

STANDARD TERMS AND CONDITIONS

of

Börungaverksmiðjan hf. ("Thorverk")

Karlsey, 380 Reykhólar, Iceland

1. Definitions

- 1.1. The term "*Buyer*" shall mean any person, firm or company buying or seeking to buy Goods from Thorverk.
- 1.2. The term "*Goods*" shall mean any items, articles or materials supplied, or to be supplied, by Thorverk to a Buyer.
- 1.3. The term "*Quotation*" shall mean a quotation provided by Thorverk to the Buyer providing the Buyer with an offer to purchase the Goods specified therein on the terms specified therein.
- 1.4. The term "*Confirmation of Order*" shall mean a confirmation of order issued by Thorverk to the Buyer, whether on the terms specified in a Quotation or as otherwise agreed in writing between Thorverk and the Buyer.
- 1.5. The term "*Contract*" shall mean the Confirmation of Order, these Terms and Conditions and any other documents, or parts thereof, specified in the Confirmation of Order.
- 1.6. Other terms not specifically defined in this Clause 1 (*Definitions*) shall have the meaning ascribed to them in those clauses where they are defined.

2. Scope

- 2.1. These Terms and Conditions shall form an integral part of all Quotations, Confirmations of Orders and Contracts for delivery of goods by Thorverk.
- 2.2. Any deviating agreements, including but not limited to, conflicting terms and conditions of any Buyer, as well as any side agreements are subject to Thorverk's express written approval in each case in order to become an integral part of the Contract.

3. Quotations and binding contracts

- 3.1. Quotations issued by Thorverk are estimates and are without engagement.
- 3.2. Thorverk and a Buyer shall be deemed to have entered into a Contract only upon the issuance of a Confirmation of Order by Thorverk, regardless of any Quotation having previously been issued and accepted.
- 3.3. Any information in a Confirmation of Order is considered final and binding on both Parties, unless challenged within three (3) business days of issuance of the Confirmation of Order.
- 3.4. All information on Goods made available by Thorverk to Buyers and potential Buyers is approximate and the actual properties of the Goods may vary, as further outlined in Clause 9 (*The Goods and their properties*) below.

4. Price

- 4.1. The purchase price for Goods will be as stated in the Confirmation of Order (the "*Purchase Price*")
- 4.2. Unless a different currency has been agreed upon in writing with a Buyer, all prices are in euro.
- 4.3. Thorverk's prices are exclusive of the statutory VAT, which will be shown separately in all Quotations, Confirmations of Orders and invoices, as applicable.
- 4.4. Ancillary Services (as defined in Clause 8 (*Ancillary services*) below) will be charged concurrently with the Goods, but shown separately in all Quotations, Confirmations of Orders and invoices (plus VAT in the amount applicable under relevant law from time to time) (such costs being referred to as "*Ancillary Costs*").

5. Invoices and payments

- 5.1. Unless otherwise specifically stated in the Confirmation of Order, payment of the Purchase Price and any Ancillary Costs is due in advance.
- 5.2. Thorverk will issue a *pro forma* invoice stating the total amount payable. The amount specified in the

pro forma invoice shall be paid to Thorverk within fourteen (14) days from the date of issuance.

- 5.3. If a Buyer is late in paying any amount under a *pro forma* invoice, Thorverk shall be authorised to:
 - (a) terminate the Contract; and/or
 - (b) withhold delivery of any Goods to be supplied under the Contract.
 - 5.4. If a Buyer is in default as regards payments due the amount owed shall bear default interest in accordance with Icelandic Act 38/2008 on Interest and Indexation. Thorverk shall also be authorised to initiate any collection process it deems appropriate at the defaulting Buyer's cost, including but not limited to legal collection followed by court proceedings.
 - 5.5. Thorverk's rights under Clause 5.4 above are without prejudice to any other claims or recourse available to Thorverk against defaulting Buyers under applicable law.
 - 5.6. Any degradation of the condition of the Goods as a result of Thorverk delaying a delivery on account of not having received payment due shall be at the risk of the Buyer. Thorverk shall however take whatever steps reasonably available to it, without incurring further cost, in order to prevent any such degradation and shall inform the Buyer if such degradation is likely to occur.
- ### 6. Periods and dates
- 6.1. Any periods and dates for delivery shall only be binding on Thorverk if stated in the Confirmation of Order.
 - 6.2. Unless otherwise specifically negotiated in the Confirmation of Order, any periods agreed upon shall start to run at the date Thorverk receives payment of the *pro forma* invoice, but however never before the Buyer has provided all necessary documents, permits and releases and has fulfilled all of its other obligations of cooperation.
 - 6.3. If a Contract is changed at the request of the Buyer, the periods shall be extended reasonably to

the extent the Buyer's requested change caused extra work on part of Thorverk and or a delay in the delivery of the Goods.

