

# GENERAL TERMS AND CONDITIONS FOR PURCHASE OF PRODUCTS

on basis of which Food Autonomy Kft. (address: 1044 Budapest, Váci út 77.; registration number: 01-09-308407; VAT number: 26218616-2-41; "FA") makes orders from Sellers.

Entered into force: June 2022

## 01 ORDERS, ORDER CONFIRMATION AND CONCLUSION OF THE CONTRACT

- 1.1 FA will make orders solely in accordance with, and on the basis of, these General Terms and Conditions. The contract between the Seller and FA will be concluded via the Seller's acceptance of the order. These General Terms and Conditions will become a part of the contract concluded between the Seller and FA.
- 1.2 FA will place all orders for the Products by submitting purchase orders as per Annex 1 ("Order"), unless the Parties expressly agree otherwise.
- 1.3 The issuance of the Order by FA shall not constitute an acceptance of any of the Seller's offers to sell, quotations, or other proposals unless otherwise included in the Order. Reference in the Order to any such offers to sell, quotations or proposals shall in no way constitute a modification of any of the terms of the Order, which shall always prevail over any such offers, quotations or proposals.
- 1.4 An Order will be deemed to have been accepted by the Seller and the contract will be concluded if the Seller sends an order confirmation to FA as per Annex 2 ("Order Confirmation").
- 1.5 If the Seller does not send an Order Confirmation, the Order will only be deemed to have been accepted if the Seller makes preparatory steps for the fulfilment of the Order and notifies FA immediately thereof.
- 1.6 If Seller does not send an Order Confirmation, and does not notify FA of the start of preparations for the fulfilment of the Order within 8 days after the submission of the Order, the Order must be deemed to be rejected by the Seller. The silence of the Seller cannot be deemed as the acceptance of the Order.
- 1.7 The Seller shall comply with all terms set forth in these General Terms and Conditions and in the Order, including amendments, specifications and other documents referred to in the Order or in the General Terms and Conditions. Unless otherwise stated in the Order or in a separate written supply agreement between the Parties, these General Terms and Conditions shall prevail over conflicting terms.
- 1.8 Any of the above described acceptance of the Order by the Seller, even if containing or referencing terms inconsistent with or in addition to the terms of the Order or these General Terms and Conditions, shall be deemed as a full acceptance of the Order and these General Terms and Conditions by the Seller, and the inconsistent or additional terms shall be deemed ineffective, unless they were specifically and expressly accepted by FA in writing.

## 02 SUBJECT AND CONTENT OF THE CONTRACT

- 2.1 The Seller agrees to supply to FA materials, products and/or equipment and/or the services set forth in the Order and all Deliverables in connection with such services (all together referred to as "Products"). "Deliverables" means all items in tangible and intangible form, including inventions, discoveries, works of authorship, programs, applications, derivative works, source code, object code, ideas, techniques, methods, processes, information, data, documentation and materials, that the Seller creates, prepares or delivers to FA, or otherwise produces, conceives, makes, proposes or develops as a result of the Order in the context of rendering the services. FA agrees to pay the consideration for the Products, as set out in the Order.
- 2.2 FA does not accept any of the Seller's general terms and conditions, even if the Seller attaches it to the Order Confirmation. The Seller'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 Seller and FA. The full content of the supply contract consists of the Order and the present General Terms and Conditions, unless the Parties expressly agree otherwise in writing.



