

GEORGANICS Ltd.
Terms & Conditions of Purchase

1. Definitions

In these Terms and Conditions of Purchase (the "Terms and Conditions of Purchase"):

- (a) "We", "us", "our", "ours" - the Georganics legal entity identified in the Order.
- (b) "You", "your" - the legal entity offering the Goods for sale to us as identified in the Order.
- (c) "Analytical Procedures" means the Company's Analytical Procedures as defined in Article 10 below and agreed to between Georganics s.r.o., having its registered office at Koreničova 1, 811 03 Bratislava, Slovakia, ID No (IČO): 35920971, registered in the Commercial Register maintained by the District Court Bratislava I., Section Sro, insert No. 34912/B (hereinafter called the "Company") and the Supplier;
- (d) "Contract Object" means the totality of the Goods and Services (as these terms are hereinafter defined);
- (e) "Goods" means the articles, bulk materials, raw materials to be supplied by the Supplier to the Company pursuant to a Purchase Order of the Company (hereinafter the "Purchase Order");
- (f) "Loss" means all losses, damages, costs, claims and expenses, including (without limitation) loss of profit whether actual or contingent and all consequential, punitive or indirect damages;
- (g) "Saleback" means the right of the Company to sell the Goods delivered by Supplier back to the Supplier as provided in Article 5 below;
- (h) "Services" means the consulting, planning, development, repair and maintenance services and other theoretical or intellectual services which are to be rendered by the Supplier pursuant to the Purchase Order;
- (i) "Specification" includes any (a) plans, drawings, formulae, data or other information relating to the Goods and Services provided by the Supplier and (b) the Analytical Procedures, all as agreed to by the Company and the Supplier in writing.

2. Entire Agreement

Each shipment received by the Company from the Supplier shall be deemed to be subject to the Terms and Conditions of Purchase set forth in this Purchase Order, notwithstanding any terms or conditions that may be contained in any acknowledgment, invoice or other forms used by the Supplier and notwithstanding the Company's act of accepting or paying for any shipment or similar act of the Company. All Specifications are hereby incorporated herein and made a part hereof. These Terms and Conditions of Purchase may not be modified or altered in any way, except by a written instrument signed by an authorized representative of the Company and delivered by the Company to the Supplier. The Supplier's commencement of work on the Goods or shipment of such Goods, or the beginning of the rendering of Services, as the case may be, in each case whichever occurs first, shall be deemed to be an acceptance of these Terms and Conditions of Purchase by the Supplier.

3. Cancellation

The Company reserves the right to cancel all or any part of the unfulfilled portion of a Purchase Order at any time prior to the delivery of the Contract Object. Cancellation may be made by e-mail, telefax or by telephone, but must be confirmed in writing by the Company to the Supplier within three (3) days of any such cancellation in order for the cancellation to be valid. If the Company cancels all or part of a Purchase Order it shall not be liable for any Loss.

4. Risk of Loss

Risk of Loss or damage to Goods shall be on the Supplier until the Goods have been delivered to and accepted by the Company, notwithstanding any other terms contained herein. The entire Contract Object will be received by the Company subject to its right of inspection and rejection as provided herein or by law. The Supplier agrees to indemnify and hold harmless the Company from all Losses caused by the wrong, late, incomplete or otherwise faulty rendering of services.

5. Saleback of Goods

If the Purchase Order specifies or the Parties have agreed otherwise in writing that the Goods delivered by the Supplier may be resold to the Supplier, then the following terms shall apply:

- (a) The Company shall give the Supplier notice of its desire to sell the Goods back to the Supplier, such notice to be given during the period set forth in this Purchase Order or such time as may subsequently agreed to by the parties. The notice may be made by e-mail, telefax or by telephone, but must be confirmed in writing by the Company to the Supplier within three (3) days of any such notice in order for the notice to be valid;
- (b) Goods subject to Saleback will at the Supplier's expense be packed and returned to the Supplier. The Company will invoice the Supplier for a sum equal to the price at which the Goods were purchased by the Company;
- (c) In the event the Company has exercised its right of Saleback, title and risk of Loss for the Goods subject to a Saleback revert back to the Supplier on leaving the Company's premises.

