

Ascona Foods Standard Terms and Conditions of Sale

Effective date: March 23, 2021

GENERAL

These terms and conditions of sale (these "Conditions of Sale") are incorporated into all contracts, however formed, with regard to the sales of goods and/or provision of services by Ascona Foods Group (Canada) Ltd. (the "Company") to each customer of the Company (the "Customer").

PRICE ADJUSTMENT:

The Company reserves the right to alter the selling price if bid is not awarded in thirty (30) days from date of quote. The Company reserves the right to correct any errors or omissions in specifications or prices without liability.

CHANGES:

Changes in specifications or designs relating to any products, changes in delivery schedules, suspensions or cancellations of orders are not permitted unless we have accepted same in writing, have determined the additional charge to be made, if any, and such charge has been paid by the Customer. The Company reserves the right to charge for all materials, tools, and supplies, either in process or in stock, purchase, or made for the execution of the order, and payment for same shall be made within thirty (30) days of invoice.

Within thirty (30) days of notification of cancellation, reduction or suspension of delivery, the Company reserves the right to retain or receive all material, tools and/or supplies on said order, or to ship same to Customer at the Customer's expense, or to charge storage and interest for holding of said material pending disposition.

PATENT INFRINGEMENT:

Where the Company manufactures an item according to the Customer's design, and/or specifications, it is on, and under the express condition that the Customer agrees to indemnify and save the Company harmless of, from and against, all loss, costs, expense, and/or damages arising from or growing out of, suits or claims that the design, or item infringes on another's patent or other rights.

TERMS AND CONDITIONS OF PAYMENT:

Terms are net thirty (30) days unless otherwise specified in writing. All accounts over thirty (30) days are subject to 1-1/2% finance monthly (18% annual rate) finance charge. Should the account remain unpaid beyond, sixty (60) days, the Company reserves the right to suspend fulfillment of current open orders until satisfied or agreed upon terms are met. All amounts owed by the Customer shall be paid without abatement, deduction, or setoff. The price payable by the Customer for each delivery shall be the price determined by the Company and confirmed in the Company's acceptance of the order to which shall be added any value added tax and any other tax or duty relating to the sale or delivery of goods chargeable to the Company plus every applicable freight and other related charges. Payment shall be made in Canadian dollars or other in the currency as specified by the Company in its invoice. The Company may at any time, whether before the beginning of the performance of the contract or after partial performance thereof, require from the Customer, partly or wholly, a payment in advance or require a guarantee acceptable to the Company that the Customer shall satisfactorily fulfill its obligations towards the Company. The Company shall be under no obligation to justify its requirement for such payment in advance or guarantee. The Company, without liability to the Customer, may refuse, change or withdraw extension of credit at any time, and may demand cash payments upon delivery or prior to shipment of goods.

SHIPPING AND STORAGE:

The company reserves the right to supply the goods from any of its sites or any of the sites of any of its associated companies. All orders are shipped FOB Ascona or FOB: the site of any of Ascona's associated companies (all as may be determined by the Company in its sole discretion at the time of manufacture) and shipment may be by carrier or other means selected by the Company, unless otherwise agreed upon in writing. Risk in the goods shall pass to the Customer when the goods are delivered to the carrier for shipment. In the absence of agreed shipping dates, the Company may invoice the Customer and ship the goods once

they are ready for shipment. If, because of the Customer's inability to take delivery, the goods are not shipped, stopped in transit or returned, the Company may store them at the Customer's expense and risk, and the goods shall be deemed to be delivered as of such date. All shipping costs shall be for the sole account of the Customer and, if paid by the Company, shall be recovered by the Company from the Customer.

DELIVERY DATES:

Dates or periods for delivery are approximate and are given for information only and shall under no circumstances be essential terms. A delay in delivery including delivery later than the date or dates provided in the contract documents, shall not constitute a breach of contract and shall not entitle the Customer to avoid the contract or to any other remedy, unless the Company has guaranteed the specific date of delivery in an express warranty set out in the contract documents that expressly modifies the provisions of this section.

