

**MANUCHAR INC.**  
**TERMS AND CONDITIONS OF PURCHASE**

1. **ENTIRE CONTRACT.** Unless otherwise agreed in writing, these terms and conditions of purchase ("Terms and Conditions") form the basis on which Manuchar Inc. ("Buyer") purchases product ("Product") from the seller ("Seller") as identified in any Purchase Order. "Purchase Order" means the written purchase order from Buyer to Seller in relation to its purchase of Product and includes, by way of example, certain specifications of the Product such as the name of the Product, (indication of) price, and terms of payment, shipping and packaging. "Contract" means the relevant Purchase Order together with these Terms and Conditions. Seller's written acceptance or any commencement of work under the Purchase Order constitutes Seller's acceptance of these Terms and Conditions. The Contract constitutes the entire agreement of Seller and Buyer relating to the subject matter hereof and supersedes all prior communications, understanding and agreements with respect thereto, whether oral or written. In the event of a conflict between the Purchase Order and these Terms and Conditions, these Terms and Conditions shall prevail over the Purchase Order to the extent these Terms and Conditions do not stipulate otherwise. Any term or condition proposed by Seller that supplements, conflicts with, or is in any way different from the Contract, including without limitation Seller's proposed terms and conditions of sale (if any), is hereby rejected, and no additional notice of the foregoing need be given by Buyer to Seller.

2. **PRICE.** The purchase price of the Product is the price set forth in the Purchase Order. Unless otherwise stated in the Purchase Order, the purchase price is: (i) a firm fixed price for the duration of the Contract and/or quantity stipulated in the Contract and not subject to increase for any reason, including without limitation costs related to raw materials, energy (including but not limited to fuel), labor or manufacturing; (ii) inclusive of all federal, state, provincial, value-added and local taxes and any duties applicable to provision of the Product; and (iii) inclusive of all freight, shipping, storage, handling, packaging and all other expenses and charges which are not subject to increase for any reason. Seller shall separately invoice Buyer for any sales, value-added, or similar taxes or charges that Seller is required by law to collect from Buyer. Credits or benefits resulting from the Contract, including trade credits, export credits or the refund of duties, taxes, or fees, and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from the Seller's suppliers), belong to Buyer, and Seller will provide all information and certificates necessary to enable Buyer to receive these benefits or credits.

3. **INVOICES.** Unless otherwise stated in the Purchase Order, invoices shall be issued upon or after shipment of the Product to Buyer and payment shall be deemed to occur upon Buyer's payment into the bank account number provided by Seller. All payments shall be made in United States of America ("USA") dollars, and there shall be no adjustment to the purchase price for currency fluctuations if the Product is at any time made or shipped from outside of the USA. Seller shall, at its sole expense, comply with Buyer's instructions and policies with respect to the form, content and method for submission of invoices.

4. **PAYMENT TERMS.** Unless otherwise stated in the Purchase Order, Buyer shall pay invoices that are properly presented and not subject to dispute within sixty (60) calendar days of the invoice date. Time for payment shall not commence until the Buyer receives correct and complete invoices. Buyer may withhold payment pending receipt of evidence, in such form and detail as the Buyer may direct, of the absence of any liens, encumbrances or claims on the Product.

5. **SET OFF.** In addition to any right of setoff or recoupment provided by law, Buyer shall be entitled at any time to set off or recoup against sums payable or to become payable by Buyer to Seller (or any of its affiliates) any amounts for which Buyer determines in good faith Seller (or any of its affiliates) is liable to it under the Contract or any other agreement between Buyer (or any of its affiliates) and Seller (or any of its affiliates). If Buyer pays an obligation of Seller (or any of its affiliates) to any supplier or subcontractor of Seller (or any of its affiliates) in order to continue flow of Product to Buyer (whether or not Buyer is legally obligated to do so), Buyer shall be entitled to the foregoing rights of setoff and

recoupment; provided, however, that if such set off or recoupment is insufficient for Buyer to recover such amount, Seller shall pay the remaining balance to Seller within ten (10) calendar days after Buyer's payment to such supplier. If an obligation of Seller to Buyer is disputed, contingent or unliquidated, Buyer may, without notice to Seller, defer payment of all or a portion of the amount due to Seller until such obligation is resolved.

