

General Terms & Conditions of Sale and Warranty

1. DEFINITIONS

- 1.1. **"Buyer"** means the entity to which Seller is providing Products/Services under the Contract.
- 1.2. **"Contract"** means either the offer/budget signed by Buyer and accepted by Seller in writing, or the contract agreement signed by both parties, for the sale of Products and performance of the Services, together with these Terms and Conditions.
- 1.3. **"Contract Price"** means the agreed price stated in the Contract for the sale of Products/Services, including adjustments (if any) in accordance with the Contract.
- 1.4. **"Insolvent/Bankrupt"** means that a party is insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution or liquidation laws.
- 1.5. **"Products"** means the equipment, parts, materials, supplies, software, and other goods Seller has agreed to supply to Buyer under the Contract.
- 1.6. **"Services"** means the works executed by the Seller according to Contract.
- 1.7. **"Seller"** means Novedades Agrícolas, S.A, addressed in Ctra. Mazarrón al Puerto, Km 2.5, Mazarrón (Murcia), Spain, or the entity providing Products/Services under the Contract.
- 1.8. **"Site"** means the places where the works are to be executed, and any other places as may be specified in the Contract as forming part of the Site.
- 1.9. **"Terms and Conditions"** means these "Terms and Conditions for Sale and Warranty", including any relevant addenda, together with any modifications or additional provisions specifically stated in Seller's final quotation or specifically agreed upon by Seller in writing.

2. ACCEPTANCE

- 2.1. Acceptance of the offer/budget by the Buyer and/or signing of the contractual agreement between the parties, shall constitute Buyer's assent to these Terms and Conditions. Sale of any Products/Services shall constitute Buyer's assent to these Terms and Conditions.
- 2.2. Any acceptance of Seller's offer/budget is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer.
- 2.3. Unless otherwise specified in the quotation, Seller's offer/budget shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance. Civil works, trenching, electrical system, soil conditioning, and physical or chemical treatment of water are not included in Seller's quotation, except expressly included in the Contract.
- 2.4. Seller shall draw up the offer/budget according to data provided by the Buyer. In the event of a modification of the before said data, Seller will modify his offer/budget.

3. CANCELLATION

- 3.1. No order accepted by Purchaser may be cancelled unless accepted in writing by Seller.
- 3.2. In the event of a cancellation by Purchaser, Purchaser shall pay Seller all expenses incurred by Seller related to the Contract, including but not limited to, all commitment to its suppliers, labor and manufacturing expenses of the Products, plus an amount equal to the 15% of the aggregate of all the foregoing.

4. PRICES AND PAYMENT

- 4.1. Buyer reserves the right of change prices at any time, without notice and without updating published material on Buyer's website or in print.
- 4.2. For each calendar month that payment is late, Buyer shall pay a late payment charge computed at the rate of two (2) percent per month from the due date over the pending amount.
- 4.3. As and if requested by Seller, Buyer shall at its expense establish and keep in force payment security in the form of an irrevocable, unconditional, sight letter of credit or bank guarantee allowing for pro-rata payments as Products are shipped, plus payment of cancellation and termination charges, and all other amounts due from Buyer under the Contract ("Payment Security"). The Payment Security shall be in a form confirmed and accepted by Seller.
- 4.4. Seller is not required to commence or continue its performance (included warranty obligations) unless and until all applicable progress

payments have been received and/or any required payment security is received, operative and in effect. For each day of delay in receiving progress payments or acceptable Payment Security, Seller shall be entitled to a matching extension of the delivery schedule.

- 4.5. If at any time Seller reasonably determines that Buyer's financial condition or payment history does not justify continuation of Seller's performance, Seller shall be entitled to require full or partial payment in advance or otherwise restructure payments, request additional forms of Payment Security, suspend its performance or terminate the Contract.
- 4.6. In the event of non-delivery of the Products or Services due to reasons non-attributable to the Seller, the Buyer shall pay the price for the Products and/or Services after notice from the Seller.

5. TAXES AND DUTIES

Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature in relation to the Contract other than Seller's taxes, duties or charges expressly accepted by written by Seller.

