

## LICENSE AGREEMENT

This License Agreement (this “Agreement”) is entered into effective as of this 23<sup>th</sup> day of November, 2020 (the “Effective Date”), by and between

**GROWIN**, a corporation organized and existing under the laws of the State of Israel,  
(hereinafter referred to as “GROWIN”);

and

**SAFFRON TECH LTD**, organized and existing under the laws of the State of Israel,  
(hereinafter referred to as “SAFFRON TECH”).

**WHEREAS**, GROWIN is the owner of proprietary systems for indoor agriculture and of the GROWIN Technology (as defined below); and

**WHEREAS**, SAFFRON TECH wishes to acquire the exclusive right to market, sell and commercialize the Product (as defined below) based on the GROWIN Technology (as defined below) worldwide, (the “**Territory**”), all pursuant to the terms set forth in this Agreement;

**NOW, THEREFORE**, the parties hereby agree as follows:

### **1 Definitions**

In addition to capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings set forth opposite each one of them:

- 1.1 “Product” means an automated growing unit for growing saffron based on the GROWIN Technology.
- 1.2 “GROWIN Systems” - means proprietary systems for indoor vertical farming;
- 1.3 “GROWIN Technology” means all intellectual property (whether registered or unregistered) developed and/or owned by GROWIN (including but not limited to know-how, research and testing results, etc.), which is related to indoor growing of Saffron plant.
- 1.4 “Commencement Date” means the date of the first delivery by SAFFRON TECH of Product to an end user, but in any event no later than \_\_\_\_\_, 2021.

1.5 “Trademarks” means all trademarks, registered or not, and trademark applications worldwide, that are now owned or licensed, or hereafter acquired or licensed during the term of this Agreement, by or on behalf of GROWIN that may be adopted or used in connection with the promotion or sale of GROWIN Technology.

## **2 Research and Development**

2.1 GROWIN will coordinate with SAFFRON TECH in developing the Product by modifying and adjusting the GROWIN Systems and Technology and developing cultivating protocols for the growing of Saffron through use of the Product (“Cultivating Protocols”). SAFFRON TECH acknowledges that the development of the Product and Cultivating Protocols requires ample time of 12-24 months (“**Development Stage**”).

2.2 GROWIN will allocate at its facility located at Moshav Ganot, to SAFFRON TECH approximately 30 sq. meters, during the Development Stage, for the purpose of conducting the development of the Product and the Cultivating Protocols, including use of GROWIN proprietary units, peripheral equipment and utilities. SAFFRON TECH may further use an office space in the facility and the common areas such as kitchen, restrooms, etc. (“**Hosting Services**”).

2.3 SAFFRON TECH shall be the responsible party for the day to day management of the research activity carried out in the framework of the Development Stage.

2.4 The Parties will endeavor to establish a research and development program with the French company Tower Farm R&D, under a bi-national funding plan.

## **3 License and Intellectual Property Rights**

3.1 Subject to the terms and conditions of this Agreement, GROWIN hereby grants to SAFFRON TECH throughout the Term, an exclusive, non-transferable, non-assignable and non-sublicensable license to use the GROWIN Technology solely for the marketing, selling and commercialization of Products in the Territory and under the Trademarks (the “**License**”).

### 3.2 Prior Use.

3.2.1 SAFFRON TECH acknowledges and agrees that certain GROWIN Systems that were sold and installed at one of GROWIN's customers in France ("Prior User") may exploit the current GROWIN Technology and may be used for independent research and/or growing of Saffron and that subject to GROWIN's undertaking hereinafter, such prior use will not constitute an infringement or breach of GROWIN's obligations under this Agreement.

3.2.2 GROWIN undertakes not to disclose to the Prior User any further information related to the GROWIN Technology and/or the Product and/or the Cultivating Protocols and the Data (as defined below) associated with the Cultivating Protocols and not to share with the Prior User any developments to the GROWIN Technology. GROWIN acknowledges that this Section 2.3.2 is substantial and agrees that its breach shall constitute substantial breach of this Agreement.

3.3 SAFFRON TECH acknowledges and agrees that any and all intellectual property rights, including any inventions made, developed, conceived, reduced to practice, or learned by throughout the Development Stage of the Product and any time thereafter, that is related to the GROWIN Systems, belong to and shall be the sole property of GROWIN, whether or not incorporated by GROWIN into its business. SAFFRON TECH specifically and irrevocably waives and disclaims any right or entitlement in connection and in respect of such intellectual property and any part thereof and undertakes not to claim, sue or bring legal action in any instance in any jurisdiction in the Territory against GROWIN or its affiliates and successors, in connection with such intellectual property.

