

GENERAL TERMS AND CONDITIONS H2YO

1. Definitions

1.1 In these General Terms and Conditions, the following words in bold shall have the meanings as shown below:

"H2YO"	a limited liability company, duly incorporated and existing under the laws of the United States of America and Latvia with its registered office at Purva iela 12A, Valmiera, Latvia and its main place of business at Brivibas Gatve 214s, Riga, Latvia, registered with the Company Register under number 44103143471, hereinafter referred to as: "H2YO";
"Client"	a party under an agreement with H2YO for the purchase and sale or lease of Products or Additional Services;
"End-user"	the ultimate user or consumer of the products of H2YO;
"Product(s)"	innovative healthy drink dispensers and cartridges containing flavors, vitamins, and other boosts;
"Lease or Rent Agreement"	the agreement between H2YO and Client in which the terms and conditions of the lease or rent of Products are detailed;
"Offer"	an offer from H2YO to deliver Products or Services (with or without Additional Services);
"Order"	an order from Client to, lease or purchase Products or provide Services;
"Purchase Agreement"	the agreement between H2YO and Client in which the terms and conditions of the purchase of Products are detailed;
"PO" or "Quote"	the purchase/lease/ or service order confirmation sent from H2YO to client;
"Compensation"	the amounts to be paid by Client to H2YO;
"Services"	service offerings including three types of Services: (i) H2YO Cartridge sales; (ii) drinks as a service; and (iii) Vending solutions when such Services are available in the Territory;
"Service Agreement"	between H2YO and Client in which the terms and conditions of the Additional Services are detailed.

2. Applicability

2.1 These General Terms and Conditions govern all Proposals, legal relationships, and all types of agreements in which H2YO rents, sells, and delivers Products and/or Services to the Customer, either directly or via third parties.

2.2 H2YO reserves the right to unilaterally modify these General Terms and Conditions. Any changes will be communicated to the Customer. The latest and applicable version of the General Terms and Conditions is always available for review on the H2YO website.

2.3 Any purchasing or alternative terms and conditions put forth by the Customer are expressly rejected here.

2.4 In case of any inconsistency between the Lease Agreement, Purchase Agreement, or Service Agreement on one hand, and the General Terms and Conditions on the other, the provisions of the Lease Agreement, Purchase Agreement, or Service Agreement shall prevail.

2.5 These General Terms and Conditions are structured modularly. All articles are, as a rule, applicable to all contracts entered into between H2YO and the Customer, unless explicitly stated to apply solely to the relevant Agreement."

2.6 Articles 7, 8, 9 and 10 are applicable to a Purchase Agreement.

2.7 Articles 7, 11, 12, 13 and 14 are applicable to a Lease Agreement.

2.8 Articles 16 and 18 are applicable to a Service Agreement.

2.9 The Client is obligated to allow access to the site where the Products are located, and must direct any relevant third parties to collaborate when H2YO makes a request..

3. Agreements

3.1 All Proposals and other statements from H2YO are non-binding and subject to contract, unless explicitly stated otherwise in writing. H2YO is under no obligation to accept and/or execute Orders. All Orders must be confirmed by H2YO with a Purchase Order (PO).

3.2 The information contained in digital catalogues, illustrations, drawings, and standardization sheets, among others, is indicative and not binding unless this information has been explicitly incorporated into a Purchase Agreement, Lease Agreement, or Service Agreement, notwithstanding the Client's responsibility for the information they provide. The parties agree that any minor discrepancies in dimensions or alterations in the design, parts, or materials are deemed acceptable. Thus, H2YO reserves the right to replace an ordered Product with a similar product if necessary.

3.3 All Proposals from H2YO will be valid for one calendar month, unless the Proposal or statement explicitly indicates otherwise.

3.4 An agreement between H2YO and the Client is formed at the moment H2YO accepts the Client's Order.

3.5 H2YO reserves the right to engage the services of third parties in fulfilling a Service Agreement, Purchase Agreement, or Lease Agreement.

4. Price and payments

4.1 The prices and discounts applicable are those at the time of the purchase or lease of the Products or Services, as confirmed in the Purchase Order (PO), unless H2YO and the Client agree otherwise in writing.

