

KERNOLOGIX LLC – STANDARD TERMS OF SALE

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Version 2.0 · Last Updated: July 28, 2026 Governing Law: Commonwealth of Virginia · Venue: Henrico County, Virginia

These Standard Terms of Sale ("Terms") govern all sales of botanical raw materials and related products (each, a "Product") by Kernologix LLC, a Virginia limited liability company with its principal place of business in Short Pump, Henrico County, Virginia ("Kernologix," "Seller," "we," or "us"), to the purchasing party ("Buyer," "you"). Kernologix is a distributor in the chain of distribution and does not manufacture Products. Products are sold solely for further manufacturing. By paying an invoice, accepting delivery, submitting a purchase order, or checking acceptance on any Kernologix form, Buyer agrees to these Terms (UCC Article 2 applies to the extent not displaced).

1. PRODUCT & USE; BUYER REPRESENTATIONS

1.1 Products are raw botanical materials (including without limitation Ashwagandha, Bacopa (Brahmi), Green Tea EGCG, Marigold Lutein 20% CWS, and other materials described on the applicable purchase order, quotation, or product specification version referenced thereon) intended solely for further manufacturing into dietary supplements, cosmetics, or other lawful finished goods. **PRODUCTS ARE NOT FOR DIRECT HUMAN CONSUMPTION IN THEIR RAW FORM.**

1.2 Buyer represents that it is a sophisticated commercial manufacturer or formulator. Buyer alone is responsible for formulation, dosage, finished-product testing, labeling (including Proposition 65 and allergen warnings), DSHEA/FTC compliance, and ensuring that finished goods and marketing claims are lawful. Buyer shall not make disease claims based on Kernologix materials.

1.3 Buyer shall not sell Product in raw form direct-to-consumer unless the Product is further processed into a finished good under Buyer's control and labeling. Buyer shall not represent Kernologix as the manufacturer of any finished good.

2. SPECIFICATION & LOT; STORAGE

2.1 Product is sold to meet the supplier/manufacturer specification referenced on the order or Certificate of Analysis ("COA") for the stated lot at time of shipment. Buyer acknowledges that each COA applies only to that specific lot.

2.2 Recommended storage (unless the lot-specific COA or SDS states otherwise): less than 25°C, less than 60% relative humidity, in the original sealed container. Failure to store as directed may void claims.

3. INSPECTION & CLAIMS (BINDING)

3.1 **Visible defects.** Buyer MUST send clear photographs of the sealed foil (or primary sealed package) with the lot number visibly printed on the package **BEFORE opening**, together with a written claim, within **ten (10) business days** after delivery for visible defects, shortage, or transit damage.

3.2 **Hidden defects / assay failure.** Written claim within **twenty (20) business days** after discovery, and in any event within a commercially reasonable time. Buyer must retain a sealed retain sample of at least **100 grams** for **six (6) months** after delivery.

3.3 No return without a written Return Material Authorization (RMA). Buyer shall hold rejected material for **fifteen (15) days** for carrier or Seller inspection. **NO PHOTOS OF SEALED FOIL WITH LOT NUMBER BEFORE OPENING = NO CLAIM FOR VISIBLE DEFECTS. FAILURE TO COMPLY WITH THIS SECTION CONSTITUTES WAIVER OF THE RELATED CLAIM.**

4. LIMITED WARRANTY; DISCLAIMER (CONSPICUOUS)

4.1 **LIMITED WARRANTY.** Seller's sole warranty is that, at the time of shipment, the Product conforms to the supplier COA for the stated lot in material respects.

4.2 Natural variation in color, odor, particle size, or clumping that does not materially affect the assay or specification on the COA is not a defect.

4.3 **EXCEPT FOR THE LIMITED WARRANTY IN SECTION 4.1, PRODUCT IS SOLD "AS IS." SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.** Buyer alone determines suitability for Buyer's intended use.

5. LIMITATION OF LIABILITY (CONSPICUOUS)

5.1 **SELLER'S TOTAL LIABILITY FOR ANY CLAIM ARISING OUT OF OR RELATED TO ANY PRODUCT OR THESE TERMS—WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE—SHALL NOT EXCEED THE AMOUNT ACTUALLY PAID BY BUYER TO SELLER FOR THE SPECIFIC LOT GIVING RISE TO THE CLAIM.**

5.2 **IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES; LOST PROFITS OR REVENUE; BUSINESS INTERRUPTION; COST OF COVER; FINISHED-PRODUCT RECALL COSTS; OR PERSONAL INJURY OR PROPERTY DAMAGE CLAIMS OF END CONSUMERS,** even if advised of the

possibility of such damages, to the maximum extent permitted by Virginia law.

