

# General Terms and Conditions of Sale

## John I. Haas, Inc.

**Effective Date: December 1, 2024**

**1. Nature of Agreement.** These General Terms and Conditions of Sale ("Terms and Conditions") shall govern all sales of hops, processed hops, or other products, (together, "Hops") from John I. Haas, Inc. ("Haas") to Buyer and constitute the entire agreement between the parties (replacing any other agreements, understandings, representations, or discussions) with respect to such sales, except for (i) such details of variety, Crop Year, price, quantity, unit of measurement, method of analysis, and delivery as would normally be specified by order, (ii) any applicable written Hops specifications, and (iii) any superseding terms and conditions as described below. While it is expected that purchases will normally be evidenced by an offer that, once signed by both Haas and Buyer, becomes a contract, "Order" as used in these Terms and Conditions refers to any writings that evidence a commitment for the sale of Hops. Additional terms and conditions proposed by Buyer in a form of Purchase Order or otherwise will not be effective unless specifically agreed to in writing by Haas. **Should any Order contain inconsistent or additional terms, the terms of that Order will supersede these Terms and Conditions.** Any change to an existing Order must be agreed in writing to be effective.

**2. Offers and Acceptances.** Orders between Haas and Buyer will be created by either (i) an offer from Haas to Buyer that is accepted by Buyer, or (ii) an offer from Buyer to Haas that is accepted by Haas. All offers and acceptances must be in writing. No Order will be binding upon Haas unless and until approval and acceptance is made by an authorized representative of Haas at its corporate offices in Yakima, WA. Shipments on Orders will be made by Buyer "calling-off" Hops on the Order, that is, requesting Haas to ship all or a portion of an Order. Unless otherwise provided in these Terms and Conditions, neither Buyer nor Haas may cancel an accepted offer without the other's written consent.

**3. Invoicing; Payment; Set-Off.** Haas will invoice for sales at the time of shipment of Hops called-off by Buyer. Payment of Haas's invoices is due in United States dollars within 30 days of the date of invoice. However, if Buyer fails to pay prior invoices when due or otherwise breaches its contract with Haas, Haas retains the right to require prepayment with respect to any particular future Order or call-off. Any wire transfer costs for making payment shall be the responsibility of Buyer. For Orders subject to international duties, tariffs, or similar charges, if such charges change from the date of Order to the date of delivery (whether between the U.S., the country of hop origin, and/or the country of destination), Haas retains the right to pass on such change in cost to Buyer. Buyer shall not be entitled to set-off any amount owing it by Haas against payment of Haas's invoices. Any amounts due in connection with an Order or these Terms and Conditions not paid when due shall bear interest at a rate of 1% per month. Interest will begin to accrue the day following the final due date and will stop upon receipt of payment in full.

**4. Spot Purchasing of Hops and/or Hops Products.** The availability of hops and hops products are subject to current stock levels, which may vary. Availability is not guaranteed for specific hop varieties, quantities, or quality, and all orders are subject to confirmation and acceptance by Haas. Prices for hops and hop products are listed on the website or in an offer provided by Haas at the time of purchase. Prices may fluctuate depending on market conditions, but once an order is confirmed, the price at the time of order placement will be honored. Payments must be made through our accepted payment methods at the time of order. All Spot Purchasing

of hops or hops products through our website shall be subject to Haas's Terms and Conditions of Online Sales (effective March 1, 2025).

**5. Delayed Call-Offs.** If any sale is not called-off by Buyer on or before June 30<sup>th</sup> of the year following the Hops' Crop Year, Haas will be entitled to invoice Buyer on that June 30<sup>th</sup> or at any time thereafter for the delayed call-off. Effective from the date of invoicing, on demand, Buyer will pay interest at a rate of one percent (1%) per month on the amount invoiced and related reasonable storage charges for the Hops not delivered. If Buyer orders Hops from a particular Crop Year after June 30<sup>th</sup> of the year following that Crop Year, the call-off date for those Hops shall be 30 days after contract formation.

**6. Buyer Selection.** At Haas's discretion, a Buyer with an Order to purchase Hops from a particular Crop Year may attend the hop harvest for that Crop Year, take samples from different lots of hops, and select from which lots of hops the Buyer wants its Hops Order to be taken. This type of Hops purchase is pursuant to such Haas hop selection process as may be in effect from time to time and will be subject to the provisions of Section 5. In the event Haas exercises its right to substitute Hops from a later Crop Year for pre-selected Hops not timely called-off, Buyer has the right to re-select lots for the substituted Hops.

**7. Shipping Terms; Delivery.** Sales are made and Hops delivered to both international and domestic locations, FCA Incoterms® 2020 per ICC at a Haas warehouse, Yakima, Washington, or at a facility of a Haas affiliate, unless otherwise specified in the Order. Any term so specified in lieu of "FCA" shall be construed pursuant to Incoterms 2020. Delivery deadlines specified in terms of the passage of time rather than a specified date shall commence the day after the Order is made. No delivery deadline shall be considered binding if Buyer has failed to provide information needed by Haas to fulfill the Order. Haas shall have the right to make partial deliveries.