6. Financial Information

The Supplier shall provide the Company in writing with information concerning the Supplier's financial condition as and when requested by the Company.

- 7. Compliance with Safety Laws and Documentary Requirements**
The Contract Object shall comply with all applicable state or local governmental laws, regulations or orders (including occupational safety and health laws, regulations and orders), particularly with respect to production, storage, packing and performance of the Goods.
- 8.** The Supplier shall comply with all documentary requirements and administrative procedures issued by the Company from time to time. In particular, the Supplier shall quote the name, product number(s) and order number of the Company on all invoices, delivery, packing and advice notes as well as on any other correspondence relating to the Purchase Order.
- 9.** Suppliers of hazardous Goods shall provide to the Company all necessary guidance and instructions for the safe handling, use and storage of such Goods and shall give advice as to accident procedures.
- 10. Analytical Procedures**
(a) Analytical Procedures applicable to the Goods have been provided by the Company to the Suppliers and/or are attached hereto. The Supplier acknowledges having received the Analytical Procedures and agrees to comply fully therewith.

(b) In the event Analytical Procedure apply to the Purchase Order, the Supplier warrants and undertakes that pursuant to such Analytical Procedures:
(i) the Supplier has tested no fewer than 3 samples of bulk material which will comprise the Goods;
(ii) all samples are fully and unconditionally representative of the bulk material as specified in the Purchase Order and the Analytical Procedures;
(iii) all samples have been taken from the same batch (i.e. same production run) as the Goods supplied pursuant to a Purchase Order, and
(iv) Goods supplied pursuant to the Purchase Order are uniform in composition and homogenous within the tolerances of the Specifications and the Analytical Procedures and any random sample taken from the Goods will conform to the Specifications and the Analytical Procedures.
- 11. Conditions of Satisfactory Delivery**
The following provisions shall be conditions of the compliance of the Supplier with the Purchase Order:
(a) Goods delivered must:
(i) comply fully with the Analytical Procedures;
(ii) be fit for their normal purpose (or any particular purpose made known to the Supplier by or on behalf of the Company) and may be used for such purposes safely and without Loss and injury to persons or personal property;
(iii) be free from any defects, patent or latent, in design, material and workmanship;
(iv) meet the Specifications and any other written specification supplied by the Company (or, where no such specifications have been provided by the Company, shall meet the specifications as to quantity, quality standards and description supplied to the Company by the Supplier) and to the extent not inconsistent therewith, on any invoice relating thereto and on any wrapper(s), container(s) or other packaging of the Goods;
(v) be stored and usable safely and without causing injury or death to persons or damage to personal property.

(b) Any instruction given to the Supplier by the Company concerning tags and labels to be attached to the Goods must be strictly complied with.

(c) The Goods shall be properly packed, marked and delivered at the Supplier's expense in accordance with this Purchase Order or any instructions issued by the Company and in compliance with all relevant and applicable government standards, industry standards, legislation and regulations.

(d) The Goods (and the related packaging or labeling) shall correspond in every respect to the approved samples of the Goods (and packaging and labeling) previously supplied by the Supplier to the Company.

(e) The Goods and their packaging, labeling and any advertisement relating thereto (provided that the Goods are not ordered in accordance with Specifications of the Company) shall in each and every respect be in compliance with all relevant legal or other requirements and will include all appropriate instructions, warnings and addresses.

(f) Any instructions or recommendations relating to the handling, use, storage, life expectancy and durability of the Goods shall be in the English language and shall comply with all relevant legal requirements in force and shall be such that the Goods may be sold, used, stored and retained safely and without any deterioration in their nature, substance or quality.

(g) The Services to be delivered must:
(i) fulfill the conditions of the Purchase Order;
(ii) be fit for all purposes for which they are normally intended and such purposes as may be specified by the Company and communicated to the Supplier;
(iii) fulfill the Specifications and any other specifications which were communicated to the Supplier in writing (or, to the extent no specifications were submitted by the Company, fulfill the specifications relating to quality standards and Descriptions submitted by the Company);
(iv) be executed with the required care so that there is no Loss of life, to persons and/or to property;
(v) comply with all legal and other requirements;
(vi) fulfilled so that all necessary installations and instructions, warnings and labelings are complied with;

