; (c) to make no charge for handling, packaging, storage or transportation of goods, unless otherwise stated as an item in this Order; (d) to provide with each shipment packing slips which contain Buyer’s purchase order number and date of shipment distinctly marked thereon; (e) to properly mark each package with a label/tag according to Buyer’s instructions; (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer’s instructions; and (g) to include on bills of lading or other shipping receipts correct classification and/or identification of the goods shipped in accordance with Buyer’s instructions and the carrier’s requirements. The marks on each package and identification of the Goods on packing slips, bills of lading and invoices (when required) shall be sufficient, in Buyer’s sole opinion, to enable Buyer to identify the Goods purchased.
4. **Delivery.** Time is of the essence with respect to this Order, and deliveries shall be made both in quantities and at times specified in the Buyer’s delivery schedules and or purchase order(s) placed by Buyer with Seller provided however, should a conflict exist the purchase order schedule shall control. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer’s delivery schedules; with the exception of a minus zero (-0) plus ten (+10) percent tolerance of total purchase order amount on raw materials. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for Goods or Services. If the delivery of Goods or provision of Services purchased hereunder is not completed on or before the date set forth in the Buyer’s delivery schedule or purchase order, Buyer may, in addition to any other rights or remedies it may have, terminate this Order, without liability, as to Goods not yet shipped or Services not yet provided and purchase substitute goods or services and charge Seller for any additional costs incurred thereby. If, in order to comply with the delivery date specified on the front hereof, Seller must ship by a more expensive way than specified herein, Seller shall pay any increased costs. If type of carrier is not specified, route by lowest cost transportation.
5. **Component Disclosure; Special Warnings and Instructions.** If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may request or direct: (a) a list of all elements or materials in the Goods; (b) the amount and percentage of all elements or materials; and (c) information concerning any changes in or additions to such elements or materials. Prior to and with the shipment of the Goods, Seller agrees to furnish to Buyer sufficient, as determined solely by Buyer, warning and notice in writing (including appropriate labels on the goods, containers and packages) of any hazardous material that is an ingredient or a part of any of the Goods, together with such special handling instructions as may be required or necessary to advise carriers, Buyer, their respective employees and end users of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Buyer.