- 6.4. The occurrence of force majeure or any other unusual circumstances, such as in particular labour disputes, acts of governments, extreme weather conditions, or traffic disruptions or extreme water conditions, such as high water (flood) or low water, including the closing off of waterways, blocking of canals/locks due to damage by sea or strikes, regardless of Thorverk experiences the same, shall release Thorverk for the duration of their effects and, if they result in the impossibility of performance, completely from its obligation to deliver the Goods. Should Goods not be delivered at all on account of such circumstances, but the Goods have already been paid for, Thorverk shall refund the Purchase Price to the Buyer.

7. Delivery, passing of risk and packaging

- 7.1. Unless otherwise specifically agreed in the Confirmation of Order, any Goods ordered shall be delivered by Thorverk FCA Reykjavik (Incoterms 2010).
- 7.2. The risk of accidental loss or accidental deterioration of any Goods supplied by Thorverk shall pass to the Buyer upon delivery in accordance with Clause 7.1 above. This shall also apply in cases where Thorverk has assumed Ancillary Services.
- 7.3. Unless otherwise specifically agreed in the Confirmation of Order, the choice of packaging shall be left to Thorverk.

8. Ancillary services

- 8.1. In case of Thorverk arranging any transportation, insurance or ancillary services in relation to a Contract, other than those specifically contemplated by these Terms and Conditions (each an "Ancillary Service"), such Ancillary Services will be provided on a best effort basis and Thorverk makes no guarantees that Ancillary

Services will be provided at the most favourable price available on the market.

- 8.2. Where applicable and practicable through commercially reasonable efforts, Thorverk undertakes to obtain quotations from at least two (2) service providers, e.g. insurance undertakings, transport companies etc. (each such party being a "Service Provider").
- 8.3. Thorverk will only arrange those Ancillary Services specifically requested by the Buyer and no obligation to arrange for other Ancillary Services, whether related or unrelated, should be considered implied.
- 8.4. In case of Thorverk providing an Ancillary Service and acting as direct contracting counterparty to the Service Provider Thorverk undertakes, where Goods have been insured while in the care of a Service Provider, to deliver any insurance proceeds of Goods lost while in the care of a Service Provider to the Buyer, provided however that the Buyer has already discharged the Purchase Price and any costs relating to Ancillary Services to Thorverk.

9. Taking receipt / acceptance

- 9.1. A Buyer must take receipt of the Goods delivered by Thorverk in conformity with the Contract promptly upon request to do so.
- 9.2. If a Buyer does not take receipt of Goods delivered in conformity with the Contract within due course, Thorverk is entitled to rescind the Contract and claim damages, at its option either by way of compensation of the loss or damage sustained or, without proof of loss or damage, in the amount of ten percent (10%) of the Purchase Price. The Buyer shall however have the right to prove that Thorverk did not sustain any loss or damage at all or a significantly less severe loss or damage.
- 9.3. Thorverk's rights under Clause 9.3 are without prejudice to Thorverk's ability to demand payment of the unpaid invoice in accordance with Clauses 5.4 and 5.5.

10. The Goods and their properties

- 10.1. For any Contract, Thorverk represents and warrants the following as to the condition of Goods sold:
- (a) that all Goods are raised and harvested by Thorverk on the west coast of Iceland around the Reykhólar area (Thorverk's factory's location);
 - (b) that all Goods are produced from fresh, natural seaweed only, and are free of any chemicals, additives and genetic modifications;
 - (c) that Thorverk's harvesting and production is audited and certified 100% organic by independent auditors, both the Icelandic TUN and Quality Assurance International, QAI;
 - (d) that each batch of Goods is fully traceable from the harvesting area to delivered bag of Goods.
- 10.2. The Goods supplied by Thorverk are an organic, biological product. As such, the Goods may have inherent differences between shipments and even individual units within a shipment, such differences being a result of inter alia different harvesting seasons, the age of the seaweed when harvested, and the location where the seaweed is harvested each time.
- 10.3. While Thorverk is able to guarantee the type of Goods and the grain size to be delivered each time, Thorverk does not guarantee the functionality and inherent quality of Goods and makes no representations as regards their biological or chemical properties, or intended use. Buyers must satisfy themselves as to the applicability of the Goods for their intended use each time.

