

BASF Compliance Agreement

Between BASF Agricultural Solutions Seed US LLC and its affiliates, successors, and assigns (collectively referred to as "**BASF.**" "**we**" and "**our**")
and the individual or legal entity indicating their agreement with and acceptance of this BASF Compliance Agreement
(referred to as "**Grower,**" "**you,**" and "**your**")

This BASF Compliance Agreement (this "**Compliance Agreement**") together with Grower's then-current BASF Grower Technology Agreement (the "**BGTA**"), this preamble to this Compliance Agreement, and any published BASF Incentive (as defined below) and any amendments thereto (collectively, the "**Agreement**"), is entered into by and between the parties identified above, as of date of Grower agrees to and accepts this Compliance Agreement ("**Effective Date**") as indicated by Grower clicking "I Accept" following Grower's completion of the related BASF training module.

You and BASF agree that the terms and conditions of the BGTA are hereby incorporated into this Compliance Agreement by reference. In the event this Compliance Agreement is inconsistent with or contrary to the BGTA, the terms of this Compliance Agreement shall prevail. Capitalized terms used in this Compliance Agreement shall have the meanings given in the BGTA or as otherwise defined in this Compliance Agreement.

1. IMPORTANT – PLEASE READ

- You should carefully read this entire Compliance Agreement because it constitutes a legally binding agreement between you and BASF.
- **By signing electronically by "clicking" your acceptance of this Compliance Agreement, you are accepting and agreeing to the terms and conditions of this Compliance Agreement. If you do not agree to one or more of the terms and conditions of this Compliance Agreement, you should not click "I Accept" or otherwise electronically sign this Compliance Agreement.**
- It is important that herbicides, pesticides, fungicides, and other crop protection products used by any grower are registered and applied legally in accordance with their labels. Failure to do so may jeopardize the registration lifetime of the crop protection products in question, may result in crop damage or other property damage and may result in other ramifications for growers based on the violation of laws or regulations, or the breach of contractual obligations.
- This Compliance Agreement is intended to help you understand what can happen if you or anyone on your behalf uses illegally applied or unregistered crop protection products on your crops.
- BASF has implemented a monitoring and audit program to help ensure grower compliance with the use of crop protection products in connection with BASF branded seed.
- If illegally applied or unregistered crop protection products are used on your cotton crop, your cotton must not be ginned or marketed in any way.
- Your use of illegally applied or unregistered crop protection products may result in your BGTA being suspended or revoked, meaning you would not be able to purchase BASF branded seed for a specific time period (if suspended) or at any time in the future (if revoked).
- If BASF were to determine that you or anyone on your behalf illegally applied or used unregistered crop protection products on crops sown from BASF branded seed, we may assess Liquidated Damages (defined below) in addition to revoking your eligibility for any BASF Incentive (defined below) because of the immediate and irreparable harm your actions would pose to BASF.

2. How Does This Compliance Agreement Potentially Benefit You?

- a. By indicating your agreement and acceptance to this Compliance Agreement and completing the applicable BASF required training, you will obtain the status of "**Certified Grower**" by BASF and BASF authorized retailers, distributors, and agents.

- b. As a Certified Grower you will have early access to newly commercialized BASF branded seed as well as other Incentives offered to Certified Growers by BASF. As used in this Compliance Agreement, “**Incentive**” means one or more incentives made available via a BASF published program offered to production growers during the applicable production season in consideration for entering into this Compliance Agreement.
- c. You will demonstrate your intent to comply with applicable laws and regulations and to be a good neighbor through the use of only legally applied, registered crop protection products.

3. Your Representations & Warranties

a. You represent and warrant to BASF that:

- Neither you nor anyone on your behalf, including your employees, agents, family members, and contractors (together, referred to as your “**Grower Group**”), will illegally apply or use unregistered crop protection products in connection with BASF branded seed;
- You and any applicable members of your Grower Group will complete all required BASF training as instructed by BASF. Note: Failure to complete the required training will result in your inability to purchase certain BASF branded seed (such as seed with Axant™ Flex technology) because certain BASF branded seed is only available to Certified Growers;
- Within 7 days of BASF’s request, you will allow BASF or its employees, agents, subcontractors, or representatives the right to enter, access, and leave the land on which you or your Grower Group planted BASF branded seed and make available to BASF all applicable records, equipment, and storage facilities used by you or are under your control for the purpose of performing an audit of your compliance with the Agreement;
- You are solely responsible for the actions, errors, and/or omissions of your Grower Group and will therefore make sure that each member of your Grower Group complies with the terms of the Agreement (whether such members of your Grower Group are expressly covered or not);
- You understand and acknowledge that your use, or the use by anyone else on your behalf, of illegally applied or unregistered crop protection products means that:
 - You must not gin or market cotton produced with illegally applied or unregistered crop protection products;
 - You will no longer be a Certified Grower;
 - Your BGTA will be suspended or revoked, at the discretion of BASF; and
 - Liquidated damages may be recovered from you by BASF.

