



GENERAL TERMS AND CONDITIONS OF SALE

1. Applicability

These General Terms and Conditions apply to all offers and agreements of Snorkel Spain SLU, established in Barcelona, Spain (hereinafter referred to as: "RQS") and the buyer (hereinafter "Buyer"), unless otherwise provided in writing. The applicability of any terms and conditions of Buyer is expressly rejected.

2. Offers and Prices

1. All offers made by RQS are non-binding. This means that offers may be withdrawn by RQS up to three working days after their acceptance. The prices specified in an offer are exclusive of value added tax or equivalent taxes (hereinafter "VAT"), unless otherwise specified. Prices are given in Euro.
2. RQS reserves the right to adjust its prices periodically. Any new price quotation supersedes the former quotation as regards orders placed after the date of the new quotation.

3. Ordering, Delivery and Harvesting and Processing Reservation

1. Correct fulfilment of RQS' obligation to deliver includes delivery with a minor difference in size, packaging, number or weight. RQS is permitted to deliver sold products in parts. If the products are delivered in parts, RQS has the right to invoice each part separately.
2. Shipments may be handled by third parties, and will be delivered ex works (EXW), in accordance with the latest version of the Incoterms, unless agreed upon otherwise in writing. The transportation costs will be passed on to Buyer.
3. RQS will always act to the best of its ability in fulfilling its obligation to deliver, however an agreed delivery date or period will not be of the essence. In the event of late delivery, Buyer must therefore give RQS written notice of default and grant a reasonable period during which to perform the agreement.
4. Buyer must specify in writing upon placing its order, or upon RQS' first request, what data, specifications and documents are required pursuant to the regulations of the country in which the delivery must be made, such as those relating to: a) invoicing; b) phytosanitary requirements; c) international certificates (including but not limited to ISTA certificates, Certificates of Analysis and Certificates of Origin); and d) import licenses and/or documents, statements or other locally applicable regulatory obligations. Buyer will upon first request provide copies of any of the aforementioned or other relevant documents. Buyer may request RQS to assist with obtaining certain certificates, permits and/or licenses, at Buyer's expense.
5. All extra costs incurred by RQS because of special requests made by Buyer concerning shipment or the packaging of the products will be charged to Buyer.
6. Buyer is not allowed to return goods to RQS, unless RQS agrees thereto in writing. The costs of any return shipments shall be for Buyer.
7. All deliveries are subject to the harvesting and processing reservation usual in the seed industry. In the event that RQS invokes the harvesting or processing reservation, it is not obliged to supply, but will, in as far as reasonably possible, try to supply pro rata to the quantity ordered or equivalent alternatives. Buyer is not entitled to damages in the event that RQS invokes this reservation.
8. Upon request of Buyer, and subject to the limitations of liability as included in clause 9 of these General Terms and Conditions, RQS can provide technical advice and assistance to Buyer relating to amongst others the selection, handling, storage, planting, growing, harvesting and maintenance of the products, at Buyer's expense.

4. Retention of Title

1. The title to products delivered by RQS and/or the products grown therefrom will remain with RQS until Buyer has fulfilled all its obligations under these General Terms and Conditions, in particular full payment of all deliveries.
2. Products delivered by RQS to which the retention of title right applies shall be stored or used in such a way that the quality is guaranteed and that the products can be identified as property of RQS.
3. Products delivered by RQS to which the retention of title right applies may be used only in the normal course of business. Buyer is not permitted to pledge the products or to otherwise encumber the products.

5. Payment

1. An advance payment of 30% of the total amount of the products ordered, shall be due and payable on the date of approval by RQS of the Buyer's order. RQS shall issue an invoice for the total amount (identifying the amount payable as advance payment) as soon as possible after confirmation of the Buyer's order. The order shall not be processed until the advance payment has been received by RQS. The remaining 70% (including certification, transportation, insurance and/or other applicable costs) shall be due and payable prior to shipping of the ordered products. The order shall not be shipped until the total amount of the invoice had been received in full by RQS.
2. In the event that no (timely) payment is made, Buyer will automatically and without further notice be in default. Buyer will owe interest at either a rate of 1% a month or the statutory interest percentage for overdue payment applicable in Buyer's country, whichever is higher, on the outstanding amount as from the date of default. Furthermore, RQS shall be entitled to initiate, without any further notice, extrajudicial collection measures. Buyer shall be obligated to pay all associated costs whereby the extra-judicial collection costs shall be at least 15% (fifteen percent) of the collectible amount.
3. In the event that Buyer is liquidated, declared bankrupt or granted a suspension of payment, all Buyer's payment obligations will fall due immediately

and RQS will be entitled to suspend the further performance of any agreement or to unilaterally cancel any agreement, order or delivery, without prejudice to RQS' other rights, including but not limited to its right to claim damages.