(h) Without prejudice to any other right or remedy which the Company may have, if any Goods and Services are not supplied in accordance with, or the Supplier fails to comply with any of the above conditions, the Company shall be entitled to any one or more of the following remedies at its discretion, whether or not any part of the Contract

Object has been accepted by the Company:

- (i) rescind the Purchase Order
 - (ii) reject the Contract Object (in whole or in part) in accordance with the provisions of Articles 16 and 17 below;
 - (iii) at the Company's option give the Supplier the opportunity at the Supplier's expense either to fulfill any of the unfulfilled conditions or to supply replacement Goods and carry out any other necessary work to ensure that the conditions are fulfilled;
 - (iv) to refuse to accept any further deliveries of the Goods or Services without any liability to the Supplier therefore;
 - (v) carry out at the Supplier's expense any work necessary to make the Goods and Services comply with these conditions; and
 - (vi) claim damages for any Losses suffered as a result of the Supplier's failure to meet the conditions.
- (i) The Company may set-off any amounts owed by the Company against any or all other amounts owed (whether or not due, matured, contingent or invoiced or time-barred and irrespective of the currency or place of payment) by the Supplier.

12. Indemnity

The Supplier hereby agrees to indemnify and keep the Company indemnified against all Losses incurred or suffered as a result of any demands or proceedings made against the Company by a third party (including, without limitation, any sums paid by the Company by way of settlement, whether before or after the commencement of legal proceedings and legal and other professional fees and expenses) relating to the Contract Object, the supply thereof and the packaging, labeling and advertisement of the Goods or otherwise as a result of:

- (a) Any failure or alleged failure of the Goods or Services to comply with the conditions stipulated in Article 11 above;
- (b) Any infringement or alleged infringement of trade marks, trade names, patents, service marks, trade secrets, registered designs, design rights, copyright, rights relating to get-up, database rights, or of any other rights whatsoever of third parties by the use or sale of the Goods, or their packaging, appearance, labeling or advertising (including, without limitation, any passing-off or alleged passing-off of the Goods as those of any third party);
- (c) Any alleged or actual defects in the Contract Object, whether latent or patent, and whether of design or manufacture;
- (d) Any breach by the Supplier of any of the warranties contained herein, or the Supplier's failure timely to deliver the Contract Object purchased hereunder;
- (e) Any alleged or actual failure to make the Goods or Services meet security requirements;
- (f) Any alleged or actual failure of the Goods to include necessary safety features or otherwise conform to the requirements of any state or local health or safety law, standard, regulation or ordinance, when used in a manner and for a purpose intended by the Company; or
- (g) The exercise by any duly authorized person or authority of any statutory, regulatory or other power, right or duty.

The Supplier shall, at its own expense, if so requested by the Company, defend all claims, proceedings or suits against the Company, its successors, assigns, officers, directors, employees, agents, customers and users of its products, in which any of the aforesaid claims are alleged, provided the Supplier is duly notified of such claims, proceedings or suits. The Supplier shall have no obligation to indemnify under this provision to the extent that any relevant liability, damage, Loss, cost or expense incurred was only incurred because the Supplier delivered the Contract Object strictly in accordance with Specifications supplied by the Company.

13. Insurance

The Supplier agrees to procure and maintain, at its own expense, (i) product liability insurance, (ii) other appropriate insurance covering the Supplier's obligations hereunder and (iii) any other insurance as may be reasonably required in the light of the intended use of the Goods and Services and in respect of any and all liability or claim as may arise as a result of any death, injury, Loss or damage suffered by any person or thing out of faults or defects in the Goods and Services. The Supplier agrees to furnish evidence of said insurance satisfactory to the Company as the Company may request from time to time. The Supplier shall produce to the Company on request the current annual premium receipt for such insurance (or other evidence thereof satisfactory to the Company). The Supplier shall renew such insurance when required and within 14 days of such renewal shall produce to the Company the premium receipt for such renewal (or such other evidence thereof as aforesaid). Faulty services must be corrected by the Supplier within a reasonable time determined by the Company and should the Supplier not make such correction within the time determined, the Company will be entitled to have the correction executed by a third party at the expense of the Supplier. The Company has no responsibility whatsoever for rejected Services.

