

## GENERAL TERMS AND CONDITIONS OF SALE

### 1. Applicability

These General Terms and Conditions apply to all offers and agreements of Seed Tech B.V., established in Eindhoven, The Netherlands (hereinafter referred to as: "FI SEEDTECH") and the BUYER (hereinafter "BUYER"), unless otherwise provided in writing. The applicability of any terms and conditions of BUYER is expressly rejected.

### 2. Offers and Prices

1. All offers made by FI SEEDTECH are non-binding. This means that offers may be withdrawn by FI SEEDTECH up to three working days after their acceptance. The prices specified in an offer are exclusive of value-added tax or equivalent taxes (hereinafter "VAT") unless otherwise specified. Prices are given in Euro.
2. FI SEEDTECH reserves the right to adjust its prices periodically. Any new price quotation supersedes the former quotation as regards orders placed after the date of the new quotation.

### 3. Ordering, Delivery and Harvesting, and Processing Reservation

1. Correct fulfillment of FI SEEDTECH's obligation to deliver includes delivery with a minor difference in size, packaging, number, or weight. FI SEEDTECH is permitted to deliver sold products in parts. If the products are delivered in parts, FI SEEDTECH has the right to invoice each part separately.
2. Shipments may be handled by third parties and will be delivered Free Carrier (FCA), by the latest version of the Incoterms, unless agreed upon otherwise in writing. The transportation costs will be passed on to BUYER.
3. FI SEEDTECH will always act to the best of its ability in fulfilling its obligation to deliver, however an agreed delivery date or period will not be of the essence. In the event of late delivery, BUYER must therefore give FI SEEDTECH written notice of default and grant a reasonable period during which to perform the agreement.
4. BUYER must specify in writing upon placing its order, or upon FI SEEDTECH's first request, what data, specifications, and documents are required according to the regulations of the country in which the delivery must be made, such as those relating to:

a) invoicing; b) phytosanitary requirements; c) international certificates (including but not limited to ISTA certificates, Certificates of Analysis, and Certificates of Origin); and d) import licenses and/or documents, statements, or other locally applicable regulatory obligations. BUYER will upon the first request provide copies of any of the aforementioned or other relevant documents. BUYER may request F1 SEEDTECH to assist with obtaining certain certificates, permits, and/or licenses, at BUYER's expense.

5. All extra costs incurred by F1 SEEDTECH because of special requests made by BUYER concerning shipment or the packaging of the products will be charged to BUYER.

6. BUYER is not allowed to return goods to F1 SEEDTECH unless F1 SEEDTECH agrees thereto in writing. The costs of any return shipments shall be for BUYER.

7. All deliveries are subject to the harvesting and processing reservation usual in the seed industry. If F1 SEEDTECH invokes the harvesting or processing reservation, it is not obliged to supply, but will, in as far as reasonably possible, try to supply pro-rata to the quantity ordered or equivalent alternatives. BUYER is not entitled to damages if F1 SEEDTECH invokes this reservation.

8. Upon request of BUYER, and subject to the limitations of liability as included in clause 9 of these General Terms and Conditions, F1 SEEDTECH can provide technical advice and assistance to BUYER relating to amongst others the selection, handling, storage, planting, growing, harvesting and maintenance of the products, at BUYER's expense.

#### **4. Retention of Title**

1. The title to products delivered by F1 SEEDTECH and/or the products are grown therefrom will remain with F1 SEEDTECH until BUYER has fulfilled all its obligations under these General Terms and Conditions, in particular full payment of all deliveries.

2. Products delivered by F1 SEEDTECH to which the retention of title right applies shall be stored or used in such a way that the quality is guaranteed and that the products can be identified as the property of F1 SEEDTECH.

3. Products delivered by F1 SEEDTECH to which the retention of title right applies may be used only in the normal course of business. BUYER is not permitted to pledge the products or to otherwise encumber the products.