**8. No Repackaging; No Further Processing.** In the event Buyer resells Hops purchased from Haas: (i) Buyer may not repackage the Hops; (ii) Buyer may not change any trademark(s) or other references that are on the Hops or their packaging at the time of sale to Buyer; and (iii) Buyer may not in any manner further process the Hops into different hops products, whether to be used for brewing or any other purpose.

**9. Inspection; Warranty; Disclaimer.** Buyer shall inspect the Hops and notify Haas in writing of any failure of the Hops to meet specifications as soon as possible upon arrival at Buyer's premises, provided, however, that inspection and notification must occur within thirty days after delivery of the Hops to Buyer. With respect to any failure to meet specifications that cannot be detected on reasonable inspection, Buyer shall notify Haas in writing of such nonconformities within five business days of their identification. If no notification is given as required, Buyer has no claim against Haas for nonconformities. The notice must describe the nonconformity specifically enough that Haas can act to remedy the defect and must specify the Hops to which it refers.

The Hops specifications are as provided on [www.johnihaas.com](http://www.johnihaas.com). In addition, Hops specifications referred to as analytical data from Haas affiliates [www.barthhaas.com](http://www.barthhaas.com) and [www.hops.com.au](http://www.hops.com.au) may be used; however, no other portion of these websites are applicable to Hops sales made under these Terms and Conditions. Buyer and Haas may agree to other specifications in writing. Haas warrants the Hops will meet the agreed specifications until their “Best By” date provided the Hops are properly stored, treated, and cared for by Buyer, including adherence to any instructions from Haas. **Haas disclaims all other warranties, including the implied warranties of merchantability and fitness for a particular purpose.**

**10. Limitation of Liability.** Haas's liability to Buyer for any losses in connection with a sale of Hops shall be conditioned on Buyer's having properly inspected the Hops and properly notified Haas of any failure to meet specifications and shall be limited to, at Haas's election, (i) replacement of the nonconforming Hops or (ii) refund of the purchase price corresponding to the nonconforming Hops. Haas shall not be liable to Buyer for any consequential, incidental, special, punitive, non-compensatory, or indirect damages, including loss of profits, reputation, business, or losses caused by delayed delivery. In any event, Haas's liability for losses resulting from or related to the performance or non-performance of any one contract for the sale of Hops shall not exceed the total amount paid or payable by Buyer to Haas under that contract at a maximum limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

**11. Indemnity.** Buyer agrees to indemnify and hold harmless Haas for any losses suffered by Haas, including from claims asserted by third parties and including Haas's attorneys' fees and other costs of defense incurred, that are connected with any action or omission by Buyer whatsoever that is related to the sale of Hops or these Terms and Conditions, including Buyer's fault in failing to properly inspect the Hops for, or advise Haas of, any nonconformity and including any breach of confidentiality obligations or obligations under Section 21 “Export Restrictions”.

**12. Force Majeure.** Except for the obligation of payment, which shall not be affected by this provision, neither party shall be in breach of its obligations for failure to perform due to force majeure, so long as the force majeure continues. “Force majeure” shall mean extraordinary forces beyond a party's control, including war or insurrection, civil commotion, acts of nature (including those that produce a poor crop in quantity or quality), pandemic, government actions or laws, strikes or lockouts, fire, rioting, terrorist acts, threats or risk to personal safety of employees, or other unforeseen business interruptions of such similar scope and extraordinary nature, occurring through no fault of the party. Should either party be delayed in its performance of any particular contract by sixty days or more as a result of such a force majeure, the party not claiming force majeure shall have the right to cancel that contract at no expense to it. This clause shall apply in a force majeure situation, and not the legal doctrines of “impossibility or impracticability”.

**13. Reservation of Title; Security Interest.** Haas retains title to, and the right to effect repossession of, any Hops sold to Buyer until Buyer shall have paid in full for those Hops. Buyer grants Haas a security interest in all Hops sold to Buyer by Haas (including Hops stored by Haas at Buyer's cost) to secure all amounts payable from Buyer to Haas from time to time. Buyer authorizes Haas to take all actions deemed necessary by Haas to perfect the security interest granted under this Section, including filing financing statements and notifying any creditors with a competing security interest in the Hops of Haas's security interest. Buyer agrees to segregate and maintain Haas identification on all Hops that are subject to Haas's security interest under this Section. Buyer agrees not to change its jurisdiction of organization without providing advance

notice to Haas.

**14. Buyer's Default.** Should Buyer fail to take delivery of Hops on tender of the same by Haas, in addition to any other remedies it may have at law, in equity, or by contract, Haas shall be entitled to (i) collect interest and storage charges in accordance with section 5 above and/or (ii) cancel the Order for those Hops and recover its damages.

Should (i) Buyer default in performance with respect to any Order or other obligation pursuant to these Terms and Conditions, (ii) any bankruptcy or insolvency proceedings be instituted by or against Buyer, (iii) Buyer make any assignment for the benefit of creditors or have a receiver or similar third party appointed with respect to any of its assets, or (iv) Haas in good faith deems itself insecure with respect to Buyer's ability to pay for any Hops when payment is due, Haas may (i) at its option cancel any Order between the parties where Hops have not yet been delivered to Buyer, and (ii) be entitled to recover from Buyer any damages it may suffer as a result of the foregoing or any cancellation.