6. DELIVERIES

- 6.1. Seller shall deliver Products/Services to Buyer according to Contract. Signature of the delivery documentation by the Buyer or by the receptor shall be construed as acceptance of the Products. Without signature in the delivery documentation, Products shall be deemed to have been accepted by Buyer, once the performance of the Services has been started. Performance of the Services shall be deemed to have been accepted by Buyer since termination, and the Buyer has not notified non-conformity to the Seller within seven (7) days.
- 6.2. If Products/Services delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller within seven (7) days after receipt. No returns of Products will be accepted, unless accepted in writing by Seller. Buyer at its expense will send the Products to Seller's warehouses, dully packaged, with original packaging included, with original measures for tubes, and with proof enough to identify the returning reasons. Any money to be paid to the Buyer by the Seller under this Section shall be deducted from future invoices. Returns of tailor made or non-standard Products shall not be accepted by the Seller.
- 6.3. Delivery terms shall be a guide only and not binding for the Seller. Seller's sole liability for any delay in the delivery of the Products or Services shall be as expressly set out in these Terms and Conditions. Failure by Seller to meet the delivery date shall not entitle Buyer to cancel the Contract. Buyer waives the exercise to bring any legal actions to which might be entitled for delays due to Excusable Events in accordance to Section 9, or circumstances beyond Seller's control.

7. TITLE AND RISK OF LOSS

- 7.1. The title and risk of loss of the Products shall pass to Buyer upon delivery in accordance with Section 6.1. Title and risk of the Services shall pass to Buyer as they are performed. Notwithstanding the above, title to the Products shall remain in Seller until the full Contract price for the Products and/or Services has been paid.
- 7.2. In no event, Seller will be responsible for damage or loss of Products due to weather conditions or when the transportation of Products is made in open-air containers.
- 7.3. Buyer will be responsible for the storage in a covered dry place and for the surveillance of the Products in the Site. Products discharge and transportation to the Site will be the sole responsibility of the Buyer. Buyer shall be responsible for the surveillance and conservation of the Products.

8. WARRANTIES

- 8.1. Seller warrants that Products shall be delivered free from defects in material and workmanship and in accordance with any mutually agreed specifications. Seller warrants that Services shall be performed in a diligent manner and in accordance with any mutually agreed specifications.
- 8.2. The warranty for Products shall expire one (1) year from the shipment date. The warranty for Services shall expire one (1) year from its performance. Warranty for Products subject to mechanical wearing, such as, ph drills, CE, racks, drive tubes and parts, shall be extended for three (3) months After the expiration of these periods, Seller shall no longer accept warranty claims and all obligations for warranty shall

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terminate. Plastic suppliers, under its warranty terms and conditions, shall provide warranty for plastic in greenhouses.

