

Standard Terms and Conditions

Revision Date: October 2018

These Standard Terms and Conditions of sale (as updated from time to time, the Terms) apply to all sales of goods, inventory, products or services by Threshold Enterprises Ltd. and its subsidiaries.

Except for the terms of any Invoice relating to prices, quantities, delivery schedules, payment terms or shipping instructions (or as may otherwise be mutually agreed upon between us in writing and referencing the Terms), we hereby object to any additional or different terms and conditions which have been or may be otherwise proposed by you, all of which are deemed material, and any acceptance by us is expressly limited to the Terms as supplemented by any applicable Invoice.

The Terms are subject to periodic review and updating. We reserve the right to update and revise the Terms without further notice and you should visit our website www.ThresholdEnterprises.com to review the most current version of the Terms. Sales will be subject to the version of the Terms current as of the date of the Invoice or, in the absence of an Invoice, the date of shipment of the Goods. By placement or acceptance of any order, you agree to these terms and conditions.

1. Definitions. The terms we, our, us and seller mean Threshold Enterprises Ltd. and its subsidiaries; you, your and purchaser mean the purchaser of the Goods identified on any Invoice; Goods means any and all goods, inventory, products and services purchased from us, including, but not limited to, all nutritional supplements, health care supplies, literature, and displays; Invoice means the memorialized terms of a sale of Goods by seller on seller's standard form invoice. Invoices may be shipped with the Goods or delivered to you separately.

2. Price and Payment. All prices are as listed on the applicable invoice. If the invoice does not specify a price then the prices are as set forth in our price list as in effect on the date of shipment (the Price List). Prices in the Price List are subject to change without notice. Unless otherwise expressly stated in an Invoice or the Price List, all prices are subject to increase for, and you agree to reimburse us for, applicable taxes, duties or levies arising from the sale, delivery or use of the Goods and for transportation and freight charges. Any discounts noted in any Invoice shall not apply to any freight or transportation charges or taxes, duties, levies or other charges. Unless otherwise expressly stated in an Invoice, payment is due on shipment of the Goods. Payment is required to be made in U.S. dollars in accordance with the terms agreed with our sales staff and listed on the invoice or, if applicable, any credit sale arrangements between us. In the absence of such arrangements payment is required by check made payable to Threshold Enterprises, Ltd. You are responsible for any loss of payment in transit and must be able to stop payment and reissue the appropriate funds in the event of such loss. No payment shall be deemed received until actually received by us in same-day and freely available funds.

Credits will be applied to the oldest open invoice where the purchaser has not designated within 90 days of credit issuance where to apply a credit. A finance charge of one and one-half percent (1.5%)

per month shall be payable on all past-due balances. In addition, a service charge of \$25 shall be payable in the event of any dishonored check.

3. Delivery. We will use all reasonable commercial efforts to meet your requested delivery dates, however, we do not guarantee delivery dates. Unless otherwise expressly agreed to by us in writing or in an Invoice, deliveries shall be made F.O.B. the shipping point noted on the relevant Invoice. You agree to promptly provide us with all information necessary for us to arrange delivery of the Goods to you. We reserve the right to make shipments in installments. Certain items may require backorders and any such backordered items will be shipped once available. Unless otherwise expressly agreed in an Invoice, we may use our judgment in selecting the carrier for, and manner of, any shipment. In no event shall we be responsible for any incidental or consequential or indirect damages due to any delay in deliveries.

4. Warranties and Limitation on Liability. SELLER MAKES NO WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE NOR ANY WARRANTY OF NONINFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, OR ANY OTHER INTELLECTUAL PROPERTY RIGHTS. SELLER'S LIABILITY AND PURCHASER'S REMEDIES ARE LIMITED TO THOSE EXPRESSLY SET FORTH IN THIS SECTION.

Without limiting the foregoing, any warranty (whether express or implied), to the extent that it is made or deemed made, shall not apply to any Goods which have been subject to your improper storage, maintenance, alteration or other misuse, or to the extent damage or loss results as a consequence of subsequent shipment by you. Your sole remedy, for breach of any warranties or otherwise, is to return the defective Goods to us and our only obligation, upon receipt and inspection of said Goods at our facility, is, at our option, to either replace such non-conforming Goods or to refund or credit the price paid by you for such non-conforming Goods.

IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR INDIRECT DAMAGES. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY IN EXCESS OF THE PURCHASE PRICE OF ANY AFFECTED GOODS.

