

SENSOREX S.R.O.
TERMS AND CONDITIONS OF
PURCHASE

GENERAL. These terms and conditions (the GTC) govern the relationship between Sensorex s.r.o., with the seat at Okružní 2615, České Budějovice 3, 370 01 České Budějovice, Id. No. 059 77 649, registered in the commercial register maintained by the Regional Court in České Budějovice under file no. C 26093 (the Buyer) and a Seller in respect of the goods and/or services which the Buyer selected to purchase from the Seller (the Ordered Item). Specification of the Ordered Item, quantity, price and payment terms are identified in a separate purchase order (the Purchase Order). These GTC, to which a reference is made in a Purchase Order made by the Buyer, form an integral part of that Purchase Order.

1. **ACCEPTANCE.** A Purchase Order is Buyer's offer to Seller limited to the terms and conditions stated in the Purchase Order and herein and does not constitute an acceptance by Buyer of any offer to sell or quotation by Seller. Any reference to such offer to sell or quotation is solely for the purpose of incorporating the description and specifications of the goods and services contained therein to the extent that such description and specifications do not conflict with the description and specifications of the Ordered Item on the face of the Purchase Order, in which case the specification on the face of the Purchase Order has preference. The Purchase Order must be accepted by Seller in writing within 10 days of receipt of this Purchase Order. If for any reason Seller should fail to accept this Purchase Order in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by Seller of the Purchase Order and all of its terms and conditions, including these GTC. Any terms proposed in Seller's acceptance of the Purchase Order which add to, vary from or conflict with the terms of the Purchase Order are hereby objected to and rejected and as a result, no Agreement is concluded.

2. **TERMINATION AND CANCELLATION.**

a) **ENTIRE AGREEMENT.** When the Purchase Order is signed by Buyer or Buyer's authorized representative and accepted or deemed to be accepted by Seller, it constitutes together with the GTC a complete and exclusive statement of the terms of the agreement between Seller and Buyer with respect to its subject matter (the Agreement). "Signing" and acceptance "in writing" includes the use of (i) email, provided that the business email address of an authorized representative of a party is used, (ii) electronically generated signatures or (iii) any other technical means enabling identification of the content and the signatory.

b) **FORCE MAJUERE** (1) Failure to Perform. Buyer is not liable for delay in acceptance of Ordered Items, and Seller is not liable for delay in shipment, to the extent occasioned by extraordinary, unforeseeable and irreconcilable events beyond such party's reasonable control and without its fault or negligence, such as war, strikes, fires, natural disasters, catastrophic weather events, acts of terrorism, acts of a public enemy, acts of governments, or other such causes. No such event excludes a liability of a party if it occurs after the relevant party was in default with meeting its obligation under the Agreement. (2) Labor Disputes. Seller shall immediately notify Buyer if any actual or potential labor dispute is delaying or threatens to delay the timely performance of the Agreement or delivery of the Ordered Items. If such a delay extends for a period greater than ten days, Buyer may terminate the Agreement on notice to Seller, and such a termination will be considered a Termination for Convenience under paragraph c).

c) **TERMINATION FOR CONVIENIENCE.** Buyer may terminate the Agreement and any Ordered Item in whole or in part at any time by written notice with immediate effect. In the event of such termination, Buyer and Seller agree that an equitable settlement payment for the terminated part of the Agreement shall consist of Seller's provable costs to date of termination plus a reasonable profit thereon, less any value recoverable by Seller. There shall be no allowance for potential or anticipated profits, overhead costs or otherwise. If the parties do not agree on the amount of the settlement payment within 60 days, such dispute will be resolved by an expert in the area of economy included in a list of experts maintained by Czech courts. The expert will either be agreed upon by the parties or will be determined as follows: (a) each party will propose three experts, (b) the other party will refuse/delete two from such three experts, and (c) from the two remaining experts one will be drawn by lot.

