

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

1. LIMITS OF AGREEMENT

- 1.1 These General Terms and Conditions of Sale and Delivery ("GTC Sales") as well as any additional terms and conditions that may appear on the Quotation shall constitute the entire agreement between Dr. Schenk of America LLC, doing business as Dr. Schenk Industrial Surface Inspection ("Seller") and its customers ("Buyer") (together referred to as "Parties") upon which Seller shall sell to Buyer, and Buyer shall purchase from Seller, the products. They are intended as the final expression and supersede all previous or simultaneous communications either oral or written. No other terms or conditions, except those set out in the Agreement shall apply between Seller and Buyer, unless expressly agreed to otherwise in writing.
- 1.2 Acceptance by Buyer of these terms may be made either (i) by written acceptance, or (ii) by receipt by Buyer of delivery of any products described on the Quotation ("Products") combined with conduct indicating acceptance of the Products. Failure by Buyer to return the Products within a reasonable time shall be deemed acceptance only to the extent permitted under applicable law.
- 1.3 The Agreement shall not be modified except in writing, signed by the Parties. No waiver by Seller of any default or provision hereof shall be deemed a waiver of any subsequent default or provision.

2. PRODUCTS PROVIDED AND PRICE

- 2.1 Unless otherwise provided on the Quotation, Products furnished hereunder shall be newly manufactured products but may contain components which have been previously used in other product units. Any such previously used components have been disassembled, reprocessed and reassembled, as appropriate, and meet or exceed Seller's specifications for newly manufactured components.
- 2.2 The price of all Products unless otherwise specifically stated on the Quotation is in US Dollars and FCA (Incoterms 2020), at the place of manufacture or warehouse location, which is the address set forth on the Quotation, exclusive of insurance and transport cost. The cost of packaging for normal domestic shipment is included in the invoiced price. Where special domestic or export packaging is specified, involving greater expense, a charge will be made to cover such extra expense.
- 2.3 Prices and orders do not include Federal, State or local excise, sales, use or other taxes now or hereinafter enacted, which are applicable to the Products sold hereunder or this transaction (excluding only taxes based on Seller's income), which tax or taxes will be added by Seller to the sales price when Seller has the legal obligation to collect the same and will be invoiced to and paid by Buyer, unless Buyer provides Seller with a proper tax exemption certificate. In the event Seller is required to pay any such tax, fee or charge at the time of sale or thereafter, Buyer shall reimburse Seller therefore. Prices and orders do not include any duties or related fees nor any bank charges in connection with the receipt of payments under this Agreement.
- 2.4 Prices quoted are for the Products and services described on the Quotation only and do not include technical data, proprietary rights of any kind, patent rights, qualification, environmental or other than Seller's standard tests unless expressly agreed to in writing by Seller.
- 2.5 Unless otherwise stated by Seller in writing, all quotations are firm for, and expire, thirty (30) days after date thereof and constitute offers.

3. PAYMENT TERMS

- 3.1 Unless otherwise stated on the Quotation, the payment terms are net 14 days from date of invoice. Seller reserves the right to require alternative payment terms, including, without limitation, sight draft, letter of credit or payment in advance. All payments shall be made to Seller at its principal office in Woodbury, Minnesota, or such other office as designated on the Quotation. Interest accrues on overdue invoices at the rate of one and one-half percent (1 1/2%) per month, but not more than the amount allowed by law, on the unpaid balance from the original due date of the invoice. Payment shall not be withheld for delay in installation if at Buyer's request nor for delay in delivery of required documentation unless a separate price is stated therefor, and only to the extent of the prices stated.
- 3.2 All orders are subject to, and the obligation of Seller to make deliveries is subject to, the right of Seller as provided in paragraph 3.1, to require of Buyer payment of all or any part of the purchase price in advance of delivery or to make shipment C.O.D. If Buyer fails to make advance payment when requested by Seller, or if Buyer is or becomes delinquent in the payment of any sum due to Seller (whether or not arising out of this order) or refuses to accept C.O.D. shipment, then Seller shall have the right, in addition to any other remedy to which it may be entitled at law or in equity, to cancel the sales order, refuse to make further deliveries or perform further services, and declare immediately due and payable all unpaid amounts for goods previously delivered to Buyer. Partial shipments made under any order shall be treated as a separate transaction and

payment thereof shall be made accordingly. However, in the event of any default by Buyer, Seller may decline to make further shipments without in any way affecting its rights under such order.

