

GENERAL TERMS AND CONDITIONS FOR SALE OF PRODUCTS

entered into force: 31 May 2022

1. ORDERS, ORDER CONFIRMATION AND CONCLUSION OF THE CONTRACT

- 1.1. FA will accept orders solely in accordance with, and on the basis of, these General Terms and Conditions. The contract between the Buyer and FA will be concluded via the acceptance of the order. These General Terms and Conditions will become a part of the contract concluded between the Buyer and FA.
- 1.2. The Buyer shall place all orders for products by submitting purchase orders as per Annex 1 ("Order"), unless the parties expressly agree otherwise.
- 1.3. An order will be deemed to have been accepted by FA and the contract will be concluded if FA sends an order confirmation to the Buyer as per Annex 2 ("Order Confirmation").
- 1.4. If FA does not send an order confirmation as per 1.3, the order will only be deemed to have been accepted if FA makes preparatory steps for the fulfilment of the order and communicates this to the Buyer.
- 1.5. If FA does not send an order confirmation as per 1.3, and does not start preparations for the fulfilment of the order within 8 days, the order must be deemed to be rejected by FA. The silence of FA cannot be deemed as the acceptance of the order.
- 1.6. If FA confirms the order with additional conditions or with conditions that differ from the non-substantial conditions of the order, the contract will be concluded based on the Order Confirmation, except if the Buyer objects to the extended Order Confirmation without delay. If the Buyer objects to such Order Confirmation, the contract will not be concluded.
- 1.7. If FA confirms the order with conditions that partially differ from the substantial conditions of the order, the Order Confirmation will be considered as a new offer. Based on FA's new offer, the contract will be deemed to be concluded if the Buyer accepts it expressly without any changes. The contract is not concluded if the Buyer does not fully accept FA's new offer, but the parties may agree on different conditions.

2. SUBJECT AND CONTENT OF THE CONTRACT

- 2.1. FA agrees to supply to the Buyer lighting fixtures and other equipment, and the Buyer agrees to pay the consideration for them, as set out in the Order Confirmation.
- 2.2. FA does not accept any of the Buyer's general terms and conditions, even if the Buyer attaches it to the order. The Buyer's general terms and conditions are fully rejected by FA in every case and they do not become a part of the contract concluded between the Buyer and FA. The full content of the supply contract consists of the Order Confirmation and the present General Terms and Conditions.
3. PRODUCTS, QUANTITIES, PRICING
- 3.1. The requirements for the qualities, quantities and pricing of the products subject to the contract are set out in the Order Confirmation and its attachments as technical descriptions, price lists.
- 3.2. VAT will be charged by FA on the top of the price of the products where applicable. For all of the rules regarding taxes, see section 8.



4. DELIVERY, TITLE TRANSFER, RISK OF LOSS

4.1. The delivery, the transfer of title and risk of loss of the products subject to the contract are governed by the Incoterms (2020) as set out in the Order Confirmation.

4.2. If the relevant Incoterms is not set out in the Order Confirmation, then the applicable delivery term is Incoterms (2020) EXW FA's site.

4.3. The products shall, unless otherwise agreed, remain the property of FA until all amounts that Buyer owes to FA for the relevant products have been paid in full.

4.4. Until title to the products passes to the Buyer, the Buyer shall hold the products as FA's bailee and shall store or mark them so that they can at all times be identified as FA's property.

4.5. Without prejudice to the Buyer's strict obligations under present General Terms and Condition, if the products are not stored and marked as per 4.4, FA shall be entitled to acquire ownership of the property, which the products have been mixed with, up to the value of the unpaid purchase price.

4.6. Until the ownership of the products passes to the Buyer, any proceeds of the sale of the products by the Buyer shall be held for the benefit of and in trust for FA.

4.7. FA shall be entitled to maintain an action for the price of any products notwithstanding that the ownership of them has not passed to the Buyer.