4.2 The prices quoted by H2YO are for Ex Works delivery. Prices are exclusive of Value Added Tax (VAT) but include excise duties, import duties, packaging costs, and any other levies imposed by the government or authorities, unless explicitly agreed otherwise in writing.

4.3 The Products will be transported at the Client's expense and risk.

4.4 H2YO reserves the right to increase the agreed prices in response to increases in purchase prices and/or freight rates for the Products and Services, or the raw materials required for the production of the Products and Services, and/or any surcharges on government levies.

4.5 The Client will make monthly payments (the compensation) to H2YO for the Services provided by H2YO under this Agreement.

4.6 The Compensation will be indexed annually, and for the first time as of 1 January 2023, based on the change in the monthly price index figure according to the

Consumer Price Index (CPI) for all households (2021 = 100), as published by the Central Statistical Bureau of Latvia."

4.7 The Payment, denominated in Euros, should be transferred by the Client to the bank account specified by H2YO upon receiving an invoice. The Client is not entitled to any form of deduction or offsetting against any purported counterclaims.

5. Delivery

5.1 The Client confirms and agrees to comply with and put into effect the installation requirements, as provided on the H2YO website or as supplied in writing by H2YO or an authorized third party, prior to the delivery of the pertinent Products.

5.2 Products will be delivered Ex Works, unless otherwise stipulated in writing.

5.3 Products will be dropped off at the unloading platform or directly outside the designated delivery address, unless different terms are agreed upon.

2.4. The Parties agree that at the time of their delivery, the Products and/or Equipment must be delivered to the persons indicated in the Client's details section of the Agreement or to the Client's employees, who have been indicated by the Client in writing, by e-mail or in other way (including verbally). Only the persons mentioned in this clause or the legal representative of the Client are entitled to sign the bills of lading and acts of acceptance-conveyance on behalf of the Client. The Client undertakes to recognize the documents signed by these persons as legally binding.

2.2. The quality and labeling of the Products delivered by the Supplier shall comply with the requirements of the valid regulatory acts of the Republic of Latvia and in force for trade within the European Union.

5.4 It is the Client's responsibility to ensure that the Products are accepted within the planned delivery timeframe. Should a Product be offered for receipt but is not accepted by the Client during the allotted timeframe, any related additional delivery costs will be charged to the Client.

5.5 H2YO reserves the right to deliver Products in multiple shipments.

5.6 All delivery dates specified or agreed upon by H2YO are estimated to the best of their knowledge and are non-binding. Merely exceeding a specified or agreed-upon delivery date does not constitute a default by H2YO. If a deadline is surpassed, H2YO will deliver the Products and/or Services to the Client as soon as feasible.

5.7 If transport to or near the delivery location necessitates extra working hours, these additional hours and related costs will be charged to the Client, and H2YO has the right to bill these hours and costs separately.

5.8 Waiting times and delays caused by actions on the part of the Client or End-users will be charged to the Client at applicable rates.

5.9 If the Client or End-user requests a postponement of delivery beyond the delivery date, or requests an expedited delivery of the Products or Services prior to the delivery date, H2YO is entitled to recover the costs arising from this delay or expedited process, as well as the statutory interest on the price of the Products and/or Services affected by the delay. Delay in delivery does not relieve the Client's payment obligation. H2YO reserves the right to seek damages/compensation for any losses resulting from the delay.

6. Inspection and recall

6.1 The Client is obligated to check the delivered Products for any visible defects and ensure their match with the description on the accompanying packing list within two working days of delivery. If the Client does not report any inconsistencies between the delivered Products and the packing list description and/or external flaws within two working days, the delivered Products and the description on the packing note are deemed to be accepted unconditionally by the Client.

6.2 Should the Client perceive that the Products or Services do not fulfill the agreed-upon requirements, they should immediately inform H2YO in writing as soon as they identify or could reasonably have identified any discrepancy, but in all instances within a two-day period.