- 3.3 Seller reserves a purchase money security interest in the Products sold hereunder and the proceeds thereof, in the amount of the purchase price. In the event of default by Buyer on any of its obligations to Seller, Seller will have the right to repossess the goods sold hereunder in accordance with applicable law. In such event, Buyer agrees to make the Products available to Seller so that Seller can repossess them without a breach of peace. This security interest will be satisfied by payment in full. A copy of the invoice may be filed with appropriate authorities at any time as a financing statement and/or chattel mortgage to perfect Seller's security interest. Buyer shall cooperate fully with Seller to execute such other documents and to accomplish such filings and/or recordings thereof as Seller may deem necessary for the protection of Seller's interests in the Products furnished hereunder.

4. TRANSPORTATION AND RISK OF LOSS

- 4.1 Unless otherwise agreed to in writing by Seller, all transportation shall be at the expense of Buyer, Seller reserving the right to ship Products freight collect and to select the means of transportation and routing. Unless otherwise advised, Seller may insure to full value of the Products or declare full value thereof to the transportation company at the time of delivery and all such freight and insurance costs shall be for Buyer's account. Risk of loss or damage shall pass to Buyer upon delivery of the Products to the transportation company at the FCA point, whether or not installation is provided by or under supervision of Seller.
- 4.2 Seller may at its option obtain insurance for its Products covering their delivery to Buyer and Buyer agrees to reimburse Seller for the cost of providing such insurance. If Buyer has not been notified of the existence of insurance coverage and provides its own insurance for such shipment Seller will waive its insurance charge.
- 4.3 If the goods have not been picked up on the agreed date or within one week after Seller's notification of readiness for shipment, Seller reserves the right to charge reasonable storage costs.
- 4.4 Confiscation or destruction of, or damage to Products shall not release, reduce or in any way affect the liability of Buyer therefor. Notwithstanding any defect or nonconformity, or any other matter, such risk of loss shall remain in Buyer until the Products are returned at Buyer's expense to such places as Seller may designate in writing. Buyer, at his expense, shall fully insure Products against all loss or damage until Seller has been paid in full therefor, or the Products have been returned, for whatever reason, to Seller.

5. SHIPMENT

- 5.1 The shipping lead time specified in the Quotation starts after order acknowledgement, clarification of all technical details (release to build) and receipt of the advance payment, whichever is last. Any shipment quotation or forecast on an order acknowledgment is only an estimate of the time required to make shipment.
- 5.2 All critical dates related to the shipment 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 Buyer, the entire milestone plan must be redefined and the shipment date adjusted. The milestone plan is a binding part of the Agreement and can be changed by mutual agreement at any time. Seller will not assume liability, consequential or otherwise, because of any delay or failure to deliver all or any part of any order for any reason except for the extent caused by Seller's gross negligence or willful misconduct. Seller reserves the right to allocate inventories and current production in any way it deems desirable.

6. INSPECTION, COMMISSIONING AND ACCEPTANCE

- 6.1 For goods ordered without Seller's installation and commissioning services, Buyer shall inspect the goods within a reasonable time not exceeding thirty (30) days after delivery and notify Seller of any non-conformity. Failure to provide such notice within a reasonable time shall constitute acceptance except for latent defects not reasonably discoverable upon inspection.
- 6.2 If the installation of the delivered goods is carried out by Seller, the document "Prerequisites for the Installation of Dr. Schenk Inspection Systems" applies, which is attached to the Quotation.
- 6.3 Commissioning and final acceptance of the Products 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.
- 6.4 Final acceptance is granted (i) automatically once the Products are used in production or (ii) no later than eight weeks after notification of readiness for shipment, if final acceptance is delayed due to circumstances beyond Seller's control.

7. TERMINATION

- 7.1 Any order for a standard Product with a published price accepted by Seller and terminated by Buyer for convenience prior to shipment, shall be subject to a termination charge as follows:
- Termination between conclusion of the Agreement 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
 - Termination after notification of readiness for shipment: 100% of the order value,
- provided such amounts are reasonable in light of Seller's actual costs and lost profit. No order for nonstandard Products or Products without a published price may be terminated by Buyer for convenience except by mutual agreement in writing.
- 7.2 Terminations by mutual agreement are subject to the following conditions:
- 7.2.1 Buyer will pay, at applicable contract prices, for all Products which are completely manufactured and allocable to Buyer at the time of Seller's receipt of notice of termination;
- 7.2.2 Buyer will pay all costs, direct and indirect, which have been incurred by Seller with regard to Products which have not been completely manufactured at the time of Seller's receipt of notice of termination, plus a pro rata portion of the normal profit on the contract;
- 7.2.3 Buyer will pay a termination charge on all other Products affected by the termination. Seller's normal accounting practices shall be used to determine costs and other charges. To reduce termination charges, Seller will divert completed parts, material or work-in-progress from terminated contracts to other customers whenever, at Seller's sole discretion, it is practicable to do so. In the event of a termination, Buyer will have no rights in partially completed goods.