4. In the event that Buyer fails to fulfil one or more of its obligations under these General Terms and Conditions or to do so correctly and/or in time, RQS' obligations will automatically and immediately be suspended until Buyer has paid all amounts due.
 5. Under no circumstances is Buyer authorized to delay any payments due or to deduct and/or set-off any amount from RQS' invoices due, without the prior written permission of RQS.
 6. In case of refusal, expiry, invalidation or revocation of any intellectual property rights vested in any variety or other product or service of RQS, Buyer shall not be entitled to a refund of any sums, fees, remunerations or royalties already paid to RQS, nor to reimbursement of any other type of damages.
- ### 6. Defects, Complaints and Right of Return
1. Buyer must inspect the products purchased upon delivery, or as soon as possible after delivery. In doing so Buyer must check whether the products delivered comply with the agreement, i.e.: a) whether the correct products have been delivered and b) whether the quantity of the products delivered corresponds with the agreement.
 2. In the event that visible defects or deficiencies are established, Buyer must inform RQS accordingly in writing by registered mail addressed to RQS within five (5) working days after delivery, specifying the batch, delivery note and/or invoice details.
 3. Buyer must report any invisible defects to RQS in writing within five (5) working days after discovery, specifying the batch, delivery note and/or invoice details.
 4. Complaints must be described in such a manner that RQS or a third party can verify them. For that purpose, Buyer must also keep records with regard to the use of the products. In the event that Buyer does not file a complaint within the aforesaid periods as included in clauses 7(1) and/or 7(2), the complaint will not be dealt with and Buyer's rights will be deemed to have expired.
 5. In the event Buyer has timely filed a claim, it will not be entitled to suspend its payment obligations. In the event of a valid complaint of Buyer, parties may agree on a return of (part of) the delivered products. Due to the high-quality standards of the products, the products can only be returned in their original, undamaged packing within fifteen (15) days after the invoice date. A credit note shall be issued at 75% of the invoiced amount, excluding VAT or sales/turnover tax.

7. Warranties

1. RQS guarantees that the goods to be delivered by it conform to the best of its knowledge to the descriptions concerning those goods. However, no guarantees apply to RQS' product specifications, if any. RQS does not guarantee that the goods delivered by RQS comply with the purposes for which they are (intended to be) used by Buyer or its customers. Product descriptions, recommendations, specifications (such as cannabinoid levels, feminization levels, male/female ratios etc.) and/or illustrations included in (online) brochures, leaflets, websites or otherwise are based as closely as possible on experiences in tests and in practice and are not intended as an indication for quality claims and/or warranties. RQS in no event accepts any liability, whatsoever, on the basis of such information for different results in the cultivated product. Buyer itself must determine whether the products are suitable for the intended growth and/or can be used under local conditions.
2. Any and all guarantees on the part of RQS lapse if Buyer carries out processes on the goods or causes processes to be carried out on them, repackages the goods or causes them to be repackaged, or uses and/or stores the goods incorrectly or causes them to be used/or stored incorrectly.
3. RQS does not guarantee that the use, sale, transfer, production or any other possible act involving the delivered seed and/or the plants or plant parts produced with the delivered seed does not infringe any (intellectual property) right of any third party.
4. Buyer is fully aware and expressly acknowledges that the import, use, cultivation and processing of cannabis seed, plants, plant parts or cannabis (related) products are or may be regulated under international, federal, national, provincial or local laws or regulations. Buyer represents and warrants that (a) it has required for said purposes all necessary licenses, permits and certifications and that it has satisfied any related applicable laws and legal requirements; and (b) that it is not aware of any reason why the sale, import, use and cultivation of the seed of RQS and any plants, plant parts or products grown and/or produced therewith would violate any applicable laws or regulations. RQS reserves the right to confirm Buyer's compliance with any or all of the foregoing representations and warranties at any time, by further investigation or by requesting supporting documentation.

