

General Terms and Conditions of Sale and Delivery of Allied Vision Technologies Inc.

§ 1 GENERAL, SCOPE OF APPLICATION

(1) The following General Terms and Conditions of Sale and Delivery (hereinafter referred to as “GTSD”) shall apply to all deliveries and other services of Allied Vision Technologies, Inc. (hereinafter referred to as “Allied Vision”). They shall also apply to all future deliveries and other services, even if no separate reference is made to them. If they are included in or attached to any quotation, order confirmation or other standard sales form of Allied Vision, that document is an offer or counter-offer by Allied Vision to sell the goods described in it in accordance with these terms and conditions, is not an acceptance of any offer made by Purchaser or prospective customer to which it is sent (“Purchaser”), and is expressly conditioned upon Purchaser’s assent to these GTSD. Allied Vision objects to any additional or different terms contained in any purchase order or other communication previously or hereafter provided by Purchaser to Allied Vision.

(2) No such additional or different terms or conditions will be of any force or effect unless Allied Vision agrees to their validity in writing.

(3) Allied Vision’s General Terms and Conditions of Repair apply to all maintenance services (repairs) provided by Allied Vision for cameras and accessories sold by Allied Vision.

(4) Purchaser represents and warrants that it is purchasing the goods for its own use or to companies that incorporate the products as components in their own products and that such goods will not be re-sold to consumers.

§ 2 CONCLUSION OF CONTRACT, OFFER DOCUMENTS

(1) Allied Vision’s offers are non-binding. The contract shall only come into effect through the order confirmation in writing. Neither Purchaser’s acceptance of this offer nor any conduct by Allied Vision (including but not limited to shipment of goods) will oblige Allied Vision to sell to Purchaser any quantity of goods or services in excess of the quantity that Purchaser has committed to purchase from Allied Vision at the time of such acceptance or conduct.

(2) Allied Vision reserves all (including intellectual and industrial) property rights and copyrights to cost estimates, drawings and other documents; they may only be made accessible to third parties after prior approval by Allied Vision. Drawings and other documents belonging to offers shall be returned immediately upon request if the order is not placed with Allied Vision. Purchaser shall retain all rights to its prior intellectual property, *provided*, however, such rights may be made accessible to third parties to whom Allied Vision has permissibly assigned deliveries and services. Purchaser is granted no right to the use of Allied Vision’s trademarks (unless agreed by Allied Vision in writing) and such trademarks are and shall remain the exclusive property of Allied Vision, which shall continue to have the exclusive right to register the trademarks throughout the world.

§ 3 SCOPE OF PERFORMANCE, RELEVANT STANDARD, ENGINEERING SAMPLES

(1) The scope of deliveries and services shall be governed by a contract signed by both parties. In the absence of such a contract, the order confirmation of Allied Vision in writing shall prevail.

(2) The agreement on the specifications of the goods (the "Specifications") shall be deemed to be the product descriptions designated as such (including those of the manufacturer) which were provided to Purchaser prior to Purchaser's order and agreed to in writing by Allied Vision or were otherwise agreed to by Allied Vision in writing.

(3) Allied Vision assumes no liability for public statements made by the manufacturer or other third parties (e.g. advertising statements).

(4) Unless expressly agreed otherwise, Allied Vision designs, manufactures and delivers in accordance with the standards of "Machine Vision", as specified by the Association for Advancing Automation. In the case of requirements of Purchaser that go beyond this, such as those that occur when used as a component of medical products, Purchaser shall:

(a) notify Allied Vision of the specific use for each model prior to the first order so that the models in question can be separated out from the standard processes, if necessary, using their own part numbers; and

b) either prior to the execution of the contract or prior to purchasing, enter into a quality assurance agreement with Allied Vision to legally establish its requirements. In the event Purchaser has not entered into a quality assurance agreement with Allied Vision, Allied Vision shall not be liable for a failure to abide by any such additional requirements of Purchaser beyond the "Machine Vision" standard.

