

**GENERAL CONDITIONS OF SALE  
QUALICAPS, INC.  
(Version 2019)**

All sales by Seller to you, Customer, shall be exclusively governed by these General Conditions of Sale, unless otherwise stated in writing by Seller.

**1. DEFINITION**

“**CMR**” means Contract for the International Carriage of Goods by Road;

“**Confidential Information**” means all information provided by one Party or otherwise made known to the other Party in connection with the Contract and /or Order, that relates to the business, affairs, price, payment conditions, products, transformation or manufacturing process, developments, trade secrets, know how, personnel, customers, prospects and suppliers of either Party whether designated as “confidential information” or not by a Party, together with all information derived from the foregoing, but excluding any information (i) independently developed by the receiving party without using the confidential information of the disclosing party, (ii) publicly disclosed by an entity other than the receiving Party under no duty of confidentiality or (iii) rightfully in the possession of the receiving party without a duty of confidentiality prior to the receipt of such information;

“**Customer**” means the company which is buying the Product from Seller;

“**Party**” means either Seller or Customer;

“**Parties**” means collectively Seller and Customer;

“**Product**” means the product sold by Seller;

“**Order**” means the order placed by Customer to buy Product from Seller;

“**Seller**” means Qualicaps, Inc., a corporation organized under the laws of the State of Delaware, having a principle place of business at 6505 Franz Warner Parkway, Whitsett, NC 27377.

**2. ENTIRE AGREEMENT**

2.1. These General Conditions of Sale (the “Conditions”), together with other Commercial Terms, if any, mutually agreed to by Customer and Seller in writing (“Commercial Terms”), contain the entire and exclusive agreement between the Parties and , are referred to herein as the “Contract”. If there is a conflict between the Conditions and the Commercial Terms, the Commercial Terms shall govern. All terms and conditions contained in any prior or subsequent oral or written communication, including, without limitation, terms and conditions contained in Order, which are different from or in addition to the Contract are hereby rejected and shall not be binding on Seller, and Seller hereby objects thereto. No addition to, or alteration or modification of, the Contract shall be valid unless made in a writing signed by an authorized representative of each Party specifically referring to the Contract. Customer shall be deemed to have full knowledge of the Conditions herein. These Conditions shall apply to all Orders, whether or not referred to, in the Order.

**3. ORDER AND CONFIRMATION ORDER**

3.1. Orders shall be placed in accordance with agreed lead-time (including the production and transportation’s lead-times) and if not, Seller’s lead-time, communicated to Customer on demand.

3.2. For Orders processed via electronic data interchange (EDI): the Orders shall be processed automatically by Seller. In case of incompatibility or rejection of the Order for whatever reason, Seller will inform Customer.

3.3. For Orders placed by any other means of communication than EDI, the Orders shall only be considered definitive once a written and signed order confirmation has been sent by Seller.

3.4. The sale exclusively concerns the Product described in the Contract and/or order confirmation. In the absence of mutually agreed, written Commercial Terms to the contrary, any delivery of Products under an individual Order shall constitute a separate Contract between the Parties.

**4. CANCELLATION OF ORDERS**

4.1. Customer may not cancel, alter, or suspend delivery of this order less than sixty (60) days before shipment date except with Seller’s written consent. No cancellation is permitted after the shipment of the Products.

**5. QUANTITY, TIMING AND DATE OF DELIVERY**

5.1. Except as expressly provided otherwise in the written Commercial Terms, the quantities indicated in the Commercial Terms are non-binding for both Parties.

5.2. In the Commercial Terms, a rolling forecast shall be provided, as well as any seasonality effect that could potentially affect Customer’s business and then the regularity of its Orders over the Commercial Contract term. Such forecast shall be updated on a monthly basis, thirty (30) days prior the beginning of the next month.

5.3. If no rolling forecast is provided by Customer, the quantity agreed in the Commercial Terms shall be ordered or call off in approximately equal quantities through Commercial Contract term. Forecasts are not binding to the Parties. For clarity, Seller shall not be liable for any non-availability of Products, except otherwise expressly provided in the Commercial Terms. Reference to Seller’s capacity to produce the quantity indicated shall not be considered as a commitment to deliver such quantity.