3.4 GROWIN acknowledges that any intellectual property rights arising solely from the Cultivating Protocols, including all data and information collected from Products installed in the Territory ("Data"), will belong to and be owned by SAFFRON TECH. Subject to GROWIN's undertaking in Section 3.2 of this Agreement, GROWIN may use the Data for further developing and improving

the Cultivating Protocols, the GROWIN Technology and GROWIN Systems, and for any other data science purposes.

- 3.5 SAFFRON TECH may not assign, lien, mortgage, or in any manner encumber its rights under the License granted in this Agreement. and may not assign the Cultivating Protocols without the prior written consent of GROWIN. Notwithstanding, SAFFRON TECH may place encumbrance on the Cultivating Protocols provided that it gives GROWIN at least a 5 days prior written notice.
- 3.6 In case SAFFRON TECH terminates its business activity, becomes insolvent, dissolves, winds-up, liquidates (voluntarily or involuntarily), applies for bankruptcy or a receiver is appointed to its businesses, GROWIN shall have the right of first refusal to purchase the Cultivation Protocols on the same terms proposed by a receiver and/or a special manager, in an auction of SAFFRON TECH's assets in winding-up.
- 3.7 Other than the License expressly granted under Section 2.1 of this Agreement, no other rights or interests whatsoever are transferred or granted by GROWIN to SAFFRON TECH, and GROWIN retain all rights not expressly granted hereunder. SAFFRON TECH agrees that the ownership of the GROWIN Technology and Trademarks shall always remain vested in GROWIN and SAFFRON TECH shall not obtain any rights with respect to them, other than the rights expressly set forth herein. Without limiting the foregoing, SAFFRON TECH shall not, during the Term and at any time thereafter (i) directly or through any third party manufacture, market, sell, offer for selling, or distribute any saffron growing units; or (ii) use the GROWIN Technology for any purpose other than for the purpose of the License granted under this Agreement.

#### **4 Marketing and Commercialization**

- 4.1 SAFFRON TECH undertakes throughout the Term of this Agreement, to make its best efforts to market and sell the Product in the Territory and to invest resources and efforts to ensure that the Product penetrates the market and becomes a leading product. SAFFRON TECH hereby declares, warrants and undertakes that: (i) it has the capabilities necessary to perform its obligations

under this Agreement; (ii) neither this Agreement nor any of its terms constitutes any conflict with any of its other obligations or agreements; and (iii) that during the Term of this Agreement, SAFFRON TECH, SEEDO and any third party controlling them or under their control, shall not engage to market products that compete with the Products without the prior written approval of GROWIN and that such approval shall be subject to SAFFRON TECH's undertaking to devote sufficient time and effort to vigorously and diligently fulfill its duties and obligations pursuant to this Agreement.

- 4.2 SAFFRON TECH is solely responsible for commercialization of the Product in the Territory and will bear all associated costs thereto, including without limitation promotion, marketing, sales, regulatory expenses, etc. SAFFRON TECH shall further be responsible for clearing the Products through customs or any other authority and for related activities, including but not limited to payment of duties, value added taxes or similar charges, if any, required for importation of the Products into each country in the Territory.
- 4.3 SAFFRON TECH shall solely be responsible to obtain all governmental licenses, permits and approvals necessary or desirable for the marketing of the Product in every country in the Territory. GROWIN shall not be under any responsibility to certify or get any approval, license or permit but shall reasonably cooperate with SAFFRON TECH for the purpose of SAFFRON TECH's obtainment of the above.
- 4.4 SAFFRON TECH undertakes to order and purchase the Product for its own use or for its customers or affiliates directly from GROWIN throughout the entire Term of this Agreement, under commercial terms set forth in Exhibit A or as will be agreed by the Parties upon completion of the Development Stage. SAFFRON TECH may not and hereby undertake not to manufacture the Product or similar products or systems, directly or through others through the entire Term of this Agreement and at any time after its termination.
- 4.5 GROWIN will be responsible and will perform the construction, infrastructure installation and setup of the Products at the growing sites of SAFFRON TECH and/or its customers. SAFFRON TECH will have its customers sign an operation

and service agreement with GROWIN for the ongoing operation and maintenance of the Products (“Operation and Service Agreement”).

- 4.6 In all marketing and selling of the Product, SAFFRON TECH shall refer to GROWIN as the source of the GROWIN Technology and shall place the proprietary trademarks of GROWIN on every unit of Product, in a manner to be agreed upon by the parties, no later than 90 days before the Commencement Date.
- 4.7 SAFFRON TECH shall be responsible for addressing consumer complaints, in a manner that is satisfactory to GROWIN and shall keep GROWIN promptly informed on a regular basis relating to (i) any problems encountered with the Product and the GROWIN Systems (including any product recall), and any resolutions arrived at for those problems; and (ii) general information about its distribution of the Product.

