



PARTNERSHIP AGREEMENT

THIS AGREEMENT is made on 13 November 2024

BETWEEN:

(1) **EDH-AI Limited**, a company registered in England and Wales (Company No. 13518760) whose registered office is Suite 236, Nexus - University of Leeds - at and EDH-CTS Limited (Company No 2106390) whose address is c/o Quijano & Associates (BVI) Limited, Quijano Chambers, P.O. Box 3159, Road Town, Tortola, BVI (« EDH-AI »)

(2) **SCEA Château Méric**, a French Agricultural Civil Society registered in France (SIRET No.42287349700016 whose registered office is at 19 Rte de Vensac 33590 Jau-Dignac-et-Loirac ("the Producer")

WHEREAS:

(A) EDH-AI specialises in predictive medicine and EDH-CTS in the distribution of dietary supplements;

(B) The Producer owns suitable agricultural facilities for biomass production;

(C) The parties wish to establish a partnership for biomass production;

(D) The Producer is currently subject to judicial reorganisation proceedings ("redressement judiciaire") under French law;

(E) The parties acknowledge that the success of this Agreement relies upon the retention of key personnel at the Producer.

IT IS AGREED as follows:

I. GOVERNING LAW AND JURISDICTION

1.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

1.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

1.3 Notwithstanding clause 1.1, all aspects of agricultural production shall comply with French agricultural regulations, including but not limited to:

- a) Code rural et de la pêche maritime
- b) Code de l'environnement
- c) Code de la santé publique
- d) Règlement (UE) 2018/848 relatif à la production biologique

2. DEFINITIONS AND INTERPRETATION

2.1 In this Agreement:

"Biomass" means organic matter derived from living organisms including algae, fungi, and medicinal herbs.

"Force Majeure Event" means any circumstance not within a party's reasonable control including, without limitation, acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; non-performance by suppliers or subcontractors; and interruption or failure of utility service.

"GMP" means Good Manufacturing Practice as defined by EU GMP guidelines.

"Products" means the specific biomass products detailed in « Financial and technical » amendment.

"Facility" means the production site at Château Méric.

3. PRODUCTION SCOPE

3.1 The Producer shall establish and operate:

a) Algae Production Unit

- Chlorella vulgaris production
- Arthrospira platensis (Spirulina) production

b) Mushroom Production Unit

- Hericium erinaceus (Lion's Mane) production
- Ganoderma lucidum (Reishi) production

c) Medicinal Herb Unit

- Pluchea carolinensis cultivation

3.2 All production shall comply with:

- a) Règlement (UE) 2015/2283 relatif aux nouveaux aliments
- b) Décret n° 2021-1662 du 16 décembre 2021 relatif à la mise sur le marché et à l'utilisation des champignons autres que les champignons de couche

3.3 Production Targets and Planning

A detailed Production Capacity Schedule for the 36-month period is attached as « Financial and technical » amendment to this Agreement, specifying:

- Monthly production targets
- Quality metrics
- Scaling milestones

3.4 Implementation Timeline

The parties agree to the following implementation schedule:

2025 (Year 1):

- Technical studies and engineering
- Regulatory compliance preparation
- Infrastructure planning
- Initial team training

2026 (Year 2):

- Installation of water treatment facility
- Establishment of production units:
 - Algae production facility
 - Mushroom cultivation unit
 - Medicinal herb cultivation areas
- Commencement of initial production (H2 2026)

2027 (Year 3):

- Capacity expansion (H2 2027)

4. QUALITY CONTROL AND COMPLIANCE

4.1 The Producer shall maintain:

- a) ISO 22000:2018 certification
- b) Certification Agriculture Biologique (AB)
- c) GMP certification
- d) HACCP compliance

4.2 Regular testing shall be conducted for:

- a) Heavy metals
- b) Microbial contamination
- c) Pesticide residues
- d) Mycotoxins
- e) Active compound levels

5. FINANCIAL PROVISIONS

5.1 Revenue Advance System

a) Years 1-2 (2025-2026):

- EDH-AI shall provide advances against future purchases of Products
- The costs of the project supported by these advances shall not exceed 70% of the total advance amount, ensuring that SCEA Château Méric retains at least a 30% margin on these advances
- The advance amounts shall be as follows:
 - Year 1 (2025): 500,000 euros
 - Year 2 (2026): 700,000 euros

b) Year 3 (2027):

- EDH-AI shall provide minimum revenue guarantees
- The guaranteed minimum forecast income for year 3 will be 1,000,000 euros.