6. DELIVERY.

(a) Specified requirements, including the requirements set forth in Buyer's delivery schedules, as to quantity and/or time of delivery are a fundamental condition of the Contract. Product shall be shipped and delivered in accordance with the Incoterm set forth in Buyer's delivery instructions. If the Buyer has not provided delivery instructions to Seller, Product shall be shipped and delivered DDP location designated by Buyer and shipments will be made by Seller at the time stated in the Purchase Order, or at any other mutually agreed upon time. The Product shall not be deemed to have been delivered to Buyer until Buyer's acceptance of the Product. Seller shall be liable for any losses, costs, fees, penalties (consequential or otherwise) or obligations whatsoever ("Losses") sustained or incurred by Buyer, including third-party claims, as a result of the failure by Seller to conform to specified delivery dates or quantity requirements, including without limitation any Loss sustained or incurred by Buyer as a direct or indirect consequence of stoppage of the manufacturing process of Buyer or Buyer's customers.

(b) Shipping terms used in this Contract shall be interpreted in accordance with Incoterms 2010, and any reference to an "Incoterm" in these Terms and Conditions, the Purchase Orders or other correspondence between Buyer to Seller shall be deemed to refer to Incoterms 2010.

7. TIME OF THE ESSENCE. Time shall be of the essence for delivery of Product under the Contract.

8. TITLE AND RISK OF LOSS. Unless otherwise stated in Buyer's shipping instructions, title and risk of loss shall pass from Seller to Buyer upon Buyer's acceptance of the Product.

9. SHIPPING, PACKAGING AND DOCUMENTS. Seller shall, or shall procure to, properly pack, mark and ship the Product (and provide related documentation) according to the requirements of Buyer, the involved carriers and all applicable laws, rules, regulations, ordinances, administrative orders or other requirements of any municipal, state, provincial or international body ("Laws"), including the jurisdiction to which the Product will be shipped. Seller shall promptly provide Buyer with, in the form requested by Buyer, the identity and amount of all ingredients (and any changes in the ingredients) of the Product. Seller shall: (i) provide with each shipment packing slips with Buyer's Purchase Order number marked thereon; (ii) properly mark each package with the Purchase Order number, and where multiple packages comprise a single shipment, to consecutively number each package; (iii) promptly forward each bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions; and (iv) include on bills of lading or other shipping receipts correct identification of the Product shipped in accordance with Buyer's instructions, carrier's requirements and applicable Laws. The marks on each package and identification of the Product on packing slips, bills of lading and invoices shall be sufficient to enable the Buyer to easily identify the Product. For each Product for which Seller is required to maintain a Material Safety Data Sheet ("MSDS"), Seller shall provide Buyer an accurate, complete and current MSDS. Seller shall further provide Buyer with an accurate, complete and current technical data sheet for each Product. Seller will provide Buyer with a new MSDS and technical data sheet each time there are any changes to the Product that affect the MSDS or the technical data sheet respectively.

10. EXPEDITED DELIVERY. If Seller's acts or omissions, in the sole discretion of Buyer, result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation than originally specified by Buyer, Seller shall, at Buyer's sole option: (i) promptly reimburse Buyer for the difference in cost between the more expeditious method and the original method; (ii) allow Buyer to reduce its payment of Seller's invoices by such difference; or (iii) ship the Product as

expeditiously as possible at Seller's sole cost and expense and invoice Buyer for the amount which Buyer would have paid for normal shipment.

11. COUNTRY OF ORIGIN. Upon request, Seller shall promptly furnish to Buyer all certificates of origin or domestic value-added and all other information relating to the costs and places of origin of the Product as may be required by Buyer to comply fully with all customs, tariffs and other applicable Laws. Seller shall comply with all such Laws and warrants that any such information that is supplied to Buyer shall be true and accurate and that all sales covered by the Contract will be made at not less than fair value under the anti-dumping laws of the jurisdiction to which the Product is exported.