8. Limitation of Liability

1. RQS' sole and exclusive remedy shall be refund of the purchase price. RQS' liability towards Buyer, whether for breach of contract, breach of warranty, negligence, products liability or any other form of liability, is in all events limited to the amount of the purchase price. Under no circumstances shall RQS be liable for damages in excess of the purchase price, or for any special, incidental, indirect or consequential damages or loss of profits incurred by Buyer or its customers.
2. Buyer agrees that RQS cannot be held liable for: (a) any damages related in any manner to choices of Buyer of the varieties, tools used in growing (including but not limited to auxiliary materials and means, natural or not, use of pesticides,



fungicides or other chemicals) and the growing method; (b) reduced yield or damages resulting from or relating to disappointing growth of the supplied seed, both as to quality and quantity, also if the flaws described above are a result of diseases, defects, somaclonal variations, backcrossing or any disorders whatsoever; and/or (c) damages which may come about for Buyer by reason of unfavorable variety properties unknown so far which present themselves no sooner but after some time after delivery or in further storage or growing.

3. Buyer accepts that it will use the supplied seed fully at its own risk. RQS assumes that Buyer has expert knowledge of growing cannabis. Buyer acknowledges that the level of growth of the seed and of cannabis in general, depend, also in case of highest quality, for a substantial part upon the manner of cultivation, climate, weather and environmental conditions, condition of the growing methods and the soil used, transportation conditions, etcetera. Buyer also accepts that the seed supplied by RQS may have variable germination, vitality, uniformity and stability rates, including as a result of such circumstances.

4. Buyer is required to limit as much as possible any damages in respect of which Buyer submits a complaint to RQS. Any potential claim for compensation, or other claim or complaint by Buyer shall expire in the event that no claim has been issued in writing against RQS within 6 months of the delivery of the products.

9. Intellectual Property Rights and EDVs

1. Buyer agrees and acknowledges that title to all world-wide intellectual property rights (such as but not limited to plant breeder's rights, (plant) patents, utility patents, copyrights, trademarks, designs, trade names and know-how) including those vested in the products, their packaging, the seed and other plant materials provided to it will be the sole property of and will vest and remain vested in RQS or the relevant affiliate in RQS' group of companies at all times. Seed from varieties protected by intellectual property rights may not be used for reproduction (propagation) without RQS' prior written permission.

2. The finished product, derived from the seed supplied to Buyer, may only be sold by Buyer under the variety name and/or trademarks registered and/or used by RQS, if any.

3. Buyer shall not use or register any trade mark, company name, domain name or variety denomination which is identical or similar to, or which incorporates any trade mark, variety denomination or trade name owned by or licensed to RQS, anywhere in the world.

4. Buyer is obliged to allow RQS – or a third party that carries out inspections on behalf of RQS – direct access to the business of Buyer (including amongst others and in particular to the greenhouses of its premises) to inspect compliance with these General Terms and Conditions. Buyer shall upon request also allow access to records and accounts that are relevant to the aforementioned inspections.

5. In the event that Buyer finds, observes or discovers an essentially derived variety ("EDV"), such as but not limited to any mutation or sport in a variety, it shall immediately notify RQS thereof in writing. Upon first written request of RQS, Buyer shall immediately provide RQS with sufficient material from the mutant without delay, for testing purposes. Buyer shall refrain from handing over any plant or genetic material of the EDV to any third party.

6. Buyer agrees to transfer (in advance) any and all claims, title and property rights (including any intellectual property rights vested) in the EDV and the related plant material to RQS.

7. In the event that the EDV is deemed to be a new variety Buyer shall require, also if this does not already result from the applicable plant variety regulations, prior written authorization of RQS for the following acts in respect of any plant materials of the EDV: (a) production or reproduction, (B) conditioning for the purpose of propagation, (c) offering for sale, (d) selling or other marketing, (e) importing to and/or exporting; (f) stocking for any of the purposes mentioned above.

10. Use Restrictions

1. Use, transfer and/or acquisition of RQS seed constitutes acceptance of a limited right to use such seed solely to grow a single crop for further processing and sales of the grown plant or grown plant parts only, always solely for end-use or further processing for end products. No other use (such as but not limited to breeding, propagation (reproduction) of plants, plant parts, seeds or genetics) is permitted.

2. Buyer is not allowed to provide the seed or any other material of any variety delivered by RQS in whatever form to third parties.

3. Buyer is however permitted to provide the seed to a plant raiser (grower) if (a) the grower only uses the seed to grow plants for Buyer; (b) the grower delivers all plants that were grown out of the seed exclusively to Buyer and (c) Buyer has assured that the grower complies with all applicable regulations and laws as included in these General Terms and Conditions. For this purpose, Buyer shall provide all relating relevant information to RQS, including the company name, place of business and place of the production fields/greenhouses. Furthermore, a written growers' contract shall be executed between the Buyer and the Grower which includes at least the following written conditions:

(1) the grower shall grow the seed solely on a plot belonging to the grower's business and solely for return delivery to Buyer;

(2) the grower shall not (nor permit others to) supply, dispose of, sell or otherwise commercialize any seed, plants, plant parts or other plant material of the RQS varieties to any third party;

(3) a provision which enables Buyer to, upon request of RQS, impose additional obligations upon the grower in order to assure full compliance with these General Terms and Conditions.