### 03 PRODUCTS, QUANTITIES, PRICING AND TAXES

- 3.1 The requirements for the qualities, quantities, pricing and other details of the Products subject to the contract are set out in the Order and its attachments as technical descriptions, price lists.
- 3.2 All prices are firm. No additional charges of any kind will be allowed unless specifically agreed in writing by FA. The Seller's prices include all taxes, fees and/or duties applicable to the Products, provided, however, that any value-added tax (the "VAT") and/or similar tax that is recoverable by FA will not be included in the Seller's price but will be separately identified on the Seller's invoice. If the Seller is obligated by law to charge any VAT and/or similar tax to FA, the Seller shall ensure that such tax is invoiced to FA in accordance with applicable rules so as to allow FA to reclaim it from the appropriate government authority. If FA is required by applicable law to withhold taxes for which the Seller is responsible, FA will deduct such withholding tax from payment to the Seller and provide to the Seller a valid tax receipt in the Seller's name.
- 3.2 The Seller shall be solely responsible for the payment of any and all taxes, duties, levies, charges, salaries, insurance premiums and contributions and any interest or penalties thereon, for which, in relation to the Order, the Seller is responsible and liable (collectively the "Seller Payments") and to the maximum extent permitted by applicable laws, FA shall be entitled to withhold total or partial payment, with no penalties or interest, in the event the Seller fails to provide proper evidence that it is in full compliance with the Seller Payments obligations. If required by applicable law, the Seller shall establish and/or register an office, branch and/or division in the country where any part of the Order is to be performed, and/or to qualify as an organization legally operating and doing business in such country(ies), and for imposing a similar obligation upon any supplier, vendor, contractor, representative and/or agent of Seller of any kind and tier used to provide any Products hereunder (collectively, each a "**Subcontractor**"; Seller, its Subcontractors and its or their employees, representatives, agents and/or invitees of any kind shall be referred to collectively as the "**Seller Group**").

### 04 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.
- 4.2 If the relevant Incoterms is not set out in the Order, then the applicable delivery term is Incoterms (2020) DDP FA's manufacturing site.
- 4.3 The Seller shall deliver all Products within FA's delivery schedule as set forth in the Order. If the Seller does not comply with FA's delivery schedule, FA may require delivery by fastest method at Seller's cost. Unless expressly agreed to the contrary in writing, FA's remedies are cumulative and FA shall be entitled to pursue any and all remedies available under applicable law, contract and/or equity, including but not limited to FA's right to terminate the contract for default.
- 4.4 FA reserves the right, without liability, to take any or all of the following actions if for any reason the Seller does not substantially comply with its delivery obligations: (i) assess a late delivery fee of no more than 2 % per day of the invoice amount of late deliveries of Products, (ii) submit a revised Order (iii) terminate the contract and purchase the Products elsewhere, and the Seller shall be liable for any resultant loss, (iv) direct the Seller to ship by a method other than that indicated in the Order, work such overtime or do whatever is necessary to avoid the delay, and pay any and all transportation charges, concessions to FA's customers, liquidated damages, and any other costs and expenses incurred by FA, or (v) seek specific performance of the Seller's obligation to deliver.
- 4.5 Title to Products will pass to FA when the Products are delivered to the address set out in section 4.1 or 4.2.
- 4.6 Products delivered to FA in advance of schedule may be returned to the Seller at the Seller's expense. In all cases, the Seller shall provide to FA, via the packing list and the customs invoice (as applicable), the country of origin and the appropriate export classification codes including, if applicable, the Export Control Classification Number (the "ECCN") and the Harmonized Tariff Codes of each and every one of the Products delivered pursuant to the Order, in sufficient detail to satisfy any applicable trade preferential or customs agreements.



## 05 LICENCES

- 5.1 Notwithstanding any other provisions herein, Seller 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. Seller 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 therefore FA shall be relieved of its obligations to pay Seller for the Products.