4.8. If any products cannot be shipped to Buyer's point of delivery when ready due to any cause not attributable to FA, upon notice to Buyer, FA shall be entitled to ship such products to storage. If such products are placed in storage, including storage at the facility where manufactured, the following conditions shall apply:

4.8.1. all risk of loss or damage shall thereupon pass to Buyer if it had not already passed;

4.8.2. any amounts otherwise payable to FA upon delivery or shipment shall be payable upon presentation of FA's invoices and certification as to cause for storage;

4.8.3. all expenses incurred by FA, such as for preparation for and placement into storage, handling, inspection, preservation, insurance, storage, removal charges and any taxes shall be reimbursed by Buyer upon submission of FA's invoices; and

4.8.4. when conditions allow and upon payment of all amounts due hereunder, FA shall resume delivery of the products to the originally agreed point of delivery.

5. LICENCES

5.1. Notwithstanding any other provisions herein, Buyer shall be responsible for timely obtaining any required authorization, such as an export license, import license, foreign exchange permit, work permit, product safety license or any other governmental authorization, even though any such authorization may be applied for by FA. Buyer and FA shall provide each other reasonable assistance in obtaining required authorizations. FA shall not be liable if any authorization is delayed, denied, revoked, restricted or not renewed and Buyer shall not be relieved thereby of its obligations to pay FA for the products.

6. PAYMENT

6.1. The price of the products shall be paid by the Buyer in instalments as set out in the Order Confirmation.

6.2. The Buyer shall pay an advance in accordance with the conditions set out in the Order Confirmation. If the conditions are not set out in the Order Confirmation, the Buyer shall pay an advance in an amount equal to 50%



of the price at the receipt of the Order Confirmation and an advance in an amount equal to 30% at the start of the production.

6.3. The Buyer shall pay all amounts to the bank account specified in the Order Confirmation. If no bank account is specified in the Order Confirmation, the Buyer shall request further information from FA.

6.4. A payment shall be deemed to have been completed when it has been credited on FA's relevant bank account.

6.5. FA will send the invoice to the Buyer's address as specified in the Order Confirmation. If the Buyer requires the use of a different address or any other form or content requirements, it shall state such different address and requirements before the relevant invoice is issued.

6.6. If Buyer fails to fulfil any condition of its payment obligations, FA may suspend performance and delivery. Any cost incurred by FA in accordance with such suspension (including storage costs) shall be payable by Buyer upon submission of FA's invoices. Performance of FA's obligations shall be extended for a period equaling the period of Buyer's non-fulfilment of any portion of the payment terms of the Agreement, whether or not FA suspends performance, and such additional time as may be reasonably necessary in the circumstances. If Buyer does not correct such failure in the manner and time satisfactory to FA, then FA may, at its option, terminate the transaction in respect to the portion of the products not delivered and work not yet performed. Buyer shall pay FA its reasonable and proper termination expenses in the event of such termination.

6.7. If Buyer becomes bankrupt or insolvent, voluntarily or involuntarily, under the bankruptcy laws or any insolvency laws, FA shall be entitled to terminate the Agreement. Buyer shall pay FA its reasonable and proper costs and damages due to termination in the event of such termination.

6.8. In the event of any special price authorization being issued by FA to the Buyer, the Buyer must ensure that the quotation code/ PO number is quoted on all orders to which such authorization applies (including internet orders) to ensure that the correct prices are allocated to such orders.

6.9. FA shall be entitled to charge default interest on a day to day basis on any amount overdue for payment at the rate of 8% per annum above the base rate of the Hungarian National Bank until payment is received.

6.10. FA reserves the right to off-set against any monies due or becoming due to FA from the Buyer monies owed by FA to the Buyer in respect of products supplied or services rendered by the Buyer to FA and any other sums owed by FA to the Buyer.

6.11. Unless otherwise previously agreed upon and as a standard, payment terms must be made within 7 days of the issuance of the invoice.

7. WARRANTY

7.1. FA warrants that the products subject to the contract are in conformity with all applicable contractual commitments set out expressly in the Order Confirmation and in the present section 7 and with the relevant legislation. If the duration of the warranty period is not set out in the Order Confirmation or in the present General Terms and Conditions, then it is 3 years from the delivery of the products.

7.2. FA does not warrant that the products meet any requirements, achieve any goals or perform any functions that were not expressly specified to and/or explicitly accepted by FA. FA cannot be liable for not meeting such requirements and no breach of contract can be established on this basis.