14. Inspection and Quality Control

The Company shall be allowed a reasonable period of time after delivery to inspect the Contract Object and to notify the Supplier of any non-conformance with the Terms and Conditions of Purchase. The Company may reject any Goods or Services which do not conform to the Terms and Conditions of Purchase. Goods so rejected may be returned to the Supplier, or held by the Company, at the Supplier's risk and expense, and, in either event, the cost of transportation, shipping, unpacking, examining, repacking, reshipping and like expenses shall be charged to the Supplier.

In order to ensure that the Goods and Services will comply with all relevant legal or other Company requirements, the Supplier shall:

- (a) At the request of the Company and at the Supplier's own expense submit samples of the Goods for testing by the Company or by an independent body specified by the Company against the Analytical Procedures and the Specifications;
- (b) Allow the Company, its employees and agents after reasonable notice, unrestricted access to the Supplier's premises to inspect the Supplier's processes of manufacture and or assembly of the Goods or to review results of relating Quality Control tests and to remove samples of the Goods for testing (at the Supplier's expense) by the Company or by an

independent body specified by the Company. In case the Supplier sources from sub-suppliers or sub-contracts parts of the Goods, the Supplier will make certain that arrangements to allow the Company the same rights with respect to inspection and samples;

(c) At its own expense make all necessary changes to its processes of manufacture and/or assembly as the Company or the independent body may require as a result of the testing described in sub-paragraphs (a) and (b) above.

15. The Company reserves the right to suspend, vary or cancel any Purchase Order as a result of such inspection or testing and the Company reserves the right to the remedies set forth in Article 11 (g) above. These rights of the Company are without prejudice to any or all of its other rights.

16. Rejection of Goods Orders

Without prejudice to any other rights of the Company, the Company shall have the right within a reasonable time after receipt of the Goods or any part thereof to reject the same by notice in writing to the Supplier (the "Notice") where the Goods or any part of them is or are not supplied in compliance with these Terms and Conditions of Purchase, including the Specifications and the Analytical Procedures. The Company shall be under no liability to pay for such rejected Goods. Except as provided in Article 17 below, the Company shall be entitled to recover the full amount paid or to be paid in respect of rejected Goods specified in the Purchase Order, together with the costs incurred for their return and all Losses and expense incurred by the Company as a result of the rejection.

The recovery will be by means of:

- (a) deduction from any sums due to the Supplier; and/or
- (b) issuance of a credit notice by the Supplier, and/or
- (c) invoicing the Supplier for payment of the amount.

17. Notwithstanding the foregoing, the Company may require the Supplier in the Notice to remove at Supplier's own expense and risk the rejected Goods or any part thereof within ten (10) days from the date of the Notice and replace the same with Goods which comply with the Terms and Conditions of Purchase in all respects. Except as provided in Article 19 below, title and risk of Loss in such rejected Goods shall pass to the Supplier when the Notice is sent to the Supplier. Should the Supplier fail to replace the rejected Goods within a reasonable time, the provisions of Article 16 above shall apply and the Company shall have the right to purchase replacement Goods from another source and any damage resulting to the Company as a result of such purchase shall be an obligation of the Supplier.

18. Any claim by the Supplier against the Company in relation to rejected Goods must be received by the Company within two (2) weeks of the relevant Notice being issued and time is of the essence in this regard.

19. Title to rejected Goods shall revert to the Supplier only when the Company has recovered in full the price for the rejected Goods and the cost and expenses of the rejection, including any consequential damages or Loss.

20. If the Company is unable to obtain full credit for the rejected or returned Goods the Company shall:

- (a) have the immediate right of re-possession of the Goods, and, if the Goods are on the premises of the Supplier, together with the right of entry to the Supplier's premises during normal business hours by the Company's employees or agents for the purpose of re-possession;
- (b) be entitled to dispose of the Goods at such price and on such terms as the Company determines and the Supplier shall compensate the Company for any Loss which the Company may suffer as a result of such disposal.