5.4. In each case, delivery times are indicated as precisely as possible but depend on Seller’s procurement, production and storage possibilities and same if delivery times have been confirmed in writing by Seller, Seller cannot be held liable for any delay.

**6. DELIVERY, TRANSPORTATION AND INSPECTION**

6.1. Except as otherwise provided in the Commercial Terms, Products shall be delivered EXW named destination (INCOTERM ICC 2010).

6.2. Title of Product will pass to Customer upon loading on to carrier.

6.3. Risk of loss will pass to Customer in accordance with the applicable INCOTERM, irrespective of whether title to the Products remains vested in Seller.

6.4. The Product shall be packed for shipment in accordance with Seller’s packaging data sheet or any other specification signed by Seller in a manner sufficient to ensure the integrity of the Product. No warranty is given as to compliance with local regulation regarding packaging, except if the specific requirements of the local regulation have been detailed and required by Customer and expressly accepted by Seller.

6.5. When Customer is responsible for the transport in accordance with the INCOTERM applicable:

6.5.1. Customer shall ensure that its carriers are fully compliant with all laws and regulations applicable to them and requirements applicable to food safety or equivalent’s standards.

6.5.2. Customer shall pay all taxes, duty, excise or other tax or charge applicable to the sale, shipment, transportation or use of goods, which is in addition to the price quoted by Seller or contained on the invoice. Any duty, excise, or other tax or charge, foreign, federal, state or municipal, imposed or increased after the date of this invoice shall be added to the amount already invoiced by Seller to Buyer. All taxes, duty, excise or other tax or charge applicable to the sale, shipment, transportation or use of goods shall be separately identified on Seller’s invoice.

6.6. Customer shall unload transport equipment utilized for delivery promptly. Any claim for missing Product and/or transport damage must be lodged in the CMR, or clearly written on the Bill of Lading upon delivery or any other transport document signed by Customer on reception of the Product. Picture of transport damage must be immediately sent to the Seller within two (2) business days of identification of the claim. Except as required by the applicable INCOTERM, in no event shall Seller have any liability for its selection of any commercially responsible carrier, any damage or loss occurring subsequent to delivery, to a carrier, or any actions of any carrier.

6.7. Customer must carefully examine all Products upon delivery and before use. Any visible defects, other than missing Products and/or transportation damages, or any defects discovered as a result of such inspection must be notified within five (5) days of the discovery and in any case before use of the Product. The absence of such notification constitutes Customer’s irrevocable acceptance of the Products and Seller shall have no liability for visible defects or defects reasonably discoverable upon careful examination. Such notification must include a picture of the visible defect.

6.8. In the event Customer discovers a latent defect within six (6) months from the use of the Product, but in no event past the shelf life and/or expire date

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of such Product, Customer shall give written notice to Seller within five (5) days of the discovery.

6.9. In absence of notification according to Sections 6.7 and 6.8, Customer shall not be entitled to any remedy under Section 7 or by law.

6.10. In the event a defect in the Product is discovered for which Seller is responsible as provided in these Conditions, Customer shall not sell, use or mix the Products following such discovery. If Customer establishes that a defect exists, Customer's sole remedy shall be as set out in Section 7 or by law.

### 7. WARRANTY

7.1. Seller warrants that (subject to the other provisions of these Conditions), upon delivery the Products, in their initial packaging will comply in all material respects with Seller's standard specifications for the Products unless otherwise mutually agreed in writing and regardless any reference to Customer's specifications in the Order. Any descriptions, illustrations or information contained in Seller's publications or advertising are issued or published for the sole purpose of giving an approximate idea of the Products and/or services described therein and will not form part of any Contract or be deemed to constitute a representation as to the accuracy of such matters.

7.2. Seller warrants that any services associated with the Product performed by it, on its behalf, as allocated in this Contract, have or will be performed with reasonable care and skill.

7.3. In case of bulk delivery, there is no warranty after the unloading of the Product by Customer.

7.4. Seller shall not provide any warranty concerning the absence of any defect, whether latent or not in the Products after the shelf life and/or expire date of the Products, or until six (6) months after the use of the Product, whichever is shorter.

