

APOTHECARY PRODUCTS, LLC
PURCHASE ORDER TERMS & CONDITIONS

1. **Contract formed:** Apothecary Products, LLC ("APL") agrees to purchase goods, products and/or services ("Goods") from Seller on the terms stated herein and in the accompanying Purchase Order, and on no other terms. Any inconsistency between these terms and the Purchase Order shall be resolved in favor of the Purchase Order. Any reference to Seller's quotation or proposal does not imply acceptance of any terms in that quotation or proposal.
2. **Modifications:** The quantities, prices, specifications, terms, and conditions of the Purchase Order may not be changed except by APL's written authorization. Where the Goods to be furnished are to be specifically manufactured in accordance with drawings and/or specifications, APL may, at any time, by written order, (a) make changes in (i) drawings, designs or specifications, (ii) method of shipment or packing, (iii) place of delivery, or (b) postpone the delivery schedule. If any such change causes a material increase or decrease in the cost of, or time required for performance of the work under the Purchase Order, an equitable adjustment shall be made in the contract price or delivery schedule or both. Seller shall submit its claim within 30 days from receipt of notification of change unless extended in writing by APL. In addition, APL reserves the right to cancel the Purchase Order, or any part thereof, at any time, even though Seller is not in default hereunder, by giving written notice to Seller. In the event of such cancellation, APL shall pay for all Goods delivered and completed, as well as costs incurred by Seller for Goods in process not to exceed the quantity and prices specified in the Purchase Order. Upon receipt of any notice of cancellation hereunder, Seller shall, unless otherwise directed, immediately discontinue all work in progress and immediately cancel all orders or subcontracts given or made pursuant to the Purchase Order. Exercise by APL of the rights of cancellation reserved in this paragraph shall give rise to no liability on the part of APL except as specified in this paragraph and shall not have the effect of waiving damages to which APL might otherwise be entitled. To entitle the seller to any Purchase Order termination payment, Seller shall within 15 days after delivery of Buyer's notice, advise the Buyer in writing whether or not any termination charges will be submitted in connection therewith and, to furnish a detailed claim within 45 days from the date of termination notice for consideration by the Buyer. If a claim is not submitted within said 45-day period, Buyer shall determine based on information available to it the amount of such charges, if any, owing to the seller in respect to the termination. Seller agrees that such determination by Buyer shall be binding upon Seller.
3. **Billing:** Invoices must be sent to the attention of APL's Accounts Payable (APayable@apothecaryproducts.com). Any charges properly prepaid by Seller on behalf of APL pursuant to the Purchase Order for which reimbursement is sought must be itemized and supported by receipts.
4. **Price:** If no price is set forth on the front of the Purchase Order, the Goods shall be billed at the price last quoted or at the prevailing market price, whichever is lower. Except as otherwise specified in the Purchase Order, the price includes all transportation charges, and all charges for Seller's packing, crating and storage.
5. **Payment:** Payment shall be made as stated in the Purchase Order.
6. **Warranty:** Seller warrants that the Goods conform to the specifications in the Purchase Order; that the Goods are free from defects in materials and workmanship; and that the Goods are merchantable and fit for the intended purpose. Seller further warrants that all products produced and sold and services provided to Buyer will be free from any third party claims or liability for alleged misuse, misappropriation or infringement of any patent, trademark, copyright or other right.
7. **Remedies:** APL reserves the right to reject non-conforming Goods within a reasonable time following delivery regardless of whether it previously inspected and/or paid for the Goods. APL's acceptance of the Goods, including after payment and inspection, shall not prejudice APL's ability to seek recourse from Seller for breach of any applicable warranty.
8. **Indemnification:** Seller shall defend, indemnify, and hold APL harmless against any and all damages and claims related to or arising out of Seller's breach of or failure to discharge its responsibilities under these terms.
9. **Specifications:** If designs, drawings, or specifications (collectively "specifications") are referenced or incorporated into the Purchase Order, approval of samples by APL shall not relieve Seller from strict and full compliance with such specifications.
10. **Inspection:** APL and its customers shall have the right to visit the premises of Seller or any of its suppliers during normal hours of operation to inspect and test the Goods and work in process and to expedite their manufacture and delivery. Inspection or testing by APL (as well as APL's failure to detect any defect in the Goods) shall not constitute "acceptance" by APL nor impose any liabilities on APL. Seller shall provide and maintain a quality control system acceptable to APL and its customers covering the Goods. Records of all quality control measures by Seller shall be kept complete and made available to APL and its customers upon request at any time during the 5 years after shipment of the Goods. Any prints or tool drawings maintained by Seller on APL's behalf shall be returned to APL upon request.
11. **Regulatory compliance:** Seller shall comply with all legal and regulatory requirements applicable in Seller's jurisdiction, including cooperation with any inquiry, investigation, or inspection, and obtaining of any certifications or government approvals. Seller shall immediately notify APL if it becomes aware of any complaints, adverse events, audits, inquiries, or regulatory action with respect to Seller, the Goods, or Seller's suppliers.
12. **COMPLIANCE WITH LAWS AND REGULATIONS in PO Terms & Conditions**
 - (a) In performing its obligations hereunder, Vendor agrees to comply with and make all stipulations and representations required by applicable law. Applicable law shall include: i) federal, state and local laws, regulations and requirements applicable to the Merchandise covered by the purchase order promulgated by any department, bureau, or other government agency of the United States of America; and, ii) all national and local laws of the country of manufacture and sale of the Merchandise covered under the purchase order.
 - (b) Unless otherwise specifically agreed to in writing, Vendor agrees that the actual manufacturer that performed the origin-conferring operation shall be disclosed to Purchaser. Any denial of entry by U.S. Customs & Border Protection due to failure to provide accurate manufacturer