6.3 Upon receiving a timely discrepancy report related to the delivered Products or Services and their requirements, H2YO will confirm this report in writing to the Client. H2YO will then consult with the Client as soon as possible and initiate the necessary investigation, giving H2YO the opportunity to ascertain the discrepancy (or have it ascertained) within five days of delivering the report to the Client.

6.4 Lodging complaints will not grant the Client the right to suspend their payment obligations.

6.5 If H2YO validates a claim, it reserves the right to either compensate no more than the invoice value of the relevant Products or Services or replace the relevant Products at no cost to the Client.

6.6 The Client's right to make a claim or receive compensation expires five days after the delivery.

7. Returns

7.1 H2YO is not obliged to accept any returned items from the Client without prior written approval.

7.2 Any return shipments authorized by H2YO are to be made at the Client's expense and risk. H2YO's acceptance of returned items does not equate to an acknowledgment of any reported claim or complaint.

7.3 If H2YO agrees to accept a return from the Client and decides to provide a credit, H2YO will cover the reasonable costs of the return shipment.

7.4 Under no circumstances will H2YO issue refunds for cartridges, consumer products or other cleaning products that have been delivered.

8. Payment – general

8.1 "If the Client fails to make a payment within 10 days beyond the due date, H2YO has the right to initiate a debt collection process. In such case, the Client will also be liable for any extrajudicial and court-related expenses, including all costs charged by external experts beyond legally recognized costs, associated with the recovery of this debt or the enforcement of rights otherwise. The extrajudicial collection costs incurred by H2YO due to the Client's delayed payment are calculated as 15% of the first €2,500 of the debt, 10% of the next €2,500, 5% of the following €5,000, 1% of the subsequent €190,000, and 0.5% of any remaining debt. This totals up to a maximum of €6,775 and never less than €40.

8.2 The Client does not have the right to offset any (alleged) claims against H2YO with debts owed to the Client.

8.3 If the Client disputes the invoiced amount, they must inform H2YO of their objections in writing within 7 days of the invoice date, otherwise they risk losing their right to complain.

8.4 Should the Client fail to meet its payment obligations, they will be liable to pay H2YO statutory (commercial) interest on the outstanding invoice amount from the day after the due date until the full payment of the invoice amount, including interest and other charges, has been received by H2YO.

9. Payment Terms for Purchase Agreements

9.1 This section applies in instances of a Purchase Agreement.

9.2 The Client is required to settle all invoices within a period of 30 days from the date of the invoice. H2YO has the right to issue an invoice to the Client for each partial delivery.

9.3 All expenses associated with the payment, including the provision of any security, are to be covered by the Client.

10. Title Retention under a Purchase Agreement

10.1 This section applies in the context of a Purchase Agreement.

10.2 All Products delivered to the Client or End-user will remain the property of H2YO until the Client has fully settled all outstanding amounts due for the delivered Products, including the amounts mentioned in article 9.3. H2YO also retains ownership of the delivered and to-be-delivered Products for any future claims against the Client related to the sale and delivery of Products.

10.3 Upon H2YO's first request, the Client is required to provide sufficient security to ensure the full performance of all its payment obligations to H2YO.

10.4 The Client should promptly inform H2YO if:

10.4.1 Third parties assert claims, try to gain control of, or seize Products under H2YO's retention of title, or assert rights to these Products;

10.4.2 Client applies for, or is granted, a (temporary) moratorium or debt arrangement, or any payment arrangement is made with Client's creditors; or

10.4.3 bankruptcy proceedings are filed against the Client or the Client is declared bankrupt.

10.5 Client grants H2YO the right (including outside of Client's standard business hours) to access the premises where the Products are located to recover and reclaim Products under its retention of title.

10.6 Client is required to adequately insure the Products subject to H2YO's retention of title against standard business risks at its own expense.

10.7 While H2YO retains title to the Products, the Client is not allowed to pledge or in any other way encumber the Products as additional security to third parties.

10.8 While H2YO retains title to the Products, the Client has the right to internally process, treat, or forward the supplied Products only as part of its standard business operations.

10.9 The risk of loss or damage to the Products subject to the Purchase Agreement transfers to the Client at the time of delivery to the Client or End-user at the agreed location.