7.5. If, after receipt of a written notice asserting noncompliance, Seller determines that Product did not meet the warranty specified above, Customer may, at Seller's expense and upon receiving prior written authorization from Seller, deliver such Product to a facility designated by Seller, Seller shall at its option replace the Products or return to Customer a credit in the amount of the price paid for the Products. This replacement or refund does not apply to Products misused or damaged because of accident or improper handling, shipping damage, or alterations outside of Seller's facilities. Seller's liability, and Customer's exclusive remedy, for Products, whether under warranty, contract, tort (including negligence), or otherwise, is expressly limited to the foregoing, and shall not in any event exceed the original invoiced price of the Products. As herein provided and upon the expiration of the period specified above, all such liability shall terminate. Any such refund or replacement is conditional upon the original Products being returned to Seller or destroyed by Customer, if required by Seller, and provided the destruction is proven by Customer. Seller has the right to demand and test samples of any Products in relation to which Customer makes a quality claim, as well as inspect the site Customer has stored such Products.

7.6. Seller shall not be liable for a breach of any of the warranties in Section 7 above if:

7.6.1. Customer makes any further use of such Products after giving a notice of defect; or

7.6.2. the defect arose because Customer failed to follow Seller's instructions, including, without limitation, any instructions relating to the movement, storage, handling or use of the Products or, if there are none, good trade practice.

7.7. SELLER MAKES NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, CONCERNING THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY OR THE RESULTS TO BE DERIVED FROM THE USE OF THE PRODUCTS. CUSTOMER ASSUMES ALL RISKS AND LIABILITY FOR (I) RESULTS OBTAINED BY THE USE OF THE PRODUCT PURCHASED HEREUNDER, WHETHER USED AS DELIVERED OR IN COMBINATION WITH OTHER PRODUCTS; (II) DETERMINING FITNESS FOR USE IN, OR IN CONJUNCTION WITH, OTHER PRODUCTS; (III) THE TRUTHFULNESS AND ACCURACY OF CUSTOMER'S MARKETING AND ADVERTISING OF ANY PRODUCT OF CUSTOMER INTO WHICH SELLER'S PRODUCT MAY BE INCORPORATED; (IV) OBTAINING GOVERNMENTAL HEALTH, SAFETY, ENVIRONMENTAL OR OTHER APPROVALS FOR UTILIZATION; AND (V) FOR ANY LOSS OR DAMAGE RESULTING FROM THE HANDLING, USE OR MISUSE BY CUSTOMER OF PRODUCTS PURCHASED HEREUNDER.

### 8. PRICE AND TERMS OF PAYMENT

8.1. The Products are invoiced according to either the applicable price in the Commercial Terms or, if no Commercial Terms in accordance with the last Seller's commercial offer valid at the date of Order. Product price shall be in the currency contained in such terms.

8.2. Notwithstanding anything to the contrary herein, in case of unforeseeable economic, legal or other events, including, but not limited to, unforeseen issues affecting for example the price or availability of raw materials and/or the Product, that have not been taken into consideration in whole or in the extent of such change, and where these events upset the economic basis of the Contract, the Parties shall endeavour to continue the performance of Contract and/or the Order by negotiating in good faith alternative contractual terms to maintain the good faith prevailing when this Contract was signed and so that it may be carried out or continue to be carried out without any disproportionate prejudice to any one of the Parties concerned. Seller may terminate the Contract or the Order, without any indemnity, in the event such economical modifications or changes in the legislation were to significantly affect Seller and if these difficulties could not be resolved by an increase in the Products' prices.

8.3. Except as otherwise provided in the Commercial Terms, the payment term shall be 30-days NET from the issuance of the invoice by Seller.

8.4. Any outstanding amount not paid by the due date will be subject to a fixed charge for recovery fees to the extent recoverable under the applicable law, as well as, from the day following the settlement date displayed on the invoice, to an interest charge amounting to the highest rate permitted by law, per day late. Furthermore, in addition to any remedy Seller may have, Seller may suspend the performance of the Contract and/or Order until full payment, without any indemnity to Customer.

8.5. If at any time before delivery, Customer's financial responsibility or position becomes impaired or unsatisfactory in Seller's opinion, or Customer fails to pay for any Products previously delivered in accordance with the terms of sale, Seller may cancel any undelivered portion of the Order/Contract, or require cash payment or satisfactory security or amend or suspend credit terms before further manufacture, shipment or delivery is made.