12. HAZARDOUS MATERIALS. Seller shall comply with all Laws relating to any hazardous or restricted material that is an ingredient or part of the Product, including the provision to Buyer of a MSDS as set forth in section 10 hereof. In addition, prior to and with each shipment of Product, Seller shall furnish to Buyer sufficient warning and notice in writing (including appropriate labels, containers, and packing) of any hazardous or restricted material that is an ingredient or a part of any of the Product, together with any special handling instructions as may be necessary to advise Buyer, carriers, and their respective employees and customers of how to exercise such measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use, containers, packing, disposal, and recycling of the Product. In addition, at Buyer's request, Seller shall timely provide any additional information regarding the components or ingredients of the Product, including without limitation the amounts and any changes or additions to such components or ingredients and any additional testing requirements, certifications, or representations requested by Buyer and/or Buyer's customers regarding compliance of the Product with any requirement under applicable Law.

13. WARRANTIES. In addition to any other express and implied warranties provided by applicable Law or otherwise, Seller represents and warrants that the Product shall: (a) conform to the Contract in all respects and be free from all defects; (b) have good and marketable title, free and clear of any liens and encumbrances; (c) be merchantable; (d) conform to all specifications, drawings, samples and other descriptions furnished by Buyer; (e) be fit and sufficient for the purposes intended by Buyer; and (f) conform to all applicable Laws, including without limitation those of the jurisdiction to which the Product is shipped. Seller further represents and warrants that neither the Product nor the sale thereof will infringe upon or violate any trademarks, patents, copyright or other legal rights ("IPR") of any third party. All warranties of Seller shall extend to future performance of the Product and shall not be modified, waived or discharged by delivery, inspection, test, acceptance, payment or Buyer's approval of any material, process or specification.

14. NON-CONFORMING GOODS.

(a) Product shall be received subject to Buyer's inspection and rejection. Buyer's payment shall not constitute acceptance of non-conforming or defective Product, nor shall it limit or affect any rights of Buyer. If Buyer rejects any non-conforming or defective Product, at Buyer's instruction and in Buyer's sole discretion, Seller shall, at its sole cost and expense, (i) accept the return of the rejected Product and pay to Buyer the price already paid by Buyer or (ii) if Buyer retains such Product, Seller shall pay to Buyer the difference between the price of the non-conforming or defective Product and the Product free of fault. Seller shall reimburse Buyer for all transportation and other costs incurred in connection with the return of the non-conforming or defective Product.

(b) Seller shall be liable for any and all Losses incurred by Buyer resulting from Seller's failure to deliver conforming and non-defective Product or failure to comply with the shipping and delivery or other requirements of Buyer, even if Seller has cured such failure, including without limitation: (i) any amounts charged by Buyer's customers for incurring such Losses; (ii) all costs of containment, sorting, repair, replacement, cure, cover, or any other costs incurred by Buyer, determined in such manner and in such amount as reasonably determined by Buyer; (iii) all costs of any recall campaign, corrective service action, or other voluntary or involuntary action in which Buyer or any customer of Buyer participates in connection with inclusion of the Product in goods sold by Buyer or any customer of Buyer. Seller shall

immediately notify Buyer in writing when it becomes aware of any nonconformity or defect in the Product or of any ingredient, component, defect that is or may become harmful to persons or property.

15. CHANGES. Buyer reserves the right at any time to change the Product specifications, engineering level, materials, packaging, testing requirements, shipping date(s) or time or place of delivery, and Seller shall promptly make any such change. Any difference in price or performance resulting from such changes shall be agreed to in writing by Buyer after receipt of documentation in such form and detail as Buyer may direct. Seller shall not make any change to the Product except with Buyer's written instruction or approval, which Buyer may withhold in its sole discretion.

16. INSPECTION AT THE SELLER'S PREMISES. Buyer and/or Buyer's customers shall have the right to enter Seller's facility at reasonable times to inspect the facility, Product, materials and any property of Buyer covered by the Contract. Buyer's inspection of the Product, whether during manufacture prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished Product.