7.3. FA confirms that the products subject to the contract comply with the relevant IEC standards and are in accordance with the specifications set out in the Order Confirmation and the attached Specification sheets, relevant Technical Datasheets.

7.4. The warranty period is defined by the product lifetime and the burning hours. Warranty commences from



date of installation, or date of delivery to Buyer plus 30 (thirty) days, whichever expires earlier.

7.5. Buyer must notify FA immediately and in any event within 30 days of discovering the failure of the product informing FA on such data and circumstances as specified in section 7.11 below, and upon request from FA present the following documents:

- proof of purchase
- records of operating history
- proof or receipt of the Order Confirmation and other relevant documents directly from FA.

7.6. FA will not be responsible for assembling the products or for commissioning them for operation, and therefore it will not be held liable in any way whatsoever, whether by the Buyer, the end-user or any third party, for any damage that may occur during such assembly or commissioning, including any defect and damage that result from improper assembly, commissioning or operation.

7.7. If FA provides instructions for the instalment and/or use of the product, FA shall not be liable for any defective product that has not been installed or used in accordance with FA's instructions as provided to users by FA, regardless of the cause of the product's defect. Products must be used in particular in accordance with the following conditions:

- The product must have been properly wired and installed;
- The product must have been operated at or below the rated drive current as set out in the Installation Guide;
- The product must have been operated in a standard greenhouse environment and within the specified parameters detailed in the Order Confirmation and/or in other relevant documents.

7.8. FA's breach of contract cannot be established if a fault in a product is due to designs, raw materials or components prescribed or provided by the Buyer. FA's breach of contract cannot be established if a fault in a product is due to the faulty assembly of the product on site. FA's breach of contract can also not be established if a product is not compatible with other products that are used for assembling them on site. The Buyer shall be responsible for the product's compatibility with other products that are used for assembling them on site.

7.9. If a Buyer wishes to bring a claim against FA under these conditions, it must notify FA in writing at FA's official site, using the FA User complaint form (that is provided by FA upon request) specifying the following information:

- Precise details of the defects in the product (failure mode description);
- Product type;
- Product individual identification code;
- Date installed;
- Total number of fixtures installed;
- Total hours of operation;
- Number of defective fixtures;
- Date failed;
- Conditions at the installation including supply voltage, type of control system if used, location of installation;
- Contact details for Buyer.

7.10. On receipt of written notification of a defective product, FA will respond within 3 working day (72 hours), providing remote support initially, if unable to resolve, FA will attend site to investigate the validity of the complaint. FA shall (at its discretion) be entitled to examine all or only samples of the failed product to determine the cause of failure and to inspect the luminaires and installation relating to the product which are the subject of the claim, including attending at the premises of the Buyer where the products are installed. Proof of purchase and records of operating history should be kept and made available for inspection, failure to provide these may invalidate any warranty.

7.11. The warranty set out in present section 7 shall not be assigned, transferred or vested into any third party.

7.12. FA's breach of contract cannot be established if the fluctuation in the supply voltage affecting the product



is greater than $\pm 10\%$, or if the failure of the product is caused by exposure to excessive physical force, vibration or direct contact with water if not supported by IP rating of fixture.

7.13. FA agrees to repair defective products. If the repairment of the defective product is not possible or if it requires disproportionate efforts, FA agrees to replace the defective product. If FA does not fulfil said obligations within a reasonable time, the Buyer may claim the costs of the replacement, repair or manufacturing of the products by a third party. The Buyer may only make such claims if it previously expressly asked FA in a written notice to replace or remanufacture the products and FA did not fulfil such request within a reasonable time. If the Buyer does not give such notice to FA, it will lose its right to claim the costs of the replacement, repair or manufacturing of the product by a third party.

7.14. If FA fulfils its warranty obligations to repair or replace the product as per section 7.15, FA shall have no liability for any labor, installation or for costs related to or arising from product replacement or repairment, which may be incurred by Buyer. Further, FA shall have no liability for any indirect or consequential damage.