6. **Warranties.** Seller represents and warrants that the Goods or Services purchased hereunder (a) will be in full conformity with all applicable laws (including all health and safety legislation) and the specifications, drawings, descriptions and/or samples furnished or specified by Buyer, (b) are free from defects in material, workmanship and design and that all Services will be performed in a timely, competent and workmanlike manner, and (c) are of good merchantable quality and fit and sufficient for the purposes intended, and (d) free and clear of all liens, security interests or other encumbrances. All warranties shall survive any inspection, testing, delivery, acceptance or payment or failure to inspect, test or discover any defect or other nonconformance, and such actions or omissions shall not relieve Seller of any of its obligations under the Order or impair any rights or remedies of Buyer. NO ATTEMPT BY SELLER TO DISCLAIM, EXCLUDE, LIMIT, OR MODIFY ANY CONDITIONS OR WARRANTIES (WHETHER PROVIDED HEREIN OR IMPLIED BY LAW) OR SELLER'S LIABILITY FOR DIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES SHALL BE OF ANY FORCE OR EFFECT.With respect to Goods or Services that are resold or otherwise transferred to a third party by Buyer, such third party shall have the full benefit of all warranties and indemnities from Seller and its suppliers, whether hereunder or otherwise, and Seller agrees to execute any assignments of such warranties and indemnities to such third parties.
7. **Recall.** In the event that Buyer determines, in Buyer's sole discretion, that any defect, nonconformance or deficiency in any of the Goods requires a recall or similar action ("Recall"), or to comply with applicable federal or provincial laws regarding product safety, or to replace or remediate any Goods or any of Buyer's products in which Goods are incorporated, Seller shall be liable to Buyer and its customers for all costs and expenses arising from or related to such Recall including, without limitation, legal fees and litigation costs.
8. **Returns.** Buyer reserves the right to return any Goods for any reason whatsoever, or no reason, within 90 days' of Buyer's receipt of the Goods, notwithstanding any payment or any prior inspection or test, and Seller shall refund all money paid by Buyer to Seller for such returned Goods upon Seller's receipt of same. Seller acknowledges that Buyer is under no obligation to and may not perform incoming inspections of the Goods, and waives any rights to require Buyer to conduct such inspections.
9. **Title and Risk.** Title to Goods shall pass to Buyer upon delivery, or if earlier, upon payment to Seller of 51% of the price for the Goods. Where Buyer rejects or returns any Goods in accordance with this Order, such Goods shall be deemed to have remained the property and risk of Seller at all times.
10. **Rejection and Remedy of Defects.** Goods that fail to meet any requirement of this Order may be rejected by Buyer and shall be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be deemed commercially reasonable by Buyer under the circumstances, after notice of nonconformity to Seller, shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the Goods without liability to Seller. Sellers who request the return of nonconforming Goods shall be liable for shipping and handling charges. Seller agrees to credit Buyer for nonconforming Goods upon the earlier of: (i) 10 days after the date of shipment from Buyer of the returned Goods to Seller, or (ii) 7 days from Buyer's notice to Seller of Buyer's disposal of nonconforming Goods. Payment for nonconforming Goods shall not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. In the event payment has occurred Seller shall issue Buyer an immediate credit for such nonconformance and an immediate refund if Buyer elects a refund. Upon rejection of any Goods or Services, Buyer shall have the right to require Seller to repair or replace them within such time as may be stipulated by Buyer or terminate this Order without prejudice to its other rights and remedies. If Seller fails to remedy any defect as above provided, Buyer shall be entitled to terminate this Order without prejudice to its other rights and remedies.
11. **Indemnification.** Seller shall indemnify, hold harmless and defend Buyer, its parents, subsidiaries, and affiliate companies and their respective successors and assigns (the "Buyer Parties"), against all lawsuits, damages, losses, expenses, claims, liabilities, judgments, fines, settlements or penalties, including all attorney's fees and litigation costs, whether direct or indirect, incidental, consequential, or otherwise (collectively, "Claims and Losses") for: (i) claims for personal injury (including death), property loss or damage, or other loss, injury, incident or damage arising out of, relating to, or connected with the use, possession, consumption, manufacture, fabrication, or sale, of the Goods or Services sold or provided by Seller to Buyer, and (ii) claims arising from, relating to, or connected with Seller's negligence, acts, wilful misconduct or omissions or failure to comply with all the terms of this Order or any other agreement between Buyer and Seller. Seller further agrees to indemnify, hold harmless and defend the Buyer Parties and each of their customers, against all Claims and Losses, arising from, relating to, or connected with Seller's breach of any of the warranties expressed in this Order or any warranties implied by law. Seller shall not enter into any settlement of any Claims of Losses without Buyer's prior written consent.
12. **Intellectual Property.** Seller represents and warrants that the manufacture, sale and use of the Goods will not infringe any patent, copyright, trademark, trade secret or any other intellectual property or proprietary right. If all or any portion of the Goods are held to constitute an infringement of a patent and/or their use is enjoined for any reason, Seller shall promptly, and at its own expense, at Buyer's election, either procure for Buyer the right to continue using such Goods royalty-free or

replace such Goods to Buyer's satisfaction with non-infringing Goods of equal quality and performance. Any inventions, patents, copyrights, design rights and other intellectual property rights arising from the execution of this Order shall become the property of Buyer and Seller shall not disclose the same to any third party. Seller shall do all things and execute such documents as may be necessary to assign such property to Buyer.