## 06 PAYMENT

- 6.1 The price of the products shall be paid by FA in instalments as set out in the Order.
- 6.2 FA shall pay all amounts to the bank account specified in the Order Confirmation. If no bank account is specified in the Order Confirmation, the Seller shall provide further accurate information to FA. FA shall not be responsible for the late payments if it is due to the Seller not providing such information in reasonable time.
- 6.3 A payment shall be deemed to have been completed when it has been credited on the Seller's relevant bank account.
- 6.4 Seller shall send the invoice to FA's address as specified in the Order. FA is entitled to require the use of a different address or any other form or content requirements before the relevant invoice is issued.
- 6.5 FA is not obligated to purchase any quantity of Products except for such quantity(ies) as may be specified either: (i) in the Order; or (ii) on a separate written release issued by FA pursuant to the Order. Payment terms are stated in the Order and calculated from the later of (a) date of receipt of a valid invoice by FA or (b) receipt of conforming Products by FA. The Seller's invoice shall in all cases bear the Order number. To the maximum extent permitted by applicable law, FA shall be entitled to reject without liability the Seller's invoice if it fails to include the Order number or is otherwise inaccurate. The Seller warrants that it is authorized to receive payment in the currency stated in the Order. FA shall be entitled at any time to set-off any and all amounts owed by the Seller or a Seller Affiliate to FA or a FA Affiliate, on this or any other order or agreement. "Affiliate" shall for the purposes of the Order mean, with respect to either party, any entity, including without limitation any individual, corporation, company, partnership, joint venture, limited liability company or group, that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such party.
- 6.6 If FA fails to fulfil its payment obligations, the Seller shall not be entitled to suspend performance and delivery and no cost incurred by the Seller in accordance with such suspension (including storage costs) shall be payable by FA, unless the Seller sent a written payment notice to FA, in which the Seller provided FA at least 30 days to fulfil its payment obligations, but FA could not fulfil such obligation in the provided time. Furthermore the Seller shall not be entitled to terminate the transaction and FA shall not compensate for the termination expenses in the event of such termination unless the Seller sent the previously described notice to FA but FA could not fulfil such obligation in the provided time, and even in such case, the Seller may only terminate the transaction in respect to the portion of the Products not delivered and work not yet performed.
- 6.7 If Seller becomes bankrupt or insolvent, voluntarily or involuntarily, under the bankruptcy laws or any insolvency laws, FA shall be entitled to terminate the contract. Seller shall pay FA its reasonable and proper costs and damages due to termination in the event of such termination.
- 6.8 Unless otherwise previously agreed upon in writing and as a standard, payment terms may be made within at least 90 days of the issuance of the invoice.

## 07 WARRANTY

- 7.1 Seller warrants that all Products provided pursuant to the Order, whether provided by Seller or a Subcontractor, will be: (a) free of any claims of any nature, including without limitation title claims, and Seller will cause any lien or encumbrance asserted to be discharged, at its sole cost and expense, within 30 calendar days of its assertion (provided such liens do not arise out of FA's failure to pay amounts not in dispute under the Order or an act or omission of FA); (b) new and of merchantable quality, not used, rebuilt or made of refurbished material unless approved in writing by FA;



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(c) free from all defects in design, workmanship and material; (d) provided in strict accordance with all specifications, samples, drawings, designs, descriptions and other requirements approved or adopted by FA, and in compliance with the relevant IEC standards; and (e) provided/performed in a competent and professional manner in accordance with the highest standards and best practices that apply in Seller's industry. (f) Seller further warrants that it has the legal right to provide all of the Products hereunder. Any attempt by Seller to limit, disclaim or restrict any such warranties or remedies by acknowledgment or otherwise shall be null, void and ineffective.

- 7.2 The foregoing warranties shall apply for a period of 3 years from delivery of the Products or performance of the Services, plus delays attributable to Seller's actions such as those due to non-conforming Products and Services, whichever occurs last, unless the Parties agree otherwise in writing.
- 7.3 If any of the Products, furnished pursuant to the Order are found within a reasonable time after delivery or assembly to be defective or otherwise not in conformity with the requirements of the Order, including any applicable drawings and specifications, whether such defect or non-conformity relates to scope provided by Seller or a direct or indirect Subcontractor, then FA, at its discretion and at Seller's expense may: (a) require Seller to immediately re-perform any defective portion of the Services and/or require Seller to immediately repair or replace non-conforming Products or Deliverables with Products or Deliverables that conform to all requirements of the Order; (b) take such actions as may be required to cure all defects and/or bring the Products, Deliverables and/or Services into conformity with all requirements of the Order, in which event, all related costs and expenses and other reasonable charges shall be for Seller's account; (c) withhold total or partial payment; or (d) reject and return all or any portion of such Products, Deliverables and/or Services. For any repairs or replacements, Seller, at its sole cost and expense, shall perform any tests reasonably requested by FA to verify conformance to the Order.

### **08 FORCE MAJEURE**

- 8.1 Neither Party shall be liable for any failure or delay in performance caused by or due to a force majeure event [including, but not limited to: acts of God, acts (or failures to act) of governmental authorities, fires, severe weather conditions, earthquakes, floods, war (declared or undeclared), epidemics, civil unrest, riot, delays in transportation, or car shortages]. Failure or delay due to labor strike or other form of work stoppage, delay of Seller's sub-suppliers or scarcity of materials or parts shall not excuse Seller's performance.
- 8.2 Either Party may cancel this Order without penalty if the other Party is unable to perform for more than 120 days due to any of such circumstances.
- 8.3 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.