7.15. All descriptions and illustrations and particulars of weights and dimensions issued by FA in catalogues, price lists, advertising matter, over the internet and forwarding specifications are by way of general descriptions and approximate only and shall not form part of any contract or give rise to any liability on the part of FA. It is the policy of FA to endeavour to develop and improve its products and accordingly FA reserves the right to change all specifications without prior notification or public announcement pursuant to such policy. Nothing in these General Terms and Conditions shall oblige the Buyer to accept products, which do not reasonably comply with its order.

7.16. Any performance figures given by FA are based on its experience and are such as FA expects to obtain on test in its works. FA shall have no liability for failure to attain such figures unless FA has specifically guaranteed them in writing subject to the recognized tolerances applicable to such figures.

7.17. All drawings, descriptions and other information submitted by FA (including those contained on FA's internet site) shall remain the absolute exclusive property of FA together with the copyright therein and promptly upon request by FA, the Buyer shall return the same to FA.

8. TAXES AND DUTIES

8.1. Taxes, customs duties, state fees, income taxes and all other expenses, which shall be paid for in FA's country, shall be borne by the FA, whereas all taxes, customs duties, state fees, income taxes and other expenses related to the present General Terms and Conditions and its execution in the Buyer's country, shall be borne by the Buyer.

9. FORCE MAJEURE

9.1. FA shall not have any liability or be considered to be in breach or default of its obligations under the contract, to the extent that performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond its reasonable control [including, but not limited to: acts of God, acts (or failures to act) of governmental authorities, fires, severe weather conditions, earthquakes, strikes or other labor disturbances, floods, war (declared or undeclared), epidemics, civil unrest, riot, delays in transportation, or car shortages] or acts (or omissions) of Buyer [including, but not limited to failure to promptly: (a) provide FA with information and approvals necessary to permit FA to proceed with work immediately and without interruption, or (b) comply with the terms of payment, or (c) provide FA with such evidence as FA may request that any export or import license or permit has been issued (if such is the responsibility of Buyer)], or inability, due to causes beyond the reasonable control of FA, to obtain necessary materials, necessary components or services.

9.2. In case of a force majeure event, the parties shall inform each other as soon as possible about the relevant circumstance and its effects and other expected consequences.

9.3. The date of delivery or of performance shall be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of such excusable delay. FA shall notify Buyer, as soon as practicable, of the revised delivery date. If FA is delayed by acts or omissions of



Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, FA shall also be entitled to an equitable price adjustment.

9.4. If delay excused by this section extends for more than one hundred twenty (120) days and the parties have not agreed upon a revised basis for continuing the work at the end of the delay, including adjustment of the price, then either party (except where delay is caused by Buyer, in which event only FA), upon thirty (30) days written notice, may terminate the order with respect to the unexecuted portion of the work and Parties shall settle their accounts.

10. LIMITATION OF LIABILITY

10.1. FA's liability for any damage or loss caused through the non-performance or violation of the contract may not exceed the price of the product as set out in the Order Confirmation. Unless the General Terms and Conditions state otherwise, the liability will cease to apply one year after the delivery of the product. FA will not be held liable under any circumstances whatsoever for any claim that is covered by any insurance held by the Buyer, and therefore the Buyer waives all of its rights for the compensation of any damage that is covered by insurance.

10.2. FA shall not be liable for loss of profit, loss of the use of products or any associated equipment, facilities or vessels, cost of capital, cost of substitute products, or any associated equipment, facilities, services or replacement power, downtime costs, damage to associated equipment or facilities, claims for damages or costs related to the clean-up, removal, release or threatened release, remediation or disposal of or any response to any hazardous or nuclear materials, or any special, consequential, incidental, indirect, speculative, punitive or exemplary damages, or claims of Buyer's customers for any of the foregoing damages, and Buyer shall indemnify FA against all such claims of Buyer's customers.

10.3. The parties agree that the prices of the products were established in consideration of the above limitation liability.