- 8.3. If Products or Services do not meet the above warranties, Seller, at its option, shall repair or replace defective Products, sole and exclusively when Buyer notifies by writing to Seller in a maximum period of fifteen (15) days after having notice of the defect or anomaly. Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.
- 8.4. Buyer shall obtain Seller's agreement on the specifications of any tests Buyer plans to conduct to determine whether a non-conformance exists. Seller will be allowed to examine the defects claimed by Buyer by the most appropriate means. Buyer shall not obstruct people authorized by Seller for verifying the non-conformance.
- 8.5. Products used by the Buyer, and deposited by the Buyer at Seller's facilities, shall be stored for a maximum term of six (6) months. After expiration of this six (6) months period, the title for the Products shall pass to Seller.
- 8.6. This warranty will not cover (a) any defects that result from the installation, storage, installation, use, operation and maintenance made by the Buyer or third persons (b) any defects that result from amphibious, insects, rodents, birds, and/or mammals (c) any defects that result from obstruction of drippers non-attributable to a manufacturing defect (d) any defects that result from incoming water which do not comply with agreed parameters and/or indicated by Buyer (e) any defects that result from the use of consumables not authorized by Seller in writing (f) any defects that result from operation conditions different from those recommended by the Seller, in a enunciating but not limiting way, those caused by higher pressure, water quality, electrical voltage, or by exposure to aggressive environments (saline, acid, and others) (g) any defects that result from decantation, precipitations, agglutination of bacteria, fungus or algae, clay, loam, silt in suspension, and/or chemical precipitation. (h) any defects that result from the non-installation of a pre- filter (i) any defects that result from winds over 27 m/s steadily, gusty winds, whirlwinds, hurricanes, tornadoes, hail or snow loads greater than 20 kg/m² , torrential or strong intensity rain. (j) Products which have been repaired or modified by Buyer or by non-authorized person by Seller, and/or Products which have been repaired or modified without following the instructions given by Seller (k) any damages caused by the installation and operation of the Products in places or environments in which the conditions do not allow the optimal performance of the Products (l) normal wear and tear of Products (m) any loss, personal injury, damage in property caused by the installation, storage, use, operation and maintenance of Products by Buyer or third parties (n) any damages or defects in systems or equipments where Products are integrated or incorporated in the event of malfunction (o) any damages or losses that result from fortuitous facts and force majeure (according to Section 9) (p) any damage or defects caused by operation conditions different from those recommended by Seller,
- 8.7. Buyer shall bear travel expenses, costs of labour force, and costs of access for Seller's remedial warranty efforts (including removal and replacement of systems, structures or other parts of Buyer's facility), de-installation, decontamination, re-installation and transportation of defective Products to Seller and back to Buyer.
- 8.8. This warranty will only cover Products, materials and components which have been manufactured by Seller. This warranty is not a consumer or final users warranty and does not extend to anyone others than those trade customers who directly purchase from Seller.
- 8.9. This Section 8 provides the exclusive remedies for all claims based on failure of or defect in Products/ Services, regardless of when the failure or defect arises, and whether a claim, however described, is based on contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise. The warranties provided in this Section 8 are exclusive and are in lieu of all other warranties, conditions and guarantees whether written, oral, implied or statutory, including any warranty of merchantability or of fitness for a particular purpose. Seller shall not accept other warranty from expressed herein.

9. FORCE MAJEURE

- 9.1. Seller shall not be liable or considered in breach of its obligations under this Contract to the extent that Seller's performance is delayed or prevented, directly or indirectly, by any cause beyond its reasonable control, in a enunciating but not limiting way, by weather conditions,

non availability of warehousing in port, armed conflict, acts or threats of terrorism, epidemics, strikes or other labor disturbances, or acts or omissions of any governmental authority or of the Buyer or Buyer's contractors or suppliers.

- 9.2. If an excusable event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect of the event.

10. TERMINATION AND SUSPENSION

- 10.1. Seller may terminate or suspend the Contract (or the portion affected) for cause if Buyer (i) becomes Insolvent/Bankrupt, or (ii) commits a material breach of the Contract , including but not limited, failure or delay in Buyer providing Payment Security , making any payment when due, or fulfilling any payment conditions (iii) commits a breach of its obligations under Section 12 and/or 14, lasting more than thirty (30) days.
- 10.2. If the Contract (or any affected portion thereof) is terminated for reasons in Section 10.1, or any reason other than Seller's default, Buyer shall pay Seller for all completed Products and in-work process Products, all expenses incurred by Seller related to the Contract, plus expenses reasonably incurred by Seller in connection with the termination.
- 10.3. Either Buyer or Seller may terminate the Contract (or the portion affected) upon twenty (20) days advance notice if there is an excusable event (as described in Section 9) lasting longer than one hundred and twenty (120) days. In such case, Buyer shall pay to Seller amounts payable under Section 10.2.
- 10.4. Buyer shall pay all reasonable expenses incurred by Seller in connection with a suspension. The schedule for Seller's obligations shall be extended for a period reasonably necessary to overcome the effects of any suspension.

11. INDEMNITY

Each of Buyer and Seller (as an "Indemnifying Party") shall indemnify the other party (as an "Indemnified Party") from and against claims brought by a third party, on account of personal injury or damage to the third party's tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract. For purposes of Seller's indemnity obligation, no part of the Products or places where Products are used, is considered third party property.

