



## Field Farms Marketing Ltd.

### General Sales Terms

1. Applicability. These General Sales Terms (“Sales Terms”) shall govern and control all aspects of the transaction between **Field Farms Marketing Ltd.** (the “Seller”) and the party which is buying any product(s) or commodity/commodities (“Commodity”) from the Seller, hereinafter called the “Buyer”, per the terms of a Sales Contract or Contract of Sale (either hereinafter called the “Agreement”), which Agreement incorporates by reference these Sales Terms. Should any term, provision or condition of the Agreement conflict with any term, provision or condition of these Sales Terms, the term, provision or condition set forth in the Agreement shall govern and control. In the event of any conflict between any term, provision or condition of these Sales Terms with any term, provision or condition contained in any applicable trade rules or other provision of law, the term, provision or condition set forth in these Sales Terms shall govern and control. Notwithstanding anything set forth in these Sales Terms, any import/export rules or regulations, as well as any laws respecting food standards or food safety of any jurisdiction interested in the transaction between the Seller and the Buyer shall govern and control the transaction between the Seller and the Buyer within each respective jurisdiction’s area of influence with regard to import/export or food standards or food safety.
2. Governing Law. If the Buyer is a Canadian person or entity, then the *Sale of Goods Act*, R.S.O. 1990, c. S.1, as amended from time to time, shall govern and control all aspects of the interpretation and enforcement of the Agreement between the Seller and the Buyer, except as excluded or changed by these Sales Terms or the Agreement. If the Buyer is not a Canadian person or entity, then the *International Sale of Goods Act*, R.S.O. 1990, C. I.10, as amended from time to time, shall govern and control all aspects of the interpretation and enforcement of this Agreement, except as excluded or changed by these Sales Terms or the Agreement. A “Canadian person or entity” shall, for purposes of these Sales Terms be defined, in the case of a natural person, as a person who is either a Canadian citizen, Canadian permanent resident, or person actually conducting business legally within Canada and being domiciled in Canada at the time of the making of the Agreement; and, in terms of any entity that is not a natural person, is an entity either formed or incorporated in Canada, or is actually conducting business legally within Canada and having a physical business address within Canada from which the natural person acting upon behalf of the entity was situated at the time of the making of the Agreement. Any person or entity not meeting the definitions set forth in the immediately preceding sentence shall be defined as “not a Canadian person or entity” for the purposes of these Sales Terms. Any natural person acting upon his own behalf, in the event that he is both a Canadian and American under the terms of these Sales Terms, shall be considered a Canadian for purposes hereof.
3. Time. Time shall be of the essence in the performance of all obligations under these Sales Terms or the Agreement.
4. Seller’s Obligations. The Seller shall sell such quantity and quality of the Commodity as specified in the Agreement and subject to these Sales Terms, and shall deliver the Commodity according to the Delivery Schedule to the Delivery Location as specified in the Agreement, and otherwise comply with these Sales Terms and the Agreement.
5. Buyer’s Obligations. The Buyer shall buy such quantity and quality of the Commodity as specified in the Agreement and subject to these Sales Terms, and shall pay the price for the Commodity in accordance with the payment terms and take delivery of the Commodity at or before the Delivery Date at the Delivery Location as specified in the Agreement, and otherwise comply with these Sales Terms and the Agreement. Unless otherwise stated in the Agreement, the Buyer shall settle and pay the price for the Commodity based upon delivered weights of the Commodity as determined according to law or this Agreement. Unless set forth to the contrary in the Agreement, any product shall be invoiced by the Seller upon the delivery of the product to the Buyer and payment shall be due upon invoicing (unless other payment terms have been granted to the Buyer by the Seller in the Agreement). In the event that a specific delivery schedule is not provided in the Agreement (the mere provision of commencement and end dates of a delivery period being defined for purposes hereof as not constituting a specific delivery schedule), then the Seller shall be permitted, at its option, to invoice the Buyer for one calendar month’s pro rated portion (the pro rated portion being calculated over the term of the delivery period) of the purchased product in any calendar month in which the Buyer does not take delivery of any portion of the purchased product; any such invoice issued being due and payable upon receipt. The taking of delivery of product that is the subject of an invoice issued for any pro rated product does not constitute the delivery of product in the calendar month delivered so as to defeat the Seller’s right to issue a further invoice for pro-rated product in that calendar month in the event that product not the subject of the pro-rated invoice is not also delivered in the same calendar month.
6. Trade Rules. The Grain Trade or Feed Trade Rules (as applicable) promulgated, from time to time, by the National Grain and Feed Association (“NGFA”) shall be applicable, except as otherwise provided by these Sales Terms. Rule 20 of the NGFA Feed Trade Rules shall not apply.
7. Grain Trade Contracts. For sales in bulk parcels take quale-CIF/CIFFO/C&F/C&FFO Terms of a Canadian or U.S. Commodity delivered by ship, the following paragraphs of

