

## CanSource LLC – Terms and Conditions of Sale

1. **GENERAL.** As used herein, “**CanSource**” means CanSource LLC, a Colorado limited liability company, and “**Buyer**” shall mean the purchaser identified on CanSource’s Order Submission Form to which these Terms and Conditions of Sale are attached.
2. **SCOPE OF AGREEMENT.** All orders for any goods (“**Products**”) issued by Buyer are accepted by CanSource only upon confirmation of receipt of Buyer’s completed Order Submission Form. The applicable Order Submission Form, together with these Terms and Conditions of Sale constitute the sole, exclusive, and entire agreement between CanSource and Buyer relating to the Products (this “**Agreement**”). CanSource expressly rejects any different or additional terms or conditions contained in any documents issued or submitted by Buyer. CanSource’s provision of credit, acceptance of any purchase order and/or sale of any Products are expressly made conditional on Buyer’s assent to this Agreement. Terms or conditions contained in any document issued by Buyer that in any manner purport to alter, modify, change, suspend or add to any term or condition to this Agreement shall be excluded from this Agreement and waived by Buyer. All sales of Products by CanSource are made subject to this Agreement. CanSource and Buyer expressly agree that CanSource may modify these Terms and Conditions from time to time, and such modifications shall be binding upon Buyer. Buyer’s use of the Products shall at all times comply with all applicable laws, rules, and regulations, as well as the operating instructions of CanSource and its third-party suppliers.
3. **PRICE; PAYMENT; TAXES.** The purchase price of Products shall be as stated on the CanSource Order Submission Form. The prices are exclusive of any applicable federal, state, provincial or local taxes or assessments, duties, export or custom charges, VAT charges, brokerage or other fees, for which costs Buyer shall be fully responsible. All prices are subject to adjustment, at any time, by CanSource for changes in raw material or energy prices, economics or exchange rates, as applicable. Buyer shall have no right of set-off or withholding, and no deduction of any amounts due from Buyer to CanSource shall be made without CanSource’s prior, express written approval.
4. **DELIVERY.** All delivery dates for the Products are estimates only. The parties agree that CanSource shall not be held liable to Buyer or any other party for any losses, damages, penalties, or expenses for any delay in delivery of the Products. CanSource’s only obligation with respect to delivery dates shall be to use reasonable efforts to meet same. Unless otherwise set forth in an applicable Order Submission Form, all deliveries are EXW (Incoterms 2020) loaded CanSource shipping facility (such delivery, “**Delivery**”). To the extent that Buyer elects CanSource to arrange for shipment after Delivery, freight shall be prepaid and the charge for freight will be added to the invoice. Neither freight charges nor tax is subject to any discount. Title and risk of loss to the Products pass upon Delivery. CanSource will not be liable for any delays, breakage, loss or damage after having made Delivery in good order to the first transportation carrier. All claims for loss or damage in transit are to be made by Buyer to CanSource and CanSource will administer the claim with the applicable transportation provider and/or the appropriate insurance carrier; provided, that, in no event shall CanSource’s assistance with such claim ascribe any liability to CanSource. Products shall be deemed accepted by Buyer unless written notice of rejection is received by CanSource within five (5) days after receipt of the Products by Buyer.
5. **CANCELLATION AND CHANGES.** No cancellations of this Agreement or changes to the Products shall be effective without CanSource’s written consent. Without such consent, a cancellation of or change to the Products shall entitle CanSource to all remedies available by law or equity including cancellation costs or increased prices. Notwithstanding the foregoing, CanSource reserves the right to refuse, cancel or delay any order placed by Buyer and accepted by CanSource when Buyer is delinquent in payments or when Buyer has failed to perform any of its material obligations under this Agreement.
6. **WARRANTY.**