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information, shall entitle Purchaser, at its discretion, and without prejudice to withhold payment to the Vendor and to actual and consequential damages and attorneys' fees arising out of such breach including any penalties or liquidated damages assessed by or paid to the U.S. Customs & Border Protection.

(c) Vendor agrees that all documents, including but not limited to the country of origin declaration(s) accompanying each shipment accurately describe the true origin of the ordered and shipped Merchandise. Vendor agrees to maintain production records, including raw material purchase and receiving records, employee time cards and payment records for a period of five years from date of shipment, and to provide such records to Purchaser within ten (10) days of request. Purchaser shall have the right to make unannounced visits to Vendor's production facilities for purposes of reviewing such production records. If Vendor fails to provide Purchaser with the aforesaid documents within the time required, Purchaser shall be entitled, at its discretion, and without prejudice to withhold payment to the Vendor and to actual and consequential damages and attorneys fees in connection with such a breach, including any penalties or liquidated damages assessed by or paid to U.S. Customs & Border Protection. Vendor represents and warrants that any of its assertions of origin or trade preference or free trade agreement qualification of goods are true and correct and, that it will maintain for the period of time required by law, documentation to support any such claims, including fully traceable records for materials used in the goods. Vendor agrees to provide all such records upon request of Buyer in a timely manner to permit Buyer to review such records in advance of any legal deadline for producing such records. Vendor will provide to Buyer the full name and address of the facility where the goods are assembled and/or produced.

(d) Vendor agrees that all Merchandise purchased pursuant to the purchase order is in compliance with any current, or later adopted, law of either the country of manufacture or the United States, or destination country if shipping direct to countries other than the United States, governing the use of child labor or forced labor, and/or governing the importation into the United States of Merchandise produced with child labor or forced labor. Vendor further warrants that no prison labor is utilized in the production of any Merchandise to be purchased pursuant to the purchase order. Vendor further agrees that it complies with all the terms and conditions of Purchaser's Corporate Policy Statement for Vendors, which are incorporated by reference herein.

(e) Vendor agrees to notify Purchaser of any contact made with Vendor by a representative of U.S. Customs & Border Protection.

(f) Vendor represents and warrants, and Purchaser purchases on the condition, that Vendor has not engaged and will not engage in any bribery, commercial or governmental, or make any unlawful or improper payments to any person in connection with accepting or performing this order and is in compliance with the provisions of the Foreign Corrupt Practices Act. Vendor is not listed on any U.S. government restricted party list including, but not limited to, the U.S. department of Commerce's Entity List, Unverified List and Denied Persons List, the U.S. Department of State's non-proliferations sanctions list and the U.S. Department of Treasury's Specially Designated Nationals List. Vendor agrees to indemnify and hold Purchaser harmless from any claims, costs, expenses, fines or penalties for breach of this warranty.

(g) In order that Purchaser may be compliant with Section 203 of the SAFE Port Act of 2006 and the Importer Security Filing required by this Act, Vendor shall provide to the Purchaser with each shipment the following information: manufacturer and/or seller's name and address, the container stuffing location, the consolidator name and address, and the country of origin of the merchandise (collectively "Information"). This Information shall be provided to the Purchaser no later than 24 hours prior to lading of the vessel. Seller will be liable to Purchaser for, and shall hold Purchaser harmless from, any monetary penalties, fines or forfeitures assessed by any government agency, whether assessed administratively and/or judicially, as a result of Seller providing, directly or indirectly, any false, inaccurate, or untimely Information.