11. INTELLECTUAL PROPERTY

11.1. FA agrees to indemnify and hold harmless Buyer from any rightful claim of any third party that the use by Buyer of any products manufactured by FA and furnished hereunder infringes any valid intellectual property rights (patent, industrial design or design protection etc.) of third parties that is issued before the date of FA's proposal to Buyer. If Buyer notifies FA promptly of the receipt of any such claim, and does not take any position adverse to FA regarding such claim, and gives FA information, assistance and exclusive authority to settle and defend the claim, then FA shall, at its own expense and option, either (i) settle or defend any out of court claim by itself or enter any suit or other proceedings as a litigation companion beside FA and lead the defense in such procedure and pay all damages and costs awarded in it against Buyer, or (ii) procure for Buyer the right to continue using the products, or (iii) modify the products so that they become non-infringing, or (iv) replace the products with non-infringing products, or (v) remove the infringing products and refund the price. If, in any suit arising from such a claim, the continued use of the products for the purpose intended is forbidden by any court of competent jurisdiction, FA shall at its option take one or more of the actions under (ii), (iii), (iv) or (v) above. The foregoing states the entire liability of FA for patent infringement of any products.

11.2. Section 11.1 shall not apply to (i) any products which are manufactured to Buyer's design or (ii) the use of any products furnished under the contract in conjunction with any other apparatus or material not furnished by FA. As to any products or use described in the preceding sentence, FA assumes no liability whatsoever for patent infringement.

11.3. With respect to any products furnished under the contract which are not manufactured by FA, only the patent indemnity of the manufacturer, if any, shall apply.

12. CHANGES

12.1. FA reserves the right, in its sole discretion and without incurring any liability to Buyer, to: (a) alter the spec-



ifications or design of any products or model; (b) discontinue or limit the manufacture of any product or model (with an advance notice); (c) cancel or limit the deliveries of any such product or model; (d) discontinue or limit the development of any new product or model, whether or not such new product or model has been announced publicly; (e) manufacture new product(s) or model having feature(s) which make any product wholly or partially obsolete; (f) substitute such altered products for the prior products in filling orders, or (g) change its method of distributing any product or line of product covered by the contract, change the division, department, or operation of the FA through which the FA is acting with respect to the contract.

12.2. FA shall use its best effort to provide Buyer with prompt notice of such decisions. FA and Buyer shall then agree on the conditions pursuant to which any order(s) accepted by FA before such notice shall be filled. FA shall have no obligation to deliver any product deleted or modified pursuant to the above paragraphs, which is ordered by Buyer after the issuance of the notice. In the event that the Buyer has open tenders with customers, the Buyer will inform the FA of such and the FA will use all its reasonable efforts to supply the withdrawn, altered or superseded products.

12.3. Buyer may, by written change order, make mutually agreed to changes in the products order and the scheduled shipment date. If any such change results in an increase or decrease in the cost or time required for the performance of the work under the contract, there shall be an equitable adjustment in the price and the schedule shipment date. FA shall not be obligated to proceed with the changed or extra work until the price of such change and its effect on the scheduled shipment date have been agreed upon in a written change order.

12.4. Buyer shall immediately advise FA of the existence and content of any law, regulation, order or by-law, which may affect the products or the services provided hereunder. The price for the product(s) or services affected by such law, regulation, order or by-laws will be adjusted by the FA to reflect the added cost and expense incurred by FA as a result thereof. Any other provisions of the contract affected by such change, including but not limited to the scheduled delivery date, will be modified accordingly.

12.5. The price will be equitably adjusted to reflect additional costs incurred by FA resulting from 12.2 and 12.3. Reasonable adjustments will be made to the delivery date, performance evaluation criteria and performance dates as may be appropriate to comply with the foregoing.

13. CONFIDENTIALITY

13.1. In connection with this transaction, FA and Buyer (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with "Confidential Information." Buyer shall not provide any Confidential Information to FA without FA's prior written consent to receive it. "Confidential Information" as used in these General Terms and Conditions shall mean all products pricing, all terms of the contract, and all information related to the business or products of the Disclosing Party that is not generally known to the public, provided that the obligations of this section shall not apply as to any portion of the Confidential Information which: (i) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, its representatives or its affiliates, or (ii) is or becomes available to the Receiving Party or its representatives or affiliates on a non-confidential basis from a source other than the Disclosing Party when such source is not, to the best of the Receiving Party's knowledge, subject to a confidentiality obligation to the Disclosing Party, or (iii) has been or is subsequently independently developed by the Receiving Party, its representatives or affiliates, without reference to the Confidential Information, or (iv) is necessarily disclosed in connection with permitted uses of the products.