17. INDEMNIFICATION.

(a) Seller agrees to indemnify, defend and hold harmless Buyer and its directors, officers, employees, agents and affiliates ("Indemnified Parties") from and against any and all Losses arising out of any third-party claim which, in whole or in part, arises from or relates to any actual or alleged: (i) breach of any provision of the Contract by Seller (including without limitation Seller's noncompliance with any representation, warranty or obligation under the Contract or failure to conform to specified delivery dates or quantity requirements); (ii) negligence or fault of Seller in connection with the manufacture or delivery of the Product; (iii) any recall campaign, corrective service action, or other voluntary or involuntary action in which Buyer or any of its customers participate with respect to the Product or goods into which the Product is incorporated; (iv) any spill, discharge or emission of hazardous wastes or substances which relates, in whole or in part, to the Product; or (v) infringement (including claims of direct or contributory infringement or inducement to infringe) of any IPR relating to the Product, even if the Product is made to Buyer's specifications.

(b) Seller's obligation to defend and indemnify under this Section will also apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. The indemnification obligations under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Seller under Workers' Compensation Acts, occupational disease acts, disability benefits acts or other employee benefits acts.

(c) If Seller is obligated to indemnify hereunder, Buyer may at its option participate in the defense of any claim with its own counsel at Seller's expense.

(d) Seller shall carry workers' compensation and other appropriate liability insurance with sufficient coverages with respect to any indemnifiable matter hereunder. Upon request, Seller shall supply appropriate certificates of such insurance and/or naming Buyer as an additional insured.

18. TERMINATION.

In addition to Buyer's other rights to cancel or terminate the Contract, Buyer may, at its option, immediately terminate all or any part of the Contract upon written notice to Seller at any time for default if Seller (i) repudiates, breaches or threatens to breach any provision of the Contract, including without limitation delivery and quantity requirements; (ii) makes an assignment for the benefit of creditors or proceedings in bankruptcy or insolvency are instituted by or against Seller; (iii) enters into a transaction that includes a sale of a substantial portion of Seller's assets used for the production of the Product or a merger, sales or exchange of stock that would result in a change in control of Seller.

19. BUYER'S LIABILITY.

(a) Buyer's sole liability under the Contract (including its termination, expiration or cancellation) is to pay for the Product in accordance with Section 2 (Price) hereof. IN NO EVENT SHALL BUYER BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR CONTINGENT DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF ANTICIPATED PROFITS, BUSINESS INTERRUPTION, LOSS OF USE OR REVENUE, SELLER'S SUBCONTRACTORS, UNABSORBED OVERHEAD, COST OF CAPITAL OR LOSS OR DAMAGE TO PROPERTY OR EQUIPMENT), EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) The parties further agree that Buyer shall not bear any liability as a result of any injury, Loss or damage alleged to have been caused by the use of the Product by Buyer's customers or by any third party that purchased or otherwise obtained from Buyer's customers goods incorporating the Product, and Seller agrees to accept all responsibility and liability for injury, Loss or damage therefor.

20. COMPLIANCE WITH LAWS. Seller agrees to comply with all applicable Laws relating to the manufacture, packaging, labeling, sale, transportation and shipment, delivery, export or import of the Product, pesticides, material, work, food and food grade products, drugs and cosmetics covered by the Contract, the dissemination of information in connection therewith, and those relating to wages, hours, employee safety and working conditions. Upon request, Seller will submit to Buyer evidence of such compliance.

21. SANCTIONS, EXPORT CONTROL AND ANTI-BOYCOTT

(a) "Sanctions" means any trade, economic and/or financial sanctions or export controls (including without limitation any relevant law, regulation, order, ordinance, resolution, decree, restrictive measure or other requirement having the force of law, as well as import and export restrictions related to military and dual use products and technologies, chemical precursors (drugs and explosives), dangerous chemicals, pesticides and substances that deplete the ozone layer), adopted by the US, UK, EU (or its respective Member States), UN, or any government authority.