### **09 INDEMNIFICATION AND LIMITATION OF LIABILITY**

- 9.1 Seller shall defend, indemnify, release and hold harmless FA and its Affiliates and their directors, officers and employees (including agency personnel) against any and all claims and liabilities arising from any act or omission of Seller and/or any other member of the Seller Group, except to the extent attributable to the direct negligence of FA.
- 9.2 FA's liability for any damage or loss of profit or business or any special, indirect, incidental, punitive, or consequential losses whatsoever caused through FA's non-performance or violation of the contract may not exceed the price of the Product as set out in the Order. FA shall not be liable for any such damage or loss that is not caused through FA's non-performance or violation of the contract. Unless the General Terms and Conditions state otherwise, FA's liability will cease to apply one year after the delivery of the Product.
- 9.3 FA will not be held liable under any circumstances whatsoever for any claim that is covered by any insurance held by the Seller, and therefore the Seller waives all of its rights for the compensation of any damage that is covered by insurance.
- 9.4 The Parties agree that the prices of the Products were established in consideration of the above limitation liability.



## 10 CHANGES AND SUSPENSION

- 10.1 FA may at any time make changes within the general scope of the Order documenting such change request in writing.
- 10.2 Seller shall notify FA in writing in advance of any and all changes to the Products or its specifications or composition, and of all process changes, plant moves, equipment changes or moves, or sub-supplier changes, and no such change shall occur until FA has been given prior notice of such change and has conducted such audits, surveys and testing as necessary to determine the impact of such change on the Product.
- 10.3 FA may at any time, by notice to Seller, suspend performance of all or any part of the Order as it deems appropriate. Upon receiving notice of suspension, Seller shall promptly suspend work to the extent specified, properly protecting all work in progress and materials Seller has on hand for performance. FA may at any time withdraw the suspension as to all or part of the suspended work by written notice. Seller shall resume diligent performance on the specified effective date of withdrawal.
- 10.4 If any changes or suspension cause an increase or decrease in the cost and/or time required for the performance of any work under the Order, an equitable adjustment shall be mutually agreed upon in writing and reflected in the Order price and/or delivery schedule. Any Seller claim for adjustment under this clause will be deemed waived unless asserted within 30 calendar days from Seller's receipt of the change or suspension notification, and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change or the suspension.

## 11 INTELLECTUAL PROPERTY

- 11.1 Seller agrees to indemnify and hold harmless FA from any rightful claim of any third party that the use by FA of any products manufactured by Seller 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 Seller. If FA notifies Seller promptly of the receipt of any such claim, and does not take any position adverse to Seller regarding such claim, and gives Seller information, assistance and exclusive authority to settle and defend the claim, then Seller 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 FA, or (ii) procure for FA the right to continue using the products, or (iii) modify the products so that they become non-infringing, or (iv) replace the products with noninfringing 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, Seller shall at its option take one or more of the actions under (ii), (iii), (iv) or (v) above.
- 11.2 Section 11.1 shall not apply to any products which are manufactured to FA's design.

## 12 QUALITY AND AUDITS

- 12.1 In order to assess Seller's work quality, manufacturing processes, conformance with FA's specifications and compliance with applicable laws and the terms of the Order, upon reasonable notice by FA: (a) all Products, materials, drawings and Services related in any way to the Products and Services, including any Deliverables, purchased hereunder shall be subject to inspection and test by FA, its Affiliates, and/or their representatives (each of the foregoing, an "Inspector") at all times and places; and (b) Seller's books and records relating to the Order shall be subject to inspection and audit by an Inspector. Seller shall, without additional charge: (i) provide all reasonable access and assistance for the safety and convenience of the Inspectors and (ii) take all necessary precautions and implement appropriate safety procedures for the safety of the Inspectors while they are present on Seller Group's premises, including, where requested by an Inspector for safety-related concerns, stop all activities immediately. If the safety, health or security of the Inspectors on such premises may be imperilled by local conditions, FA and/or its Affiliates may remove some or all of their personnel from the premises at no cost and without liability. Seller shall notify FA in writing at least 30 calendar days prior to each of Seller's scheduled final and, if applicable, intermediate test/inspection/witness points. An Inspector's inspection, approval or failure to inspect, accept, reject or detect defects by test/inspection/witness point or audit shall neither relieve Seller from responsibility for such Products, Deliverables or Services that are not in accordance with the Order requirements nor impose liabilities on FA and/or its Affiliates. FA shall maintain as confidential any audit materials which can be reasonably expected to be deemed confidential.



