

GENERAL TERMS AND CONDITIONS FOR PROVIDING SUPPORT AND SERVICES

1. LIMITS OF AGREEMENT

These General Terms and Conditions for providing support and services ("GTC Service") 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 ("Dr. Schenk") and its customers ("Customer") (together referred to as "Parties") with the subject of providing support and services for one or more Dr. Schenk inspection system(s) ("Inspection System") purchased by the Customer. 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.

2. CONTRACT CONCLUSION

- 2.1 Acceptance by Customer of these terms may be made either (i) by written acceptance, or (ii) by receipt by Customer of any parts, support or services described on the Quotation ("Services") combined with conduct indicating acceptance of the Services.
- 2.2 The Agreement shall not be modified except in writing, signed by the Parties. No waiver by Dr. Schenk of any default or provision hereof shall be deemed a waiver of any subsequent default or provision

3. SCOPE OF SUPPLY / SERVICES

3.1 Continuous support and maintenance

- 3.1.1 Dr. Schenk supports the Customer continuously as part of general troubleshooting and in the inspection process. Dr. Schenk also handles the technical maintenance of the software and hardware of the Inspection System. The Customer can choose between various Service Modules or combine them under certain conditions. The scope of services and the exact designation of the Inspection System are specified in the quotation. All quotations are, unless otherwise agreed to, based on the current "Dr_Schenk_Service_Modules_Description_and_Pricelist_NA" in their respective valid version.
- 3.1.2 The Customer can reach Dr. Schenk Customer Service during general business hours and under the contact information specified in Section 10.
- 3.1.3 If an on-call service outside of the general business hours has been separately agreed in the contract, the Customer can reach Dr. Schenk Customer Service at a phone number that is to be provided at the time of contract conclusion.
On-call service is always excluded on the following days: From December 24 at 6:00 am to December 26 at 6:00 am, from December 31 at 6:00 am to January 2 at 6:00 am and on the following public holidays: Good Friday, Easter Sunday, Easter Monday, Memorial Day, Independence Day (including observed), Labor Day, Thanksgiving, Thanksgiving Friday. All times in these GTC Service are indicated in Central Time (CT).
- 3.1.4 The scope of services does not include work that is performed outside of the agreed Service Module or work that is necessary because of the non-contractual use of the Inspection System, independent modifications by the Customer on same or due to the use of third-party software. The same applies to malfunctions resulting from a violation of the duty of care by the Customer.

3.2 Extended warranty

- 3.2.1 Dr. Schenk extends the warranty for the component(s) defined in the quotation for the period stated therein. Prerequisite for granting an extended warranty is the conclusion of a maintenance agreement according to Section 3.1, which must occur at the end of the warranty period for the Inspection System. At a minimum, the maintenance agreement must include phone support during business hours and an annual on-site maintenance visit and be maintained throughout the warranty period without interruption.
- 3.2.2 The extended warranty includes the cost for the spare part and labor for the replacement. This does not cover travel times and costs. The term "spare part" can refer to entire components or a part of a component.
- 3.2.3 The extended warranty does not extend to damage resulting from external influences (such as fire, power surge) or improper use, including the use for a purpose other than the intended purpose or handling other than according to the instructions by Dr. Schenk for proper use, proper maintenance or care.
- 3.2.4 Dr. Schenk reserves the right to review the 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.

3.3 Repair services outside of the warranty period

- 3.3.1 Dr. Schenk will carry out repairs on the Inspection System outside of the warranty period upon the Customer's request via remote access or on-site. The cost will be billed based on time and materials. Upon request, Dr. Schenk will provide a budgetary quotation specifying the anticipated scope of services and the exact designation of the Inspection System. All budgetary quotations are, unless otherwise agreed to, based on the "Dr_Schenk_Service_Modules_Description_and_Pricelist_NA" in the respective valid version.
- 3.3.2 The Customer can reach the Dr. Schenk Customer Service during general business hours and under contact information as specified in Section 10.

3.4 Spare Parts and Upgrades

- 3.4.1 The scope of supply and the corresponding prices for spare parts and upgrades are specified in the quotation.
- 3.4.2 Standard spare parts for the Inspection System will be shipped to the Customer within five working days, subject to prior sale.

3.5 Training

- 3.5.1 Dr. Schenk provides training for the operation and setting up of the Inspection System. The Customer can choose between various training levels or combine them. An exact description of the contents is available in the Schenk Academy Course Description EN, which are sent to the Customer upon request.
- 3.5.2 Depending on the training level, Dr. Schenk offers Customer-specific individual training courses, which are conducted either on-site at the Customer location or at Dr. Schenk. Alternatively, Dr. Schenk offers general group training at its site. The scope of services is specified in more detail in the quotation. All quotations are based on the "Dr_Schenk_Training_Description_and_Pricelist_NA" in the respective valid version unless otherwise agreed.

