



Latin Specialties LLC

Vendor Terms and Conditions

(1) Agreement to Terms:

- By engaging in business with Latin Specialties LLC ("LS"), the vendor explicitly agrees to abide by the terms and conditions set forth herein. This agreement supersedes and takes precedence over any and all prior or existing agreements, whether written or verbal, between the parties related to the subject matter herein. These terms and conditions apply to all orders for and sales of produce goods, and to all agreements with LS with respect thereto. The applicability of any other conditions is excluded and insofar as necessary any other conditions are rejected by LS.

(2) PACA Trust:

- The terms and conditions herein are applicable to all produce sales and comply with Perishable Agricultural Commodities Act ("PACA") Trust regulations.

(3) Quality Assurance:

- Vendor agrees to supply products meeting USDA #1 grade, as well as, adhering to mutually agreed LS and final customer quality and packaging specifications.

(4) Inspection:

- Seller agrees that no final product title transfers will occur within 48 hours of the product's arrival at LS docks (or final customer in the case of drop shipments), granting LS (or its customer) the right to inspect the product and ensure its compliance with agreed-upon customer specifications. LS (and/or its customer) shall have a maximum of 48 hours from the date of product receipt at the final destination (in case of drop shipments) to complete all inspections. In the event of a dispute regarding product quality, LS reserves the right to call for a USDA inspection at the vendor's expense to assist in resolving the issue. LS agrees to promptly notify the seller upon completion of the inspection if the product fails to meet the agreed standards. In such cases, the seller

commits to reimbursing LS for any inspection, sorting costs, freight, unloading charges, and/or any other reasonable expenses incurred.

(5) Net Weight Guarantee:

- Vendor guarantees the net weight of the product as agreed upon in the purchase order. Product weight will be checked following LS standard inspection protocols. In the event that product cases are found to be underweight during inspection, LS reserves the option to repack the product to comply with the purchase order standards at the Vendor's expense. The Vendor commits to reimbursing LS for all expenses related to the repackaging, or alternatively, reducing the cost of the product to account for the deficient weight, P.O. CREATION & SHIPPING.

(6) Procurement Protocol:

Vendor acknowledges that a binding purchase includes the following conditions: a) A valid and sequential PO number generated from L.S. ERP system; b) An email from an approved LS buyer with an active LatinSpecialties.com email account; c) Vendor agrees to include and copy L.S. head of procurement on every email conversation where the exchange of merchandise is about to take place; d) The use of logistics coordinated with the involvement of the LS logistics team; and e) Immediate notification to LS Accounts Payable department by sending a Passing and or a copy of the Bill of Lading (BOL) including the valid P.O. number via email and/or LS fax on record for every transaction prior to shipping any product. ****LS will not be responsible for merchandise shipped without following the strict protocol listed above.****

(7) Non-Recognition of Certain Purchases:

- Purchases made via phone, text services, such as WhatsApp, or originating from personal email accounts or URL's not listed in this document are not recognized as valid or binding by LS. **To be abundantly clear, LS does not conduct business or purchase goods via text messaging services,** and Vendor is responsible for following the protocol stated in Section 6 above to create any binding transaction.

(8) FRAUD PREVENTION:

- The use of third-party logistics, custom brokers, or warehouses not previously vetted and approved by the principals of LS is strictly forbidden. If anyone requests the Vendor to deviate from normal procedures or acts suspiciously in any way, the Vendor must immediately call one of the LS principals to confirm before shipping. It is especially important to follow the protocols listed in clauses #6 and #7 to prevent fraud, **particularly in the case of drop shipments. LS will not be responsible for any merchandise**

lost or stolen as a result of not following the protocols described above, during shipment or through the use of any unauthorized third party.

- To combat e-mail fraud, communications regarding payment and/or remittance terms, payment addresses, banking information and/or contact persons for billing and/or payment purposes must be verified both in writing and by a secondary method. Customers and vendors seeking to change and/or modify any such terms should first contact LS's accounting department via telephone and email to request such changes, after which, a signed written confirmation by an authorized officer of the company will be required.