4. What Happens If This Compliance Agreement is Violated?

- a. You understand that should you, or anyone on your behalf, violate the terms of this Compliance Agreement, that BASF can take the following actions to protect itself from immediate and irreparable harm, in addition to any other remedy that BASF may have available to it under law or equity:
 - BASF may file a claim with a relevant court seeking either preliminary or permanent injunctive relief preventing you and anyone on your behalf from engaging in activity that is in violation of this Compliance Agreement;
 - BASF will revoke your status as a Certified Grower, upon written notice to you;
 - BASF may suspend or revoke your BGTA, at its discretion; and/or
 - BASF may, in addition to seeking other legal and equitable remedies available to it under applicable law, recover liquidated damages from you in the amount of \$300.00 per acre of BASF branded seed planted by you or on your behalf during the applicable growing season(s) (referred to as “**Liquidated Damages**”).
- b. You acknowledge that any recovery of Liquidated Damages constitutes a reasonable estimate of the monetary damage that BASF will suffer in the event of your or your Grower Group’s violation of this Compliance Agreement and that these Liquidated Damages are difficult to ascertain due to uncertainty. Your acknowledgment of this is a material inducement or reason for BASF to enter into this Compliance Agreement with you and for permitting you to be a Certified Grower.

- c. You additionally acknowledge that any violation of this Compliance Agreement may result in infringement of one or more of the patents and/or PVP certificates that protect BASF branded seed and that BASF or its licensors and other technology providers are entitled to remedies available to them under applicable law or equity for any such infringement. Therefore, you agree that, to the extent authorized under applicable law, BASF, its licensors, and/or other technology providers are entitled to: (1) preliminary and permanent injunctive relief, and (2) recover of the full amount of legal fees and other costs of enforcing the terms and conditions of this Compliance Agreement, without the requirement of proving that the case was exceptional.

5. How Long Will This Compliance Agreement Stay In Effect?

- a. This Compliance Agreement will become effective at the time you click "I Accept" or physically signing this Compliance Agreement and will continue until:
- You notify BASF that you want to terminate this Compliance Agreement at any time and for any reason by writing us at 2 T.W. Alexander Drive, Research Triangle Park, NC 27709; or
 - BASF revokes your status as a Certified Grower by sending you written notice; or
 - BASF terminates or suspends your BGTA.
- b. If this Compliance Agreement is terminated by you or your status as a Certified Grower is revoked by BASF due to your breach of the Agreement, BASF will be no longer be obligated to pay any BASF Incentive to you. If BASF revokes your status as a Certified Grower for a reason other than breach by you, you will still be eligible for the applicable BASF Incentive(s).
- c. Termination or expiration of this Compliance Agreement for any reason shall not release either BASF or Grower from any liabilities or obligations set forth in this Compliance Agreement which remain to be performed or by their nature would be applicable following any such termination or expiration. Any liabilities which have accrued prior to termination, including, without limitation, pursuant to Sections 3 or 4 of this Compliance Agreement shall survive the termination of this Compliance Agreement.

Other Important Contract Terms

1. If any applicable law or regulation conflicts with the terms of the Agreement, you and BASF will comply with the applicable law or regulation. If the terms of your BGTA conflicts with the terms of this Compliance Agreement, you and BASF will comply with this Compliance Agreement to the extent of such conflict.
2. You will sign and comply with the terms of the current BGTA, including any restrictions on Insect Resistance Management as set forth in the IRM Guide referenced in the BGTA.
3. You acknowledge that BASF may collect, use, and share Your Personal Information, agronomic information, and other information collected by you and/or the retailer, distributor, agent, subagent, or reseller from whom you purchased or received the BASF branded seed for any reasonable business purpose, including for the purpose of verifying your compliance with the terms of the Agreement. In addition, your Personal Information may also be used in accordance with the BASF Privacy Policy available at <https://www.basf.com/us/en/legal/data-protection.html>. You further acknowledge that BASF may be required by certain regulators or by law to report crop protection product usage to certain U.S. governmental agencies from time to time and such reports may include your Personal Information. As used in this paragraph, "Personal Information" means Information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular natural person or a location where one or more natural persons may reside, and any other information defined as personal information under applicable law.
4. In the performance of the Agreement, you will be an independent contractor and not the agent or legal representative of BASF for any purpose whatsoever. Neither you nor BASF will have the authority to contract in the name of the other or create any liability on account of the other in any way or for any purpose.
5. Neither you nor BASF will be responsible for any acts, defaults, liabilities, or debts of the other or of their respective employees or representatives.
6. Except with respect to your legal, financial, and business advisors and members of your Grower Group, you agree to keep strictly confidential the terms and conditions of the Agreement and all information obtained in connection with the Agreement, and you agree to assume responsibility for the observance of such confidentiality obligations by all persons having access to such information through you (including your Grower Group members) and you will use such information solely in connection with the activities contemplated by the Agreement.
7. Neither you nor BASF will be liable for delay in performance or from nonperformance caused by circumstances beyond their reasonable control and such delayed or non-performing party will be diligent in attempting to remove any cause for delay or nonperformance and will promptly notify the other party of the reasons for the delay or nonperformance and how long such delay or nonperformance may last.

8. This Compliance Agreement along with the BGTA, the preamble to this Compliance Agreement, and any published BASF Incentive and any amendments thereto represent the entire agreement between you and BASF.
9. You and BASF agree there has been no reliance on other statements or oral agreements, and no representations or statements (verbal, electronic, or written) that have been made modifying, adding to or changing the terms of this Compliance Agreement, the terms of your BGTA, or the terms of any BASF Incentive.
10. This Compliance Agreement may not be changed, in whole or in part, except when both you and BASF agree to make such change through a written amendment to this Compliance Agreement.

Please return to your dashboard at <https://certification.axant-flex-cotton.com/> to accept and electronically sign this compliance agreement.