3.6 Inspection Process Ramp-Up Support (IPRS) / Inspection Process Support (IPS)

- 3.6.1 Dr. Schenk supports the Customer in the system parameter setting for the operation of the Inspection System as part of a Customer requested hour allotment. The scope of services and the respective Inspection System(s) are specified in more detail in the quotation. All quotations are, unless otherwise agreed to, based on the "Dr_Schenk_Service_Modules_Description_and_Pricelist_NA" in the respective valid version.
- 3.6.2 The Customer can reach Dr. Schenk Customer Service during general business hours and under contact information as specified in Section 10.

3.7 Dr. Schenk AI-Workbench

- 3.7.1 Dr. Schenk provides the Customer with an access to the "Dr. Schenk AI-Workbench", a cloud-based platform solution that Customers can use to upload, label and store defect images from their inspection process. The Customer uses this data on its own responsibility for training and optimizing AI models.
- 3.7.2 A support package pursuant to Section 3.6, which includes the initial hours required to set up the "Dr. Schenk AI-Workbench" solution, must be purchased separately.
- 3.7.3 The scope of services is specified in more detail in the quotation. All quotations are, unless otherwise agreed to, based on the "Dr_Schenk_Service_Modules_Description_and_Pricelist_NA" in the respective valid version.
- 3.7.4 The „Additional Terms of Use for the Dr. Schenk AI-Workbench“ shall apply.

4. OBLIGATIONS OF THE CUSTOMER

- 4.1 The Customer carries out regular maintenance work independently according to the operator manual and documents them in scope and time.
- 4.2 The regular creation and archiving of current system and application backups according to the operator manual is the responsibility of the Customer. In particular, this must be done before any Services are provided.
- 4.3 The Customer will make all information available that is required by Dr. Schenk for the performance of the Services and will support Dr. Schenk upon request.
- 4.4 The Customer will provide trained contact persons who act as the initial contact for Dr. Schenk personnel in the event of technical problems.
- 4.5 If the Customer wishes to postpone an expressly confirmed appointment (such as a maintenance appointment, IPRS date), the Customer is obligated to notify Dr. Schenk accordingly at least one week prior. Otherwise, Dr. Schenk reserves the right to charge a fee for futile expenditures of USD 500 plus travel costs, which are either non-cancelable or have already been incurred. In case the postponement is related to a training date pursuant to Section 3.5, Section 9.3 applies accordingly.
- 4.6 Malfunctions of any kind must be reported to Dr. Schenk immediately upon detection.

- 4.7 During the agreed schedule for support and services, the Customer will provide access to all system components required to perform the service and initiate the decommissioning and commissioning of the complete system.
- 4.8 To the extent that Dr. Schenk provides Services according to Sections 3.1, 3.3 or 3.6, the Customer will provide Dr. Schenk with remote maintenance access to the Inspection System as specified in the quotation. This access must meet the requirements listed in the operator manual under "Setting Up a Remote Access Connection" and in the "Dr. Schenk Cyber Security Policy", which are sent to the Customer upon request.

5. COMPENSATION AND PAYMENT TERMS

- 5.1 Services according to Sections 3.1, 3.5 and 3.7 are paid at a flat rate. The compensation for Services according to Sections 3.1 and 3.7 must be paid annually in advance. Dr. Schenk is not obligated to provide Services until the payment has been received.
- 5.2 The following will be invoiced based on actual hours worked:
- Services according to Section 3.3
 - Travel times for on-site visits of any kind
 - Wait times during regular maintenance that total more than 10% of the total work time
 - Work hours that are incurred as part of a separate contractually agreed availability outside of the business hours
 - Cost for the remedy of defects that are outside of an agreed maintenance schedule
- Travel costs will be billed based on the actual costs incurred.
- 5.3 Hour allotments according to Section 3.6 will be billed in advance and reduced by the number of actual hours worked. Dr. Schenk is not obligated to provide Services until the payment has been received.
- 5.4 Costs for any spare parts outside of the warranty period are not included in the Services and billed separately.
- 5.5 The price of all Services unless otherwise specifically stated on the Quotation is in US Dollars. 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 Services 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.
- 5.6 Unless otherwise stated on the Quotation, the payment terms are net 14 days from date of invoice. Dr. Schenk 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 Dr. Schenk at its principal office in Woodbury, Minnesota, or such other office as designated on the Quotation. Interest accrues on overdue invoices at the lesser of one and one-half percent (1.5%) per month or the maximum rate permitted under applicable law, on the unpaid balance from the original due date of the invoice. Payment shall not be withheld for delay in installation if at the Customer'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.