Seller does not warrant where a buyer can sell any Goods purchased herein, and Seller is not responsible if a trade channel or platform is blocked for the resale of any particular Goods. All buyers, particularly exporters and E-commerce buyers, have the sole responsibility to contact the individual brands before purchasing Goods to determine if those Goods may be sold on Amazon.com or any other platform or in a particular country, as Restrictions May Apply.

5. Inspection, Acceptance and Claims. You must inspect the Goods promptly upon receipt; however, you do not have the right to withhold payment pending inspection. You are required to notify us in writing of any nonconformity or defect or other claim in respect of, or any rejection of, the Goods within 5 days after delivery of the Goods, otherwise, you will be deemed to have accepted the Goods and waived any rights to reject them or assert any claim against us in respect to them. Without limiting the foregoing, stocking your shelves with the Goods will be deemed an acceptance of such Goods. Carriers are solely responsible for Goods lost or damaged in transit. In the event of any such loss or

damage, you must promptly notify us and the carrier in writing of such claim within 5 days and take all steps required by the carrier for the claim.

6. **Objection and Corrections to Invoices and Statements.** You must raise any objections you may have to any Invoices or credit statements or other reports within 14 days from the date of the relevant Invoice, statement or report; and these objections must be reported to us in writing; otherwise such invoices and credit memos will be deemed accepted by you. Any requests for a Proof of Delivery must be made in writing within 14 days from date of Invoice or credit memo. In the absence of such a request or objection all Goods will be deemed to have been received and accepted by you. We reserve the right to make corrections to Invoices, credit statements and other reports and will notify you in the event of such correction. Any objections to such corrected Invoice, credit statement or report must be made in writing within 14 days from the date of such notification.

7. **Returns.** You have no right to return any Goods. At our sole option we may authorize returns. Any returns may only be authorized in accordance with the following procedures. In no event may Goods be returned, or authorization granted, more than 90 days after the Invoice date. No goods will be accepted for return and no credit will be given unless our Customer Service department has issued a Return Authorization and provided a Return Authorization number. No credit will be considered for items not specifically listed on the Return Authorization. Our receipt of a delivery of an authorized return does not mean a credit will be issued. All returns must be received within 21 days after approval and must be returned in good and resaleable condition with any tamper-proof seals intact, without other alteration and with all price or other stickers removed. Unless the authorized return is to correct an error on our part, you will be required to pay the inbound freight unless we agree that it may be subtracted from any credit that is issued. Returned Goods are subject to a restocking charge of 17% or more of the purchase price for such Goods. Without limiting the foregoing, additional charges will be levied of between 50% and 100% of the purchase price of the returned Goods on account of faded packaging, broken bottles, price tags on labels or containers, or dented or otherwise damaged packaging. Subject to the foregoing conditions and charges, you will be credited for the purchase price paid for any accepted returned Goods. You agree not to offset, or otherwise apply any credits, in respect of any returns against any amounts that may be due from you.

8. **No Cancellation.** No order for Goods may be cancelled, terminated or modified by you without our prior written approval. You agree to reimburse us for all costs, expenses or liabilities incurred by us with respect to any such cancelled or modified orders including, but not limited to, inbound and outbound freight and transportation charges.

9. **Advertising, Marketing, and Sales.** You agree that all of your advertising and sales materials will at all times be truthful, non-misleading, accurate, and complete. Additionally, and at all times, all advertising and sales materials will be in full compliance with all federal, state, and local laws, including, but not limited to, the Federal Trade Commission Act, and the Federal Food, Drug, and Cosmetic Acts, both as amended.

For dietary supplements products, you agree not to make any drug or disease claims, and to restrict yourself to claims that are structure or function claims only, and only those claims that are supported by adequate scientific substantiation. For cosmetic products, you agree not to make any drug or disease claims, and to restrict yourself to appearance claims, and only those claims that are

supported by adequate scientific substantiation. All structure or function claims will be asterisked and noted with the applicable FDA disclaimer box as described in the most current FDA Dietary Supplement Web Page at www.fda.gov.

For Source Naturals® and Planetary® Herbals brand products, you warrant that you will not make any sales or advertising claims or representations about these products, whether oral, in writing, via the Internet or other media, unless those claims or representations appear on the product's label or Source Naturals' or Planetary Herbals' approved marketing materials. You agree to indemnify and defend Threshold and its officers, agents, employees, and assigns for any and all claims, liabilities or costs, including attorneys' fees, arising out of or caused by any breach of the forgoing warranty.