6. INDEMNIFICATION

Buyer shall defend, indemnify, and hold harmless Kernologix LLC, its officers, managers, members, employees, agents, and upstream suppliers from and against all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) brought by Buyer, Buyer's customers, or end consumers arising out of or related to: Buyer's formulation, manufacturing, labeling, storage, co-mingling, dosage, failure to warn, handling after title/risk transfer, or any breach of these Terms. This obligation survives delivery, payment, and termination.

7. TITLE & RISK OF LOSS

7.1 Unless otherwise agreed in writing, shipping is **FOB Origin**. Title and risk of loss transfer to Buyer upon delivery to Buyer's dock as evidenced by carrier proof of delivery (POD). For blind drop-ship, risk transfers upon delivery to Buyer's designated customer's dock with POD.

7.2 Kernologix is not liable for carrier delay, loss, or damage after tender to the carrier, except to the extent caused by Seller's willful misconduct. Seller reserves a purchase-money security interest in Product under Virginia UCC §§ 1-201 and 9-103 until Buyer pays in full; Buyer authorizes financing statements as needed.

8. PAYMENT

8.1 First three (3) orders: Net fifteen (15) days. Thereafter: Net thirty (30) days, subject to credit approval. Late amounts accrue interest at **1.5% per month** (or the maximum lawful rate, if lower), plus collection costs including attorneys' fees of up to **thirty-three percent (33%)** of amounts collected. Seller may impose credit hold, suspend shipments, and exercise setoff rights. Buyer may not offset unapproved claims against invoices.

9. RECALL

9.1 Each party is responsible for recall costs caused by its own negligence or breach. Notice of any actual or potential recall, FDA action, or serious quality issue related to a lot shall be given within **twenty-four (24) hours**. Parties shall cooperate in good faith; neither party shall issue a press release naming the other without prior consultation, except as required by law.

9.2 If a recall is caused solely by defective raw material as shipped, Kernologix's liability is limited to **replacement of the raw material for that lot** (or refund of amounts paid for that lot), consistent with Section 5.

10. INSURANCE

Buyer shall maintain product liability insurance of at least **Two Million Dollars (\$2,000,000)** per occurrence. Buyer shall provide a certificate of insurance upon request. If Buyer resells Product in raw form, Buyer shall name Kernologix LLC as an additional insured on such policy with respect to that resale.

11. REGULATORY NOTICE & COOPERATION

Buyer shall promptly notify Kernologix of any FDA, FTC, state, or foreign regulatory inquiry, adverse event report, or material consumer complaint reasonably related to a Kernologix lot, and shall cooperate in good faith in any investigation.

12. TIME LIMIT TO SUE

ANY ACTION AGAINST KERNOLOGIX ARISING OUT OF OR RELATED TO THESE TERMS OR ANY PRODUCT MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER DELIVERY OF THE APPLICABLE LOT, or be forever barred, to the fullest extent permitted by law.

13. FORCE MAJEURE; ALLOCATION

Seller is not liable for delay or failure due to causes beyond its reasonable control (including acts of God, epidemic, war, terrorism, labor dispute, carrier failure, governmental action, or supply interruption). Seller may allocate available Product among customers in a fair and reasonable manner. Price increases alone are not Force Majeure for Buyer.

14. GENERAL / BOILERPLATE

14.1 **Entire Agreement.** These Terms, together with the applicable quotation, order confirmation, COA, and specification version referenced on the order, constitute the entire agreement and supersede prior negotiations. Buyer's additional or different terms are objected to and rejected (UCC § 2-207).

14.2 **Severability; No Waiver.** If any provision is unenforceable, the remainder stays in effect. Failure to enforce is not a waiver.

14.3 **Assignment.** Buyer may not assign without Seller's prior written consent; Seller may assign to an affiliate or successor.

14.4 **Governing Law; Venue; Mediation.** These Terms are governed by the laws of the **Commonwealth of Virginia** (excluding conflict-of-laws rules) and the UCC as enacted in Virginia. Exclusive venue lies in state or federal courts sitting in **Henrico County, Virginia**. Before filing suit (except for

injunctive relief to protect IP or unpaid invoices), the parties shall attempt mediation administered by the American Arbitration Association in **Richmond, Virginia**.

14.5 **Acceptance.** Payment of an invoice, acceptance of delivery, or issuance of a purchase order constitutes acceptance of these Terms (Version 2.0).

Questions: operations@kernologix.com · <https://www.kernologix.com/terms/sales>

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