  - 6.1 **CANSOURCE WARRANTS TO THE FIRST PURCHASER OF THE PRODUCTS, FOR THE SPECIFIC WARRANTY PERIOD SET FORTH IN SECTION 6.2, THAT THE PRODUCTS WILL BE LABELED AND THE LABELS WILL BE APPLIED AS DESCRIBED IN CANSOURCE’S SPECIFICATIONS (THE “LABEL WARRANTY”). EXCEPT FOR THE LABEL WARRANTY, THE PRODUCTS ARE SOLD “AS IS” AND CANSOURCE DOES NOT PROVIDE ANY WARRANTY, EXPRESS OR IMPLIED, FOR THE PRODUCTS, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES THAT THE PRODUCTS ARE OF MERCHANTABLE QUALITY, THAT THE PRODUCTS CAN BE USED FOR ANY PARTICULAR PURPOSE, OR NONINFRINGEMENT OF THIRD PARTY RIGHTS. CANSOURCE SPECIFICALLY AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES RELATED TO THE SHELF LIFE, POTENCY, TASTE AND/OR ODOR OR ANY OTHER CHARACTERISTIC OF ANY CONTENTS OF THE PRODUCTS. IN NO EVENT SHALL CANSOURCE BE LIABLE FOR ANY RECALL OF BUYER’S PRODUCTS.**
  - 6.2 **THE LABEL WARRANTY SHALL TERMINATE ON THE DATE THAT IS SIXTY (60) DAYS AFTER ACCEPTANCE OF THE PRODUCTS (THE “WARRANTY PERIOD”).**
7. **REMEDY.**
  - 7.1 **EXCLUSIVE REMEDY.** BUYER’S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF THE LABEL WARRANTY SHALL BE, AS DETERMINED BY CANSOURCE IN ITS SOLE DISCRETION, REPLACEMENT OF THE PRODUCTS AT CANSOURCE’S SOLE EXPENSE OR A REFUND OF THE PURCHASE PRICE OF THE DEFECTIVE PRODUCTS. CANSOURCE SHALL BE EXCUSED FROM THE LABEL WARRANTY REMEDY OBLIGATIONS UNDER THIS AGREEMENT TO THE EXTENT THAT ANY NONCONFORMANCE OR DEFECT IN THE PRODUCTS ARISES FROM ANY CAUSE OTHER THAN BREACH OF THE WARRANTIES IN SECTION 6, INCLUDING, WITHOUT LIMITATION: (i) BUYER’S FAILURE TO COMPLY WITH THESE TERMS AND CONDITIONS OF SALE, THE PRODUCT MANUFACTURER’S RECOMMENDATIONS OR INSTRUCTIONS, OR CANSOURCE’S RECOMMENDATIONS OR INSTRUCTIONS; (ii) DAMAGES FROM SHIPPING, IMPROPER HANDLING, OR STORAGE; (iii) ANY ALTERATION OR MODIFICATION TO THE PRODUCTS MADE BY ANYONE OTHER THAN CANSOURCE; (iv) USE OF THE PRODUCTS FOR A PURPOSE, IN A MANNER, OR WITH A SUBSTANCE THAT HAS NOT BEEN APPROVED BY CANSOURCE OR FOR WHICH THE PRODUCT WAS NOT INTENDED; (v) A FORCE MAJEURE EVENT; (vi) VANDALISM, CONTAMINATION, THEFT, MISUSE, ABUSE, ACCIDENT OR NEGLIGENCE OR ACTS OR OMISSIONS OF A THIRD PARTY; (vii) NORMAL WEAR AND TEAR; AND (viii) BUYER’S FAILURE TO COMPLY WITH THE WARRANTY CLAIM PROCEDURES SET FORTH IN SECTION 7.2.
  - 7.2 **WARRANTY CLAIM PROCESS.** DURING THE WARRANTY PERIOD, BUYER MAY MAKE A CLAIM FOR BREACH OF THE LABEL WARRANTY BY PROMPTLY (BUT IN ANY EVENT WITHIN 10 DAYS OF DISCOVERING A DEFECT OR NONCONFORMANCE) NOTIFYING CANSOURCE OF SUCH CLAIM AND PROVIDING (i) IDENTIFICATION OF THE PRODUCTS, (ii) A COPY OF THE INVOICE FOR THE PRODUCTS, AND (iii) A DETAILED DESCRIPTION OF WHY THE PRODUCTS ARE DEFECTIVE OR NON-CONFORMING. UPON RECEIPT OF A WARRANTY NOTICE, BUYER SHALL ALLOW CANSOURCE TO INSPECT THE PRODUCTS TO DETERMINE, IN ITS SOLE DISCRETION, WHETHER A WARRANTY CLAIM EXISTS AND BUYER’S REMEDY. TO THE EXTENT CANSOURCE DETERMINES THAT THE BUYER IS ENTITLED TO A REMEDY UNDER THE LABEL WARRANTY, THEN CANSOURCE SHALL CORRECT THE DEFECT AS SET FORTH IN SECTION 7.1 ABOVE.
8. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL CANSOURCE BE LIABLE TO BUYER OR ANY THIRD PARTY UNDER THIS AGREEMENT OR RELATED TO THE PRODUCTS FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, LIQUIDATED OR CONSEQUENTIAL DAMAGES, INCLUDING ANY DAMAGES ARISING FROM LOST PROFITS, LOSS OF TIME, DELAYS, INCONVENIENCE, LOSS OF BUSINESS OPPORTUNITIES, DAMAGE TO GOODWILL OR REPUTATIONS OR LOSS OF USE OF THE PRODUCTS, NOR SHALL CANSOURCE’S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS.
9. **INTELLECTUAL PROPERTY RIGHTS.** To the extent Buyer provides any artwork, designs, graphics or other depiction for incorporation into or placement onto the Products, Buyer represents and warrants that the specific use thereof shall be free from and not constitute infringement of any patent, copyright, trade secret, know-how, trademark or other proprietary or intellectual property right (collectively, “**Intellectual Property Rights**”) of any person or entity. Buyer shall indemnify, defend and hold harmless CanSource, its affiliates, joint venture partners, subsidiaries, directors, officers, representatives, agents, and employees (“**Indemnitees**”), from and against any suit, proceeding or claim against any Indemnitees arising out of an allegation of infringement or misappropriation of any Intellectual Property Rights of any person or entity (an “**Infringement Claim**”). Buyer shall pay all damages, costs and expenses (including attorneys’ fees)