You agree that purchasing Source Naturals® and Planetary® Herbals brand products from us does not confer rights to any trademark, trade dress, or other intellectual property rights or goodwill of Threshold Enterprises Ltd.'s, and that you shall not attempt to register or record any such intellectual property anywhere in the world.

You agree that it is your sole responsibility to provide all warnings that you receive notice are required under California's Proposition 65, and that you shall indemnify and defend Threshold and its officers, agents, employees, and assigns for any and all claims, liabilities or costs, including attorneys' fees, arising out of or caused by any breach of the foregoing obligation.

10. Force Majeure. We shall not be liable to you for non-performance due to any cause or circumstance beyond our reasonable control including, but not limited to, fire, flood, war, acts of government or terrorism, riots, breakdown, labor disputes or shortages, delays in or lack of transportation facilities, or restrictions imposed by federal, state, local, or foreign laws or regulations. Upon the occurrence of any such contingency, we may suspend or reduce performance accordingly.

11. Insolvency and Default. You hereby represent and warrant that the submission of any order for, and acceptance of, any Goods shall be deemed a representation by you that you are not insolvent or otherwise unable to pay your debts as they come due. We may cancel any order for Goods should you become insolvent or unable to pay your debts as they come due, make an assignment for the benefit of creditors, file or acquiesce in the filing of any bankruptcy proceedings, or should you default in your obligations under any order for Goods. If you file for, or acquiesce in the filing of, bankruptcy proceedings, or you make an assignment for the benefit of creditors, or otherwise cease trading, you agree to promptly and voluntarily return all Goods purchased from us but not yet paid for.

12. Security Interest. You hereby grant to Threshold Enterprises, Ltd. a security interest in Goods, whether presently or in the future, and wherever located, together with all products and proceeds thereof (including accounts, instruments, chattel paper, general intangibles and insurance proceeds) and accessions or additions thereto, to secure: (a) the purchase price for such Goods and any other Goods purchased from us by you, and (b) the performance of your obligations under each Invoice. For the purposes of 9-103(e) of the California Uniform Commercial Code payments shall be applied on a First-In, First-Out (FIFO) basis. You agree to take all action which we deem reasonably necessary to perfect the security interest granted hereby and authorize us, and appoint us as your attorney, to execute and file, and ratify to the extent already filed, any financing statements (or

amendments, assignments, continuations or terminations thereof) in connection with the security interests granted hereunder.

13. Remedies. If you shall default in your obligations to pay the purchase price of any Goods or shall otherwise be in default of your obligations hereunder or in any Invoice we may, in addition to any other rights or remedies we may have (in law, by contract or otherwise), delay or cancel further shipments or terminate any order for Goods. All such rights and remedies are cumulative and no delay or failure to enforce any such right or remedy shall constitute a waiver thereof. In addition to all other rights and remedies we may have, we shall have the right to set off against any amounts owed by you to us any amounts or obligations which we may owe to you. Additionally, and without limitation, you authorize us without further notice to apply any credits or unapplied cash balances to invoices that are aged 90 days or more from the Invoice date.

14. Attorneys' Fees. You agree to reimburse us for any costs (including reasonable attorneys' fees) incurred in connection with the collection of any amounts owed by you to us, or the enforcement of any Invoice or other agreement between us. In the event of any litigation or other enforcement proceedings, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses.

15. Choice of Law and Jurisdiction. The Terms and all Invoices shall be governed and construed in accordance with the laws of the State of California, without giving effect to the choice-of-law provisions thereof. You hereby agree to the exclusive jurisdiction of the state courts in the County of Santa Cruz, California, and the federal courts located in Santa Clara or San Francisco County, California, and waive any objection to such forum on the basis of forum non conveniens or otherwise. We each hereby waive our respective rights to trial by jury of any claim or action arising out of or related to the Terms or any Invoice.

PLEASE NOTE THAT THE FOLLOWING CONTAINS A CLASS ACTION WAIVER. IT AFFECTS YOUR RIGHTS ABOUT HOW TO RESOLVE ANY DISPUTED ISSUE WITH THRESHOLD ENTERPRISES LTD.

Where permitted under the applicable law, EACH PURCHASER OR USER OF GOODS FROM THRESHOLD MAY BRING CLAIMS AGAINST THRESHOLD ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PUPORTED CLASS OR REPRESENTATIVE ACTION. Unless otherwise agreed, no arbitrator or judge may consolidate more than one person's claims or otherwise preside over any form of a representative or class proceeding.