#### **5. Payment**

1. An advance payment of 30% of the total amount of the products ordered,

shall be due and payable on the date of approval by F1 SEEDTECH of the BUYER's order. F1 SEEDTECH shall issue an invoice for the total amount (identifying the amount payable as advance payment) as soon as possible after confirmation of the BUYER's order. The order shall not be processed until the advance payment has been received by F1 SEEDTECH. The remaining 70% (including certification, transportation, insurance, and/or other applicable costs) shall be due and payable before shipping the ordered products. The order shall not be shipped until the total amount of the invoice had been received in full by F1 SEEDTECH.

2. If no (timely) payment is made, BUYER will automatically and without further notice be in default. BUYER will owe interest at either a rate of 1% a month or the statutory interest percentage for overdue payment applicable in BUYER's country, whichever is higher, on the outstanding amount as from the date of default. Furthermore, F1 SEEDTECH shall be entitled to initiate, without any further notice, extrajudicial collection measures. BUYER shall be obligated to pay all associated costs whereby the extra-judicial collection costs shall be at least 15% (fifteen percent) of the collectible amount.

3. If BUYER is liquidated, declared bankrupt, or granted a suspension of payment, all BUYER's payment obligations will fall due immediately and F1 SEEDTECH will be entitled to suspend the further performance of any agreement or to unilaterally cancel any agreement, order or delivery, without prejudice to F1 SEEDTECH' other rights, including but not limited to its right to claim damages.

4. If BUYER fails to fulfill one or more of its obligations under these General Terms and Conditions or to do so correctly and/or in time, F1 SEEDTECH's obligations will automatically and immediately be suspended until BUYER has paid all amounts due.

5. Under no circumstances is BUYER authorized to delay any payments due or to deduct and/or set off any amount from F1 SEEDTECH invoices due, without the prior written permission of F1 SEEDTECH.

6. In case of refusal, expiry, invalidation, or revocation of any intellectual property rights vested in any variety or other product or service of F1 SEEDTECH, BUYER shall not be entitled to a refund of any sums, fees, remunerations, or royalties already paid to F1 SEEDTECH, nor reimbursement of any other type of damages.

## **6. Defects, Complaints, and Right of Return**

1. BUYER must inspect the products purchased upon delivery, or as soon as possible after delivery. In doing so BUYER must check whether the products delivered comply with the agreement, i.e.: a) whether the correct products have been delivered and b) whether the quantity of the products delivered corresponds with the agreement.

2. If visible defects or deficiencies are established, BUYER must inform FI SEEDTECH accordingly in writing by registered mail addressed to FI SEEDTECH within five (5) working days after delivery, specifying the batch, delivery note, and/or invoice details.

3. BUYER must report any invisible defects to FI SEEDTECH in writing within five (5) working days after discovery, specifying the batch, delivery note, and/or invoice details.

4. Complaints must be described in such a manner that FI SEEDTECH or a third party can verify them. For that purpose, BUYER must also keep records concerning the use of the products. If BUYER does not file a complaint within the aforesaid periods as included in clauses 7(1) and/or 7(2), the complaint will not be dealt with and BUYER's rights will be deemed to have expired.

5. In the event BUYER has timely filed a claim, it will not be entitled to suspend its payment obligations. In the event of a valid complaint of BUYER, parties may agree on a return of (part of) the delivered products. Due to the high-quality standards of the products, the products can only be returned in their original, undamaged packing within fifteen (15) days after the invoice date. A credit note shall be issued at 75% of the invoiced amount, excluding VAT or sales/turnover tax.

## **7. Warranties**

1. FI SEEDTECH guarantees that the goods to be delivered by it conform to the best of its knowledge to the descriptions concerning those goods. However, no guarantees apply to FI SEEDTECH's product specifications, if any. FI SEEDTECH does not guarantee that the goods delivered by FI SEEDTECH comply with the purposes for which they are (intended to be) used by BUYER or its customers. Product descriptions, recommendations, specifications (such as cannabinoid levels, feminization levels, male/female ratios, etc.), and/or illustrations included in (online) brochures, leaflets, websites, or otherwise are based as

closely as possible on experiences in tests and practice and are not intended as an indication for quality claims and/or warranties. F1 SEEDTECH in no event accepts any liability, whatsoever, based on such information for different results in the cultivated product. BUYER itself must determine whether the products are suitable for the intended growth and/or can be used under local conditions.