11. Warranties and complaints under a Purchase Agreement

11.1 This section applies in the context of a Purchase Agreement.

11.2 The Client must promptly notify H2YO in writing of any visible defects in the Products immediately upon discovery, but no later than 14 days after delivery. The Client should provide H2YO with an opportunity to investigate the matter.

11.3 The Client must promptly notify H2YO in writing of any faults resulting from unreliable assembly or installation of the Products by H2YO immediately upon discovery, but no later than 5 days after delivery. The Client should provide H2YO with an opportunity to investigate the matter.

11.4 H2YO provides a guarantee on the reliability and quality of the supplied Products, including the materials used, subject to normal use, for a period of 12 months after delivery in accordance with these General Terms and Conditions. This guarantee excludes all Products and/or parts purchased by H2YO from third parties, for which H2YO extends the same warranty received from its supplier, up to a maximum of 12 months.

- 11.5 The warranty does not cover faults caused by or partially caused by the following:
- 11.5.1 Client's failure to comply with operating and/or maintenance instructions or using the Products for purposes other than their intended use;
 - 11.5.2 Normal wear and tear;
 - 11.5.3 Assembly, installation, or repairs carried out by third parties, the Client, or the End-user;
 - 11.5.4 Overvoltage on the Client's or End-user's electricity grid, such as in the absence of a surge protector;
 - 11.5.5 Compliance with government instructions regarding the nature or quality of materials used;
 - 11.5.6 Materials or goods used in consultation with or on explicit instruction of the Client or End-user, or materials or goods supplied by the Client or End-user for processing or other purposes;
 - 11.5.7 Operation methods and constructions applied based on explicit instructions from the Client.
- 11.6 If the Client or End-user fails to fulfill its obligations under the Purchase Agreement or related agreements, or fails to do so properly or on time, H2YO is not obligated to fulfill its warranty obligations. Any warranty claim will become invalid if the Client or End-user disassembles, repairs, or performs any other work on the Product without prior written approval from H2YO.
- 11.7 If H2YO repairs the Products, construction faults, or replaces relevant parts of the Products, the warranty period remains the same and is not renewed. Therefore, H2YO's warranty obligations are fully discharged after 12 months from the original Product's delivery.

12. Payment under Lease Agreement

- 12.1 This section applies in the context of a Lease Agreement.
- 12.2 The Client shall make payment of the first three months of the total expected lease amount prior to the commencement of the Lease Agreement, unless otherwise agreed in writing.
- 12.3 Invoices pertaining to the Lease Agreement shall be provided to the Client at the end of each calendar month.
- 12.4 The Client shall make all payments through an automatic debit authorization, unless otherwise agreed in writing.
- 12.5 All costs associated with payment, including the provision of security, if applicable, shall be borne by the Client.

13. Retention of Title under Lease Agreement

- 13.1 This section applies in the context of a Lease Agreement.
- 13.2 The Product remains the property of H2YO, unless otherwise specified in the leasing terms in the case of H2YO working with a third party where ownership of the product may belong to the third party.
- 13.3 The Client is prohibited from establishing or providing any (security) rights over the Products for the benefit of a third party. The Client is obligated to ensure that third parties do not establish or provide any (security) rights over the Products for the benefit of a third party.
- 13.4 It is strictly prohibited for the Client to rent, lend, or transfer the Products to third parties under any circumstances. The Client is obliged to ensure that third parties do not rent, lend, or transfer the Products to third parties under any circumstances.

14. Warranties and complaints under a Lease Agreement

14.1 This article applies in the cases of a Lease Agreement.

14.2 H2YO guarantees both the reliability of the Products and the quality of the material used and/or supplied to that end, subject to normal use by Client and/or End-user, for the term of the Lease Agreement or Rent Agreement.

14.3 Client is obliged to use the Products carefully in compliance with the applicable safety regulations.

14.4 Client is obliged to ensure that End-user will use the Products carefully in compliance with the applicable safety regulations.