incurred or suffered by any Indemnitees pursuant to any Infringement Claim. CanSource may participate (at its own cost) in the defense of any Infringement Claim to the extent it, in its sole discretion, deems appropriate. Buyer shall not settle any Infringement Claim except on terms agreed to in writing in advance by the applicable Indemnitees.

10. **DEFAULT; TERMINATION.**

10.1 In the event Buyer fails to make payment to CanSource, or any affiliate of CanSource, of any amounts due and owing to CanSource or such affiliate (including any applicable surcharge or freight charge) by the date on which such payment is due, CanSource shall have the right to terminate any Buyer order or any unfulfilled portion thereof, and CanSource or any affiliate thereof may terminate any other agreement between CanSource or such affiliate and Buyer. CanSource may charge interest on the outstanding balance at an annual rate of 18% or the highest rate allowed by law (whichever is less). CanSource shall have the right to employ an attorney to collect the balance due, and Buyer agrees to pay all collection costs incurred by CanSource, including its reasonable attorneys' fees. If Buyer shall become insolvent or if a petition in bankruptcy or insolvency is filed by or against Buyer under State or Federal law, CanSource reserves the right to terminate and cancel this Agreement, any portion of this Agreement, or any other agreement, which is incomplete at the time of the aforementioned act.

10.2 Notwithstanding anything to the contrary contained herein, this Agreement shall terminate automatically and without notice upon the occurrence of any of the following events, each of which shall be deemed to be an incurable breach of this Agreement: (i) Buyer's dissolution, termination of existence, insolvency or bankruptcy; (ii) the appointment of a receiver of any part of the property of Buyer; (iii) an assignment for the benefit of creditors by Buyer; (iv) the filing by Buyer of a petition in bankruptcy or under any insolvency laws or any laws related to the relief of debtors, readjustment of indebtedness or reorganization of Buyer; (v) Buyer's failure to make repayment of its obligations for borrowed money; or (vi) Buyer's failure to comply with any law with respect to conduct related to this Agreement, or engaging in any practice with respect to the Products determined to be illegal or an unfair trade practice.