FORCE MAJEURE:

Should the manufacture or processing of any of the goods, or the delivery of any of the goods at any of the Company's sites or to the Customer elsewhere, whether by the Company, any associated company or an independent freight carrier, be prevented or hindered directly or indirectly by force majeure, such as by act or acts of God (including without limitation, hurricane, tornado, typhoon, flood or fire), the elements, war, civil commotion, riots, strikes, lock-outs, industrial dispute, shortage of raw materials or fuel (notwithstanding that the Company has taken all reasonable steps to procure such raw materials or fuel), shortage of labour, breakdown or partial failure of plant or machinery, late receipt of the Customer's specification or other necessary information, acts orders or regulations of governments, delay on the part of any agent, sub-contractor or supplier, or any other cause whatsoever which is beyond the reasonable control of the Company or any of its associated companies concerned with the manufacture, processing or delivery of the goods then, notwithstanding any warranty set out in the contract documents expressly modifying this section, the time for delivery of the goods shall be extended for a reasonable period, and any such warranty shall be deemed to have been modified accordingly.

QUALITY, INSPECTION AND ACCEPTANCE:

Items delivered are subject to the Customer's inspection and approval based on original documentation, or samples submitted to the Company. If items furnished by the Company fail to conform substantially to its written quotations, the Company will replace non-conforming items, provided written notice thereof is given the Company within thirty (30) days after delivery of the items to the Customer, which notice must give details specifying defects or non-conformations complained of. Objections or complaints not made by the Customer to the Company in writing within thirty (30) days of delivery of the item to the Customer are waived by the Customer, and items not objected to shall be deemed accepted as in full compliance with this contract. The Customer must contact the Company for return authorization, prior to returning any items or parts alleged to be non-conforming. Tolerances and variations within the limits of the Company's normal practices are not non-conformance. Dimensional tolerances shown on Customer's print, or sample, where applicable, will be maintained unless otherwise specified by the Company.

Except as set out in the paragraph above, ANY CONDITION, WARRANTY, STATEMENT OR UNDERTAKING AS TO THE QUALITY OF THE GOODS, THEIR MERCHANTABILITY, OR THEIR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE HOWEVER OR WHENEVER EXPRESSED OR WHICH MAY BE IMPLIED BY STATUTE, CUSTOM OR USAGE OF TRADE OR OTHERWISE IS HEREBY EXPRESSLY EXCLUDED. Any technical advice provided by the Company with respect to the use of goods sold hereunder shall be for informational purposes only, and the Company makes no representation or warranty, nor assumes any obligation or liability for any such advice.

LIMITATION OF LIABILITY:

The Company's liability is limited to replacing, at original delivery point, the items complained of with conforming items, the Company shall pay transportation charges involved. This undertaking is given in lieu of any other legal remedy the Customer may have (whether in contract, tort or otherwise) and shall be the Customer's sole and exclusive remedy in respect of goods (or any part of them) being defective in quality or state or otherwise not in compliance with the contract.

UNDER NO CIRCUMSTANCES SHALL WE OR ANY AFFILIATE BE LIABLE TO YOU OR ANY OTHER PERSON OR ENTITY FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OR ANY OTHER LOSSES OR EXPENSES, INCLUDING WITHOUT LIMITATION, FOR INJURIES TO PERSONS (INCLUDING DEATH), OR DAMAGE OR LOSS TO PROPERTY, LOSS OF PROFIT OR REVENUES OR USE, DIMINUTION IN VALUE, COST OF SUBSTITUTE PRODUCTS, LOSS OF USE, OR CLAIMS OF YOUR CUSTOMERS EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF THE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS

BASED AND NOTWITHSTANDING ANY FUNDAMENTAL BREACH OR THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

QUANTITY VARIATION:

Since products herein specified are made to order, the Company is to be permitted to ship up to ten percent (10%) over-run or under-run on the actual amount ordered unless otherwise specifically agreed. If exact quantities are intended to be requested, specific arrangements must be made at the time the order is placed.