(5) Any Engineering Samples provided to Purchaser are only intended and suitable for Purchaser's internal development, and shall not be provided to third parties. Engineering Samples meet the legal requirements with regard to product safety, electromagnetic compatibility (EMC) and substance restrictions in the EU, USA, Canada, China and Singapore as well as the basic functions of image streaming. Allied Vision shall not be liable for any defects with respect to Engineering Samples. "Engineering Samples" are those goods marked in the offer and on the product with the prefix "E." in front of the product name.

(6) If, after acceptance of orders, technical improvements are introduced that do not affect the form, fit and function of the product, Allied Vision reserves the right to supply the improved products. This will be published on Allied Vision's website at <https://www.alliedvision.com/en/support/product-change-notifications/> as a product change notice.

§ 4 DELIVERY, PARTIAL DELIVERY, PARTIAL ACCEPTANCE

(1) The terms of delivery shall be governed by Incoterms® 2020. Unless otherwise agreed between Allied Vision and Purchaser in writing, delivery shall be made to Purchaser FCA. Allied Vision's loading dock is defined in the offer or order confirmation by Allied Vision (either located at 4621 Canada Way #300, Burnaby, BC V5G 4X8, Canada or located at Taschenweg 2a, 07646 Stadtroda, Germany). Delivery of products to the carrier shall constitute delivery to Purchaser; and regardless of shipping terms or freight payment, Purchaser shall bear all risk of loss or damage in transit.

(2) Allied Vision shall be entitled to make partial deliveries if:

- the delivery of the remaining ordered goods is ensured; and

- the Purchaser does not incur any significant additional expenses or costs as a result (unless Allied Vision agrees to bear such costs).

(3) Delay in delivery of any installment shall not relieve Purchaser of its obligations to accept remaining deliveries.

(4) If the acceptance of a certain quantity has been agreed, a change in the total quantity to be delivered is only possible with the express consent of Allied Vision. The prices confirmed by Allied Vision in the order confirmation shall only apply upon acceptance of the agreed quantity.

§ 5 DELIVERY TIME

(1) Delivery dates and delivery periods shall be confirmed separately by Allied Vision or agreed to by Allied Vision in writing and shall only be binding in such cases. Early delivery is permissible.

(2) If Purchaser is obligated to procure certain documents, such as permits, releases, etc., or to make a down payment, the delivery period shall not commence before Allied Vision has received all documents to be procured by Purchaser or a down payment to be made has been received by Allied Vision.

(3) If Allied Vision is unable to meet delivery deadlines for reasons for which Allied Vision is not responsible, Allied Vision shall inform Purchaser of this as soon as practicable and, at the same time, inform Purchaser of the expected new delivery deadline. If Allied Vision is unable to meet such revised delivery date, Allied Vision shall be entitled to terminate the contract in whole or in part. In the event a contract is terminated pursuant to this Section 5, Allied Vision shall immediately refund any consideration already paid by Purchaser. The following shall, without limitation, excuse timely delivery by Allied Vision under this Section:

(a) Allied Vision's failure to obtain supplies if (i) Allied Vision has entered into a congruent hedging transaction, (ii) neither Allied Vision nor its supplier is at fault or (iii) Allied Vision is not obligated to procure supplies with respect to the particular order for which deliver is delayed;

(b) a force majeure event, including, but not limited to, mobilization, war, acts of terrorism, riots, epidemics, pandemics or similar events (*e.g.* strike, unforeseeable supply bottlenecks) as well as official orders based thereon, which could not be foreseen at the time of conclusion of the contract, or

(c) a virus or other attack by third parties on IT systems of Allied Vision, insofar as these occurred despite compliance with the usual care for appropriate protective measures.

(4) Liability in the event of delayed delivery shall be governed by § 13 of these GTSD.