(9) OVERSHIPPING:

- In the event the Vendor delivers merchandise exceeding the quantity ordered on a valid P.O., the Vendor agrees not to hold LS responsible for such excess product. LS reserves the right, at its sole discretion, to sell, donate, or otherwise dispose of any excess product on an open account basis in the marketplace if the quality is not up to standards or if a customer cannot be found. The Vendor agrees to hold LS harmless and without responsibility regarding the disposition of any excess product. Vendor commits to reimbursing Latin Specialties for any associated expenses.

(10) P.O. AS A CONTRACT:

- Acceptance of LS's properly issued Purchase Order (P.O.) constitutes a binding contract to supply LS with the merchandise ordered, in the required quantities, on the specific delivery date agreed upon, at the agreed-upon price, and in the specified quality (if different from USDA No. 1), subject to these terms and conditions. The Vendor may be held responsible for damages, including product replacement costs, sorting and re-packing expenses, inspections, and others, in the event of a canceled, modified, or subpar quality shipment. It is imperative to adhere to the protocols listed in clauses #5, #6, #7 and #8 to prevent fraud. In case of a dispute, LS may invoke mediation procedures for resolution.

(11) PAYMENT:

- Unless otherwise agreed, payment for the purchased product will be initiated no earlier than 10 days from the receipt of the vendor's products and invoice, accompanied by the proper supporting documentation. A valid LS P.O. number and proof of receipt (signature and stamp) of an approved LS active employee or vendor must be included in all supporting documentation. If the Vendor is notified of product unacceptability or other issues, the invoice will be placed on hold until a final resolution is reached. Payment for troubled shipments will only be processed after receiving a modified final invoice from the vendor. The receipt of such a modified invoice or Credit Memo by LS constitutes the Vendor's acceptance that all issues with the shipment have been satisfactorily resolved.

Payment terms are subject to the following conditions: (a) Standard payment within the United States will be processed through ACH payment. The Vendor is responsible for maintaining up-to-date ACH information and must notify LS's Accounts Payable ("AP") department via telephone and email to request changes, after which, a signed written confirmation by an authorized officer of the company will be required; (b) For vendors outside the United States, payment will be made via wire transfer; (c) The

Vendor agrees to reimburse LS a bank fee of \$30.00 per transaction for wire transfers; (d) Other forms of payment requested by the Vendor, including checks, will be handled at the Vendor's responsibility. LS reserves the right not to accept other forms of payment requested by the vendor or to increase service fees to cover bank and/or postal charges. LS will not be held responsible for payments lost or stolen during transit by postal service or due to the vendor failing to keep their payment information accurate and up to date in LS.

(12) SKIPPED INVOICES:

- Invoices will always be paid on a first-in, first-out ("FIFO") basis. The Vendor agrees to notify LS immediately via email and by sending an updated statement in the case of any skipped invoices, short payments, or electronic payments not received within 24 hours of email notification, or of any amounts due over 21 days. LS will not be responsible for and will not honor any invoices or amounts due over 3 months old not previously reported in the manner described above.

(13) LOST OR STOLEN CHECKS:

- Vendor agrees to deposit and/or cash all LS checks within 3 months of receipt. LS is not responsible for any lost or stolen checks and will not honor any checks not cashed within a 3-month time frame from date of issuance. The Vendor agrees to promptly cash received checks and understands that LS will not be liable for any losses incurred due to checks not cashed within the stipulated time frame.

(14) INSURANCE:

- Vendor is responsible for providing Latin Specialties with a valid Certificate of Insurance (COI) listing LS as the insured party with a minimum coverage of \$5,000,000 USD per Occurrence. Additionally, any contractors and/or freight companies conducting business on LS's premises must carry workers' comp insurance with a minimum coverage of \$1,000,000 per occurrence and automobile insurance with a minimum coverage of \$1,000,000 per occurrence. The Vendor, contractors, and freight companies must promptly furnish an updated COI as necessary or in case of any insurance changes. Failure to maintain the required insurance coverage may result in the suspension of business activities on LS's premises until such coverage is reinstated.