## **5 Consideration**

In consideration for the grant of the License and its other undertakings under this Agreement, SAFFRON TECH shall make the followings payments and grants to GROWIN (the “**Consideration**”):

- 5.1 Down payment: SAFFRON TECH shall pay to GROWIN an amount of US\$100,000 as follows: US\$15,000 plus VAT upon signing this Agreement and the balance (US\$85,000 plus VAT) in 5 (five) equal monthly consecutive installments, commencing 30 days from the conclusion of the SAFFRON TECH’s Israeli crowdfunding campaign (“Crowdfunding”) but no later than 1.12.2020. For the removal of doubt, SAFFRON TECH’s obligation to pay the down-payment in full, is an independent undertaking that is not contingent upon the outcome of the crowdfunding campaign.
- 5.2 Development: SAFFRON TECH shall pay to GROWIN the expenses relating to construction of the Hosting area and adjustment of GROWIN Technology and Systems in an additional amount of NIS 90,000 plus VAT as follows: NIS 40,000 plus VAT upon signing this Agreement and the remaining NIS 50,000 plus VAT by 31.12.2020.

- 5.3 Hosting: for as long as GROWIN provides SAFFRON TECH with the Hosting Services, but no less than 12 months, SAFFRON TECH will make monthly payment to GROWIN for such Hosting Services in the amount of US\$4,200 plus VAT, from the earliest of: (i) the end date of the Crowdfunding; or (ii) 1.12.2020.
- 5.4 Royalties: SAFFRON TECH shall pay 2% plus VAT of its turnover for the sale of Products for the entire Term of this Agreement. Payment of Royalties shall be monthly in arrears and shall be paid to GROWIN Within thirty (30) days after the end of each calendar month during the Term, for the preceding month. Payment shall be made in US Dollars. SAFFRON TECH's obligation to pay the Royalties shall survive the termination of this Agreement for any reason and shall endure in the occasion SAFFRON TECH assigns or otherwise transfer its rights under this Agreement.
- 5.5 GROWIN shall be solely responsible for any and all other taxes or payments required to be made to any governmental or state authority with respect to the Consideration received hereunder.

## **6 Audit**

SAFFRON TECH shall maintain all records necessary for GROWIN to determine whether it has been paid the proper amount of consideration. Within thirty (30) days after the end of each calendar month during the Term, SAFFRON TECH shall submit to GROWIN a detailed report setting forth for the preceding calendar month, the amount of the Product sold, delivered or otherwise transferred to any third party within the Territory and the amount of the Consideration accordingly due. GROWIN shall be entitled to audit these records as it sees fit upon reasonable notice to SAFFRON TECH. In the event the audit reveals an underpayment, SAFFRON TECH shall be responsible for the cost of the audit and shall immediately pay to GROWIN the amount of the underpayment. In the event the audit reveals an overpayment, GROWIN shall be responsible for the cost of the audit and the amount of the overpayment shall be set off against future consideration payments to SAFFRON TECH.

## **7 Term and Termination**

- 7.1 The initial term of this Agreement will be for 25 years from the Effective Date “(Term”).

- 7.2 Without derogating from the above, in the event that a party commits any material breach or default of any of its obligations under this Agreement, including without limitation the timely payment of the Consideration (the “Breaching Party”), the other party hereto (the “Non-Breaching Party”) may give the Breaching Party written notice of such breach or default and demand that such breach or default be cured. In the event that the Breaching Party fails to cure such breach or default within thirty (30) days after the date of such written notice, the Non-Breaching Party may terminate this Agreement immediately upon giving written notice of termination to the Breaching Party (“Termination Notice”). Termination of this Agreement in accordance with this Section shall not affect or impair the Non-Breaching Party’s right to pursue any legal remedy, including the right to recover damages for all harm suffered or incurred as a result of the Breaching Party’s breach or default hereunder.
- 7.3 Either Party may terminate this Agreement by written notice in the event: (i) the other Party voluntarily enters into proceedings under any bankruptcy reorganization, arrangement, insolvency, readjustment of debt, receivership, dissolution or liquidation law or statute or applies for an arrangement with its creditors; (ii) the other Party makes an assignment of substantially all of its assets for the benefit of creditors; (iii) a petition is filed against the other Party under a bankruptcy law, or any other law for relief of debtors or similar law analogous in purpose or effect, which petition is not stayed or dismissed within sixty (60) days of filing thereof; or (iv) the other Party enters into liquidation or dissolution proceedings or a receiver is appointed with respect to substantially all of the assets of said Party, which appointment is not vacated within sixty (60) days.
- 7.4 Notwithstanding the above, either party may give Termination Notice for reasons not enumerated in Sections 7.2-7.3 above, by giving the other party 60 (sixty) days written Notice of Termination.
- 7.5 SAFFRON TECH’s obligation to pay royalties shall survive the termination of this agreement and shall endure for the entire initial Term of the Agreement.