2. any guarantees on the part of F1 SEEDTECH lapse if BUYER carries out processes on the goods or causes processes to be carried out on them, repackages the goods or causes them to be repackaged, or uses and/or stores the goods incorrectly or causes them to be used/or stored incorrectly.

3. F1 SEEDTECH does not guarantee that the use, sale, transfer, production, or any other possible act involving the delivered seed and/or the plants or plant parts produced with the delivered seed does not infringe any (intellectual property) right of any third party.

4. BUYER is fully aware and expressly acknowledges that the import, use, cultivation, and processing of cannabis seed, plants, plant parts, or cannabis (related) products are or may be regulated under international, federal, national, provincial, or local laws or regulations. BUYER represents and warrants that (a) it has required for said purposes all necessary licenses, permits, and certifications and that it has satisfied any related applicable laws and legal requirements; and (b) that it is not aware of any reason why the sale, import, use and cultivation of the seed of F1 SEEDTECH and any plants, plant parts or products grown and/or produced therewith would violate any applicable laws or regulations. F1 SEEDTECH reserves the right to confirm BUYER's compliance with any or all of the foregoing representations and warranties at any time, by further investigation, or by requesting supporting documentation.

## **8. Limitation of Liability**

1. F1 SEEDTECH's sole and exclusive remedy shall be a refund of the purchase price. F1 SEEDTECH's liability towards BUYER, whether for breach of contract, breach of warranty, negligence, products liability, or any other form of liability, is in all events limited

to the amount of the purchase price. Under no circumstances shall F1 SEEDTECH be liable for damages over the purchase price, or any special, incidental, indirect, or consequential damages or loss of profits incurred by BUYER or its customers.

2. BUYER agrees that F1 SEEDTECH cannot be held liable for: (a) any damages related in any manner to choices of BUYER of the varieties, tools used in growing (including but not limited to auxiliary materials and means, natural or not, use of pesticides, fungicides or other chemicals) and the growing method; (b) reduced yield or damages resulting from or relating to disappointing growth of the supplied seed, both as to quality and quantity, also if the flaws described above are a result of diseases, defects, somaclonal variations, backcrossing or any disorders whatsoever; and/or (c) damages which may come about for BUYER because of unfavorable variety properties unknown so far which present themselves no sooner but after some time after delivery or in further storage or growing.

3. BUYER accepts that it will use the supplied seed fully at its own risk. F1 SEEDTECH assumes that BUYER has expert knowledge of growing cannabis. BUYER acknowledges that the level of growth of the seed and cannabis in general, depend, also in case of the highest quality, for a substantial part upon the manner of cultivation, climate, weather, and environmental conditions, condition of the growing methods, and the soil used, transportation conditions, etcetera. BUYER also accepts that the seed supplied by F1 SEEDTECH may have variable germination, vitality, uniformity, and stability rates, including as a result of such circumstances.

4. BUYER is required to limit as much as possible any damages in respect of which BUYER submits a complaint to F1 SEEDTECH. Any potential claim for compensation or other claim or complaint by BUYER shall expire if no claim has been issued in writing against F1 SEEDTECH within 6 months of the delivery of the products.

### **9. Intellectual Property Rights and EDVs**

1. BUYER agrees and acknowledges that title to all worldwide intellectual property rights (such as but not limited to plant breeder's rights, (plant) patents, utility patents, copyrights, trademarks, designs, trade names, and know-how) including those vested in the products, their packaging, the seed and other plant materials provided to it will be the sole property of and will vest and remain vested in F1 SEEDTECH or the relevant affiliate in F1 SEEDTECH' group of companies at all times. Seeds from varieties protected by intellectual property rights may not be used for reproduction (propagation) without F1 SEEDTECH' prior written permission.