(b) The Supplier represents and warrants that neither it nor any person or entity that directly or indirectly owns or controls it, that it directly or indirectly owns and controls, or for which it is acting on behalf of or at the direction of is a designated target of any Sanctions, or an individual ordinary resident in or an entity incorporated under the laws of a country subject to comprehensive sanctions administered by the U.S. Department of Treasury office of Foreign Assets Control ("OFAC") (collectively "Sanctioned Person"). The Supplier agrees and undertakes to the other that it and its suppliers, agents, contractors and representatives ("Supplier Related Parties") will fully comply with the requirements of all applicable Sanctions in the performance of this Agreement.

(c) The Supplier agrees and undertakes that the goods being supplied in the performance of this Agreement are not directly or indirectly originating from a Sanctioned Person or Country, transported on a vessel sailing under the flag of a Sanctioned Country or that is a Sanctioned Person, or otherwise dealt with in any way which would cause a breach of Sanctions by Manuchar, its banks, insurers, agents, contractors, representatives, or shareholders ("Manuchar Related Parties") or which would expose any Manuchar Related Parties to the effects of any Sanctions.

(d) The Supplier will not and shall procure that the Supplier Related Parties will not, cooperate with, agree to, or comply with any terms or requests, including documentary requests, which violate or are otherwise prohibited or penalized under the anti-boycott laws or regulations of the US, UK, UN, the EU (or its respective member states), or any other governmental authority.

(e) Without prejudice to the foregoing, the Supplier agrees to cooperate with Manuchar's reasonable requests for information and/or documentary evidence to support and/or verify compliance with this Clause.

(f) Each and every obligation, warranty and undertaking in this Clause 15 shall be deemed to be an essential condition of the Agreement and breach thereof entitles Manuchar to terminate the Agreement immediately without any further notice nor any further liability towards the Supplier. The Supplier shall immediately notify Manuchar in writing of any changes or circumstances that may result in a breach of this Clause.

## 22. ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING

(a) Each party respectively agrees and undertakes to the other that, in connection with the Agreement, it will fully comply with all applicable laws, regulations, orders, ordinances, resolutions, decrees, or restrictive measures and/or other requirements having the force of law, adopted by any state or government or international organization such as, but not limited to, the EU or the UN relating to anti-bribery and anti-money laundering, the US and the U.S. Foreign Corrupt Practices Act of 1977 and the UK and the UK Bribery Act of 2010 (hereinafter the "Anti-Corruption and Anti-Money Laundering Laws"). In particular, each party respectively represents, warrants and undertakes to the other that it shall not, directly or indirectly, pay, offer, give or promise to pay or authorize the payment of, any monies or other things of value to, or confer a financial advantage on: a. a government official or an officer or employee of a government or any department, agency or instrumentality of any government; b. an officer or employee of a public international organization; c. any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organization; d. any political party or official thereof, or any candidate for political office; or e. any other private person, individual or entity. Each and every obligation, warranty and undertaking in this Clause shall be deemed to be an essential condition of the Agreement and breach thereof entitles the non-breaching party to terminate the Agreement immediately without any further liability towards the other party.

(b) The Supplier agrees and undertakes that it and its agents, contractors and representatives will fully comply with the requirements of all applicable Anti-Corruption and Anti-Money Laundering Laws in the performance of this contract.

## 23. FORCE MAJEURE.

(a) Performance of any obligation under the Contract by either party may be suspended without liability of any kind to the other party, to the extent that an act of nature; war; terrorism; riot; fire; explosion; accident; flood; sabotage; or any other cause beyond the reasonable control of such party; or other delays that restrict, limit, or render commercially infeasible the performance of the Contract or the consumption, sale or use of Product (hereinafter "Force Majeure"). Notwithstanding anything to the contrary herein, in no event will Seller's performance be suspended on account of (i) the change in cost or availability of materials, components or services based on market conditions, supplier actions, labor disruptions or contract disputes; (ii) Seller's financial distress or (iii) any labor strike or other labor disruption applicable to Seller or to any of its subcontractors or suppliers.