### 9. FORCE MAJEURE

9.1. With the exception of Customer's payment obligations, which remain unchanged under this Section each Party shall not be responsible for fulfilling its obligations under the Contract and/or Order due to events of force majeure, including, but not limited to, fire, flood, tornado, earthquake, war, riot, insurrection, strike, lockout, slowdown, epidemic, quarantine restriction, delay in transportation, labor shortage or strikes, materials or manufacturing facility shortage, accidents, boycott, embargo or any act or regulation of government or governmental authority and other contingencies beyond such Party's control. The Party asserting force majeure must give the other Party written notice of the same within a reasonable time of knowledge of such event.

### 10. CONFIDENTIALITY

10.1. Unless otherwise agreed in writing between the Parties in any specific non-disclosure agreement, each Party shall not use or disclose any of the other Party's Confidential Information other than for the sole purpose of the performance of the Contract and/or the Order, nor issue any press release or public announcement regarding the existence, subject matter or terms of the Contract and/or the Order, unless required by law or pursuant to an order of a competent authority provided a prior written notification to the other party and the Confidential Information remains subject to the obligations of confidentiality and restrictions on use contained herein except with respect to this specific disclosure.

10.2. Each Party will ensure that its respective employees, agents and contractors to whom Confidential Information is disclosed are made aware of its confidentiality obligations and agree to be bound by them.

10.3. Obligations under this Section 10 shall survive until the Confidential Information comes part of the public domain.

### 11. INTELLECTUAL PROPERTY

11.1. No licenses, express or implied, under any patents, trademarks, copyrights or other intellectual property rights are granted by Seller to Customer or by Customer to Seller hereunder. Seller has not licensed or provided and does not hereby license or provide Customer the right to use any logo, trademark, or other intellectual property of Seller or any other third party.

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11.2. For avoidance of doubt, all intellectual property rights in and in relation to the Products shall be and remain the sole and exclusive property of Seller (or its licensors). Customer shall not acquire any intellectual property rights in the Products by virtue of the Contract or any Order entered into hereunder.

## 12. INDEMNITY AND LIMITATION OF LIABILITY

12.1. Each Party shall indemnify the other Party from and against any claims, demands, proceedings and causes of action resulting from such party's non-compliance with any applicable laws, negligence and misconduct in the performance of or in compliance with any of its obligations under the Contract and/or the Order. This Section 12 shall survive the expiration or termination of the Contract and/or the Order.

12.2. UNDER NO CIRCUMSTANCES WILL SELLER, ITS LICENSORS, AFFILIATES, OR THEIR RESPECTIVE EMPLOYEES, OFFICERS OR DIRECTORS BE LIABLE FOR ANY DIRECT LOSSES BEYOND THE LIMIT HEREUNDER, LOST PROFITS, LOSS OF BUSINESS OR COSTS INCURRED OR PAYMENTS ALLOWANCES PROVIDED TO THIRD PARTIES, OR ANY INDIRECT LOSSES, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES, WHETHER FORESEEABLE OR UNFORESEEABLE, BASED ON CLAIMS OF CUSTOMER OR ITS CUSTOMERS, ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE. IN NO EVENT WILL THE AGGREGATE LIABILITY WHICH SELLER, ITS LICENSORS AND RELATED PERSONS MAY INCUR IN ANY ACTION OR PROCEEDING EXCEED THE LESSER OF THE TOTAL VALUE OF THE CONTRACT AND FIVE HUNDRED THOUSAND DOLLARS (\$500,000) PER EVENT AND PER CALENDAR YEAR. THIS SECTION WILL NOT APPLY ONLY WHEN AND TO THE EXTENT THAT APPLICABLE LAW SPECIFICALLY REQUIRES LIABILITY, DESPITE THE FOREGOING EXCLUSION AND LIMITATION.

## 13. TERMINATION

13.1. Each Party may terminate the Contract and/or any Order at any time upon the occurrence of any of the following events: (i) the other Party's ceasing to function as a going concern, declaring bankruptcy, having a receiver for it appointed, transferring its assets for the benefit of its creditors, or otherwise taking advantage of any insolvency law; (ii) other Party's failure to cure any other breach of the Contract and/or any Order within sixty (60) days of receiving written notice requiring it to do so.