14.5 Client must keep the Products in good condition.

14.6 Client is obliged to ensure that end-user keeps the Products in good condition.

14.7 Client ensures that End-user uses the Products at the location of delivery of the Products. The Products can only be moved to another address with prior written permission from H2YO.

14.8 H2YO takes care of the maintenance and repairs of the Products. Client ensures that End-user fully cooperates and provide H2YO with, among other things, access to her property in which the Product is used.

14.9 Client is not permitted to carry out repairs of the Products itself, nor consult third parties to do so. Client ensures that End-user will not carry out repairs of the Products itself, nor consult third parties to do so.

14.10 Costs due to careless use of the Products, repairs by third parties, failure to report defects in a timely manner or any other cause that is not considered to be the usual usage, are on behalf of Client.

15. End of a Lease Agreement

15.1 In the event of the end of the Lease Agreement, Client ensures that the Products are returned. Upon termination of the Lease Agreement, the Client is responsible for returning the Products in accordance with the return procedure outlined in the Lease Agreement.

15.2 If the Products are not returned to H2YO through the designated return procedure within seven days after the termination of the Lease Agreement, H2YO will continue to invoice the monthly lease fees to the Client until the Products are returned.

15.3 In the event of Product return, H2YO will engage a third party to inspect the Products for any significant damage. The cost of repairing such damage will be borne by the Client, not exceeding the residual value of the Products.

15.4 Each Lease Product has a minimum lease period, such as 36 months or 60 months.

15.5 The Client agrees to pay the monthly fee until the minimum lease period is completed. After the minimum lease period, the Client can cancel the Product with a one-month notice period.

15.6 All leased items must be returned in the country of delivery. Any additional costs associated with returns, such as early returns or returns from abroad, are the responsibility of the Client.

16. Service Agreement - General

16.1 This section applies in the context of a Service Agreement.

16.2 H2YO is obligated to make best commercial efforts to perform the Service Agreement but does not guarantee specific results.

16.3 The Client is responsible for providing H2YO with all necessary information in a timely manner for the performance of the Service Agreement. Failure to provide timely information may result in H2YO suspending performance or charging additional costs based on its standard rates.

16.4 If the Service Agreement is divided into phases, H2YO may suspend subsequent phases until the Client approves the results of the preceding phase in writing.

17. Payment under Service Agreement

17.1 This section applies in the context of a Service Agreement.

17.2 The Client shall pay all invoices within 30 days from the invoice date.

17.3 All costs related to payment, including security provisions, if applicable, are the responsibility of the Client.

18. Regulations

18.1 The Client is responsible for ensuring that third parties or end-users comply accurately with any (safety) instructions provided for the Products.

18.2 H2YO shall not be liable for any damage resulting from the Client's use of the Products contrary to the provided instructions.

19. Liability

19.1 H2YO's total liability for any breach of the Service Agreement, Purchase Agreement, or Lease Agreement, breach of warranty or guarantee obligations, or any other grounds is limited to the compensation of direct damages up to the price (excluding VAT) of the relevant Products or Services.

19.2 H2YO's liability for any breach of obligations arises only if the Client provides written notice of default within five days of becoming aware of the issue and if H2YO continues to fail in fulfilling its obligations even after a reasonable period.

19.3 H2YO shall not be liable for indirect damages, consequential damages, loss of profit, damages resulting from third-party claims against the Client, damages due to missed deadlines, or property damages consisting of destruction, damage, or loss of items used by the Client in their normal business operations.

19.4 Client is responsible for damages resulting from negligence, imprudent actions, lack of care, or failure to report defects within five days of discovery.

19.5 If the insurer does not make a payment, H2YO's liability is limited to the net invoice value of the Products or Services charged to the Client in the twelve months preceding the occurrence of the damage, with a maximum compensation limit of €50,000.

19.6 The limitations of liability do not apply in cases of intentional or gross negligence on the part of H2YO.

19.7 In the event of damage, the Client is obligated to take measures to minimize the extent of the damage.

19.8 To be eligible for compensation, the Client must report the damage to H2YO in writing within five days after the damage occurs.

19.9 The provisions of this article also apply to all individuals or entities whose services are utilized by H2YO for the execution of any agreement.