Contract No. 30 as promulgated, from time to time, by The Grain and Feed Trade Association (“GAFTA”) shall be incorporated herein, when not in conflict with these Sales Terms or the Agreement: 2, 11, 12 (c)-(h) incl., 13, 14, 15(a), 16, 17, 18, and 19. For shipments of a Commodity for full or limited container loads, the following paragraphs of Contract No. 88 as promulgated, from time to time, by GAFTA shall be incorporated herein, when not in conflict with these Sales Terms or the Agreement: 6, 8, 11, 12 (c)-(h) incl., 13, 14, 15, 16, and 17.2.

8. Grain Standards. In the event that the Buyer is not an American person or entity taking possession of the Commodity within the United States, then the Official Grain Grading Guide promulgated by the Canada Grain Commission, as amended from time to time, shall apply to these Sales Terms, except as otherwise provided herein. In the event that the Buyer is an American person or entity taking possession of the Commodity within the United States, then the U.S. *Grain Standards Act*, as amended from time to time, shall apply to these Sales Terms, except as otherwise provided herein. An “American person or entity”, for purposes of these Sales Terms, shall be defined, in the case of a natural person, as a person who is either an American citizen, American permanent resident, or person actually conducting business legally within the United States and being domiciled in the United States at the time of the making of the Agreement; and, in terms of any entity that is not a natural person, is an entity either formed or incorporated in the United States, or is actually conducting business legally within the United States and having a physical business address within the United States from which the natural person acting upon behalf of the entity was situated at the time of the making of the Agreement. Any person or entity not meeting the definitions set forth in the immediately preceding sentence shall be defined as “not an American person or entity” for the purposes of this paragraph number 8 of these Sales Terms.
9. Weights. Unless otherwise stated, all weights shall be in metric tonnes, and shall be weighed on a scale certified by the applicable governmental authority (including all weight certificates tendered hereunder). All payments based upon weights shall be calculated on loading weights, which shall be considered as final at the time and place of loading, such loading weights determined at Seller’s expense.
10. Shipping and Delivery Terms. Unless otherwise stated, all shipment and delivery shall be free on board (“f.o.b.”) the time and place of shipment.
11. Import Documents. The Buyer shall be solely responsible to obtain, at its sole cost and expense, any and all import permits or other product related import documents. Any cost related to any missing import permit or document shall be at the Buyer’s expense.
12. Ownership and Passing of Title. Notwithstanding any delivery terms, title in any Commodity shall not pass from the Seller until payment in full has been received by the Seller. On breach of any payment term, the Buyer on its own behalf and on behalf of any third parties authorizes the Seller, or its authorized agent, to enter on any premises and retake possession of the Commodity without notice to the Buyer or any third parties. Where the Commodity has been commingled with other goods, the Buyer shall be an owner in common of the commingled goods and the undivided share of the Seller shall be such share as the quantity of the Commodity bears to the quantity of the whole of the commingled goods. Until such time as the Seller is paid in full, any further sale of the Commodity by the Buyer is made as the Seller’s agent and the Buyer holds the proceeds of any such further sale as trustee for and upon behalf of the Seller and must account to the Seller for the proceeds on demand of the Seller.
13. Rejection. The Buyer shall not be entitled to reject any Commodity as not being in conformance with description or sample if the Commodity delivered is of a quality superior or equal to that contracted for, provided the Commodity delivered is otherwise in accord with the description of the Commodity in the Agreement.
14. Finality. All complaints and/or claims regarding the non-conformity of the Commodity must be substantiated by a third-party GAFTA approved surveyor inspection conducted at the time and place of unloading. The Buyer will advise the Seller within ten (10) days of receipt of the Commodity of any discrepancies, objections to or disagreements with the Agreement or these Sales Terms.
15. Default by the Buyer. The Seller shall be entitled to all remedies, which shall be considered cumulative and not in derogation of one to the other, to which the Seller is entitled under the applicable law governing the Agreement, as well as any further rights or remedies granted under these Sales Terms or the Agreement. Seller shall be entitled to collect any and all lawyer’s fees, third party collection fees, and all reasonable costs and disbursements incurred by the Seller in the event of any breach or default by the Buyer in its performance under the Agreement or these Sales Terms.
16. Default by the Seller. To the extent permitted by applicable law, the Seller’s liability to the Buyer for breach of any non-excludable condition is limited, at the Seller’s option, to refunding the price of the Commodity or service in respect to which the breach occurred, or to supplying the Commodity or services again or to paying the cost of having the Commodity or services respectively supplied again. In no circumstances will the Seller be liable for any loss of profits or special, consequential or indirect loss or damage. The Buyer acknowledges and agrees that the use of the Commodity supplied is beyond the Seller’s control, and any advice, recommendation, information or services provided by the

Seller regarding the Commodity and its use is not construed as a contractual condition or warranty.