12. COMPLIANCE WITH LAWS AND OTHER REQUIREMENTS

- 12.1. Buyer shall comply with applicable laws, codes, rules, regulations and directives of governmental and/or any local authorities having jurisdiction over the delivery, application, operation, use and disposal of the Products or the performance of the Services.
- 12.2. Buyer shall obtain effectuate and maintain in force, at its own cost and responsibility, any required permit, license, exemption, filing, registration and other authorization for the providing of Products or performance of the Services by Seller.
- 12.3. Buyer guarantees to Seller (i) that there is not any kind of supply crossing the Site, in an enunciating but not limiting way, electricity, water, gas, oil, communications... (ii) that there is no applicable law, code, rules, regulations and directive that prohibits the performance of the Services in the Site.
- 12.4. Buyer, at its own cost and responsibility, shall borne with collecting and treatment of hazardous or non-hazardous waste, fresh water run-off, hydroponic drainage, brine and/or any kind of waste generated during the performance of the Services or during the Products lifecycle.
- 12.5. Buyer shall adopt all health and safety at work measures for Seller's staff, and all measures designed to address any emergency situation in the Site and evacuate Seller's staff.
- 12.6. Seller's obligations are conditioned upon Buyer's compliance with all laws and regulations applicable to the providing of the Products and performance of the Services, and Buyer's compliance with requirements under this Section.
- 12.7. In no event, Seller shall be liable for any delay in delivery terms due to Buyer non-accomplishing with this Section 12.
- 12.8. Buyer agrees to indemnify and hold harmless the Seller from and against any and all liabilities, liens, claims, costs, expenses, losses, damages, penalties and judgments arising from or based on any actual or asserted violation of such laws, codes, rules, regulations and

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directives or arising from or based on a nonfulfillment of the Buyer of the requirements of this Section 12.

13. LIMITATION OF LIABILITY

- 13.1. The total liability of Seller for all claims of any kind arising from or related to the formation, performance or breach of this Contract, or any Products or Services, shall not exceed the Contract Price.
- 13.2. Seller shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers.
- 13.3. All Seller liability shall end upon expiration of the applicable warranty period, provided that Buyer may continue to enforce a claim for which it has given notice prior to that date by commencing an action or arbitration, as applicable under this Contract, before expiration of any statute of limitations or other legal time limitation but in no event later than one year after expiration of such warranty period.

14. GENERAL CLAUSES

- 14.1. Products sold by Seller are not intended for use in connection with any other activity than those specified in the Contract (agricultural production, or water treatment) and Buyer warrants that it shall not use or permit others to use Products for other purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, disclaims all liability for any damage, injury, expenses or contamination, and, in addition Buyer shall indemnify and hold Seller harmless against all such liability.
- 14.2. Buyer at its own expense will provide to Seller all water, electricity, fuel and supplies required for the performance of the Services and functioning tests in the Products. Buyer, at its own expense, shall provide to Seller 400V three phase power (with all special protective equipment).
- 14.3. Buyer shall have technical qualified staff with enough experience for the operation of the Products provided by Seller, and especially weather conditions such as, high temperatures, rain, wind, hail, snow, or any other meteorological phenomena.
- 14.4. Buyer, at its own cost and responsibility, will place at Seller's disposal, the Site according to Seller's requirements to perform the Services, in a enunciating but not limiting way; consistent topology, enough compaction to anchor the Products, foundations requirements, land levelling..etc.
- 14.5. The following Sections shall survive termination or cancellation of the Contract: 4,5,6,7, 8, 9, 10,11,12,13,14 and 15.
- 14.6. No modification, amendment, rescission or waiver shall be binding on either party unless agreed in writing.

15. GOVERNING LAW AND DISPUTE RESOLUTION

- 15.1. This Contract shall be governed by and construed in accordance with the laws of Spain.
- 15.2. All disputes arising in connection with this Contract, including any question regarding its existence or validity shall be resolved by the city of Murcia's Courts

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