

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

1. SCOPE, GENERAL

- 1.1 These General Terms and Conditions of Sale and Delivery ("GTC Sales") apply to all business relations between Dr. Schenk Inspection Systems (Kunshan) Co., Ltd. ("Dr. Schenk") and its customers ("Buyer"). These General Terms and Conditions apply to all contracts with the subject of sale and /or delivery of movable property ("Goods") between Dr. Schenk and the Buyer.
- 1.2 These GTC Sales apply exclusively. The applicability of any Buyer's General Terms and Conditions is hereby expressly rejected. This shall also apply where the Buyer has indicated in standardized order forms or in connection with letters of confirmation that its General Terms and Conditions are applicable, intending by such action to incorporate them into the contract.
- 1.3 Dr. Schenk reserves the ownership and usage rights to drawings, plans, documentation and other documents prepared by Dr. Schenk without restriction. They may only be made accessible to third parties with prior consent of Dr. Schenk. If no contract is concluded between the Buyer and Dr. Schenk, they must be returned immediately upon request.
- 1.4 Dr. Schenk grants the Buyer a non-exclusive right of use to its standard software and firmware only to the extent that is absolutely necessary for the contractual use of the subject matter of the contract. The Buyer may create a backup copy of the standard software without express consent.

2. CONTRACT CONCLUSION

- 2.1 Quotations issued by Dr. Schenk are non-binding. The order placed by the Buyer is a binding contractual offer. A contract between Dr. Schenk and the Buyer is not concluded until Dr. Schenk confirms the order placed by the Buyer in writing.
- 2.2 Changes to the order require express written consent of Dr. Schenk. Any additional costs incurred as a result are to be borne by the Buyer.

3. SCOPE OF SUPPLY

The scope of supply is determined by the respective offer and its attachments "System Description" and "General Technical Data Sheet".

4. OBLIGATIONS OF THE BUYER

All critical dates are to be recorded in a jointly prepared milestone plan that is binding for both parties. The milestones are directly dependent on one other. If a milestone is delayed by the Buyer, the entire milestone plan must be redefined and the delivery date adjusted. The milestone plan is a binding part of the contract and can be changed by mutual agreement at any time.

5. PAYMENT TERMS

- 5.1 Unless otherwise agreed in writing, the following terms of payment shall apply:
 - 5.1.1 50% of order value (hereinafter referred to as "Advance Payment") by T/T after order acknowledgement, payable net 14 days after Advance Payment invoice date.
 - 5.1.2 40% of order value by T/T, payable net 10 days prior to notification of readiness for shipment; shipment will be effected once payment is received. If shipment is postponed due to circumstances beyond Dr. Schenk's control, the payment remains due according to the originally confirmed shipment date.
 - 5.1.3 10% of order value by T/T, payable net 14 days after final acceptance. If final acceptance is delayed due to circumstances beyond Dr. Schenk's control, the final payment is due no later than 16 weeks after shipment. In case the Buyer is in default with the final payment, Dr. Schenk reserves the right to discontinue its warranty services until the Buyer has paid the order value in full.
- 5.2 Upon written request Dr. Schenk will provide a limited bank guarantee in the amount of the Advance Payment valid until shipment. Additionally, on written request, Dr. Schenk will provide a limited bank guarantee for fulfilment of warranty obligations valid for the duration of the warranty period.
- 5.3 Travel expenses and daily allowances are not included in the order value; they will be invoiced separately at cost.

- 5.4. All prices include packaging but exclude VAT, Sales or Use tax, and / or any other applicable taxes and duties. Unless otherwise agreed in writing, insurance and transport costs are not included. Any taxes, duties or related fees shall not be borne by Dr. Schenk. Any bank charges shall be borne by the Buyer.
- 5.5 All invoices are payable net within 14 calendar days.

6. TRANSFER OF OWNERSHIP AND RISK

- 6.1 Dr. Schenk retains full legal title to and ownership of all delivered Goods until all outstanding amounts under the contract have been paid in full. Risk of loss or damage to the Goods shall pass to the Buyer according to the agreed Incoterm.
- 6.2 The Buyer is obligated to handle the delivered Goods with care as long as title has not passed to the Buyer. In particular, the Buyer agrees to insure the delivered Goods adequately against theft, fire and water damage at its own cost and in the amount of their original value.

7. SHIPPING LEAD TIME AND SHIPPING TERMS

- 7.1 The shipping lead time specified in the offer starts after order acknowledgement, clarification of all technical details (release to build) and receipt of the Advance Payment, whichever is last. Delayed payment might cause a delay in shipment. Partial deliveries are allowed.
- 7.2 If Dr. Schenk is prevented from fulfilling its contractual obligations by force majeure such as, but not limited to, war, terror, fire, flood, earthquake, epidemics and pandemics, strikes or official orders, Dr. Schenk will inform the Buyer immediately. In the event of force majeure delays in delivery may occur for which Dr. Schenk is not responsible.
- 7.3 Unless otherwise agreed in writing, deliveries shall be made FCA No 181. Tongqiu Rd, Zhang Pu Township, Kunshan City, Jiangsu Province, PR China (Incoterms 2020).
- 7.4 If the Goods have not been picked up on the agreed date or within one week after Dr. Schenk's notification of readiness for shipment, Dr. Schenk reserves the right to charge reasonable storage costs.
- 7.5 If Dr. Schenk fails to deliver in accordance with the confirmed shipment date due to reasons within its control, Dr. Schenk agrees to pay a penalty to the Buyer of 1‰ of the order value of the delayed portion for every day of delay. The penalty, however, shall not exceed three percent (3%) of the Goods involved in the late delivery. The Buyer shall notify Dr. Schenk of the penalty claim in writing at the beginning of the delay period.