17. Notices. All notices shall be delivered in writing. Notices shall be given promptly by email or facsimile transmission by either the Seller or the Buyer to the other party (both of the foregoing methods of delivery being considered written notice).
18. Force Majeure. If the Seller's performance is affected by a Force Majeure event, the Seller shall not be responsible for delay in delivery of a Commodity, or any part thereof. Force Majeure event shall include any act of God, pandemic, fire, flood, wind, explosion, power failure, war, embargo, act of government or certification authority (including without limitation the withholding of import or export privilege of a supplier of the Seller or the Seller itself), strike, lock-out, crime, act of terrorism, or civil commotion. Performance of the Seller's obligations are suspended to the extent to which the Seller is affected by the Force Majeure event and for the duration of the Force Majeure event. The Seller shall not be responsible for any delay in delivery of the Commodity or any part thereof occasioned by the occurrence of the Force Majeure event, and is free from any obligations of indemnification, loss or damage to the Buyer in respect of any period of time arising out of or from the occurrence of any Force Majeure event. The Seller shall have the right to perform any obligation affected by a Force Majeure event after the termination of the Force Majeure event, and the time for performance of such obligation shall be extended for the period equal to the period of duration of the Force Majeure event, unless the Buyer shall have notified the Seller that it elects to cancel any obligations affected by the Force Majeure event, which it has the option of so doing in the event that a force Majeure event continues for a period of no less than thirty (30) days after the last day of a Delivery Period. The Buyer shall have no right or option to cancel any obligation that is not affected by a Force Majeure event, *i.e.*, a delivery to be made after the period of a Force Majeure event has terminated. Additionally, Seller shall be permitted to pass along to the Buyer as additional purchase price any charge, fee or expense incurred by the Seller as a result of any additional charge suffered or incurred by the Seller to obtain the commodity to be delivered to the Buyer under any contract of sale to which these General Sales Terms are a part as a result of any force majeure event as set forth in this paragraph, or any additional charge suffered or incurred by the Seller to obtain the commodity to be delivered to the Buyer under any contract of sale to which these General Sales Terms are a part in the event that any third party, *i.e.* a shipping or transportation company or supplier of the Seller, should charge the Seller any premium, fee, charge or additional sum under any provision of any supplier or transportation contract, bill of lading or other document arising from the third party's hindrance in performance or other factor which may permit the third party to charge the Seller any premium, fee, charge or additional sum.

19. Resolution of Disputes. Any dispute, claim or controversy between the Seller and the Buyer as a result of the interpretation, performance or enforcement of any right or obligation arising from these Sales Terms or the Agreement shall be determined in accordance with the terms of these Sales Terms by arbitration to be conducted in accordance with the then appertaining rules of the NGFA, unless the Buyer is a non North American based person or entity, in which event arbitration in accordance with GAFTA Rule No. 125, as amended from time to time, shall be held. The Seller and the Buyer hereby expressly agree to arbitration in accordance with the terms of this paragraph 19. Any arbitration between the parties hereto shall be final, conclusive and binding upon the parties hereto, according to the rules of arbitration used, and any arbitration award shall be enforceable in any court of competent jurisdiction wherever situated. For purposes of this paragraph 19 of these Sales Terms, a "North American person or entity" shall be any person or entity that, at the time of making the Agreement, maintained an office for the conduct of business on the North American continent, regardless of where the Agreement was negotiated from upon said Buyer's behalf.
20. Late Payment. Any payment that is not timely made shall incur interest at the rate of 1.5% per month, calculated monthly (19.56% effective annual interest rate), commencing from the day after which the payment was due.
21. No Implied Conditions or Warranties. The Seller hereby excludes any and all implied conditions and warranties, howsoever arising, except any implied condition or warranty the exclusion of which would contravene any applicable law or cause any term(s) or provision(s) of these Sales Terms or the Agreement to be void or unenforceable.
22. Privacy. The Buyer hereby expressly consents to the Seller investigating the credit worthiness of the Buyer, from time to time, and using the said information to secure, at its option, any insurance guaranteeing the Buyer's performance under the Agreement or these Sales Terms, and in that regard waives any privacy right to the collection and use of any information related to the Buyer.
23. Insolvency. In the event that the Buyer is declared bankrupt (voluntarily or involuntarily), seeks liquidation, reorganization or other relief in respect of its debts, or of a substantial portion of its assets, under any applicable law of any jurisdiction, or if a receiver, trustee, custodian, conservator or similar official is appointed with respect to the Buyer or a substantial portion of its assets; or if the Buyer makes a general assignment for the benefit of its creditors or the Buyer becomes unable, or admits in writing, that it cannot pay its debts as they become due, then, in the event of the happening of any of those events, the Seller may, at its sole option, cancel and/or suspend any of its not yet performed obligations under the Agreement or these Sales Terms without any liability whatsoever to the Buyer. Such cancellation