§ 6 PRICES AND TERMS OF PAYMENT

(1) Prices shall be understood in accordance with the respective valid price list F.O.B. Allied Vision's loading dock, located at 102 Pickering Way Suite 502, Exton, PA 19341 (as defined in the Pennsylvania Uniform Commercial Code) or, for ultimate destinations outside of the United States, Free Carrier (as defined in *Incoterms*® 2020) Allied Vision's facilities, located at 102 Pickering Way Suite 502, Exton, PA 19341. In addition, prices shall include any value added tax and packaging costs up to 0.5% of the value of the goods per shipment. Any additional manufacturer's tax, occupation tax, use tax, sales tax, excise tax, value added tax, duty, custom, inspection or testing fee, or any other tax, fee, interest or charge of any nature whatsoever imposed by any governmental authority on or measured by the transaction between Allied Vision and Purchaser shall be paid by Purchaser in addition to the prices quoted or invoiced. In the event Allied Vision is required to pay any such taxes or other charges, Purchaser will reimburse Allied Vision therefor on demand.

- (2) Allied Vision shall deliver the goods in customary sales and transport packaging suitable for normal shipping. If the Purchaser requires special packaging, it shall be charged for the costs thereof.
- (3) Invoices are payable net within 30 days from the date of the invoice.
- (4) Purchaser shall only be entitled to rights of set-off or retention insofar as its claim is based on the same contractual relationship, has been legally established or is undisputed.

§ 7 PRICE ADJUSTMENT

Allied Vision reserves the right to adjust its prices at its reasonable discretion to the increases of external costs which are not the responsibility of Allied Vision and which are not foreseeable and which are decisive for the price calculation. A price increase can be made if, for example, the costs for the procurement of raw materials (*e.g.* transport costs or packaging costs), the costs for the procurement of energy (*e.g.* electricity or gas) or the costs due to government regulations (*e.g.* changes in tax measures and environmental charges or government market regulations such as the setting of new minimum prices) or the effects of force majeure (*e.g.* pandemics, epidemics, war, strike, etc.) lead to an increase in Allied Vision's costs. Increases in these external cost factors shall be taken into account for a price increase. In response to such price increases, Purchaser may prove lower increases of the external cost factors and price reductions according to the same parameters.

§ 8 TRANSFER OF RISK

- (1) The risk of accidental loss or deterioration of the goods shall pass to Purchaser in accordance with the agreed delivery clause. This shall also apply to partial deliveries and in the event that Allied Vision has assumed the shipping costs of a particular order.
- (2) If shipment is delayed as a result of circumstances for which Purchaser is responsible, or at Purchaser's request, the risk shall pass to Purchaser as of the date of notification of readiness for shipment; however, in the event of such delay, Allied Vision shall be obligated to insure the goods at Purchaser's request and expense and Purchaser's payment obligations shall remain unaffected.

§ 9 RETENTION OF TITLE

- (1) Allied Vision retains title to the goods until all claims arising from the business relationship with Purchaser - including future claims - (also including all ancillary claims, *e.g.* financing costs, interest) have been settled in full. If a current account was agreed to by Purchaser, the retention of title shall exist until full settlement of the recognized current account balance ("Reserved Goods").
- (2) Purchaser agrees to treat the Reserved Goods with care, in particular to insure them adequately at replacement value against damage caused by fire, water and theft at its own expense.
- (3) If the Reserved Goods are combined by Purchaser with other goods, Allied Vision shall be entitled to co-ownership of the new item in the ratio of the invoice value of the Reserved Goods to the invoice value of the other goods plus the processing value. If Allied Vision's ownership expires due to combination, mixing or processing, Purchaser shall be deemed to have transferred title of such goods to Allied Vision at the time of combination, mixing or processing to the new item to which it is entitled to the extent of the invoice value of the Reserved Goods and shall hold them in custody for Allied Vision free of charge. The property rights to which Allied Vision is entitled as a result shall be deemed to be Reserved Goods within the meaning of paragraph 1 of this Section.
- (4) If the goods are sold on credit terms, Purchaser acknowledges that TM Allied Vision 6 retains a purchase money security interest in the goods. To secure Purchaser's obligations to Allied Vision

under the Agreement or any other agreement, Purchaser hereby grants to Allied Vision a security interest in all goods purchased pursuant to these GTSD, whether now owned or hereafter acquired, and all products and proceeds thereof. Allied Vision may file any financing statements and send any necessary notices to perfect or protect such security interest.