d) **TERMINATION FOR DEFAULT** (1) Termination by Buyer. Buyer may terminate the Agreement in whole or in part by notice with immediate effect if Seller fails to: (i) deliver the Ordered Items required by the Purchase Order within ten days after Seller's receipt of notice from Buyer of Seller's failure to provide such delivery within the time(s) specified in the Agreement, or (ii) provide full performance of any other requirement of this Agreement in strict compliance with the terms of the Agreement within ten days of Seller's receipt of notice from Buyer specifying such failure, or (iii) provide adequate assurances of progress within ten days of Seller's receipt of Buyer's demand therefor. (2) Transfer of Completed Ordered

Items. If Buyer terminates the Agreement in whole or part pursuant to this Section 2(d), Buyer may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, (i) any completed Ordered Items, and (ii) such partially completed Ordered Items and materials, parts, tools, dies, jigs, fixtures, plans, drawings, and information or similar items (hereinafter called "Manufacturing Material"), as the Seller has produced or acquired for the performance of this Agreement; and Seller shall, upon direction of Buyer, protect and preserve any property in Seller's possession in which Buyer has an interest. Payment for completed Ordered Items delivered to and accepted by Buyer shall be at the Agreement price. Payment for Manufacturing Materials delivered to and accepted by Buyer and for the protection and preservation of property shall be at a price determined by agreement of the parties. (3) Assignment of Rights. If Buyer terminates the Agreement in whole or part pursuant to this Section 2(d), Seller shall provide to Buyer all information Buyer shall reasonably require concerning Seller's purchase orders, subcontracts or similar rights for materials, services or facilities necessary for the completion of the Agreement, and Buyer is entitled to request Seller to assign to Buyer some or all of Seller's right, title and interest in such purchase orders, subcontracts or other documents and the Seller is required to take all reasonable steps to obtain all necessary consents to counterparties, to the extent necessary. In the event of such an assignment, (i) Buyer shall not be liable for any amount in excess of the reasonable value of the items received by Buyer (not to exceed that portion of the unpaid purchase price reasonably allocable to such items), and (ii) except to the extent of such reasonable value, Seller shall hold Buyer harmless from all liability, damages, claims, expenses, or loss, including (without limitation) attorneys' fees and costs incurred in connection therewith, related to such assigned orders, subcontracts or rights. (4) Seller Liable for Cost of Cover. If Buyer terminates the Agreement in whole or part pursuant to this Section 2(d), Buyer may procure substitute items from alternate sources and in such manner as it may deem appropriate and Seller shall be liable to Buyer for the excess of the total cost of such substitute items over the total price Buyer would have paid for such items under the Agreement. The rights of Buyer provided in this clause shall be in addition to any other rights provided by law or this Agreement. (5) Insolvency of Seller. Without limiting any other provision of the Agreement, Buyer may, by written notice to Seller, cancel the whole or any part of the Agreement in the event of suspension of Seller's business; insolvency of Seller; institution of bankruptcy, insolvency, reorganization, arrangement or liquidation proceedings by or against Seller; appointment of a trustee, administrator or receiver for Seller's property or business; or any assignment by Seller for the benefit of creditors. If Buyer in good faith believes that Seller may be financially incapable of performing its obligations hereunder in strict compliance with the provisions hereof, it may demand written assurances of Seller's ability to perform, and failing Buyer's receipt of such assurances within five days of Buyer's demand, Buyer may cancel the whole or any part of this Agreement with immediate effect. The circumstances described in this subsection shall be deemed defaults, which shall entitle Buyer to exercise any of its remedies described above.

3. **CONFIDENTIALITY.** All specifications, documents or samples delivered by Buyer to Seller are the property of Buyer. They are delivered solely for the purpose of Seller's performance of the Agreement and on the express condition that neither they nor the information contained therein shall be disclosed to others nor used for any purpose other than in connection with the Agreement without the prior express written consent of the Buyer. Such specifications, documents or samples are to be returned to Buyer promptly upon its written request. Such request may be made at any time during or after completion of Seller's performance. Seller shall not at any time release or authorize any press release, media communication or publication of any sort in relation to the Agreement without the prior written consent of Buyer. This includes any use of Buyer's name or brand in any publicity or marketing materials. The obligations under this clause will survive the cancellation, termination or completion of this order.