- and/or suspension shall in no manner relieve the Buyer from any obligations it has to the Seller for any obligations performed by the Seller prior to its cancellation and/or suspension of net yet performed obligations.
24. Amendments. Neither these Sales Terms nor the Agreement can be changed, altered or modified except in a writing signed by both the Seller and the Buyer. Any change not complying with the terms of this paragraph 24 shall be null and void.
  25. Assignment. The Buyer cannot sell, assign or in any manner transfer any interest it has in the Agreement. The Seller shall be permitted to perform any obligation under these Sales Terms or the Agreement personally or through an affiliate of the Seller.
  26. No Agency. The Agreement and these Sales Terms shall in no manner create any form of agency or partnership between the Seller and the Buyer.
  27. Waiver. A waiver of any right or remedy under the Agreement or these Sales Terms or by law is only effective if given in writing and shall not be deemed to be a waiver of any subsequent breach or default. A failure or delay by a Party to exercise any right or remedy provided under the Agreement or these Sales Terms or by law shall not constitute a waiver of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Agreement or these Sales Terms or by law shall prevent the further exercise of that or any other right or remedy. A Party that waives a right or remedy provided under the Agreement or these Sales Terms or by law in relation to one party, does not affect its rights in relation to any other party.
  28. Severability. In the event that any term or provision of the Agreement or these Sales Terms is held, by a court of competent jurisdiction or any arbitrator(s) hereunder duly appointed, to be invalid, void, or unenforceable, then said invalid, void or unenforceable term or provision shall be deemed severable, and the remaining terms and provisions of the Agreement and these Sales Terms shall remain in full force and effect insofar as legally possible.
  29. No Set Off. The buyer shall have no rights to withhold any payments not under dispute, and shall have no rights to set off any liability owed by the Seller to the Buyer on account of any obligation arising under the Agreement, these Sales Terms or any other agreement. The Seller shall have the right without prior notice to any person to set off any sum or obligation owed by the Seller, or any of its affiliates, to the Buyer, or any of its affiliates.
  30. Currency. Unless otherwise stated, all references to currency shall mean Canadian Dollars.
  31. Days and Business Days. The term “day” or “days” shall mean calendar days. The term “business day” or “business days” shall mean any day, other than a Saturday, Sunday or public holiday celebrated within the Province of Ontario (Canada), and when banks are open for business in said province.
  32. Gender, etc. The singular shall include the plural, and vice versa. Any word importing gender shall include the other genders.
  33. Further Assurances. Both the Seller and the Buyer agree to execute and deliver any further papers, documents, instruments or writings reasonably requested by the other party in order to effectuate, implement or clarify the terms and conditions of these Sales Terms or the Agreement.
  34. Binding Effect. The Agreement and these Sales Terms shall inure to, and be binding upon, the Buyer and the Seller and their respective heirs, executors, administrators, successors and assigns.
  35. Execution. The Agreement may be executed in one or more counterparts, and by each party hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties hereto agree that signed copies of the Agreement sent by facsimile or attached as a document to an email shall be deemed to be originals and shall be deemed to be delivered when sent so long as, in the case of a facsimile, a receipt is obtained by the sender showing the facsimile transmission was successfully sent to the other party.
  36. No Contact. Under no circumstances shall the Buyer, or any third party acting upon the Buyer’s behalf or at the Buyer’s direction, contact any supplier of the Seller, either directly or indirectly.
  37. Validity without Signature. It is the intent of the Seller to enter contracts to sell Commodities per these Sales Terms and any Agreement presented to the Buyer to which these Sales Terms relate. In the event that the Buyer does not sign the Agreement presented by the Seller, either through inadvertence or for any other reason (including presentation to the Seller of its own form of purchase agreement or purchase terms), but elects to proceed with the purchase of any Commodity which is the subject of an Agreement (incorporating these Sales Terms) which the Seller presented to the Buyer, then any performance by the Seller shall be construed to be partial performance by the Seller sufficient for the Seller to rely upon the presented Agreement and these Sales Terms to bind the Buyer to the terms of the presented Agreement and these Sale Terms under any applicable law governing the Agreement and these Sales Terms.



## Field Farms Marketing

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A CANADIAN COMPANY SUPPLYING THE ORGANIC, NON-GMO AND SPECIALTY CROP INDUSTRY WITH PRIME FOOD AND FEED GRADE PRODUCTS

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