QUANTITY PRICES:

When issuing purchase order for products quoted, the Customer is requested to assign prices strictly in accordance with the quantities that can be produced and shipped at one time, unless otherwise specified.

TOOLS OR RAW MATERIALS:

Subject to receipt of payment in full by the Customer for all goods ordered, the Company shall retain ownership, possession and control of all new materials (including ingredients), tools, dies, designs, drawings, jigs and fixtures and/or equipment, prepared for the manufacture of products subject to any pending order. Any such raw materials, tools, and or equipment, furnished by the Customer shall remain the property of the Customer unless otherwise specified and agreed to. Provided however the Company will store these for a maximum period of three (3) months after the date of the last order placed by the Customer, after which time they will be destroyed, scrapped, or returned, at the discretion of the Customer. In the event of the need for samples, the inspection and approval of samples by the Customer must be done in a reasonable length of time, determined at the placement of the order.

CONSIGNED MATERIAL:

Material consigned to the Company may be used on other orders for the same Customer, unless the Customer states that certain material must be used towards a specific purchase order.

DATA PROTECTION AND INTELLECTUAL PROPERTY:

The Customer warrants to the Company that all documents provided by the Customer are accurate, and consents to the Company using any information provided by the Customer for any purposes connected with the supply of goods under the contract, including, without limitation, the carrying out of a credit check on the Customer, arranging credit insurance, processing payment by the Customer, enforcing the Customer's obligations under the contract and carrying out its own pbligations under the contract.

The Company reserves all and any property rights and intellectual rights in all and any drawings, illustrations, estimates of cost and other documents received by the Customer from the Company. Such documents and any other confidential information may not be used or disclosed by the Customer unless and until it receives the prior written consent of the Company, unless such information enters the public domain (other than as a result of a breach of this paragraph) or the use or disclosure is required by law.

AGREEMENT TO BE BOUND:

The Customer agrees to be bound by these Conditions of Sale, which supersede all other agreements, oral or written, and all other communication between the Company and the Customer suggesting additional or different terms. The Customer's receipt of any portion of the goods or the Company's commencement of the performance of services, or any other conduct by the Customer that recognizes the existence of a contract with respect to the goods or services described in the Company's acknowledgement or invoice, shall constitute acceptance of these Conditions of Sal without objection. No other terms, conditions or understandings, or purchase order or other document submitted by you in any manner, shall be effective to alter or add to these Conditions of Sales even where we do not object to them, unless made in writing and signed by our authorized representative.

WAIVER:

All waivers by the Company shall be in writing. The Company's failure at any time to require your performance of any obligation hereunder shall not affect the Company's right to require performance of that obligation. No delay or omission in the exercise of any right, power, or remedy hereunder shall impair such right, power, or remedy or be considered to be a waiver of any default or acquiescence therein.

APPLICABLE LAW AND VENUE:

These Conditions of Sale, the purchase of goods or services by the Customer from the Company and all other aspects of the relationship between the Company and the Customer, 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. The Customer agrees that any litigation relating to or which arises directly or indirectly in connection with the purchase of goods or services by from the Company shall only be brought in the Courts of the Province of Ontario, Canada.

NOTICES:

Any and all notices or other communications required or desired to be given in connection with the contract 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 the contract, 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.

MISCELLANEOUS:

All limitations of liability operating for the benefit of the Company and all indemnities granted herein in favour of the Company, together with all other provisions which by their nature should survive, will remain in force after any termination or expiration however caused. If any term or provision of these Conditions of Sale is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of these Conditions of Sale or invalidate or render unenforceable such term or provision in any other jurisdiction.