4. **INTELLECTUAL PROPERTY.** Seller acknowledges and agrees that Buyer will at all times remain the sole owner of Buyer Materials as defined by any and all materials, data, and other property of whatever nature that may be supplied by Buyer to Seller in connection with the Agreement. Buyer Materials will constitute confidential information. Buyer will be the sole owner of all IPR (as defined by all intellectual property rights of any nature existing anywhere in the world in each case for their full term and together with any revivals, renewals, or extensions) subsisting in any output/materials arising from the Ordered Items (the Output). Seller assigns all IPR in the same to Buyer with full title guarantee. Seller will notify all details of any such IPR to Buyer upon its creation and the assignment in this Clause will take effect in relation to such IPR from the point of creation and the Seller shall provide to the Buyer all assistance required (including, without limitation, signature of any additional documents) for the Buyer to fully exercise such IPRs. For the avoidance of doubt, the above assignment with respect to copyright means that the Seller assigns to the Buyer the right to carry out all economic copyrights (in Czech: *právo výkonu majetkových práv autorských*) to any and all Outputs together with the right of any further assignments. Should the assignment of any IPR be impossible with respect to any Output, the Seller shall be deemed to have granted the Buyer an exclusive license to use such Output without any limitation as to territory, scope, manner, time and purpose of use, without any obligation to use the Output and with the right to assign the license and grant sub-licenses. The Buyer shall also be permitted to publish, amend, process, translate, modify and otherwise change the Output, include the Output in a collective or audiovisual work, change the title of the Output, present the Output in

public under Buyer's name or any other name and register the Output as trademark or any other IPR. The Seller shall hold any IPR assigned or licensed to the Buyer hereunder in strict confidence, refrain from its disclosure to any third party except as permitted by the Buyer or required by any applicable law, and refrain from any use of such IPR except as required for fulfillment of Seller's obligations under the Agreement.

5. **WARRANTIES.** Seller specifically warrants that all Ordered Items delivered hereunder will be free from defects fit for the intended use, merchantable of good materials and workmanship, and will conform to any applicable specifications, drawings, process sheets and samples provided to the Seller for the purposes of the Agreement at the time of hand over of the Ordered Items and for a period of 2 years following the hand-over of the Ordered Items to the Buyer. The foregoing warranties, together with all service warranties and other guarantees, if any, shall survive inspections and acceptance of and payment for the goods delivered hereunder and shall run to Buyer, its successors, assigns and customers. Said warranties, however, shall not be deemed to limit any warranties of additional scope given to Buyer by Seller, nor to limit Buyer's rights to Seller's obligations under any other provision of the Agreement or applicable law.

6. **GAGES.** It is Seller's continuing obligation to monitor thread gages to assure they conform to the specifications or process sheet and to produce goods that conform to the specifications or process sheet in spite of any variance between thread gages and specifications or process sheet. It is Seller's responsibility to have proper calibrated gages in place, and the Buyer may provide Seller thread gages on case by case only.

7. **INSPECTION AND REJECTION.** All Ordered Items are subject to inspection and testing by Buyer or its designee at all times prior to shipment by Seller. If any Ordered Items are found to be defective in material or workmanship (including Ordered Items damaged because of unsatisfactory packaging by Seller), or otherwise not in strict conformity with the requirements of this Agreement, including drawings and specifications and approved samples, if any, then Buyer, in addition to any other rights and remedies which it may have under this Agreement or applicable law, has the right in its sole discretion to

(a) reject and return such Ordered Items at Seller's expense and to receive a full credit for any such rejected Ordered Items, (b) require correction or replacement of any such rejected Ordered Items without additional cost to Buyer, or (c) retain and use the Ordered Items with an equitable reduction in purchase price. Rejected Ordered Items returned to Seller shall not be reshipped to Buyer without prior written authorization. Seller shall bear all risks as to rejected Ordered Items after notice of rejection. Payment shall not be deemed to constitute acceptance. No inspections by Buyer shall supplant Seller's warranty or other obligations hereunder. Seller is responsible for the performance of all activities affecting the goods quality and delivery, including those of its sub-suppliers.

