GENERAL TERMS OF BUSINESS



1. Scope

The present General Terms of Business ("GTB") shall apply to all present and future transactions based on contracts between Sentec AG ("Sentec") and its Customers of goods and services ("Customer"),in particular, but not limited to, distribution agreements or original equipment manufacturers (OEM) agreements (each a "Contract"). Unless expressly otherwise agreed between the parties, they also shall apply to any future contracts involving those parties. They are the basis for all relevant quotations, confirmations, brochures, price lists, advertisements, etc., irrespective of whether these have been communicated by Sentec orally, in writing or electronically. Sentec accepts orders exclusively on these GTB. Any other terms and conditions shall not become part of the Contract even if not explicitly rejected by Sentec. Should Sentec accept orders without any explicit objection, this does not mean that Sentec accepts the Customer's general terms and conditions of purchase. When placing an order, the Customer automatically declares agreement with these GTB and such order shall in all cases be based on Sentec's GTB unless explicitly otherwise agreed upon by the parties in writing. Changes in these GTB shall be notified to the Customer hereto in writing and shall be deemed approved when not contested in writing by the Customer hereto. The Customer hereto shall send its protests to Sentec in writing within a period of twenty (20) working days after notification of the said change. Should specific clauses of these GTB be initially or become retrospectively invalid, these shall neither affect the validity of any other provisions of these GTB nor of provisions of the Contract (if any) between the parties. Should specific clauses become ineffective, the parties hereto agree to replace any ineffective clauses by clauses being equal in economic effect to the original clauses. In case of any conflict between these GTB and the Contract, the provisions of such Contract shall prevail.

2. Quotations/ Order confirmation/ Product Changes

Orders can be placed at Sentec in writing (letter, Email), via Sentec's homepage, by telephone or fax. After receipt of an order, Sentec will confirm it in writing. This order confirmation is decisive for the scale and configuration of delivery. The Contract between the parties shall be deemed concluded on the date of issuance of Sentec's written order confirmation. The Customer must verify the order confirmation. Any discrepancies to the order should be reported within two (2) working days upon receipt. Otherwise, the provisions of the order confirmation govern the contract. Sentec reserves the right to alter products (including third party products) at any time without detriment to product function or performance

3. Delivery Dates

Sentec delivers the ordered products by the dates and Incoterms specified in the order confirmation. The Customer undertakes the necessary precautions to be able to pick up and/or receive these products at the stated delivery address during standard working hours in the country of delivery. If hindrances arise which are beyond Sentec's reasonable control (e.g. natural occurrences, mobilization, war, riot, epidemics, accidents and illness, serious breakdowns, industrial disputes, delayed or faulty deliveries and official actions), the delivery dates will be deferred for the duration of the hindrance and a reasonable period thereafter is to be fixed by the parties. The postponement does not entitle the Customer to cancel the contract, refuse acceptance, seek abatement and/or claim compensation

4. Prices and Payment Terms

The Customer undertakes to pay the agreed prices on the dates stated in the order confirmation or in the respective Contract between the parties. Prices and quotations are subject to the following:

- a) Unless otherwise stated in writing, all quotations expire sixty (60) days after date thereof, may be terminated earlier by notice, and constitute only solicitations for offers to purchase; further, budgetary quotations and estimates are for preliminary information only and shall neither constitute offers, nor impose any obligation or liability upon Sentec;
- Specified product (net) prices are exclusive of charges for forwarding, insurance and installation, and also of taxes (including, without limitation, any value added tax, sales tax, or similar tax); these charges are invoiced separately;
- Sentec reserves the right to make price adjustments at any time without notice effective for future transactions.

Sentec cooperates with an international commercial credit and collection institution. At its sole discretion, Sentec can grant credit to Customer

within the limits offered by this institution only. While the amounts receivable from the Customer do not supersede the granted limit, invoices are to be settled without further deductions according to the payment terms stated in the order confirmation. Unless otherwise agreed and stated in the order confirmation, Sentec will confirm the following standard term of payment: hundred percent (100%) pre-payment. The Customer bears all expenses related to his remittances.