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- 12.2 Seller shall provide and maintain an inspection, testing and process control system (the “Seller’s Quality Management System”) that is acceptable to FA and complies with FA’s quality policy and/or other quality requirements set forth in the Order or otherwise agreed to in writing. Acceptance of Seller’s Quality Management System by FA shall not alter the obligations and liability of Seller under the contract. Seller shall keep complete records relating to Seller’s Quality Management System and related data and shall make such records available to FA for: (a) 3 years after completion of the Order; (b) such period as set forth in the specifications applicable to the Order; or (c) such period as required by applicable law, regulation, code or accounting rules, whichever period is the longest.
- 12.3 If at any time (a) any governmental agency having jurisdiction provides written notice to either FA or Seller, or (b) either FA or Seller have a reasonable basis to conclude that any Products contain a defect which could create a potential safety hazard or unsafe condition, pose an unreasonable risk of serious injury or death, contain a quality or performance deficiency, or are not in compliance with any applicable code, standard or legal requirement, thereby making it advisable, or required, that such Products be recalled and/or repaired, Seller or FA will promptly communicate relevant facts to each other.
- 12.4 Products delivered by Seller shall meet FA’s standard quality levels including maintaining Parts Per Million (“PPM”) rejection levels of 5,000 or less.
- 12.5 Products delivered by Seller which contain “conflict minerals”, must ensure that these minerals are originated exclusively from smelters and refiners listed by the European Commission as responsible sources according to the obligations defined in the REGULATION (EU) 2017/821 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL.

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**CONFIDENTIALITY**

- 13.1 FA’s Confidential Information. “Confidential Information” means any of FA’s or FA’s Affiliate’s property furnished to or accessed by Seller Group in connection with the Order (including, without limitation, the Order, any drawings, specifications, data, goods or information), and any information derived therefrom. Provided, however, Confidential Information does not include information that: (a) is or becomes generally available to the public other than as a result of disclosure by Seller Group; (b) was available on a non-confidential basis before its disclosure to Seller Group; (c) is or becomes available to Seller Group on a non-confidential basis from a source other than FA or its Affiliates when such source is not subject to a confidentiality obligation with respect to the Confidential Information, or (d) was independently developed by Seller, without reference to the Confidential Information, and Seller can verify the development of such information by written documentation.
- 13.2 The Seller Group shall not disclose or use any Confidential Information except to the extent required to perform the Order. Except to the extent required to perform the Order, Seller Group shall not permit copies to be made of any Confidential Information without FA’s prior written authorization; in which case Seller shall mark the copy “Confidential – Do Not Use, Disclose, Reproduce or Distribute without Permission.” These confidentiality obligations shall continue indefinitely. Upon expiration or termination of the Order for any reason or at any time upon FA’s request, Seller Group shall promptly return to FA or, if authorized by FA, destroy (with such destruction certified in writing by Seller) all Confidential Information, including any copies thereof.
- 13.3 If the Parties hereto entered into a non-disclosure agreement (the “NDA”) concerning pre-Order negotiations relating to the same subject matter hereof, the terms of the Order supersede the terms of such NDA with regard to all confidential information disclosed under the NDA, unless agreed otherwise by the Parties in the Order.
- 13.4 Except to the extent required by law, Seller or its Group shall not release information with respect to the existence or terms of the Order or any related document, and shall not use the name, logo, trademarks, photographs, or any reference either direct or indirect of FA or any FA Affiliate, in advertising, marketing, public relations or similar publications (such as, but not limited to, marketing brochures, press releases, case studies or references) without the prior written authorization of a duly authorized representative of FA or the relevant FA Affiliate.