8. **CHANGES.** Buyer shall have the right to make changes in specifications relating to the Agreement. Upon such change, proper adjustment in the price and in the shipping schedule shall be made by the parties. Unless a claim for adjustment is made by Seller within thirty days from the change in specification made by the Buyer, it is agreed that the Seller agrees with the change in specification and all other provisions of the Agreement remain unchanged.

9. **SHIPMENT.** Seller shall not ship in advance of schedule except as otherwise specified or consented to by buyer. Unless specifically authorized in writing by Buyer, partial shipments will not be accepted.

10. **DELAYED SHIPMENT.** If at any time, it appears Seller may not meet the delivery schedule agreed in the Agreement, Seller shall immediately notify Buyer of the cause and estimated duration of any delay. Seller shall, upon request by the Buyer, take all reasonable steps to prevent such delay (or such portion thereof as Buyer requires) by appropriate methods, including (without limitation) incurring expenditures for overtime and expedited shipment by air or other means of expedited transport. Any costs incurred by Seller to reduce or prevent such delay shall be borne solely by Seller, unless such failure is due to causes beyond the control and without the fault or negligence of Seller. If because of such a delay by Seller, Buyer is required to obtain substitute items in order to satisfy the requirements of Buyer's customer, then Seller shall be liable to Buyer for any resulting costs or damages, including without limitation the excess of the cost of such substitute items over the price under this Agreement, and any costs relating to expedited shipment made necessary by Seller's delay. Seller is responsible for the performance of all activities affecting the Ordered Items, including those of its sub-suppliers.

11. **OVERAGE AND UNDERAGE.** Seller shall ship exact quantities ordered. In case of partial shipments consented by the

Buyer, the Seller should expedite the back order and ship it on their account. Over shipment of goods not approved by Buyer in writing will be returned, at Seller's expense.

12. **PACKING AND SHIPPING.** All goods are to be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carriers' requirements. If possible to accomplish without involving delay, combine with other orders to make minimum LCL or Carload shipments. No charges will be allowed for packing, crating, or carriage, unless stated in the order. Each container must be marked to show order number, and a packing sheet, showing order number, must be included in each package or single unit of LCL shipment or with each carload shipment. Materials sold f.o.b. shipping point must be forwarded with freight prepaid and cost added to Seller's invoice.

12. **INVOICES.** (a) Payment of Seller's invoice is subject to adjustment for any shortage or for rejection. (b) Individual invoices must be issued for each shipment applying against this order. (c) Freight and other charges must be shown if discount, if any, is not to be taken on full amount of invoice.

13. **PATENT PROTECTION.** To the extent the subject articles are not manufactured pursuant to design originated by Buyer, Seller agrees it will indemnify and save Buyer and or its agents or customers harmless from any loss, damage or liability which may be incurred on account of infringement of patent rights with respect to such articles or materials and that it will at its own expense defend any action, suit or claim in which said infringement is alleged with respect to the sale or use of the articles or materials delivered hereunder, provided Seller is duly notified as to suits against Buyer, and provided further Seller's indemnity as to use shall not apply to any infringement arising from use in combination with other items where such infringement would not have occurred from the normal use for which the article was designed.