6. SHIPMENT

- 6.1 (Spare) parts will be shipped 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 expenses, a charge will be made to cover such extra expenses.
- 6.2 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.
- 6.3 Confiscation or destruction of, or damage to (spare) parts shall not release, reduce or in any way affect the liability of the Customer therefor. Notwithstanding any defect or nonconformity, or any other matter, such risk of loss shall remain in Customer until the (spare) parts are returned at the Customer's expense to such places as Dr. Schenk may designate in writing. The Customer, at its expense, shall fully insure (spare) parts against all loss or damage until Dr. Schenk has been paid in full therefore, or the (spare) parts have been returned, for whatever reason, to Dr. Schenk.

7. LIMITED WARRANTY – LIMITATION OF REMEDIES

- 7.1 Dr. Schenk warrants that the spare parts and hardware upgrades are free of defects in material or workmanship for a period of six months (spare parts) or twelve months (hardware upgrades) starting with the date of installation and shall within this period assume all costs for labor and material for their repair or

replacement in case of a defect. The warranty period commences no later than four weeks after shipment. Sections 3.2.3 and 3.2.4 apply accordingly.

- 7.2 Dr. Schenk ensures that all contractually agreed Services are performed by qualified personnel. Defects in the Inspection System resulting from previous repairs that are proven to be incomplete must be remedied by Dr. Schenk.
- 7.3 This warranty is the only warranty made by Dr. Schenk with respect to the Services and no representative or person is authorized to bind Dr. Schenk for any obligations or liabilities beyond the warranty in connection with the sale of Dr. Schenk's Inspection Systems. This warranty is made to the original Customer 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 Dr. Schenk.
- 7.4 These remedies are available only if Dr. Schenk is notified in writing by Customer promptly upon discovery of the defect, and in case of spare parts or hardware upgrades within the warranty period as set out in Section 7.1, Dr. Schenk's examination of the Inspection System discloses to Dr. Schenk's satisfaction that such defects actually exist and the Inspection System has not been (i) repaired, worked on, or altered by persons not authorized by Dr. Schenk so as to injure the stability, reliability, or proper operation of such Inspection System; (ii) subject to misuse, negligence or accident; or (iii) connected, installed, used or adjusted otherwise than in accordance with the instructions furnished by Dr. Schenk. Dr. Schenk's determination of defects shall be made in good faith and in accordance with commercially reasonable standards.
- 7.5 All spare parts or hardware upgrades which the Customer considers defective shall be returned to Dr. Schenk's office as designated on the Quotation, transportation costs prepaid and borne by the Customer unless the defect is confirmed, in which case Dr. Schenk shall reimburse reasonable costs. The risk of loss of the goods shipped or delivered to Dr. Schenk's plant for repair or replacement will be borne by the Customer.
- 7.6 If it is found that any spare part or hardware upgrade has been returned without cause and is still serviceable, the Customer will be notified and the item returned at the Customer's expense. In addition, a charge for testing and examination may, in Dr. Schenk's sole discretion, be made on items so returned.
- 7.7 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 SERVICES.

8. LIMITATION OF LIABILITY

- 8.1 Dr. Schenk will not be liable for any loss, damages or penalty resulting from delay in providing the Services when such delay is due to causes beyond the reasonable control of Dr. Schenk, including without limitation, supplier delay, force majeure, act of God, labor unrest, fire, explosion or earthquake. In any such event, a new date for providing the Services needs to be mutually agreed between the Parties.
- 8.2 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.
- 8.3 NOTWITHSTANDING THE FOREGOING, SELLER'S TOTAL LIABILITY HEREUNDER FROM ANY CAUSE WHATSOEVER, EXCEPT IN CASES OF FRAUD, 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.

9. TERM AND TERMINATION

- 9.1 The minimum term for contracts for services in accordance with Sections 3.1 and 3.7 is one year. The start and the end of the term are specified in the quotation.

- 9.2 In case the Customer terminates a contract on supply according to Section 3.4, the Customer agrees to reimburse Dr. Schenk for those parts that Dr. Schenk has ordered bindingly and irrevocably from its suppliers and that cannot be used for another customer.
- 9.3 Contracts on services according to Section 3.5 can be terminated up to four weeks prior to the confirmed appointment without charge. After that Dr. Schenk reserves the right to charge the Customer with 50% of the order value. In case the Customer terminates the contract by giving less than two weeks' notice, 100% of the order value may be charged by Dr. Schenk.

10. AVAILABILITY AND CONTACT INFORMATION

The Customer can reach Dr. Schenk Customer Service during general business hours

Monday – Friday: 8:30 am – 5:00 pm (CT)

under the following contact information:

Phone: 651-730-4090

E-Mail: [Contact form](#)

11. 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).

12. ARBITRATION

- 12.1 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.
- 12.2 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.
- 12.3 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.