5. Failure of Compliance with Payment Terms

If payment terms are not complied with and if Sentec has (fully or partially) delivered ordered products or has provided ordered services nonetheless, Sentec is entitled to

- a) hand over all information on the case to the commercial credit and collection institution;
- and/or declare all claims on the Customer to be due with immediate effect;
- c) and/or demand securities for all outstanding claims;
- and/or execute outstanding deliveries only against advance payment.

Any amounts not paid when due will be subject to a late payment fee computed daily at a rate equal to two percent (2%) per month or the highest rate permissible under applicable law. Sentec's costs and expenses, including reasonable attorneys' fees, incurred in collection of any amounts not paid when due, whether or not suit is commenced, will be added to the amount due. On expiry of a reasonable respite given to Customer in writing, if securities have not been furnished or if payments have not been made, Sentec can withdraw from the Contract and/or demand compensation, even if the goods or part thereof have already been delivered. The Customer may offset potential claims against Sentec only if Sentec recognizes these or a legal judgment has been obtained.

6. Retention of Title

Ownership of the products delivered does not pass to the Customer until the full purchase price has been paid. The Customer authorizes Sentec to register – at Sentec's sole discretion - the reservation of property rights at the relevant record office. If the Customer is a commercial enterprise, the following provisions also apply: The Customer may resell the reserved products in the context of a regular business transaction. In such event, the Customer herewith assigns to Sentec in full all claims arising therefrom to secure Sentec's demands for payment. The Customer will immediately inform Sentec in writing of third party appropriation of the reserved products or of the assigned demands, and inform third parties of Sentec's rights. If the Customer is partially or wholly in arrears with one or more payments, discontinues his payments or if a petition in bankruptcy, involving his assets has been filed, he may no longer possess the reserved goods. In such an eventuality, Sentec is entitled to withdraw from the Contract or to take back the reserved products or revoke its right to collect the claims arising from the resale, to ask for information about the recipients of the reserved products, to notify them of the assignment of the claims, and to collect the claims itself.

7. Warranty

Subject to the conditions and terms set forth herein, Sentec warrants to Customer that new products are free from defects in workmanship and materials. In addition to the warranty terms set forth in this section 7, the product related warranty periods as included and agreed upon in the Contract are applicable. The provisions pursuant to article 208 Swiss Code of Obligations are expressly excluded. Warranty is explicitly excluded if

- a) procedures recommended by Sentec are not carried out when implementing or using the products (e.g. regarding installation, utilization, regular preventive maintenance, regular service, or repair);
- b) products are not used in line with their intended use;
- c) products have been subject to misuse, neglect or accident;
- d) products have been damaged by extraneous causes;
- e) accessories (if applicable) other than those recommended by Sentec are used;
- f) the warranty seal of products, whose cover can be opened, is broken;
- g) software updates or upgrades are not performed by hereto authorized persons;
- h) service or repair is not carried out by qualified technicians or in case of repair work that must be made by qualified techni-

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GENERAL TERMS OF BUSINESS



- cians being trained, certified, and authorized to perform such repair work by hereto authorized persons;
- i) products and their related performances were designed according to Customer's specifications.

The Customer must check the products on receipt and report any defects to Sentec in writing within five (5) working days thereafter, otherwise the products will be regarded as approved in all functions and faultless. Hidden defects must be reported in writing within five (5) working days upon discovery. When products are found to be defective, Sentec's only obligation is to at Sentec's own choice repair or replace those defective products within a reasonable timeframe. Customer claims for compensation, abatement or contract cancellation are precluded unless repair or replacement fail to provide remedy. If repair or replacement fail to provide remedy, the Customer is entitled to demand annulment (cancellation) or abatement of the contract, compensation being precluded. The provisions under article 205 et seq. Swiss Code of Obligations are herewith explicitly excluded. Parts replaced or products exchanged under warranty become property of Sentec.