14. **INDEMNITY.** Seller hereby agrees to defend and indemnify and to save and hold Buyer, its affiliates, agents, employees, customers, successors and assigns ("Indemnitees") harmless from and against any and all suits, claims, liabilities, losses, damages, demands, costs and expenses (including reasonable attorneys' fees) arising out of or claimed to have arisen out of or in connection with or by reason of (i) any act or omission or any breach of express or implied warranties or conditions by Seller, its affiliates, agents, employees, successors or assigns or (ii) the use or sale by Indemnitees of the Ordered Items; provided, however, Buyer shall notify Seller of any such suit, claim or demand and shall permit Seller to control the defense or settlement thereof. Except to the extent the Ordered Items are manufactured to design specifications provided by Buyer, Seller shall indemnify and hold Indemnitees harmless from any losses, liabilities, damages, or expenses, including (without limitation) attorneys' fees and costs incurred in connection therewith, which may be incurred on account of any actual or alleged infringement of any applicable patent, copyright or trademark rights with respect to such items; provided this indemnity by Seller shall not apply to any alleged or actual infringement arising from use of the Ordered Items in combination with other items where such infringement would not have arisen from the normal use for which the Ordered Items were designed.

15. **INSURANCE.** Except as Buyer may otherwise agree, Seller will maintain insurance in such amount and scope as are adequate to cover its obligations under this Agreement, including Commercial General Liability including premises/operations, products/completed operations, property damage and contractual liability coverage, not less than CZK 69,000,000 per occurrence. Buyer will be named an additional insured or, in case of liability insurance, a beneficiary with a direct claim against the insurer (as applicable) with respect to all products and services to be provided by Seller hereunder, and the Seller is obliged to claim from such Seller's insurance contract in the first instance. If Seller will have custody of tooling, test equipment, or other property belonging to Buyer, Seller will maintain broad form property damage insurance naming Buyer as loss payee and insuring replacement value of property in the care, custody and control of Seller, as applicable. Prior to commencement of work, Seller will provide Buyer certificates of insurance evidencing the required insurance policies, including evidence of additional insured status.

16. **PRICES.** The Seller warrants that the prices for the articles sold to the Buyer under this Agreement are not less favorable than those currently extended to any other customer for the same or like articles in equal or less quantities. In the event Seller reduces its price for such article during the term of this Agreement, Seller agrees to reduce the prices hereof correspondingly. If Seller's price for any Ordered Item is higher than the price stated in this Agreement for such item on the date of shipment, the price agreed in the Agreement will prevail.

19. **SETOFF.** Any discount and late payment periods shall run from the later of (1) the date Buyer receives an acceptable invoice and (2) the date Buyer receives and accepts the Ordered Items. Buyer may offset any claims or amounts due to Seller under this Agreement or otherwise against any claims or amounts owed by Seller to Buyer by reason of this Agreement or otherwise.

18. **ASSIGNMENTS AND SUBCONTRACTING.** This Agreement and/or any rights and debts hereunder may not be assigned or transferred without prior written approval by Buyer. No invoices may be rendered by others than the named Seller without the written permission of Buyer.

19. **AUDITS AND INSPECTION**

(a) **INSPECTION BY BUYER.** Any authorized representative of Buyer may inspect or audit Seller or Seller's subcontractors' facilities and processes engaged in the performance of this Agreement, and may inspect and test Ordered Items to be delivered under this Agreement to the extent practicable at any time, whether before or after acceptance. If any such audit, inspection or test is made by Buyer, Seller shall provide all reasonable facilities and assistance for the safety and convenience of the personnel involved.

(b) **PROCESS CHANGES** Seller shall notify Buyer not less than 90 days in advance of any proposed changes to Seller's manufacturing processes, composition or grade of raw materials used, critical process sources, equipment or facilities that may impact the quality, acceptability, reliability or on-time delivery of the Ordered Items, including any proposed relocations of manufacturing or assembly facilities that produce the Ordered Items. Any such changes must be planned and coordinated between Buyer and Seller prior to implementation and shall not be made without Buyer's written approval; if Seller implements such changes without Buyer's written agreement, this may render the Ordered Items defective and Buyer may reject the items or may terminate this Agreement under Section 2(d).