21. The Company will not accept any repaired or replacement Goods without prior written authorization to the Supplier.

22. Delivery Date

Time is of the essence. You must not deliver Goods by installments except with our prior written approval. If the delivery is going to be delayed, you must give us notice. We will not accept early deliveries unless we have agreed in advance. If your delivery is late, we may - without limiting any other rights or remedies of ours:

- refuse to accept any subsequent delivery of the Goods;
- obtain substitute goods from an alternative supplier and recover their reasonably incurred costs in doing so from you;
- claim damages for any costs, expenses or losses resulting from your failure to provide the Goods on time;
- require a refund of any charges paid in respect of such Goods; and/or,
- cancel the Order in whole or in part without liability to us.

23. Proof of delivery shall be established only by the signature of an employee of the Company (or of an employee of any other addressee of the Contract Object which may be specified by the Company to the Supplier in the Purchase Order).

24. With respect to any incomplete delivery of the Goods or Services, whether in instalments or otherwise, the Company reserves the right (without prejudice to any of its other rights) to accept or reject all or part of the Goods so delivered and to cancel or vary the balance of the order.

25. Any receipt or delivery acknowledgement by an employee of the Company is simply an acknowledgement of delivery and shall not constitute an acceptance by the Company that the Contract Object is complying with the Terms and Conditions of Purchase.

26. Surplus Products or Rejected/Returned Goods

The Supplier must furnish the exact quantity ordered hereunder and said quantity cannot be varied by the Supplier without the written consent of the Company. The Company reserves the right to reject any unauthorized quantities and to return same to the Supplier at the Supplier's risk and expense. The Supplier further agrees to indemnify the Company for any expenses or Losses incurred by the Company as a result of the Supplier's failure to furnish the quantity ordered hereunder.

27. Supervening Events

In the event that any legal or other regulatory requirement changes or varies the terms of implementation of the Purchase Order, or affects the agreed price of the Goods and Services concerned, the Company reserves the right to cancel or amend the Purchase Order accordingly without prejudice to the Company's rights and interests in Goods already delivered and accepted.

28. Price, Payment, Invoices

Unless otherwise agreed or as allowed in clause 1, the price of the Goods and currency must be as set out in the accepted Order. All sums payable are exclusive of VAT and other duties and taxes. Purchase prices include all extra charges, including charges for packing, containers, insurance and transport unless we say otherwise on our Order. You must send us the invoice after the Goods have been delivered to us. Your invoice must contain sufficient detail to describe the basis for the invoiced amounts, including a reference to the applicable Order number and a description of all Goods delivered. You must also give us all information we ask for to verify the contents and accuracy of the invoice. Unless we say otherwise on our Order, we will pay undisputed amounts within 30 days of receiving your invoice. Unless required by Law, we will not pay late fees, interest, or carrying charges for late payments. We may withhold any part of any payment due under this Order to cover any damages incurred by us resulting from your breach of these Terms or to cover any amount you may owe us for any reason. We are not required to pay any invoice that we receive more than 30 days after the date of the delivery of the Goods covered by the invoice.

29. Title

Subject to the provisions of these Terms and Conditions of Purchase title to and risk of Loss in any Goods shall pass from the Supplier to the Company upon delivery thereof to and acceptance thereof by the Company.

30. Transportation

The Supplier shall comply with all directives given in the Purchase Order or given subsequently by the Company or its agents concerning the transportation of the Goods. The Supplier will advise the Company of the date of dispatch and expected arrival and of the carrier when Goods are ready to be delivered. The Supplier shall take out and maintain insurance to cover the Goods in transit with a reputable insurer against all risks usually incurred against to their full replacement value.

31. Exports

The Supplier shall provide at its expense all such necessary documentation and all such assistance as the Company may reasonably require to ensure that the Goods shall comply with all statutory and other legal requirements of any country into which the Company may wish to import them.

32. Termination

(a) The Company shall have the right at any time on giving notice in writing to the Supplier to terminate any part or all of this Purchase Order (at the Company's sole discretion) immediately if:

- (i) the Supplier commits a breach of any of these Terms and Conditions of Purchase;
- (ii) any distress, execution or other process is levied upon any of the assets of the Supplier;
- (iii) the Supplier makes an arrangement or composition with its creditors, or otherwise takes the benefit of any statutory provision for the relief of insolvent debtors, or enters into liquidation or bankruptcy (whether voluntary or compulsory);
- (iv) the Supplier ceases or threatens to cease to carry on its business; or
- (v) the financial position of the Supplier deteriorates to such an extent that in the opinion of the Company the capability of the Supplier adequately to fulfil its obligations under these Terms and Conditions of Purchase has been placed in jeopardy.