Service and repair work under warranty conditions has to be carried out by Sentec or partner firms appointed by Sentec. Service and repair lead times are regarded as agreed approximations and can vary in individual cases (e.g. remote equipment installation locations); they do not apply to spares/components, which are not essential to keep the product in good working order. Servicing can also be performed via the telephone or Sentec's homepage. Insofar as agreed, servicing can comprise installation, integration, marking, disposal, training or consultation in addition to repairs. Unless otherwise agreed, the following are not included in Sentec's servicing commitment: cases in which warranty and liability are excluded under the terms set out in clauses 7 and 8; configuration work; product location changes; preventive maintenance; replacement of consumables; temporary allocation of replacement sensors, electronic boards and data storage devices; work that is not essential to repair; work on the Customer's electrical environment; backup of software and/or data; removal of Customer's modifications to a Sentec product or its components. The warranty period for products replaced under warranty conditions runs at most until the expiry date of the original (first) warranty; for clarification purposes, in case of a replacement under warranty, the running warranty period continues and does not start anew. When manufacturing its own products or carrying out work under its terms of warranty Sentec uses original parts or components, which, new or not used, comply with industry standard ISO13485. In case the Customer has purchased from Sentec combined product consisting of parts manufactured by Sentec and parts manufactured by a third party, the warranty hereunder only relates to those parts being manufactured by Sentec.

Except as expressly set forth in these GTB or in the applicable Contract, no representation or warranty whatsoever is made or given by or on behalf of Sentec.

8. Liability

Liability, firstly, is limited to damages resulting from Sentec's products or services concerning Customer's life, body or health. Secondly, in all other cases and as far as legally admissible, Sentec's liability is limited to Customer's damages resulting from Sentec's intentional or grossly negligent misconduct. Liability is also excluded if

- a) procedures recommended by Sentec are not carried out when implementing or using the products (e.g. regarding installation, utilization, regular preventive maintenance, regular service, repair or software updates or upgrades);
- b) products are not used in line with their intended use;
- accessories other than those recommended by Sentec were used;
- d) the damage arising could have been prevented by damage reducing measures that the Customer could reasonably have been expected to take such as regular preventive maintenance or regular service;
- e) products have been subject to misuse, neglect, accident, or have been damage by extraneous causes.

Claims under the terms of country-specific regulations and/or national product liability legislation are unaffected by the foregoing liability limitations. All rights and titles of wider scope, irrespective of their legal basis, are excluded as far as legally admissible.

To the extent permitted by law Sentec shall not be liable for incidental, consequential, resulting or special, loss or damage, of any kind, however caused, arising out of, or in any way connected with, any Contract, or the purchase or use of products or services furnished by Sentec to Custom-

er. In no event will Sentec's total liability in damages or otherwise exceed the amounts actually received by Sentec from Customer for the unit of product or service furnished, or to be furnished, as the case may be, which is the subject of claim or dispute.

9. Intellectual Property Rights

All intellectual property rights in the products remain with Sentec. If a third party claims infringement of intellectual property rights by, or in relation to, products furnished, Customer must inform Sentec immediately in writing. Sentec shall have the right, at its own expense, to carry on all negotiations concerning a settlement of any dispute and/or lawsuit resulting from third party claims; Customer shall reasonably support Sentec if requested.

10. Software

License of software, if any, shall be covered by the provisions of the respective Contract.

11. Secrecy

The Customer will treat as confidential all trade and manufacturing secrets marked or openly perceivable as such which come to their knowledge in the course of their business relationship, and continue to do so after termination of that relationship.

12. Obligation to provide Information

The Customer declares his readiness to provide Sentec with all information necessary to discharge its contractual obligations, to guarantee Sentec access to the products and to provide all necessary cooperation.

13. Data Protection

Customer data are subject to electronic processing in the course of business dealings. Both parties undertake to comply with data protection legislation when using data relating to persons.

14. Applicable Law and Jurisdiction

Swiss law exclusively governs these GTB, excluding its conflict of laws rules and the United Nations Convention on Contract for the International Sale of Goods of April 11, 1980 (Vienna Convention). Exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship between the parties shall be with the competent court at the registered seat of Sentec.

15. Miscellaneous

Sentec is entitled to allow individual obligations to be discharged by subcontractors. The Customer is not entitled to assign claims arising from these GTB. In the event of a majority of the Customer's capital being acquired by a third party, or in the event of the Customer being taken over by or merging with a third party, the Customer must immediately notify Sentec of this situation in writing. Based on this notification, Sentec has the right to cancel the Contract at not less than three (3) months' notice. Cancellations need to be in writing and must be forwarded by registered mail.

Sentec AG with registered seat at Ringstrasse 39 CH-4106 Therwil Switzerland

and additional registered address at **Kantonsstrasse 14**

CH-7302 Landquart Switzerland

www.sentec.com

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