## **8 Rights after Termination**

- 8.1 Upon termination or expiration of this Agreement, SAFFRON TECH will immediately cease from all further marketing, sell, commercialization or other preparation of the Product, and shall cease all display, advertising, and/or use of all Trademarks.
- 8.2 Within 30 days of the Termination Notice or the expiration of this Agreement, SAFFRON TECH shall pay to GROWIN all the amounts due under this Agreement that are not disputed together with complete audit reports pertaining to such payments.

## **9 Warranties and Limitation of Liability**

- 9.1 GROWIN warrants to SAFFRON TECH that: (i) it is the owner of the GROWIN Technology, (ii) to its knowledge, the GROWIN Technology does not infringe the rights of any third party and (iii) to its knowledge, the GROWIN Technology is accurate in all material respects known to GROWIN and contains such information as is necessary or appropriate to enable SAFFRON TECH to sell and promote the Product. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE GROWIN TECHNOLOGY IS LICENSED TO SAFFRON TECH "AS IS" WITHOUT ANY WARRANTIES, CONDITIONS OR OTHER TERMS OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE INCLUDING, WITHOUT LIMITATION, ANY TERMS AS TO THE CONDITION, QUALITY, MERCHANTABILITY, PERFORMANCE OR FITNESS FOR PURPOSE.
- 9.2 Without derogating from any of its other representations or obligations in this Agreement, SAFFRON TECH hereby warrants to GROWIN that it has all governmental, state and regulative licenses, permits and approvals necessary or desirable for the manufacture, market, sell and commercialization of Product in the Territory, that it complies, and shall continue to comply at all times, with any and all of the terms of such licenses, permits, approvals and regulations that apply to the license and its execution and that it shall immediately notify

GROWIN regarding any breach (whether alleged or possible) or communication received from any authority in that respect.

9.3 SAFFRON TECH and GROWIN each represent and warrant for itself that (i) it is a corporation duly organized and validly existing under the laws of the state of its incorporation; (ii) it has the full right, power, and authority to execute and perform this agreement; (iii) this Agreement does not conflict with or otherwise result in a breach of any agreement to which such Party is a party or to which it is bound; and (iv) this Agreement represents a valid, legally binding obligation of it, enforceable against it in accordance with its terms.

9.4 EXCEPT FOR BREACH UNDER SECTION 9.1 HEREWITH, NEITHER PARTY WILL BE LIABLE TOWARDS THE OTHER UNDER ANY LEGAL THEORY (INCLUDING, WITHOUT LIMITATION, TORT OR CONTRACT) FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST DATA OR LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN FOR BREACH DUE TO NON PAYMENT OR FOR BREACH UNDER SECTIONS 3.3, 3.4 and 3.7, EACH PARTY'S LIABILITY UNDER OR FOR BREACH OF THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE CONSIDERATIONS RECEIVED BY GROWIN FROM SAFFRON TECH HEREUNDER DURING THE TWELVE (12) MONTHS PERIOD PRECEDING THE EVENT GIVING RISE TO THE LIABILITY. GROWIN's Liability towards the customers of SAFFRON TECH shall in no event be greater than the amount of annual fee paid to GROWIN in the preceding calendar year under the respective Operation and Service Agreement between GROWING and such customer.

## 10 **Confidential Information, Proprietary Rights and Non-Compete**

The parties shall execute the Non-Disclosure, Proprietary Rights and Non-Compete Agreement in the form attached hereto as **Exhibit B.**

## **11 Insurance**

Prior to the Commencement Date and as a condition to the continued grant of the License, SAFFRON TECH shall procure, at its own expense, an insurance policy from a reputable insurer subject to GROWIN's prior written approval (which shall not be unreasonably withheld) that will indemnify both parties from any law suits or liabilities related to the sales and marketing of the Product and shall maintain such policy during the Term.