19.10 H2YO is not obligated to provide identical Products as those delivered to the Client in previously concluded agreements. However, H2YO will offer guidance and suggest similar Products upon the Client's request if the requested Products cannot be provided.

20. Intellectual Property

20.1 All intellectual property rights pertaining to H2YO's Products and Services remain with H2YO or its licensors, unless explicitly agreed otherwise in writing.

20.2 The intellectual property rights for advice, drawings, scenarios, illustrations, models, sketches, layout proposals, presentations, product specifications, and descriptions provided by H2YO will always remain with H2YO.

20.3 If H2YO and the Client agree in writing that the intellectual property rights belong to the Client, the Client must grant H2YO an unrestricted, worldwide license to produce and exploit the relevant Products under its own label, unless otherwise agreed in writing.

21. Force Majeure

Neither party shall be obliged to fulfill their obligations if prevented from doing so due to force majeure. Force majeure includes situations where H2YO's suppliers fail to perform. If a force majeure situation persists for more than thirty days, both parties have the right to terminate the Service Agreement, Purchase Agreement, or Lease Agreement by providing written notice. Any work already performed under the respective agreements shall be settled proportionately, with no further obligations between the parties.

22. Termination

22.1 Either party may terminate the Service Agreement, Purchase Agreement, or Lease Agreement if the other party fails to fulfill essential obligations despite receiving proper written notice and a reasonable period to rectify the failure.

22.2 H2YO may terminate all or part of the Service Agreement, Purchase Agreement, or Lease Agreement without notice or legal intervention by sending a written notification if the Client enters into a suspension of payments, whether provisional or not, files for bankruptcy, or ceases its business operations. H2YO shall not be obliged to provide any compensation for such termination, and any outstanding amounts become immediately due and payable. The Client must promptly inform H2YO in writing in such situations.

22.3 If, at the time of termination or dissolution of the Service Agreement, Purchase Agreement, or Lease Agreement, the Client has already received services or products related to the respective agreement, the obligations to pay for those services or products remain in effect unless H2YO is materially in breach. Any amounts invoiced by H2YO prior to termination for services or products already provided under the agreement shall remain payable in full.

22.4 If any provisions of the agreement between H2YO and the Client or these General Terms and Conditions are null or void, the parties will consult to establish new provisions that best reflect the intended purpose of the null or void provisions.

22.5 If the Client disagrees with a significant change to the Service Agreement, Purchase Agreement, or Lease Agreement, the Client must provide written notice of objection to H2YO within thirty days of receiving notice of the proposed change. H2YO will then engage in discussions with the Client to find a mutually acceptable solution. If no agreement can be reached and the change is implemented or planned to be

implemented, the Client may terminate the Service Agreement, Purchase Agreement, or Lease Agreement by providing at least thirty days' notice to H2YO.

23. Indemnity

The Client agrees to indemnify and hold H2YO harmless against any third-party claims arising from or related to the use of the Products and Services under the Service Agreement, Purchase Agreement, or Lease Agreement. This includes claims resulting from the Client's actions, omissions, or unsafe situations within its organization. The Client shall promptly reimburse H2YO for all costs, damages, and (statutory) interest incurred by H2YO as a result of such third-party claims, relating to the Products, Services, or any other activities provided by H2YO for the Client, in accordance with applicable legal provisions.

24. Applicable law and disputes

24.1 The Service Agreement, Purchase Agreement, and Lease Agreement between H2YO and the Client are governed by Latvian law.

24.2 The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

24.3 Any disputes that may arise between H2YO and the Client in relation to the execution of an agreement between H2YO and the Client, as well as in connection with these General Terms and Conditions, shall be submitted to the competent court in Riga.

25. Confidentiality

Both parties are obligated to maintain confidentiality regarding all information pertaining to these General Terms and Conditions, the Service Agreement, Purchase Agreement, and/or Lease Agreement.

26. Contact

If you have any inquiries, concerns, or feedback regarding these General Terms and Conditions, please don't hesitate to reach out to us at H2YO Europe SIA.