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#### **COMPLIANCE WITH LAWS AND COMPANY POLICIES**

- 14.1 As a material element of the Order, Seller covenants that it will comply with: (a) all laws, rules and regulations applicable to the Order; and (b) good industry practices and generally recognized international standards, including the exercise of that degree of skill, diligence, prudence and foresight which can reasonably be expected from a competent Seller who is engaged in the same type of Service or manufacture under similar circumstances.
- 14.2 From time to time, at FA's request, Seller shall provide certificates to FA relating to Seller's compliance with any applicable legal requirements or to update the representations, warranties, certifications or covenants contained in the Order, in each case in form and substance satisfactory to FA.
- 14.3 When Seller ships goods to FA or brings goods onto or uses goods in FA premises, Seller shall provide with the goods in the language(s) of the locations where the goods are delivered to FA or its designee: safe use instructions; hazard communication, safe transport and labelling information; regulatory, compliance and certification documentation; and for chemical substances and mixtures, safety data sheets (MSDS/SDS) in all readily available and applicable languages.
- 14.4 Upon request Seller shall provide the chemical composition of the goods and any other relevant information regarding the goods, including without limitation, test data and safe use and hazard information, subject to reasonable protection of Seller's confidential business information.
- 14.5 Seller covenants any goods Seller provides to FA comply with all laws governing the management, handling, shipping, import, export, notification, registration or authorization of chemical substances such as the Montreal Protocol, the Stockholm Convention on Persistent Organic Pollutants, the US Toxic Substances Control Act, the European Union's Restrictions on Hazardous Substances and REACH legislation, and other comparable chemical regulations (collectively "chemicals legislation"); and can be used as contemplated by FA in full compliance with the chemicals Legislation. Unless FA has expressly agreed otherwise in writing, Seller covenants that the goods do not contain (1) any chemicals that are restricted or otherwise banned under "chemicals legislation" and/or (2) contain lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), or carbon tetrachloride. Seller shall notify FA in writing of the presence of any engineered nanoscale material in the goods or use in Seller's operations.
- 14.6 Seller will (1) develop and implement security procedures (the "Security Improvement Plan") in accordance with (i) the recommendations of the United States Customs Service under the provisions of the Customs-Trade Partnership Against Terrorism for Seller's type of business, (ii) the requirements or recommendations of the EU Authorized Economic Operator program, and (iii) any other governmental program for protection of international supply chains; and (2) upon request of FA, provide a written copy of the Security Improvement Plan.
- 14.7 Seller agrees to use best efforts to ensure that any Seller Personnel who provide Services on FA's premises comply with FA's standard and site-specific safety, security and drug use policies that FA communicates to such Seller Personnel. Seller shall exercise its best efforts to assure that none of its Seller Personnel pose a threat to the safe working environment at the FA site, or a threat to the integrity of the business operations. At FA's request, Seller agrees to replace any Seller Personnel who fail to comply with FA's standard and site specific policies.

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#### **TERMINATION**

- 15.1 FA may terminate all or any part of the contract without cause by giving Seller 30 days' written notice. In such event, Seller shall immediately cease all work and terminate all orders and contracts, and FA shall be liable to Seller only for Seller's reasonable, documented costs pertaining to purchased materials used in performance of the Order, if and to the extent such costs were incurred prior to Seller's receipt of the termination notice, and directly pertain to the terminated Order. Seller must notify FA in writing of such costs within 5 days of termination. The foregoing shall constitute FA's sole liability to Seller for termination without cause, and such liability will not exceed the price due to Seller under the Order, less those payments already received by Seller from FA.



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- 15.2 Either party may terminate the contract for the other Party's material breach of the terms herein. Such termination shall become effective if the breaching party does not cure such failure within 30 calendar days of receiving notice of default or immediately if such breach is incapable of cure. Upon termination for Seller's default, FA may procure at Seller's expense and upon terms FA deems appropriate, Products or Services, including Deliverables, comparable to those so terminated. The parties shall continue performance of the Order to the extent not terminated.
- 15.3 Unless otherwise directed by FA, after receipt of a notice of termination of the contract for any reason, Seller shall immediately: (a) stop work as directed in the notice; (b) place no further subcontracts or purchase orders, except as necessary to complete any continued portion of the Order; and (c) terminate all subcontracts to the extent they relate to work terminated. Upon completion or promptly after termination of the contract, and unless otherwise directed by FA, Seller shall deliver to FA all completed work, work in process, including all designs, drawings, specifications, other documentation and material required or produced in connection with such work, and all of FA's Confidential Information.
- 15.4 Those sections that by their nature are intended to survive termination of the contract shall survive termination or expiration.