11. Compliance with Trade Regulations

1. Buyer hereby acknowledges and agrees that the products delivered by RQS are subject to applicable regulations, rules and licenses and/or trade sanctions laws ("Trade Regulations"). Buyer shall comply with the Trade Regulations and agrees that Buyer alone is responsible for ensuring its compliance with these Trade Regulations. In particular, but without limit, Buyer will not, and will procure that none of its affiliates will use, sell, resell, export, import, re-export, dispose of, disclose or otherwise deal with the products, directly or indirectly, to any country, destination or person without first obtaining any and all required licenses, certificates or other governmental approvals and completing such formalities as may be required by Trade Regulations. Buyer shall not do anything which would cause RQS to be in breach of Trade Regulations and shall protect, indemnify and hold harmless RQS from any fines, losses and liabilities incurred by RQS as a result of the failure of Buyer to comply with its obligations as included in this clause.

2. Failure by Buyer to comply with any part of this clause shall constitute a material breach of the agreement. RQS reserves the right to refuse to enter into or to perform any order, to cancel any order at its sole discretion if RQS believes Buyer has failed to comply with any part of this clause.

12. Indemnification

1. Buyer expressly acknowledges and agrees that RQS and its affiliated or related entities, and their respective officers, directors, employees and agents are not responsible for any damages or any personal injury (including death) or any indirect, special, incidental, consequential or punitive damages whatsoever and however caused, arising out of or in connection with use of the RQS seed or of the plants grown or products made therewith or derived therefrom;

2. Buyer shall indemnify RQS, its affiliated or related entities, and their respective officers, directors, employees and agents against all claims of third parties for compensation of damage (allegedly) caused by or otherwise associated with any products delivered by RQS, including claims that have been filed against RQS (a) as a result of non-compliance by Buyer with the warranties given as included in clauses 8(4)(a) and/or (b) in its capacity as producer of the products based on any rule concerning product liability in any country, unless the damage is caused by willful intent or gross negligence of RQS and/or its employees.

13. Miscellaneous

1. The parties shall cooperate with each other and execute to the other party such forms and documents and take such other actions as may reasonably be requested from time to time in order to carry out, evidence or confirm the other party's rights or obligations or as may be reasonably necessary or helpful to give effect to the provisions of this agreement.

2. Any waiver shall only have effect if it is specific and in writing. The failure of a party to enforce any of the provisions of this agreement shall in no event be considered a waiver of such provision. No waiver of a provision by a party shall (a) preclude that party from later enforcing any other provision of this agreement; (b) operate as a waiver of any succeeding breach of the same provision of this agreement.

3. In the event that any provision in this agreement is found to be invalid or unenforceable in any respect in any jurisdiction: (a) the validity or enforceability of such provision shall not in any way be affected in respect of any other jurisdiction and the validity and enforceability of the remaining provisions shall not be affected, unless this agreement reasonably fails in its essential purpose; and (b) the parties shall substitute such provision by a valid and enforceable provision approximating to the greatest extent possible the essential purpose of the invalid or unenforceable provision.

4. Neither any rights nor any obligations of Buyer, or parts thereof, under any agreement or any appendix hereto may be assigned, sublicensed or transferred without RQS' prior written consent. Any assignment or transfer in contravention to this clause will be deemed null and void.

5. Buyer may not employ subcontractors for the execution of any of its obligations under any agreement, unless with RQS' prior written consent.

14. Applicable Law and Dispute Settlement

1. All agreements between RQS and Buyer and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with Dutch law. The applicability of the United Nations Convention on the Contracts for International Sale of Goods (the Vienna Sales Convention) is excluded.

2. All disputes between RQS and Buyers established in one of the Member States of the European Union (including the UK) resulting from or relating to these terms and conditions or any related agreement between the parties shall be exclusively brought before and decided upon in first instance by the Court in The Hague, the Netherlands. All disputes between RQS and Buyers established outside the Member States of the European Union (including the UK) resulting from or relating to these terms and conditions or any related agreement between the parties shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI), including Section 4A thereof. The place of arbitration shall be The Hague, the Netherlands. Hearing shall be held in Amsterdam, the Netherlands and the proceedings will be conducted in the English language by a sole arbitrator.