

## General Terms and Conditions of Sale

**1. PARTIES.** “Seller” means Hatch Lighting. The party noted on the face of the Sales Order Acknowledgement as submitting the purchase order is referred to as “Buyer.”

**2. ACCEPTANCE.** Buyer acknowledges and agrees that these General Terms and Conditions are incorporated in, and are a part of, this contract and each purchase order, release, requisition, work order, shipping instruction, specification and other document, whether expressed in written form or by electronic data interchange, relating to the goods and/or services to be provided by Seller pursuant to this contract (such documents are collectively referred to as this “Contract”), and that Seller’s acceptance of Buyer’s offer to purchase is made conditional upon the incorporation of these General Terms and Conditions into this Contract. If Buyer accepts the goods and/or services which are the subject of this Contract, Buyer shall be deemed to have accepted this Contract and these General Terms and Conditions in their entirety without modification. Any additions to, changes in, modifications or revisions of this Contract (including these General Terms and Conditions) shall require the written consent of Buyer and Seller.

**3. PAYMENT; SECURITY INTEREST.** Unless otherwise noted on the face hereof, payment of goods shall be Net 30 days from the date of Seller’s invoice without discount for early payment. Seller reserves the right at any time to suspend credit or to change credit terms provided herein, when, in Seller’s sole opinion, Buyer’s financial conditions so warrants. Buyer shall have no right to offset any amounts due or to become due to Seller against any claims, charges, expenses, fees or other payments of any kind whatsoever under any circumstances, including, but not limited to, any liability which may arise due to any breach or alleged breach of the Contract or any provision thereof. Seller retains a purchase money security interest under the Uniform Commercial Code in the goods sold until payment in full has been made. In the event of default by Buyer under the Contract, Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code.

Engineering services, firmware development, LED driver programming, prototyping, and non-recurring engineering (NRE) charges are non-cancelable and non-refundable once work has commenced.

Buyer agrees to execute such financing statements and other documents as Seller may request in order to perfect Seller’s security interest.

**4. TAXES AND OTHER CHARGES.** Any use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by the transaction between Seller and Buyer shall be paid by Buyer in addition to price quoted or invoiced. In the event Seller is required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefore or, in lieu of such payment, Buyer shall provide Seller at the time the order is submitted an exemption certificate or other document acceptable to the authority imposing the tax, fee, or charge.

**5. DELIVERY; SHORTAGES.** Shipment of goods will be made F.O.B. Seller’s facility (or Ex Works per INCOTERMS 2020 for international shipments). Seller will use commercially reasonable effort to ensure on time delivery. In no event shall Buyer be entitled to liquidated damages as a remedy for any delay in delivery by Seller. Title and risk of loss pass upon delivery to the delivery point per applicable shipping term. Buyer shall pay all insurance costs associated with delivery, and Buyer shall be responsible for filing and pursuing claims with carriers for loss or damage in transit. Prices do not include customs duties or taxes such as sales, use, excise, retailer’s occupation, or similar taxes. Buyer is responsible for the payment of all such applicable taxes, and will be charged for the same, unless Buyer provides Seller with the appropriate tax exemption certificate. Seller shall use commercially reasonable efforts to ship the exact quantity ordered; however, Seller reserves the right to ship and bill for over or under the desired quantity.

Engineering and programming services shall be performed in accordance with an estimated schedule only. Seller does not guarantee completion dates for services dependent upon Buyer’s specifications, approvals, testing, or third-party components.

**6. CHANGES.** Buyer may request changes to the Contract. Seller shall promptly advise Buyer in writing of the reasonable effect on price and delivery date. Seller shall not be required to institute any Buyer-dictated change until the parties have agreed to an equitable adjustment to the price and/or delivery date.

**7. SUSPENSION.** Buyer may, by written notice, request Seller to temporarily suspend performance or delivery hereunder; provided that Seller is reimbursed for additional costs incurred as a result thereof, including but not limited to storage, insurance, preservation, and other reasonable costs attributable to such suspension. Payment of the contract price shall become due when Buyer is notified that the goods are ready for shipment and Buyer shall be responsible for all price increases instituted by Seller during the period of suspension. Seller shall be granted a reasonable extension of the delivery date to take account of the suspended performance. In the event that the duration of such suspension exceeds ninety (90) days, Seller may, at its option, declare Buyer to be in breach of the Contract and shall have the right to assert any available remedy under the Contract or otherwise available at law or in equity.