## **12 SAFFRON TECH Indemnification**

12.1 SAFFRON TECH agrees to indemnify, defend and hold GROWIN and any of its officers, directors, employees, shareholders, sales agents, successors and permitted assigns harmless from any and all damages (including, without limitation, amounts paid by GROWIN in judgment or in settlement with SAFFRON TECH's consent), losses, claims, demands, liabilities, costs and expenses, including, without limitation, reasonable court costs and attorney's fees (collectively "Losses"), based upon or arising out of any claim, demand, cause or action suit or proceeding (a "Claim") resulting from (i) any SAFFRON TECH breach of a representation, warranty, covenant or obligation in this Agreement; (ii) the marketing, distributing and selling of the Product, whether resulted in harm, injury or death of any person or not; (iii) the advertising, promoting, marketing, distributing and selling of the Product, including, without limitation, any deceptive misleading, manipulative or intentionally or inaccurate marketing or sales practices of SAFFRON TECH or its representatives, made either before, during or after the Development Stage, including in the framework of the Crowdfunding; (iv) the Cultivating Protocols, their implementation or performance by SAFFRON TECH and/or SAFFRON TECH's customers, the lifespan of the plants grown in the Product pursuant to the Cultivating Protocols or otherwise, and any similar cause of action; and (v) any Claim against SAFFRON TECH and/or its employees, shareholders, directors and/or officers, not related to the subject matter of this Agreement.

12.2 GROWIN agrees to indemnify, defend and hold SAFFRON TECH and any of its officers, directors, employees, shareholders, successors and permitted

assigns harmless from any and all Losses, based upon or arising out of any Claim resulting from any GROWIN breach of a representation, warranty, covenant or obligation in this Agreement, relating to product liability Claim, manufacturing defect, or failure to warn.

12.3 Each Party shall give the other prompt notice of any liability of which it becomes aware, and upon receiving notice of any such liability, each Party shall, when possible, promptly notify the other of commencement of any action, a general summary of the action and, when applicable, demand for indemnification the latter, each Party shall have the right to participate in and to assume the defense of such action with counsel of its choosing; provided, however, that the Parties shall cooperate in such defense.

### **13 Miscellaneous**

13.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of Israel, without regard to any conflict of laws principles that would require the application of the laws of another jurisdiction.

13.2 Arbitration. In the event of any controversy among the parties hereto arising out of or relating to this Agreement, which cannot be settled amicably by the parties within thirty (30) days of written notice by the aggrieved Party to the other, such controversy shall be settled by binding Arbitration before a sole arbitrator that will be nominated by the Head of the Israel Bar Association, among reputable attorneys in the Tel Aviv or Central Districts. This Agreement constitute an “arbitration agreement” in the meaning of such term in the Arbitration Law. Either party may institute arbitration proceeding by giving the other Party a 15 days prior written notice . The decisions of the Arbitrator shall be reasoned, final, binding and enforceable against all parties hereto . Each Party hereto irrevocably waives any objection to the laying of venue of any such Arbitration action or proceeding brought and irrevocably waives any claim that any such action brought has been brought in an inconvenient forum and represents that counsel has been consulted specifically as to this waiver. The prevailing party shall be entitled to all costs and expenses with respect to such arbitration, including reasonable attorneys' fees.

- 13.3 No Joint Venture. Each party is an independent contractor. Nothing contained in this Agreement shall be construed to place the Parties, their officers, employees, and directors in the relationship of agent, employee, franchisee, officer, partners, or joint ventures. Neither party may create or assume any obligation or liability on behalf of the other.
- 13.4 No Assignment. Neither party may assign this Agreement without the other party's prior written consent, excluding assignment upon a merger or sale of all or substantially all of the assigning party's assets.
- 13.5 Entire Agreement. This Agreement (i) states the entire agreement of the parties, merges all prior negotiations, agreements and understandings, if any, and states in full all representations, warranties, covenants and agreements which have induced this Agreement; and (ii) may be modified or amended only by an instrument in writing, duly executed by both parties.
- 13.6 No Waiver. Any failure of a Party to comply with any covenant, agreement or condition herein may be waived in writing by the other Party hereto but such waiver or failure to insist upon strict compliance with such covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, other failure.
- 13.7 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties thereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives as of the date first written above.

GROWIN

**GROWIN Ltd.**  
Reg. No. 516123437

SAFFRON TECH

By:

d. Freidenberg

David Freidenberg

Menachem Kop

Chief Executive Officer

Chief Executive Officer

## **Exhibit A – Commercial Terms**

- Operation and Service Agreement for 5 years;
- Annual maintenance and service fee: 10% of the sale price paid by customers (end-users) to SAFFRON TECH for the Products.
- Liability is subject and contingent upon signing of the Operation and Service Agreement.
- GROWIN is entitled to collect and process data from all Products.

*to be completed*

**Exhibit B – Non-Disclosure and Non-Compete Agreement**