2. The finished product, derived from the seed supplied to BUYER, may only be

sold by BUYER under the variety name and/or trademarks registered and/or used by F1 SEEDTECH if any.

3. BUYER shall not use or register any trademark, company name, domain name, or variety denomination which is identical or similar to, or which incorporates any trademark, variety denomination, or trade name owned by or licensed to F1 SEEDTECH, anywhere in the world.

4. BUYER is obliged to allow F1 SEEDTECH – or a third party that carries out inspections on behalf of F1 SEEDTECH – direct access to the business of BUYER (including amongst others and in particular to the greenhouses of its premises) to inspect compliance with these General Terms and Conditions. BUYER shall upon request also allow access to records and accounts that are relevant to the aforementioned inspections.

5. If BUYER finds observes, or discovers an essentially derived variety (“EDV”), such as but not limited to any mutation or sport in a variety, it shall immediately notify F1 SEEDTECH thereof in writing. Upon first written request of F1 SEEDTECH, BUYER shall immediately provide F1 SEEDTECH with sufficient material from the mutant without delay, for testing purposes. BUYER shall refrain from handing over any plant or genetic material of the EDV to any third party.

6. BUYER agrees to transfer (in advance) any claims, title, and property rights (including any intellectual property rights vested) in the EDV and the related plant material to F1 SEEDTECH.

7. If the EDV is deemed to be a new variety BUYER shall require, also if this does not already result from the applicable plant variety regulations, prior written authorization of F1 SEEDTECH for the following acts in respect of any plant materials of the EDV: (a) production or reproduction, (B) conditioning for propagation, (c) offering for sale, (d) selling or other marketing, (e) importing to and/or exporting; (f) stocking for any of the purposes mentioned above.

#### **10. Use Restrictions**

1. Use, transfer, and/or acquisition of F1 SEEDTECH seed constitutes acceptance of a limited right to use such seed solely to grow a single crop for further processing and sales of the grown plant or grown plant parts only, always solely for end-use or further processing for end products. No other use (such as but not limited to breeding, propagation (reproduction) of plants, plant parts, seeds, or genetics) is permitted.



2. BUYER is not allowed to provide the seed or any other material of any variety delivered by F1 SEEDTECH in whatever form to third parties.

3. BUYER is however permitted to provide the seed to a plant raiser (grower) if (a) the grower only uses the seed to grow plants for BUYER; (b) the grower delivers all plants that were grown out of the seed exclusively to BUYER and (c) BUYER has assured that the grower complies with all applicable regulations and laws as included in these General Terms and Conditions. For this purpose, BUYER shall provide all relating relevant information to F1 SEEDTECH, including the company name, place of business, and place of the production fields/greenhouses. Furthermore, a written growers' contract shall be executed between the BUYER and the Grower which includes at least the following written conditions:

(1) the grower shall grow the seed solely on a plot belonging to the grower's business and solely for return delivery to the BUYER;

(2) the grower shall not (nor permit others to) supply, dispose of, sell or otherwise commercialize any seed, plants, plant parts, or other plant material of the F1 SEEDTECH varieties to any third party;

(3) a provision which enables BUYER to, upon request of F1 SEEDTECH, impose additional obligations upon the grower to assure full compliance with these General Terms and Conditions.

## **11. Compliance with Trade Regulations**

1. BUYER hereby acknowledges and agrees that the products delivered by F1 SEEDTECH are subject to applicable regulations, rules, licenses, and/or trade sanctions laws ('Trade Regulations'). BUYER shall comply with the Trade Regulations and

agrees that BUYER alone is responsible for ensuring its compliance with these Trade Regulations. In particular, but without limit, BUYER will not and will procure that none of its affiliates will use, sell, resell, export, import, re-export, dispose of, disclose, or otherwise deal with the products, directly or indirectly, to any country, destination or person without first obtaining any required licenses, certificates or other governmental approvals and completing such formalities as may be required by Trade Regulations. BUYER shall not do anything which would cause F1 SEEDTECH to be in breach of Trade Regulations and shall protect, indemnify and hold harmless F1 SEEDTECH from any fines, losses, and liabilities incurred by F1 SEEDTECH as a result of the failure of BUYER to comply with its obligations as included in this clause.