## 14. APPLICABLE LAW AND DISPUTES

14.1. The Contract and/or any Order, including, without limitation, the performance and enforceability hereof, is governed by and shall be construed by and subject to the laws of the State of Illinois, without regard to its choice of law principles. The provisions of the United Nations Convention on Contracts for the International Sale of Goods (1980) are expressly excluded.

14.2. Any dispute or difficulty arising out of the Contract and/or any Order's execution which could not be settled amicably by the Parties, shall be submitted to the exclusive jurisdiction of the competent state or federal court located in Chicago, Illinois, and each Party agrees to jurisdiction in such court for purpose of resolving such a dispute.

## 15. ETHIC AND COMPLIANCE

15.1. Each Party represents on behalf of itself and its partners, employees, agents, representatives, officers, directors, and managers, that no payment or transfer will be allowed in the purpose or effect of corruption, public or commercial bribery, or any conduct that may be seen or construed as breaching any applicable Anti-bribery and Corruption (ABC) regulations such as French Loi Sapin II, UK Bribery Act, USA Foreign Corrupt Practices Act, and other similar regulations, nor will accept or allow any kind of extortion, bribery, money laundering, unfair competition or commercial practice or any tort act or improper to carry out business or obtaining any other benefit.

15.2. Each Party warrants the implementation and compliance with its standards stated in its respective Code of Conduct, as provided to the other Party.

15.3. Each Party represents on behalf of itself and its partners, employees, agents, employees, officers, directors, and managers, that none of its activities related to this Contract constitute a breach of any applicable ABC regulations as of the effective date of this Contract; and that it has not been formally notified that it is under investigation for breaching any applicable ABC regulations.

15.4. The Parties shall work with reliable partners not included in any government-published restrictions or prohibition lists.

15.5. Each Party shall be allowed to audit at any time the other party using independent third-party assurance.

15.6. In the case, a Party is not complying with such laws or if one of the Parties is or is suspected to be in breach of this Section, the other Party will be entitled at its own discretion to:

- (i) request the other Party to implement appropriate policies and processes within a reasonable timeframe; or
- (ii) suspend and/or terminate the Contract without further obligation under the Contract.

## 16. GENERAL

16.1. The relationship of the Parties is that of independent contractors dealing at arm's length. Except as otherwise expressly stated in the Contract, nothing in the Contract and/or any Order shall constitute the Parties as partners, joint-venturers or co owners, constitute either Party as the agent, employee or representative of the other, or empower either Party to act for, bind or otherwise create or assume any obligation on behalf of the other Party.

16.2. The Contract and/or any Order shall be binding upon and inure to the benefit of the Parties hereto and their respective affiliates and successors. Customer may not assign or transfer the Contract and/or any Order or any of its rights or obligations hereunder without the prior written consent of Seller, which may be withheld in its sole discretion.

16.3. The failure of either Party to enforce any term of or right arising pursuant to the Contract and/or Order does not constitute a waiver of such term or right and shall in no way affect that Party's right later to enforce or exercise the term or right.

16.4. The invalidity or unenforceability of any term of or right arising pursuant to the Contract and/or any Order shall not adversely affect the validity or enforceability of the remaining terms and rights.

16.5. Provisions of the Contract and/or any Order which either are expressly intended to survive expiry or termination of the Contract, or by their nature or context it is contemplated that they are to survive such expiry or termination, shall remain in full force and effect notwithstanding such expiry or termination.

16.6. The Contract is entered into solely for the benefit of the Parties hereto, and no provision of the Contract shall be deemed to confer upon third parties any remedy, claim, liability, cause of action or other right or obligation in excess of those existing without reference to the Contract.

16.7. No party other than the Parties, its successors and permitted assignees, shall have any right to enforce any of the terms of the Contract.

16.8. The Parties agree that these Conditions shall be drafted in English.

## 17. GUARANTY

17.1. Seller, hereby guarantees that no article listed hereon is adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, or is an article that may not, under the provisions of Section 404 or 505 of the Act, be introduced into interstate commerce; provided, however, that Seller does not guarantee against such goods becoming adulterated or misbranded within the meaning of said Act after shipment, by reason of causes beyond Seller's control. (Above applicable only to subject items listed hereon). Also, we hereby certify that these goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof.

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