(b) The termination of these Terms and Conditions of Purchase, however arising, will be without prejudice to the rights and duties of the Company accrued prior to termination.

33. Confidentiality

All information furnished by the Company to the Supplier is confidential and the Supplier shall not disclose any such information to any other person, or use such information for any purpose other than performing this Purchase Order, unless the Supplier obtains written permission from the Company to do so. This Article shall apply, without limitation, to the Specifications, Analytical Procedures or other documents prepared by the Company or the Supplier in connection with this Purchase Order. The Supplier shall not advertise or publish the fact that the Company has contracted to purchase goods from the Supplier, nor shall any information relating to the Purchase Order be disclosed without the Company's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by the Supplier to the Company shall be deemed secret or confidential and the Supplier shall have no rights against the Company with respect thereto, except such rights as may exist under patent laws. The Supplier agrees in its own name and in the name of its agents, that all Specifications and other technical information or data, formulae or other proprietary information, written oral or otherwise furnished to the Supplier by the Company or on its behalf shall remain the property of the Company and shall be returned promptly to the Company (together with all copies) at the Company's request.

34. Waiver and Severability

(a) Failure on the part of the Company to exercise or enforce any rights under a Purchase Order shall not be deemed to be a waiver of any such right nor operate so as to bar its exercise or enforcement at any future time or times.

(b) In the event that any one or more of these Terms and Conditions of Purchase shall be wholly or partly invalid, illegal or unenforceable in any respect the validity, legality and enforceability of the remaining provisions contained herein and the remainder of the Condition in question shall not in any way be affected or impaired thereby and shall continue in full force and effect.

35. Governing Law

This Agreement shall be deemed to have been executed and delivered in 811 03 Bratislava, Koreničova 1, Slovakia. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the substantive law of Slovak Republic, without giving regard to its conflict of law provisions. The Parties agree to exclude application of the United Nations Convention on Contracts for the International Sale of Goods (1980) to the extent it is applicable to the Agreement. The Parties have specifically concluded this Agreement in the English language and agree that English shall be the controlling language of this Agreement and any ancillary documents.

36. Non-Assignment

Neither the rights nor the obligations of the Supplier under these Terms and Conditions of Purchase may be assigned, transferred, sub-contracted or otherwise disposed of, in whole or in part, without the prior written consent of the Company.

37. Data Protection

You represent and warrant that you will comply at all times with the *Data Protection Standards* for this Order.

38. Circumstances Beyond Your or Our Control (Force Majeure).

If you or we cannot carry out our responsibilities under an Order due to circumstances beyond our or your reasonable control, neither will be liable to the other. This clause will not apply when the circumstances stop affecting the performance. If the circumstances continue to apply for 30 days or longer we may cancel all affected Orders without any liability to us.

39. Warranty

As well as any warranty which applies by Law, you represent and warrant that the Goods are and will be free from built-in defects in design, workmanship and materials and that they meet all specifications, drawings, and approved samples, if any, which may apply. You also represent and warrant that the Goods are fit and suitable for the purpose intended and are fit to be sold, that all services are performed using all due care, skill and effort in line with the generally accepted standard in the industry, and that our title to all Goods and deliverables that you create for us are free from all claims and encumbrances. If we pay for the Goods or inspect or test them, or make future orders, it does not mean we will not enforce this warranty in the future if the Goods do not meet the conditions of the warranty. Without affecting any of our other rights, you must either repair or replace the Goods, carry out the services again or refund the cost of the Goods which are faulty, at our option. This applies for 18 months from the date of our receipt or within the shelf life of the Goods shown in this Order (whichever period is longer). You will refund any transport or other charges paid by us for Goods which are defective.

40. Subcontracting Rights under this Order

If you use a subcontractor or any other manufacturers to carry out any of your obligations under this Order, you will be fully responsible for their actions and mistakes and for the actions and mistakes of their employees. There will be no contractual relationship between any subcontractor and us. You will make sure that any subcontractor or other manufacturer treats all of our information as confidential. We may perform any of our obligations or exercise any of the rights under these Terms through any of our affiliates.

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