8. LIMITED WARRANTY – LIMITATION OF REMEDIES

- 8.1 Except as otherwise specified herein, Seller warrants the Products:
- 8.1.1 To be free from defects in material and workmanship for a period of time and under such conditions as specified in Seller's warranty for the individual Product, or for twelve (12) months from notification of readiness for shipment if a warranty for an individual Product is not specified, and
- 8.1.2 To perform in the manner and under the conditions as specified in Seller's warranty for the individual Product or for twelve (12) months from notification of readiness for shipment if a warranty for an individual Product is not specified.
- 8.2 If Buyer enters into a maintenance contract no later than two months after the expiration of the Product warranty period and maintains this contract without interruption, the warranty period for Seller's cameras included in the system will be extended to a total of 10 years. The 10-year camera warranty includes costs for labor and a replacement camera. Travel time and travel costs are excluded.
- 8.3 This warranty does not cover consumable components and wear & tear parts 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 Seller's instructions for a proper use, proper maintenance or care. Seller reserves the right to review Buyer's maintenance documentation in association with any warranty and/or damage claim and to discontinue the warranty entirely in such cases where evidence of improper use is observed.
- 8.4 This warranty is the only warranty made by Seller with respect to the Products and no representative or person is authorized to bind Seller for any obligations or liabilities beyond the warranty in connection with the sale of Seller's Products. This warranty is made to the original Buyer only at the original location and is nontransferable, and may only be modified or amended by a written instrument signed by a duly authorized officer of Seller. Major sub-systems manufactured by other firms but integrated into Seller's system are covered by the original manufacturer's warranty and Seller makes no warranty, express or implied regarding such sub-systems. The warranty period for repaired or replaced good or parts recommences on the respective shipping date and ends no later than six months after the end of the original warranty period
- 8.5 These remedies are available only if Seller is notified in writing by Buyer promptly upon discovery of the defect, and in any event within the warranty period for the individual Product, Seller's examination of such Products discloses to Seller's satisfaction that such defects actually exist and the Products have not been (i) repaired, worked on, or altered by persons not authorized by Seller so as to injure the stability, reliability, or proper operation of such Products; (ii) subject to misuse, negligence or accident; or (iii) connected, installed, used or adjusted otherwise than in accordance with the instructions furnished by Seller. Seller's determination of defect shall be made in good faith and in accordance with commercially reasonable standards.
- 8.6 All Products which Buyer considers defective shall be returned to Seller's office as designated on the Quotation, transportation costs prepaid and borne by Buyer unless the defect is confirmed, in which case the Seller shall reimburse reasonable costs. The risk of loss of the goods shipped or delivered to Seller's plant for repair or replacement will be borne by Buyer.

- 8.7 If it is found that any Product has been returned without cause and is still serviceable, Buyer will be notified and the Product returned at Buyer's expense. In addition, a charge for testing and examination may, in Seller's sole discretion, be made on Products so returned.
- 8.8 THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES (EXCEPT FOR SPECIFIC WRITTEN PRODUCT PERFORMANCE GUARANTEES) WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND SHALL BE BUYER'S SOLE REMEDY AND SELLER'S SOLE LIABILITY ON CONTRACT OR WARRANTY OR OTHERWISE FOR THE PRODUCT.

9. SELLER'S RIGHTS TO SUBCONTRACT

Seller may subcontract any portion of the work on any item subject to this Agreement, but Seller's obligations and rights hereunder shall not thereby be limited or affected.

10. BANKRUPTCY OR INSOLVENCY OF BUYER

If the financial conditions of Buyer at any time is such as to give Seller, in its judgment, reasonable grounds for insecurity concerning Buyer's ability to perform its obligations under this agreement. Seller may (i) by notice in writing to Buyer, cancel this Agreement, without judicial intervention or declaration of default of Buyer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Seller, (ii) require full or partial payment in advance and suspend any further deliveries for continuance of the work to be performed by Seller until such payment has been received or (iii) make shipments C.O.D.