2. Failure by BUYER to comply with any part of this clause shall constitute a material breach of the agreement. F1 SEEDTECH reserves the right to refuse to enter into or to perform any order, to cancel any order at its sole discretion if F1 SEEDTECH believes

BUYER has failed to comply with any part of this clause.

## **12. Indemnification**

1. BUYER expressly acknowledges and agrees that F1 SEEDTECH and its affiliated or related entities, and their respective officers, directors, employees, and agents are not responsible for any damages or any personal injury (including death) or any indirect, special, incidental, consequential or punitive damages whatsoever and however caused, arising out of or in connection with use of the F1 SEEDTECH seed or of the plants grown or products made therewith or derived therefrom;

2. BUYER shall indemnify F1 SEEDTECH, its affiliated or related entities, and their respective officers, directors, employees, and agents against all claims of third parties for compensation of damage (allegedly) caused by or otherwise associated with any products delivered by F1 SEEDTECH, including claims that have been filed against F1 SEEDTECH (a) as a result of non-compliance by BUYER with the warranties given as included in clauses 8(4)(a) and/or (b) in its capacity as producer of the products based on any rule concerning product liability in any country, unless the damage is caused by willful intent or gross negligence of F1 SEEDTECH and/or its employees.

## **13. Miscellaneous**

1. The parties shall cooperate and execute to the other party such forms and documents and take such other actions as may reasonably be requested from time to time to carry out, evidence, or confirm the other party's rights or obligations or as may be reasonably necessary or helpful to give effect to the provisions of this agreement.

2. Any waiver shall only have an effect if it is specific and in writing. The failure of a party to enforce any of the provisions of this agreement shall in no event be considered a waiver of such provision. No waiver of a provision by a party shall

(a) preclude that party from later enforcing any other provision of this agreement;

(b) operate as a waiver of any succeeding breach of the same provision of this agreement.

3. If any provision in this agreement is found to be invalid or unenforceable in any respect in any jurisdiction: (a) the validity or enforceability of such provision shall not in any way be affected in respect of any other jurisdiction and the validity and enforceability of the remaining provisions shall not be affected, unless this agreement reasonably fails in its essential purpose; and (b) the parties shall substitute such provision by a valid and enforceable provision approximating to the greatest extent possible the essential purpose of the invalid or unenforceable provision.

4. Neither any rights nor any obligations of BUYER, or parts thereof, under any agreement or any appendix hereto may be assigned, sublicensed, or transferred without F1 SEEDTECH' prior written consent. Any assignment or transfer in contravention to this clause will be deemed null and void.

5. BUYER may not employ subcontractors for the execution of any of its obligations under any agreement, unless with F1 SEEDTECH' prior written consent.

#### **14. Applicable Law and Dispute Settlement**

1. All agreements between F1 SEEDTECH and BUYER and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed by Dutch law. The applicability of the United Nations Convention on the Contracts for International Sale of Goods (the Vienna Sales Convention) is excluded.

2. All disputes between F1 SEEDTECH and BUYERS established in one of the Member States of the European Union (including the UK) resulting from or relating to these terms and conditions or any related agreement between the parties shall be exclusively brought before and decided upon in the first instance by the Court in The Hague, the Netherlands. All disputes between F1 SEEDTECH and BUYERS established outside the Member States of the European Union (including the UK) resulting from or relating to these terms and conditions or any related agreement between the parties shall be settled by the Arbitration Rules of the Netherlands Arbitration Institute (NAI), including Section 4A thereof. The place of arbitration shall be The Hague, the Netherlands. A hearing shall be held in Amsterdam, the Netherlands and the proceedings will be conducted in the English language by a sole arbitrator.

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