### **16 GOVERNING LAW AND DISPUTE RESOLUTION**

- 16.1 Seller and FA hereby consent to the sole application of the internal substantive laws of Hungary. The United Nations Convention on the International Sale of Goods shall not apply.
- 16.2 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.

### **17 NOTICES**

- 17.1 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 and the Order Confirmation.
- 17.2 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.

### **18 GENERAL CLAUSES**

- 18.1 FA assumes no obligation to furnish Seller with any tools, equipment or materials for the performance of the Order, except as may be expressly mutually agreed upon in writing ("the Tooling Agreement"). Seller is capable of manufacturing products exclusively to FA or its Affiliates using the FA owned tools, equipment and other property ("the Tools") listed in Tooling Agreement and marked as the "Property of Food Autonomy". FA reserves the right to review all Tools and associated documentation at any time in Seller premises during reasonable business hours. Seller shall possess the Tools and redeliver the Tools to FA - in the same condition as originally received by Seller, reasonable wear and tear accepted - on the express directions of FA and shall not acquire any other interests in the Tools. Normal maintenance and repair of the Tools shall be provided at Seller's expense and Seller shall keep the Tools in good operating condition and Seller shall not alter or modify the Tools without the written consent of FA. Seller shall be responsible for any loss or damage or destruction of Tools in Seller's possession to the extent of their replacement value, excepting only such damages as may be attributable to normal wear and tear.





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- 18.2 If any portion of the activities under the contract is performed by any member of the Seller Group in, on or near an FA or FA's customer's site, Seller shall defend, indemnify, release and hold harmless FA, its Affiliates and their customers, directors, officers and employees (including agency personnel) from and against any and all liabilities which may arise in any way out of (a) injury to or death of any of the members of the Seller Group, (b) damage to the property of any of the members of the Seller Group, or (c) any environmental claim of whatsoever nature emanating from the equipment, premises and/or property of, or under the control of, Seller and/or other members of the Seller Group, however such injury, death or damage may be caused, whether caused or alleged to be caused by the negligence or breach of any duty (whether statutory or otherwise) of any party or third party, the conditions of the premises or otherwise and shall apply irrespective of any claim in tort, under contract or otherwise at law.
- 18.3 Seller may not assign or novate (including by change of ownership or control, by operation of law or otherwise) the Order or any interest herein, including payment, without FA's prior written consent. Seller shall not subcontract or delegate performance of all or any substantial part of the work called for under the Order without FA's prior written consent. Any assignee/novatee of Seller shall be bound by the terms and conditions of the Order and present General Terms and Conditions.
- 18.4 Seller shall ensure its packing, preservation and marking is in accordance with the specification drawings and any specifications that apply to the Order or, if not specified, with the best commercially accepted practices, and at a minimum with applicable laws and regulations. Seller shall place all markings in a conspicuous location as legibly, indelibly and permanently as the nature of the article or container will permit. All Products shall be packed in an appropriate manner, giving due consideration to the nature of the Products, with packaging suitable to protect the Products during transport from damage and otherwise to guarantee the integrity of the Products to destination. Products that cannot be packed due to size or weight shall be loaded into suitable containers, pallets, or crossbars thick enough to allow safe lifting and unloading.
- 18.5 Either Party's failure to enforce any provisions hereof shall not be construed to be a waiver of a Party's right thereafter to enforce each and every such provision.
- 18.6 The Order and anything referenced and incorporated herein sets forth the entire agreement between the parties as to the subject matter herein and supersedes any prior or contemporaneous agreements, written or oral, between the Parties.
- 18.7 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.
- 18.8 The invalidity, in whole or in part, of any of these Terms and Conditions or any provision of the contract shall not affect the validity of the remainder of these Terms and Conditions or any provision of the contract.
- 18.9 In accordance with applicable legal regulations FA shall be allowed to process and store Seller's business data as well as the Seller'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.