(15) FOOD SAFETY & ESG:

- Vendor agrees to provide and maintain up-to-date ESG and Food Safety documentation as required by LS or its customers. Such documentation includes copies of third-party certifications, foreign supplier records, Pure Food letters of guarantee, and others as required by the items, the Food Safety Modernization Act ("FSMA") any other local, state or national food safety law. Minimum levels of food safety certification for any vendor

must be at a GFSI level or higher. Seller further commits to holding harmless and defending LS in the event of a food safety recall or emergency caused by any of the Vendor's items or actions. In case of a food safety lawsuit, the Vendor agrees to bear the full cost of the recall and promptly reimburse LS for any associated expenses. LS reserves all rights to take legal action to recover damages incurred as a result of the food safety issue.

(16) LEGAL MATTERS:

- For all legal matters, the sole and exclusive venue for any dispute with LS shall be in Houston, Harris County, Texas, and any disputes shall be resolved in accordance with Texas law. Seller agrees to submit to the jurisdiction of the state and federal courts located in Houston, Harris County, Texas, and the parties waive any objections to such venue. In the event of legal proceedings, LS reserves the right to seek remedies available under Texas law. The parties further agree that mediation may be used at the discretion of LS as a method of dispute resolution when convenient. The prevailing party in any legal proceedings or mediation shall be entitled to recover reasonable attorney's fees and costs.

(17) DATA SECURITY & BREACH LIABILITY:

- Confidentiality: The Vendor acknowledges the sensitive nature of the information exchanged during the course of business. Both parties agree to maintain strict confidentiality regarding any proprietary, financial, or personal information shared during the business relationship.
- Data Security Measures: The Vendor commits to implementing and maintaining robust data security measures to safeguard any information shared with or accessed by them. This includes but is not limited to, customer information, transaction data, and any other sensitive data exchanged during the course of business.
- Notification of Breach: In the event of a data breach or unauthorized access to any confidential information, the Vendor agrees to promptly notify LS. Such notification should include details of the breach, the type of data affected, and the corrective actions taken.
- Indemnification: The Vendor shall indemnify and hold LS harmless from any claims, losses, damages, or liabilities arising from a data breach caused by the Vendor's negligence or failure to implement reasonable data security measures.

- **Limitation of Liability:** Notwithstanding any other provision of this agreement, LS's liability for damages resulting from a data breach or unauthorized access to confidential information, regardless of the cause, shall be limited to the direct damages proven by the party suffering the loss.
- **Force Majeure Exception:** LS shall not be liable for any data breach or unauthorized access to information caused by events beyond its reasonable control, including but not limited to acts of God, natural disasters, war, terrorism, and governmental actions.
- **Insurance Requirement:** The Vendor is strongly encouraged to maintain appropriate insurance coverage, including cyber liability insurance, to cover any potential liabilities arising from a data breach.

(18) CONTRACTORS FREIGHT COMPANIES AND NON-PRODUCE LIABILITY CLAUSE:

- Contractors, freight providers and non-produce vendors acknowledge and agree that they are solely responsible for the actions and conduct of their employees, representatives, or agents while on the premises of LS's facilities. Contractors, freight providers and non-produce vendors hereby agree to indemnify, hold harmless, and defend LS, its officers, directors, employees, and affiliates from and against any claims, damages, liabilities, losses, costs, or expenses arising out of or related to any acts or omissions of their employees, representatives, or agents while engaged in activities at LS facilities. This indemnification obligation includes, but is not limited to, incidents involving personal injury, property damage, or any other claims arising from the actions of contractor's or vendor's personnel.

(18) TERMINATION :

- LS fully reserves the unequivocal right to terminate its business relationships with the Vendor at any time, with or without cause, at its sole discretion. In such cases, the termination shall be effective immediately upon notice from LS. The Vendor shall promptly fulfill any outstanding obligations or deliveries as of the termination date. Upon termination, LS retains the right to pursue any available legal remedies under Texas law.