13.2. The Receiving Party agrees, except as otherwise required by law: (i) to use the Confidential Information only in connection with this transaction and permitted uses of the products, and (ii) to take reasonable measures to prevent disclosure of the Confidential Information, except to its employees to the extent necessary to facilitate this transaction and permitted uses of the products.

13.3. If either party or any of their respective affiliates or representatives is requested or required (by interrogatories, subpoena, or similar legal process) to disclose any Confidential Information, such party agrees to provide the Disclosing Party with prompt notice of each such request, to the extent practicable, so that the Disclosing Party may seek an appropriate protective order or waive compliance by the Receiving Party with the provisions of



this section, or both.

14. DISPUTE RESOLUTION

14.1. In the event of any dispute arising from or in connection with the contract, so especially with its breach, termination, validity or interpretation, the parties exclude the state court procedure and agree to submit the matter to the exclusive and final decision of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry (Commercial Arbitration Court Budapest). The Arbitration Court proceeds in accordance with its own Rules of Proceedings (supplemented with the provisions of the Sub-Rules of Expedited Proceedings). The number of arbitrators shall be three and the language to be used in the arbitral proceedings shall be English. The parties exclude the possibility of the retrial of the proceedings as regulated in Section IX of Act no. LX of 2017 on Arbitration. In order to settle the legal dispute the Hungarian substantive law shall apply, excluding its private international law rules.

15. NOTICES

15.1. Any communication and notices between the parties will be treated as validly provided if sent in writing or via e-mail to the other parties' address specified in the Order Confirmation.

15.2. If there is any change in the party's address, it shall notify the other party, and the new address will take effect when the other party takes delivery of the notice.

16. GENERAL CLAUSES

16.1. FA may assign or novate its rights and obligations regarding the products and the receivables generated by the sale of the products, in part or in whole, to one or more of its subsidiaries or affiliates without the consent of Buyer. Buyer agrees to execute such documents as may be necessary to affect the assignment or novation. The delegation or assignment by Buyer of any or all of its duties or rights under these General Terms and Conditions or the contract without FA's prior written consent shall be void. Buyer shall notify FA immediately upon any change in its ownership or control. If Buyer fails to so notify FA or if FA objects to the change in ownership or control, FA shall have the unilateral right to terminate the contract.

16.2. No modification, amendment, rescission, waiver or other change shall be binding on either party unless assented to in writing by the parties' authorized representatives. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced in the contract shall not be binding on either party. Each party agrees that it has not relied on, or been induced by, any representations of the other party not contained in these General Terms and Conditions.

16.3. The invalidity, in whole or in part, of any of these Terms and Conditions or any provision of the Agreement shall not affect the validity of the remainder of these Terms and Conditions or any provision of the Agreement.

16.4. In accordance with applicable legal regulations FA shall be allowed to process and store Buyer's business data as well as the Buyer's contact persons' personal data and share such data with the affiliated companies of FA and other company that may be hired by FA for debt collection purposes.



ANNEX 1 – Order

ANNEX 2 – Order Confirmation



Order Confirmation to Client

<u>Supplier</u>		<u>Client</u>		
Full official company name	Food Autonomy Kft.			
Company registration number	01-09-308407			
VAT number	26218616-2-41			
Company Address	1044 Budapest, <u>Váci út 77.</u>			
Ship to Address				
Country	Hungary			
Bank details	HU87 1176 3426 8924 5880 0000 0000			
Currency	EUR			
Telephone nr.				
Email	zoltan.sejpes@foodautonomy.org			
Order number	2022000001	Payment terms		
<u>Incoterms</u> code	DAP	25%	At signature	
Requested delivery date	<u>yyyy-mm-dd</u>	50%	At production start	
		25%	30 days after final shipment	
SKU	Description/specification	Qty	Net Unit Price (EUR)	Total Net Price (EUR)
12345678	*****	x	y	z
Total				z

Food Autonomy Kft.'s General Terms and Conditions will become a part of the contract concluded between the Buyer and Food Autonomy Kft. Please find the link to and an excerpt of the General Terms and Conditions on the next page.