**8. REMEDIES UPON TERMINATION.** Upon termination, Buyer shall pay to Seller the following amounts without duplication: (i) the Contract price for all finished work and completed services which conform to the requirements of the Contract and not previously paid for; and (ii) Seller's reasonable cost of work-in-progress and raw materials purchased by Seller based on Buyer's purchase order.

**9. ENGINEERING & TECHNICAL SERVICES.** Seller may provide engineering assistance, LED driver programming, firmware configuration, validation, testing, prototyping, and related technical services ("Services"). Services are performed solely in reliance upon Buyer-provided specifications. Seller does not warrant compliance with building codes, safety standards, UL, ETL, DLC, Energy Star, or other regulations unless expressly agreed in writing. Buyer is solely responsible for system integration, validation, regulatory compliance, and end-use performance. Services are advisory and do not constitute licensed professional engineering services unless expressly stated in writing and signed by a licensed engineer. Seller makes no warranty or representation regarding fitness for a particular system-level application or end product configuration, and all system-level design responsibility remains with Buyer.

Engineering services, firmware development, LED driver programming, prototyping, and non-recurring engineering (NRE) charges are non-cancelable and non-refundable once work has commenced.

**10. LIMITED WARRANTY.** Seller warrants that the parts manufactured by it and supplied hereunder ("goods") to be free from defects in materials and workmanship for a period of 3 to 5 years from the date of manufacture. The warranty does not apply to custom programming errors caused by Buyer specifications, improper installation or integration, use outside published electrical or thermal limits, or modified firmware or hardware. Seller's sole obligation shall be repair, replacement, or credit at Seller's option. THIS LIMITED WARRANTY IS PROVIDED IN LIEU OF ALL OTHER EXPRESS WARRANTIES, IMPLIED WARRANTIES, AND STATUTORY WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS LIMITED WARRANTY IS STRICTLY LIMITED TO THE DURATION EXPRESSED HEREIN. IN NO EVENT SHALL SELLER BE LIABLE FOR DAMAGES IN EXCESS OF THE CONTRACT PRICE; NOR SHALL SELLER BE LIABLE FOR ANY DAMAGES FOR LOSS OF USE, LOSS OF TIME, INCONVENIENCE, COMMERCIAL LOSS, OR LOST PROFITS; NOR SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE, OR INABILITY TO USE GOODS; NOR SHALL SELLER BE LIABLE TO BUYER IN TORT, OR FOR NEGLIGENCE OF ANY KIND, INCLUDING SELLER'S OWN NEGLIGENCE. TO THE EXTENT BUYER HAS INSURANCE THAT PROVIDES COVERAGE FOR LOSS OR DAMAGES OF ANY KIND, THE BUYER'S CLAIMS FOR SUCH DAMAGES ARE LIMITED TO THOSE INSURANCE PROCEEDS, AND ALL SUBROGATION CLAIMS ARE EXPRESSLY AND IMPLIEDLY WAIVED TO THE FULLEST EXTENT PERMITTED BY LAW

**11. INDEMNIFICATION.** Each party shall indemnify and hold the other party and, its employees, officers, directors, successors and assigns harmless only from and against all third-party claims for damages, claims, suits, penalties, actions, costs and expenses, including reasonable attorneys' fees, to the extent that such claims and Losses are directly caused by the negligence or willful misconduct of the indemnifying party. Buyer shall further indemnify, defend, and hold Seller harmless from and against all third-party claims arising out of or relating to: (i) Buyer's finished goods incorporating Seller products or Services; (ii) system integration or application of Seller goods or Services within Buyer's products; (iii) regulatory non-compliance of Buyer's finished goods; or (iv) intellectual property infringement arising from Buyer-provided specifications.