13. **Changes.** Buyer shall have the right at any time to make changes in drawings, specifications, materials, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for performance, an equitable adjustment shall be made therein, and this Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this section.
14. **Set-Off.** In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries. This right of setoff by Buyer against Seller shall and does extend to the right to withhold and set off payments for any failure of Seller to provide Services or obligations created under this Order including the right to use such money owed to Seller to fulfill the obligations of Seller under this Order, any purchase order or any other obligation created by Seller to Buyer whether in writing or oral in nature.
15. **Force Majeure.** Buyer shall not be liable for failure to take delivery of Goods or to allow performance of the Services if such failure or inability is due to causes beyond Buyer's reasonable control, including without limitation act(s) of God, act or omission of government, war or similar event, or labour dispute.
16. **Termination.** Buyer may terminate this Order, in whole or part, at its convenience at any time by written notice to Seller. In such event, Seller may claim only properly documented out-of-pocket costs for work already performed. Buyer's right to terminate this Order is not an exclusive remedy. Buyer shall be entitled to all other rights and remedies it may have either at law, contract or in equity. No termination of this Order shall affect any rights or obligations of either party accrued as of the effective date of such termination.
17. **Waiver.** Failure of Buyer at any time to require Seller's performance of any obligation under this Order shall not affect Buyer's right to require performance of that obligation. Any waiver by Buyer of any breach of any provision hereof must be in writing and shall not be construed as a waiver of any continuing or succeeding breach of such provision or waiver or modification of this provision itself, or a waiver or modification of any right under this Order.
18. **Non-Assignment.** Seller shall not assign this Order or any monies due or to become due hereunder, without Buyer's prior written consent, and any attempted assignment without Buyer's prior written consent shall constitute a material breach of this Order.
19. **Applicable Law and Venue.** This Order, the purchase of Goods or Services by Buyer from Seller and all other aspects of the relationship between Seller and Buyer, shall be construed and governed according to the laws of the Province of Ontario and the laws of Canada applicable therein excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Seller agrees that any litigation relating to or arising directly or indirectly in connection with the purchase of Goods or Services by Buyer from Seller, shall only be brought in the Courts of the Province of Ontario.
20. **Notices.** Any and all notices or other communications required or desired to be given in connection with this Order will be given in writing, and shall be delivered in person, transmitted by facsimile or email, or sent by registered mail, charges prepaid, and shall be sent to a party at its address or number and for the attention of the individual specified in this Order, provided that a party may change its notice details on giving notice to the other party of the change in accordance with this section. Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next following business day) or, if mailed, on the third business day following the date of mailing.
21. **Buyer Information.** BUYER MAKES NO WARRANTY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF INFORMATION PROVIDED BY BUYER TO SELLER. BUYER IS PROVIDING ANY INFORMATION ON AN "AS IS" BASIS. ANY IMPLIED WARRANTIES OR CONDITIONS THAT MAY EXIST WITH RESPECT TO ANY INFORMATION PROVIDED BY BUYER, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED TO THE EXTENT PERMITTED BY APPLICABLE LAW. Seller acknowledges and agrees that any sales forecasts, quantity purchase estimates or similar projections received from Buyer are not purchase commitments of Buyer, but rather represent estimates for planning purposes only. Buyer shall have no obligation to purchase or otherwise compensate Seller for any of Seller's finished products, or unfinished raw materials, not covered by a purchase order issued by Buyer.
22. **Buyer's Property.** All samples, supplies or other materials furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and are held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property.

Buyer's Property shall at all times be properly housed and maintained by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract; shall be conspicuously marked by Seller as the property of Buyer; shall not be commingled with the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

23. **Confidentiality.** Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to Seller by Buyer or its agents, sub-contractors, or affiliated companies and any other confidential information concerning Buyer's business or its products which Seller may obtain and Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging Seller's obligations to Buyer and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality.
24. **Supplier Quality and Development.** Seller agrees to participate in Buyer's supplier quality and development programs (inclusive of pricing and cost savings) and to comply with all quality requirements and procedures specified by Buyer and as revised from time to time by Buyer, including those applicable to Seller as set forth approved Global Food Safety Initiative schemes. In addition, Buyer shall have the right to enter Seller's facility at any reasonable time to inspect the reports, facility, goods, materials and any property of Buyer covered by this Order, any Purchase Order issued by Buyer to Seller or any other contract between Buyer and Seller. Buyer's inspection of the Goods whether during manufacture, prior to delivery or within a reasonable time, as determined solely by Buyer, after delivery, shall not constitute acceptance of any work-in-process or finished goods. Buyer agrees to provide Seller with a monthly scorecard, not later than the 15th day following the end of each month, to rate the Seller's performance pertaining to safety, quality, delivery, and cost. Seller's receiving a score of less than eighty percent as determined exclusively by the Buyer will be placed on probation for a period determined by Buyer but not in excess of sixty days. If Seller's performance does not improve to a satisfactory rating as deemed solely by the Buyer, Seller can be terminated by Buyer and all contracts and/or purchase orders terminated without liability to Seller.
25. **Customs; Import/Export Controls.** Credits or benefits resulting or arising from this Order, including trade credits, export credits or the refund of duties, taxes or fees, shall belong solely to Buyer. Seller shall promptly provide all information necessary to Buyer, but in no event later than the date of shipment, (including specifically without limiting the foregoing, written documentation and electronic transaction records) in order to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labeling requirements and local content origin requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this Order, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the Goods to be covered by any duty deferral or free trade zone program(s) of the country of import.
26. **No Advertising.** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller ahs contracted to furnish Buyer the Goods or Services, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials.
27. **Compliance with Laws; Employment/Business Practices.** Seller, and any Goods or Services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country of manufacture and the country of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of Goods or provision of Services. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including legal or other professional fees) arising from or relating to Seller's noncompliance.
28. **Miscellaneous.** Provisions which by their nature should survive will remain in force after any termination or expiration. If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Order or invalidate or render unenforceable such term or provision in any other jurisdiction.