**15. Hops Storage.** If Haas retains custody of the Hops prior to delivery to Buyer, irrespective of whether title has passed, Haas shall (i) maintain customary replacement cost insurance on the Hops while in custody, (ii) bear the risk of loss as to all losses covered by the insurance, and (iii) take reasonable care with respect to the Hops.

**16. Jurisdiction.** If Buyer is an individual located in the United States, or a business entity organized under the laws of the United States or any state or territory thereof, the exclusive jurisdiction for resolution of any claims between the parties shall be either the United States District Court for the Eastern District of Washington, Yakima Division, or the Superior Court of the State of Washington in and for the County of Yakima, and Buyer waives any objection it may have to such jurisdiction based on venue and/or inconvenient forum and irrevocably submits to the jurisdiction of such court in any proceeding, provided, however, that Haas, at its option, shall be entitled to bring suit against Buyer in such other jurisdictions where Haas may be able to obtain jurisdiction over Buyer.

If Buyer is an individual residing in or entity formed in a country other than the United States, any claims between the parties shall be exclusively resolved by arbitration pursuant to the applicable rules of the International Centre for Dispute Resolution. The arbitration will be conducted in English in Yakima, Washington. While this provision provides the exclusive means of dispute resolution with respect to claims between the parties, seeking (i) injunctive relief in connection with enforcement of Section 14 "Reservation of Title; Security Interest," or Section 22 "Confidentiality," or (ii) prejudgment remedies (including claim and delivery, security pending arbitration, and appointment of a receiver or its equivalent) in a court of law shall not be prohibited.

**17. Governing Law.** Any and all claims arising between the parties shall be governed by the law of the state of Washington, without reference to its principles of conflicts of law.

**18. Attorneys' Fees.** The prevailing party in any lawsuit or arbitration shall be entitled to its reasonable attorneys' fees, costs, and litigation or arbitration expenses incurred, including in any proceeding in bankruptcy, whether in the trial court or on appeal.

**19. Currency Devaluation.** If any judgment or arbitration award obtained in United States

dollars is sought to be recognized and enforced outside the United States in local currency, and the currency of the country in which the judgment or award is sought to be enforced is devalued so as to cause reduction of the value of the original judgment or award given in United States dollars, the party in whose favor the judgment or award was rendered shall be entitled to recover such additional amount as needed so as to provide a recovery to that party equal to what the party would have received if the currency devaluation had not occurred.

**20. Export Restrictions.** Buyer understands that Haas is subject to certain restrictions under U.S. and potentially foreign law with respect to sales of Hops to certain persons (“Sanctioned Parties”) and into certain countries (“Embargoed Countries”). These restrictions are referred to as “Export Restrictions.” If Buyer at any time qualifies as a Sanctioned Party or is located in or requests shipment to an Embargoed Country, Haas shall be entitled to cancel any Order and/or agreement whose fulfillment would put Haas at risk of violating Export Restrictions, without any liability to Haas. Buyer represents and warrants that, at the time any Order or agreement with Haas is effective, it is not in violation of any Export Restrictions.

**21. Confidentiality.** Each party will (i) keep confidential, and not disclose, and (ii) use only in connection with sales of Hops between the parties, all of the other party’s Confidential Information that may be learned in the course of the parties’ relationship, including after that relationship ends. “Confidential Information” means all information that a business would normally keep to itself, and specifically includes manufacturing processes, pricing, product descriptions, contract terms, technical data, the nature of business relationships, product know-how, identity of customers, sales and market projections, strategies, business practices, new product development, and financial information. All Confidential Information will be protected by each party with at least the same degree of care as each would use with its own proprietary information. All Confidential Information will remain the property of the party initially possessing it and be immediately returned to the other party on request. Notwithstanding the foregoing, a party may disclose Confidential Information (i) in connection with enforcing any of its rights and remedies under these Terms and Conditions or (ii) if required by legal process or applicable law.

**22. Complete and Superseding Agreement; Conflict in Terms.** An Order, these Terms and Conditions, and any applicable written specifications constitute the complete agreement between the parties on the subject of that Order, and they replace any other agreements, understandings, representations, or discussions between the parties on that Order. Should any Order, these Terms and Conditions, or any specifications be in conflict, the Order shall prevail.

**23. Miscellaneous Provisions.** Any notice to be given Haas must be in writing and to one or more email or physical addresses most likely to effectively reach an appropriate Haas representative. If any portion of these Terms and Conditions is held invalid or unenforceable, the remainder thereof will continue in full force and effect and the invalid or unenforceable portion will be replaced by such provision as will best affect the original intention of the parties. A party's failure to insist on performance of any part of an Order or these Terms and Conditions or failure to exercise any right thereunder on one or more occasions will not constitute a waiver of any right to demand future performance or to exercise a right in the future. An Order may not be assigned by Buyer except with the consent of Haas. Haas may assign any Order. Assignment will not release the assigning party from its obligations under the sales contract unless that is expressly agreed to in writing by the other party.