(b) During the period of such delay or failure to perform by Seller, Buyer may, at its sole option, purchase similar product from other sources and reduce the Purchase Order by such quantities and price payable for such quantities without liability to Seller, or require Seller to provide the Product from other sources in quantities and at times requested by Buyer at no increase in the price to Buyer. If Seller is the party affected by the Force Majeure event, Seller, at its sole expense, shall use its best efforts to mitigate any adverse effects or costs to Buyer due to any actual or potential delay.

(c) If a Force Majeure event occurs, the Affected Party shall notify the other within three (3) calendar days after such Affected Party becomes aware thereof. If the Affected Party estimates that Force Majeure will continue for more than seven (7) calendar days, and so notifies the other party, the other party may terminate the Contract without liability of any kind.

(d) GOVERNING LAW. THIS CONTRACT SHALL BE GOVERNED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF QUEBEC AND THE LAWS OF CANADA APPLICABLE THEREIN, WITHOUT APPLICATION OF ITS CONFLICT OF LAWS PRINCIPLES. The United Nations Convention on the International Sale of Goods shall not apply to this Contract.

24. ARBITRATION. In the event of any dispute, controversy or claim ("Claim") arising out of or relating to this Contract, the parties shall use every endeavor to settle such Claim by mutual consultation in good faith between officers of Seller and Buyer having requisite decision-making authority. Such mutual consultation shall take place as soon as practicable after the receipt by one party of a written notice from the other party describing the Claim. If the Claim is not resolved by consultation to the satisfaction of the parties within fifteen (15) calendar days of written notice given to one party pursuant to this Section 23, the Claim will be finally resolved by arbitration and to the exclusion of the tribunals before a single arbitrator pursuant to the provisions of the *Code of Civil Procedure* (Quebec) applicable at the time of the Claim.

25. REMEDIES. Seller acknowledges that damages may be an inadequate remedy in event of its breach of the Contract and that Buyer shall be entitled to equitable remedies without waiving any other remedy available in law or equity. Remedies granted Buyer herein shall be cumulative and additional to all other remedies provided in law or equity.

26. ELECTRONIC CONTRACTS. The parties may do business electronically, including order placement, issuance of Purchase Orders and acceptance, by electronic mail (e-mail), the internet and/or electronic data interchange (EDI), if applicable. A Purchase Order electronically issued shall be subject to and incorporate these Terms and Conditions. A contract issued and accepted electronically in accordance herewith shall create fully enforceable obligations of Buyer and Seller and shall be effective as and deemed an original signed writing.

27. WAIVER. Buyer's failure to insist on strict compliance with any provision of the Contract shall not be deemed to be a waiver of any right granted Buyer herein, and Buyer's waiver of any particular breach or default of the Contract shall not be effective unless in writing and shall not constitute a continuing waiver or a waiver of any other breach or default.

28. ASSIGNMENT. The Contract shall bind Buyer and Seller and their respective successors and assigns. Seller shall not assign the Contract without Buyer's prior written consent, and any attempted assignment without Buyer's written consent shall be void.

29. MODIFICATIONS. Except as otherwise set forth herein, the Contract may be modified or rescinded only by a writing signed by authorized representatives of both parties.

30. NOTICES. Any notice shall be sufficiently given when duly mailed postage prepaid, addressed to Seller or to Buyer at its respective addresses appearing on the Purchase Order (or to such other addressee as either party designates by notice hereunder).

31. SEVERABILITY; HEADINGS. If a provision of the Contract shall be held invalid, illegal or unenforceable for any reason, the provision must be read down so as to be valid, legal and enforceable or, if it cannot be so read down, it must be severed from the Contract without affecting the validity, legality and enforceability of the remaining provisions of the Contract. Section headings or titles are included for convenience of reference and do not constitute a part of these Terms and Conditions.

32. EXTERNAL CLAUSES. Seller acknowledges that any external clauses to which this Contract makes reference, where applicable, has been expressly brought to its attention and the Seller hereby declares itself content and satisfied therewith.

33. LANGUAGE. The parties hereto confirm that it is their wish that this Contract as well as all other documents relating hereto have been and shall be drawn up in English only.

34. SURVIVAL. Sections 17, 18(b), 19, 22, 23 and 31 of the Terms and Conditions shall survive the termination of the Contract for any reason.