11. **CONFIDENTIALITY.** Each party (the "**Receiving Party**") acknowledges that in connection with the transactions hereunder, it may come into contact with Confidential Information (as defined below) of the other party (the "**Disclosing Party**"). The Receiving Party shall protect any and all of the Disclosing Party's information that is not generally known to third persons, including all specifications, designs, operating conditions, processes, and methods relating thereto (collectively, "**Confidential Information**"), from unauthorized access, disclosure and use using the same methods it uses to protect its own confidential information, but in any event, commercially reasonable measures. The Receiving Party shall not (i) use Confidential Information for any purpose other than in connection with this Agreement, nor (ii) disclose or permit the disclosure of any Confidential Information to any third party, except the Receiving Party may disclose Confidential Information to its employees and contractors with a bona fide need to know the Confidential Information in connection with the transactions hereunder and who agree to receive such information subject to the confidentiality provisions equivalent to those in this Agreement. The Receiving Party shall be liable to the Disclosing Party for a breach of the confidentiality provisions of this Section 11 by its employees and contractors.

12. **FORCE MAJEURE.** CanSource shall not be liable hereunder for any failure or delay in the performance of its obligations under this Agreement, if such failure or delay is on account of causes beyond its reasonable control, including civil commotion, war, fires, floods, accidents, earthquakes, inclement weather, telecommunications line failures, electrical outages, network failures, governmental regulations or controls, casualty, strikes or labor disputes, terrorism, acts of God, or other similar or different occurrences beyond the reasonable control of the CanSource (collectively, a "**Force Majeure Event**"), for so long as such Force Majeure Event is in effect and for a reasonable period thereafter. The party claiming a Force Majeure Event shall provide the other party with timely notice of the occurrence of such Force Majeure Event.

13. **RELATIONSHIP OF THE PARTIES.** Buyer and CanSource are independent contracting parties. Nothing hereunder or in the course of performance of this Agreement shall grant either party the authority to create or assume an obligation on behalf or in the name of the other party, or shall be deemed to create the relationship of joint venture, partnership, association or employment between the parties.

14. **GOVERNING LAW; ARBITRATION.** This Agreement and all disputes between the parties arising out of or related to this Agreement shall be governed by the laws

of the State of Colorado except for its choice of law rules; the United Nations Convention on the International Sale of Goods shall not apply. The parties agree to submit all disputes arising from or relating to this Agreement and the Products to binding arbitration which shall be held in the metropolitan area of Denver, Colorado, in accordance with the rules of the American Arbitration Association ("**AAA**") pertaining to commercial arbitration. Within thirty (30) days after either party has notified the other in writing that it is submitting a dispute to arbitration, three arbitrators shall be appointed in accordance with said rules. Neither party shall be allowed to object to an arbitrator appointed by the other party. The arbitrators shall have no authority to award punitive damages or any other damages excluded herein. The arbitration award shall be final and binding, and it may be entered in and enforced by any court of competent jurisdiction. The party prevailing in the arbitration or any other legal proceedings shall be entitled to recover its costs including reasonable attorney's fees incurred due to the arbitration or other legal proceedings. The requirements of this Section 14 shall not prevent CanSource from seeking equitable or injunctive relief in any court of competent jurisdiction for actual or threatened breach of Section 9 and Section 11, without the need to post a bond or proving actual damage, irreparable injury or lack of a remedy at law.

15. **ASSIGNMENT.** Buyer may not assign this Agreement, either in whole or in part, nor delegate any performance hereunder, without the express, written consent of CanSource, which consent shall be at CanSource's sole and absolute discretion. Any assignment without such consent shall be null and void. CanSource may assign this Agreement upon written notice to Buyer.

16. **MISCELLANEOUS.** A waiver by CanSource of any breach by Buyer of any provision shall not be construed as a waiver of any other breach of such provision or of any other provision of the Agreement. In the event that any provision of this Agreement shall be declared by a court void or unenforceable, the validity of any other provisions and of the entire Agreement shall not be affected thereby. CanSource may at any time insist upon strict observance of any or all conditions as stated herein, notwithstanding any previous custom, practice, or course of dealing to the contrary. CanSource may at any time set off any amounts due from Buyer to CanSource against any amounts which may be due or owing from CanSource to Buyer under this Agreement. CanSource's rights and remedies set forth herein shall be in addition to any legal or equitable right or remedy available to CanSource.