11. Marketing of Goods

- 11.1. Any marketing by a Buyer, of the Goods, for whatever intended uses, be it in pure form or as an ingredient in other products, is at the Buyer's own

risk and responsibility and without Thorverk being held liable for damages arising from and/or being claimed as a result of such marketing and/or consumption.

11.2. Should any such claims be directed against Thorverk, whether on the basis of statutory law or otherwise, the Buyer agrees to indemnify and hold Thorverk harmless against any expenses related thereto, including but not limited to the amount of damages payable, legal fees incurred in relation to such claims, whether incurred in or out of court and any out of pocket expenses incurred.

11.3. In case such a claim is directed against it, Thorverk will consult with relevant Buyer in the conduct of its legal defences, whether in or out of court. Thorverk will not enter into any settlement relating to such claims for which a Buyer would be liable without the clear prior written consent of that Buyer.

12. Retention of proprietary rights

Thorverk's trademarks and name may appear on packaging for Goods and is recognised to be the property of Thorverk.

13. Defects

13.1. Should a delivery of Goods be subject to defects as regards the quantity, type of seaweed, particle size, or packing condition shall be made (each a "Defect"), the Buyer receiving such a defected delivery of Goods shall notify Thorverk, by email or registered mail, no later than three (3) days after having taken delivery of the Goods.

13.2. A notification of defective goods shall contain such information as Thorverk might reasonably require to ascertain the existence of the Defect, including but not limited to, information as to the nature of the Defect, lot number of the relevant Goods, to what extent the Goods are subject to the Defect and, if applicable, photographic documentation of said Defect.

13.3. Upon receiving a valid notification of a Defect in any shipment of Goods, Thorverk shall have the

opportunity to correct the Defects within a reasonable time. If such corrective action ultimately fails, or if it is unacceptable to Thorverk or the Buyer, or the costs thereof would be out of proportion, the Buyer shall be entitled to a discount or refund of the Purchase Price, proportional to the reduction in value caused by the Defect.

14. Limitation of liability

14.1. In any case of Goods not being of agreed quantity, grain size or condition, cf. Clause 10.1, the liability of Thorverk shall be limited to the cost of the relevant shipment of Goods only.

14.2. Thorverk shall not be liable toward a Buyer on any other basis than relating to the quantity, quality or condition of the Goods as described above, including but not limited to for any claims by third parties or claims on account of loss of business, and Thorverk shall be under no obligation whatsoever to indemnify a Buyer for any such claims or alleged losses.

14.3. For the avoidance of doubt, Thorverk does not suggest or recommend specific uses for its Goods and any usage, whether for consumption, application, use as an ingredient or otherwise, is at the sole decision and risk of the Buyer.

15. Notices

Any written notice to be sent in accordance with these Terms and Conditions shall be delivered to, if by letter, by registered mail to Þörungaverksmiðjan hf., Karlsey, 380 Reykholar, Iceland, and/or, if by email to info@thorverk.is.

16. Amendments

16.1. These Terms and Conditions are subject to changes and revisions by Thorverk at any time.

16.2. Any changes made to these Terms and Conditions after the issuance of a Confirmation of Order shall not be applicable to any delivery of Goods pursuant to that Confirmation of Order.

16.3. Thorverk shall not be under any obligation to notify Buyers of any changes to these Terms and Conditions, whether proposed or already effective.

17. Entire agreement

Unless otherwise specified in a written agreement signed by Thorverk and the Buyer, these Terms and Conditions, together with any Confirmation of Order and/or any Invoice issued to the Buyer, constitute the entire Contract between Thorverk and the Buyer and neither party shall be liable or bound to the other in any manner, by any warranties, representations or agreements, except as specifically set forth therein.

18. Severability

Should any provisions of a Contract between Thorverk and a Buyer for the delivery of goods, be or become ineffective the effectiveness of the remainder of that Contract shall not be affected thereby. In such circumstances, Thorverk and the Buyer shall enter into good faith negotiations to replace the provision with one that matches the economic intent of the original provision.

19. Governing law and jurisdiction

19.1. These Terms and Conditions, any Quotation, Confirmation, and/or any Contract between Thorverk and any Buyer is governed by Icelandic law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

19.2. Any dispute regarding the substance, interpretation or application of these Terms and Conditions, any Quotation, any Confirmation of Order and/or any Contract shall be subject to the exclusive jurisdiction of the District Court of Reykjavik.

20. Validity and date of effectiveness

These Terms and Conditions are valid as of 1 April 2015 and shall be effective toward any Contracts established as of that date.