11. PATENT PROTECTION

- 11.1 Seller will defend Buyer at its own expense, as set forth herein, against any claim that the design or manufacture of any standard Product furnished hereunder constitutes an infringement of any United States patents or other industrial property rights. Buyer shall notify Seller promptly in writing of any such claim of infringement and shall give Seller full authority, information and assistance in settling or defending such claim. Seller shall have no liability whatsoever with respect to any claims settled by Buyer without Seller's prior written consent. Seller shall not have any liability to Buyer under any provision of this clause if any patent infringement or claim thereof, is based upon the use of the Products or in combination with equipment or devices act made by Seller, or in a manner for which the Products were not designed.
- 11.2 In case the Products furnished by Seller with respect to any such claim are held in and of themselves to constitute infringement and their use is enjoined, Seller, within a reasonable time, shall, at its option, either (i) secure for Buyer the right to continue using the Products by suspension of the injunction, by procuring for Buyer a license or by some other means, or (ii) at Seller's own expense, replace the Products or components thereof with non-infringing goods, or (iii) remove the enjoined Products or components thereof and refund the sums paid therefor. The foregoing states the entire liability of Seller with respect to infringement of intellectual property rights by the goods or any part thereof or by their operation. These provisions, however, shall not apply to any equipment, device or parts specified by Buyer but not manufactured by Seller. THE FOREGOING STATES SELLER'S ENTIRE LIABILITY AND OBLIGATION (EXPRESS, STATUTORY, IMPLIED OR OTHERWISE) WITH RESPECT TO INTELLECTUAL PROPERTY INFRINGEMENT OR CLAIMS THEREFORE.

12. PROPRIETARY RIGHTS

The sale of the Products hereunder to Buyer shall in no way be deemed to confer upon Buyer any right, interest or license in any patents or patent applications or design copyrights Seller may have covering the Products. Seller retains for itself all proprietary rights in and to all designs, engineering details, and other data and materials pertaining to any Products supplied by Seller and to all discoveries, inventions, patents and other proprietary rights arising out of the work done by Seller in connection with the Products or with any and all Products developed by Seller as a result thereof, including the sole right to manufacture any and all such Products. Buyer warrants that it will not divulge, disclose, or in any way distribute or make use of such information, and that it will not manufacture or engage to have manufactured such Products.

13. ERRORS

Stenographic and clerical errors are subject to correction.

14. LIMITATION OF LIABILITY

- 14.1 Seller will not be liable for any loss, damages or penalty resulting from delay in delivery of the Products when such delay is due to causes beyond the reasonable control of Seller, including without limitation, supplier delay, force majeure, act of God, labor unrest, fire, explosion or earthquake. In any such event, the delivery date will be deemed extended for a period equal to the delay.
- 14.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF REVENUE, LOSS OF PROFIT, LOSS OF SAVINGS, LOSS OF SALES, LOSS OF CONTRACT, IN EACH CASE ARISING OUT OF OR IN CONNECTION WITH ANY BREACH OF THE AGREEMENT, EXCEPT WHERE SUCH LIMITATION IS PROHIBITED BY LAW OR WHERE REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.
- 14.3 NOTWITHSTANDING THE FOREGOING, SELLER'S TOTAL LIABILITY HEREUNDER FROM ANY CAUSE WHATSOEVER, EXCEPT IN CASES OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR PERSONAL INJURY WHERE LIABILITY CANNOT BE LIMITED BY LAW), WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCTS LIABILITY OR ANY OTHER THEORY OF LIABILITY, WILL BE LIMITED TO THE LESSER OF BUYER'S ACTUAL DAMAGES OR THE PRICE PAID TO SELLER FOR THE PRODUCTS THAT ARE THE SUBJECT OF BUYER'S CLAIM. ALL CLAIMS AGAINST SELLER MUST BE BROUGHT WITHIN ONE YEAR AFTER THE CAUSE OF ACTION ARISES TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, AND BUYER EXPRESSLY WAIVES ANY LONGER STATUTE OF LIMITATIONS.

15. SUBSTITUTIONS AND MODIFICATIONS

Seller will have the right to make substitutions and modifications at the specifications of Products sold by Seller, provided that such substitutions or modifications will not materially affect overall Product performance.

16. SUPPORT AND SERVICE

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

17. APPLICABLE LAW

This Agreement will be governed by the laws of the State of Minnesota excluding (i) its conflict of laws provisions and (ii) the United Nations Convention for the International Sale of Goods (CISG).

18. ARBITRATION

- 18.1 Any claim, dispute, or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this arbitration clause, shall be finally resolved by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules then in effect. The seat of the arbitration shall be Minneapolis, Minnesota, United States. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
- This Agreement to arbitrate shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1–16.
- 18.2 If any provision of this arbitration clause or the Agreement is found to be invalid or unenforceable, such provision shall be severed, and the remaining provisions shall remain in full force and effect. Prior to initiating arbitration, the parties shall attempt in good faith to resolve the dispute through negotiation and, if mutually agreed, non-binding mediation.
- 18.3 Parties acknowledge that they had a right or opportunity to litigate disputes through a court in front of a judge or jury, but that they preferred to resolve any disputes through arbitration.