5.2 Investment Requirements

A detailed investment schedule required from Château Méric is attached as « Financial and technical » amendment, specifying:

- Annual investment commitments
- Infrastructure requirements
- Equipment specifications
- Implementation timelines

5.3 Margin Assurance

- a) SCEA Château Méric shall retain a minimum of 30% margin on all advances provided by EDH-AI
- b) The parties shall review the financial arrangements annually to ensure this margin is maintained

5.4 Financial Reporting

- a) SCEA Château Méric shall provide quarterly financial reports detailing:
 - Use of advance funds
 - Project costs
 - Margin calculations
- b) EDH-AI reserves the right to audit these financial reports at its discretion

This revised version clarifies that SCEA Château Méric will have at least a 30% margin on the advances, specifies the advance amounts for each year, and includes the 1 million euro guarantee for the third year. It also adds sections on margin assurance and financial reporting to ensure transparency and compliance with the agreed terms.

6. EXCLUSIVITY AND PURCHASE COMMITMENT

6.1 EDH-AI shall be the exclusive purchaser of all algae, mushroom and medicinal herb production from the Producer during the term of this Agreement.

6.2 The Producer shall not, directly or indirectly, sell or supply any Products to any third party without EDH-AI's prior written consent.

6.3 EDH-AI commits to purchase the entire production output that meets the quality specifications detailed in « Financial and technical » amendment.

7. INTELLECTUAL PROPERTY

7.1 Each party shall retain ownership of its pre-existing intellectual property rights.

7.2 Any intellectual property rights created or developed during the course of this Agreement shall be owned as follows:

- a) Process improvements: EDH-AI
- b) Agricultural innovations: SCEA Château Méric

8. CONFIDENTIALITY

8.1 Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any

member of the group of companies to which the other party belongs, except as permitted by clause 8.2.

8.2 Each party may disclose the other party's confidential information:

- a) to its employees, officers, representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this Agreement. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause 8; and
- b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

8.3 No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this Agreement.

9. TERM AND TERMINATION

9.1 This Agreement shall commence on the date of this Agreement and shall continue, unless terminated earlier in accordance with clause 9.2, for an initial term of three (3) years (Initial Term).

9.2 Without affecting any other right or remedy available to it, either party may terminate this Agreement with immediate effect by giving written notice to the other party if:

- a) the other party commits a material breach of any term of this Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 20 days after being notified in writing to do so;
- b) the other party takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;
- c) the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business.

10. FORCE MAJEURE

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from a Force Majeure Event. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for 4 weeks, the party not affected may terminate this Agreement by giving 30 days' written notice to the affected party.

11. JUDICIAL REORGANISATION AND KEY PERSONNEL

11.1 The parties acknowledge and agree that:

a) The Producer is currently subject to judicial reorganisation proceedings under French law;

b) This Agreement is contingent upon the maintenance of current key personnel, specifically:

- Current management ("gérance")
- Operations management ("direction d'exploitation")
- Essential technical staff

11.2 This Agreement shall automatically terminate with immediate effect if:

a) The Producer enters into liquidation proceedings ("liquidation judiciaire"); or

b) There is a material change in the key personnel as defined in clause 11.1(b) without EDH-AI's prior written consent, such consent not to be unreasonably withheld or delayed.

11.3 For the purposes of clause 11.2(b), a "material change" shall mean:

a) The departure or replacement of more than 30% of the key personnel within any 12-month period; or

b) The departure or replacement of any member of senior management without suitable replacement being appointed within 30 days.

12. GENERAL

12.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

12.2 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).


12.3 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

For and on behalf of EDH-AI Limited:

Name: Matthieu Davoli

Title: C.E.O.



Matthieu Davoli (Nov 13, 2024 17:26 GMT+1)

For and on behalf of SCEA Château Méric:

Name: Marius CHALA

Title: Gérant



Marius CHALA (Nov 13, 2024 17:23 GMT+1)

PartnershipAgreementEDH:MERIC-131124

Final Audit Report

2024-11-13

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