(h) Vendor agrees that it is solely responsible for the full and complete compliance with all of the requirements of this section and all other sections of this Agreement by all of its suppliers.

13. Employment practices:

- A. **Labor laws:** All business activities of Supplier must comply with all applicable legal requirements and industry standards pertaining to employment and manufacturing in Manufacturer's, Seller's, and Distributor's jurisdictions.
- B. **Forced labor:** Supplier must not use prison labor; forced labor; labor under any form of indentured servitude; physical punishment; confinement; threats of violence; or any other forms of abuse. Supplier will ensure that its employees are not subjected to psychological, verbal, sexual or physical harassment of any other form of abuse and will comply with all applicable laws on harassment and abuse of employees.
- C. **Slavery & human trafficking:** The use of slavery or human trafficking (including debt bondage) by Supplier is forbidden.
- D. **Child labor prohibited:** Supplier must comply with all applicable child labor laws and is prohibited from using employees under the legal age of employment in Seller's

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- jurisdiction or under circumstances resulting in employees failing to comply with school-attendance laws. Supplier shall not hire any employee under the age of 15 regardless of the legal age of employment in the relevant country.
- E. **Working hours:** Supplier must ensure that all employees are working hours in compliance with all applicable national and local laws and with published industry standards pertaining to the number of hours and days worked and overtime.
- F. **Compensation:** Supplier employees must be fairly compensated and provided with wages and benefits that comply with applicable national and local laws.
- G. **Non-discrimination:** Supplier shall not discriminate in hiring or applying employment practices on the grounds of race, color, religion, sex, age, sexual orientation, physical ability, national origin, or any other prohibited basis or personal characteristic unrelated to job performance and will comply with all applicable employment discrimination laws.
- H. **Safe workplace:** Supplier must provide its employees with safe and healthy working conditions and, where provided, living conditions. This includes, at a minimum, potable drinking water, adequate and clean restrooms, adequate ventilation, fire exits, safety equipment, emergency first aid kit, access to emergency medical care, and appropriately lit workstations. Supplier's facilities must be constructed and maintained in accordance with all applicable standards and building codes.
14. **California Proposition 65:** Supplier certifies that Goods manufactured for or supplied by Supplier to APL for sale in or delivery to California do not contain substances listed in California Proposition 65 and thus do not require a Proposition 65 warning. If Supplier fails to timely and properly notify APL of any product that requires a Proposition 65 warning, Supplier will defend, indemnify and hold APL harmless from and against any and all losses, damages, liabilities, fees, costs and expenses whatsoever including reasonable legal fees and expenses, direct, special, incidental and consequential damages arising out of or relating to any Proposition 65 violations.
15. **Supply protection:** Seller agrees to coordinate closely with APL in the event of a threatened or actual work stoppage affecting Seller. Prior to any work stoppage, Seller at its expense will make arrangements to supply APL with an inventory of finished Goods equivalent to APL's average consumption for one month. In addition, Seller will assist APL in locating and evaluating competent alternative suppliers to ensure continued supply during the work stoppage. In the event Seller breaches this Section, and APL elects to purchase Goods from a third party, APL may deduct from payment of any future invoice(s) from Seller any differences between the third-party purchase price and its pre-stoppage price for such Goods from Seller.
16. **Shipment:** The Goods shall be packed to ensure safe and proper carriage in an undamaged condition and Seller shall be responsible for any loss or damage which may arise from inadequate or inappropriate packing. APL's count will be accepted as final on all shipments not accompanied by a packing list.
17. **Title and risk of loss:** The Goods shall be delivered FOB (Incoterms® 2020). The destination shall be APL's location unless otherwise indicated on the Purchase Order.
18. **Time of delivery:** Time is of the essence in the performance of Seller's obligations. APL reserves the right to offset any costs it incurs or amounts for which it becomes liable as a result of untimely performance.
19. **Force majeure:** Neither APL nor Seller shall be liable for any delay or failure of performance due to acts of God or other causes beyond the affected party's reasonable control. The affected party shall give notice to the non-affected party of any such delay or anticipated delay promptly following the act or occurrence. APL reserves the right to cancel or modify any outstanding Purchase Order without penalty if, in APL's sole judgment, the act or occurrence may impair APL's ability to meet its production schedules or other obligations.
20. **Law and venue:** The relationship between APL and Seller shall be governed by and construed in accordance with the laws of the State of Delaware (USA) without regard to conflict of laws principles. Any litigation or dispute between APL and Seller shall be resolved exclusively in state or federal courts in Minneapolis, Minnesota and not in any other venue or jurisdiction.

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