20. **REMEDIES.** The remedies set forth in these GTC are cumulative and additional to any other or further remedies provided by law. No failure by Buyer to exercise any of its rights hereunder and no partial or single exercise thereof shall constitute a waiver of such rights. No waiver by Buyer of any obligation or breach of any provision or provisions hereof shall constitute a waiver of any other obligation, past or future, hereunder or any recurring breach of the Agreement.

21. **INTERGRATION AND MODIFICATION.** This Agreement contains the entire agreement of the parties relating to the purchase of the Ordered Items. Unless stated otherwise below, this Agreement may not be waived, changed, modified, extended or discharged orally but only by agreement in writing and signed by a duly authorized representatives of the parties. The GTC can be changed from time to time by the Buyer. In such case, the Buyer will provide Seller with an updated version of the GTC at least 30 days in advance. If Seller rejects in writing the updated version of the GTC no later than on the day preceding the proposed effective day of the updated version, Seller will continue to be bound by the original version. Any arrangements different from the GTC must be agreed upon in writing.

22. **GOVERNING LAW AND DISPUTE RESOLUTION.** This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the Czech Republic. The parties agree that all disputes arising from or relating to any Agreement will be resolved exclusively by Czech courts. Unless an exclusive local jurisdiction is stipulated by Czech law, general courts of the Buyer shall have local jurisdiction (in Czech *místní příslušnost*).

23. **SOFTWARE.** By accepting the Purchase Order, the Seller grants to the Buyer a non-exclusive, worldwide license, unlimited in time, to use all of the software supplied by Seller to the Buyer on the basis of this Agreement. The Buyer shall be allowed to grant sublicenses, particularly to his end customers. The Buyer shall not pay more than is agreed in the order for the use of the software on the scale described above. The Buyer is entitled to copy the software for back-up and archiving purposes, to subject it to reversed engineering, to decompile it or to use and copy it in any other way within the framework of the applicable laws.

24. **RISK OF LOSS.** Seller shall bear the risk of loss or damage to the Ordered Items until they are delivered to and accepted by Buyer.

25. **APPLICABLE LAW.** Seller represents and warrants to Buyer, on an ongoing basis, that:

- (a) there is no restriction which prevents or might prevent it from fully performing its obligations pursuant to this Agreement;
- (b) the Ordered Items will not include or give access to any Unacceptable Content as defined by any material which:
 - (i) is in any way harmful to Buyer or its systems;
 - (ii) contains any open source (or similar) software;
 - (iii) is offensive, blasphemous, obscene, defamatory or illegal; and/or
 - (iv) breaches any Applicable Laws as defined below;
- (c) the provision by Seller, and the receipt and use by Buyer (in accordance with the terms of the Agreement), of the

Ordered Items will not infringe the intellectual property rights, or violate any rights, of any person; and

(d) it will comply with all Applicable Laws as defined by any applicable:

(i) laws, statutes, legally binding rules and regulations

(ii) codes of practices, orders or directions issued by any judicial, governmental, or other regulatory authority; and

(iii) industry regulations and standards that are legally binding or that are issued by self-regulating bodies/industry associations, in each case, including all applicable laws in force from time to time relating to:

A. anti-slavery or servitude, anti-forced or compulsory labor and/or anti-human trafficking

B. anti-bribery, sanctions, export control and anti-corruption including but not limited to local and national laws

in the territory in which it operates,.

C. data protection and privacy

D. criminal finances and the anti-facilitation of tax evasion

The Seller will comply with the Halma group Code of Conduct at www.halma.com. The Seller will immediately inform the Buyer if it suspects or becomes aware of any breach of this clause by one of its employees, agents, consultants, or other intermediaries and provide detailed information about the breach.

The Seller will indemnify, keep indemnified and hold harmless (on a full indemnity basis the Buyer against all costs, expenses and losses that the Buyer incurs or suffers as a result of any breach by the Seller of any of its obligations under this Section 25. If the Seller breaches this Section 25, the Buyer shall have the right to terminate the Agreement without notice and with immediate effect and will be in no way liable to the Seller in respect of such termination for payment of damages or any other form of compensation.

Sensorex s.r.o.

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