**12. LIMITATION ON LIABILITY.** Except as provided for herein, in no event will Seller be liable for any indirect, incidental, special, consequential, punitive, or similar damages including, but not limited to, lost profits, loss of data or business interruption losses. Seller shall not be liable for product recall costs, field retrofit costs, removal or reinstallation labor, or any costs associated with Buyer's finished goods. In no event will the total, aggregate liability of Seller under this agreement exceeds the Contract price for the goods for which liability is claimed. Notwithstanding the foregoing, Seller's total aggregate liability shall not exceed one hundred thousand dollars (\$100,000), regardless of the Contract price. The liability limitations shall apply even if Seller has been notified of the possibility or likelihood of such damages occurring and regardless of the form of action, whether in contract, negligence, strict liability, tort, products liability or otherwise. The parties agree that these limits of liability shall survive and continue in full force and effect despite any termination or expiration of the contract between Seller and Buyer. Any action by buyer against Seller must commence within one year after the cause of action has accrued. No employee or agent of Seller is authorized to make any warranty other than that which is specifically set forth herein. The provisions in any specification, brochure or chart issued by Seller are descriptive only and are not warranties. These limitations apply equally to claims arising from engineering services, programming services, firmware configuration, or technical assistance.

**13. INTELLECTUAL PROPERTY; SELLER'S EQUIPMENT; TECHNICAL INFORMATION.** Seller does not transfer to Buyer or Buyer's customer any patent, trade secret, trademark, service mark, copyright or other intellectual property right related to the goods, other than the right to incorporate or use the goods purchased from Seller. Seller shall retain title to all designs, sketches, drawings, patterns, dies, tool (including without limitation trial tools), special appliances and materials furnished or paid for by Seller in connection with this Contract. Notwithstanding the foregoing, all tooling, dies, special appliances, and other items furnished by Buyer to Seller, or for which Seller has been fully paid by Buyer, shall be and remain the property of Buyer. All firmware, source code, programming logic, configuration files, algorithms, and derivative works developed or modified by Seller remain the exclusive property of Seller unless expressly transferred in a signed written agreement. Buyer is granted a non-exclusive, non-transferable license to use such firmware solely in connection with Seller products. Buyer shall not reverse engineer, decompile, disassemble, copy, extract, modify, or transfer firmware, software, or programming to any third party without Seller's prior written consent. Neither party shall disclose to any third party any information directly or indirectly delivered to the other party or acquired pursuant to this Contract, including without limitation business affairs, data, designs, manuals, formulas, supplier and vendor information, processes, methods, pricing, financial and accounting data, products and specifications, systems, and technical information (the "Confidential Information"). Each of Seller and Buyer shall be permitted to disclose Confidential Information of the other party to its own employees, agents, and representatives to the extent such disclosure is reasonably necessary for the performance of its duties and obligations or the enjoyment of its rights under this Contract; provided, however, that each of Seller and Buyer shall be responsible for any violation of the confidentiality obligations set forth in this Contract by and of such permitted this parties to which it provides Confidential Information.

**14. CONFIDENTIAL INFORMATION.** Each party shall maintain the confidentiality of non-public business, technical, and financial information disclosed under the Contract and may disclose such information only to employees or agents with a need to know, remaining responsible for their compliance.

**15. ACCEPTANCE; CLAIMS.** Goods and Services are deemed accepted unless Buyer provides written notice of nonconformance within ten (10) days of delivery. Custom-programmed drivers are non-returnable unless proven non-functional.

**16. FORCE MAJEURE.** Seller shall not be liable for delays or failures caused by events beyond reasonable control including natural disasters, supply chain disruptions, semiconductor shortages, labor disputes, transportation delays, or governmental actions.

**17. GENERAL.** Any failure of Seller to insist upon strict performance of any term of this Contract shall not be construed as a waiver of its right to strict performance thereafter.

This Contract shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflicts of laws principles.



Any dispute, claim, or controversy arising out of or relating to this Contract, the goods, or the Services (a "Dispute") shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect.

The arbitration shall be conducted in Hillsborough County, Florida before a single neutral arbitrator. The arbitrator shall apply the substantive law of the State of Florida. The arbitration award shall be final and binding on the parties.

Judgment upon the arbitration award may be entered in any court of competent jurisdiction. The parties' consent to the jurisdiction of the state and federal courts located in Hillsborough County, Florida solely for purposes of enforcing this Section and confirming any arbitration award.

Nothing in this Section shall prevent either party from seeking temporary or preliminary injunctive relief in a court of competent jurisdiction to protect its confidential information, intellectual property, or other proprietary rights pending final resolution by arbitration.

The parties expressly waive any right to a trial by jury in any action or proceeding arising out of or relating to this Contract.

This Contract sets forth the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, representations, or promises, whether oral or written.

The provisions of this Section shall survive termination or expiration of this Contract.