8. INSTALLATION, COMMISSIONING AND FINAL ACCEPTANCE

- 8.1 If the installation of the delivered Goods is carried out by Dr. Schenk, the document "Prerequisites for the Commissioning of Dr. Schenk Inspection Systems" applies, which is attached to the quotation.
- 8.2 Commissioning and final acceptance of the delivered Goods shall be governed by the document "Prerequisites for the Commissioning of Dr. Schenk Inspection Systems", which is attached to the quotation. Unless otherwise agreed in writing, final acceptance shall take place immediately after commissioning.
- 8.3 Final acceptance is granted automatically once the delivered Goods are used in production or 16 weeks after notification of readiness for shipment, if final acceptance is delayed due to circumstances beyond Dr. Schenk's control.

9. WARRANTY

- 9.1 Dr. Schenk System Warranty
Dr. Schenk warrants that the system is free of defects in material or workmanship for a period of 12 months starting with the date of final acceptance at the agreed site and shall within this period assume all costs for labor and material for the repair or replacement of defective system components. The warranty period commences no later than 16 weeks after the notification of readiness for shipment.
- 9.2 Dr. Schenk 10-year Camera Warranty
If the Buyer enters into a maintenance contract no later than at the date of expiration of the System warranty and maintains this contract without interruption, the warranty period for Dr. Schenk cameras included in the system will be extended to 10 years in total. The 10-year Camera Warranty includes costs for labor and a replacement camera. Travel time and travel costs are excluded.
- 9.3 The warranty period for repaired or replaced system components recommences on the respective shipping date and ends no later than six months after the end of the original warranty period.
- 9.4 All warranties do not cover consumables and wear & tear or any damage to system components, which result from external factors (e.g., to fire, power surges) or improper use, including the use for a purpose other than the intended purpose or the handling contrary to Dr. Schenk's instructions for a proper use, proper maintenance or care.

- 9.5 Dr. Schenk reserves the right to review the Buyer's maintenance documentation in association with any warranty and/or damage claims and to discontinue the warranties entirely in such cases where evidence of improper use is observed.

10. SUPPORT AND SERVICE

If the Buyer requests Dr. Schenk to provide additional services such as maintenance and training, the General Terms and Conditions for Providing Support and Services ("GTC Service") shall apply, which can be accessed at any time on the Dr. Schenk website.

11. LIABILITY

- 11.1 Dr. Schenk shall be liable for any damage caused through wilful misconduct or gross negligence as well as for any damage within Dr. Schenk's control arising from the loss of life and limb, health, or well-being pursuant to statutory provisions. This does not affect liability for damages resulting from the lack of a guaranteed quality.
- 11.2 Notwithstanding the foregoing Section 11.1, Dr. Schenk shall be liable for any damage only as to the nature and extent covered by Dr. Schenk's business or product liability insurance. Further liability, in particular liability for indirect or consequential damage, e.g., loss of profit or loss of production, is excluded. Dr. Schenk maintains a business and product liability insurance of EUR 10 million each.
- 11.3 Insofar as Dr. Schenk's liability is excluded or limited, this shall also apply to the liability of its employees, representatives and agents or other third parties used by Dr. Schenk for the fulfilment of the contract.

12. TERMINATION

- 12.1 The Buyer has the right to terminate the contract at any time in writing with a notice period of one month. In this case he will compensate Dr. Schenk as follows:
- Termination between conclusion of the contract and release to build: 50% of the order value.
 - Termination between release to build and notification of readiness for shipment: 90% of the order value
 - Cancellation after notification of readiness for shipment: 100% of the order value.
- 12.2 The right to extraordinary termination for good cause shall remain unaffected and may be asserted if a contractual party persistently and continuously violates its contractual obligations, so that a continuation of the contractual relationship has become unreasonable. However, a prerequisite for an effective termination is in any case an unsuccessful warning with a deadline of at least 30 days.

13. CONFIDENTIALITY

Both Dr. Schenk and the Buyer shall keep any information regarding the price, the application purpose and the technical processing method of the ordered Goods in strict confidence.

14. APPLICABLE LAW AND ARBITRATION

- 14.1 These GTC Sales are subject to the laws of the People's Republic of China excluding the application of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 14.2 All disputes arising out of or in connection with this contract, which are not settled by negotiation, shall be settled under the Rules of Arbitration of the China International Economic and Trade Arbitration Commission by one or more arbitrators appointed in accordance with such Rules, and the award and determination of such arbitrators shall be final, binding and conclusive upon both parties. The place of arbitration shall be Shanghai, PR China. The language of the arbitration shall be English.

15. FINAL PROVISIONS

- 15.1 All amendments and supplements to these GTC Sales must be made in writing; moreover, they require express reference to these GTC Sales. This shall also apply to the waiver of the written form requirement.
- 15.2 Should any provision of these GTC Sales be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions. However, the parties must replace the invalid or unenforceable provision with another provision that most closely approximates the economic effect of the unenforceable provision; the same shall apply with respect to any omission or loophole.