(5) Subject to revocation by Allied Vision, Purchaser is entitled to collect claims from the resale of Reserved Goods for Allied Vision in its own name. This authorization to collect may only be revoked if the Purchaser does not properly meet his payment obligations to Allied Vision. At Allied Vision's request, Purchaser shall in such a case provide the information on the assigned claims required for collection, provide corresponding documents and notify the debtor of the assignment.

(6) In case of seizure, confiscation, damage and/or loss of the delivered items, Purchaser shall inform Allied Vision immediately; a breach of this obligation shall give Allied Vision the right to withdraw from the contract. Purchaser shall bear all costs that had to be incurred, in particular in the context of a third-party action, to successfully remove the goods that it sells from any attachment and, if applicable, to successfully recover the delivered items, unless they can be confiscated from third parties.

(7) The right to resell and process the Reserved Goods and to collect the assigned claims shall expire in the event of a breach of Purchaser's payment obligations, an application for the opening of insolvency proceedings against Purchaser's assets or a seizure of the Reserved Goods. Payments received thereafter for assigned claims shall be immediately accumulated in a special account.

(8) If Allied Vision has effectively withdrawn from the contract, Allied Vision shall be entitled to take back the Reserved Goods. The costs arising from the exercise of the right of repossession, in particular for transport, shall be borne by Purchaser. Allied Vision shall be entitled to resell the repossessed goods subject to retention of title and to satisfy Allied Vision from the proceeds thereof, provided that the resale was the subject of notice required by applicable law. If the proceeds exceed the outstanding claims from the contractual relationship, this surplus shall be released in accordance with applicable law.

(9) In the event that advance payment has been agreed upon, ownership shall pass to Purchaser in full upon delivery.

§ 10 SECURITY FOR THE PURCHASE PRICE IN FOREIGN BUSINESS

(1) If a prolonged or extended retention of title pursuant to § 9 (3) to (5) is not effective under the law of the place where the Reserved Goods are located, Purchaser shall not be entitled to resell the Reserved Goods unless it grants Allied Vision another corresponding means of security and performs the acts required for this purpose.

(2) If a retention of title is not effective at all under the applicable law, the parties shall agree on and effectively agree on a functionally equivalent means of security.

§ 11 WARRANTY AND EXCLUSIVE REMEDY FOR NON-CONFORMITY

(1) Allied Vision warrants any goods provided hereunder to be free from nonconformity to the Specifications, and free of defects in materials and workmanship, appearing within one (1) year after delivery, unless otherwise specified in the document "Warranty Period by Product" made available by Allied Vision to Purchaser. If within such period any such goods shall be proved to Allied Vision's satisfaction to be defective, the affected part will be repaired or replaced free of charge, on the same shipping terms described in Section 6 hereof, or, at the discretion of Allied Vision, Allied Vision will refund the purchase price of the affected goods. Such repair, replacement or refund (whichever Allied

Vision determines, in its discretion, to provide) shall be Allied Vision's sole obligation and Purchaser's exclusive remedy for any deficiency in goods furnished hereunder, and shall be conditioned upon Purchaser's return of such goods to Allied Vision, DDP Allied Vision's loading dock at the applicable good's factory of origin (as such term is defined in *Incoterms*® 2020, interpreted as though Purchaser were the seller and Allied Vision the buyer of the returned goods). Claims for breach of warranty under this Section 11 by Purchaser require that Purchaser has properly inspected the goods and given notice of defects. If a defect becomes apparent during the inspection or later, Allied Vision shall be notified thereof immediately in writing. Notification shall be deemed immediate if it is made within two weeks of discovery of the defect, whereby timely dispatch of the notification shall suffice to meet the deadline. If Purchaser fails to duly inspect the goods and/or notify Allied Vision of a defect, the goods shall be deemed accepted. Allied Vision is entitled to make the remedies for breach of warranty under this Section 11 dependent on Purchaser paying the purchase price due. Notwithstanding the foregoing, Allied Vision shall not be liable for a breach of warranty, if such defects are: (i) due to circumstances that occurred after the transfer of risk, (ii) caused by improper use or improper maintenance or repair work by Purchaser, (iii) based on changes of the product by Purchaser, (iv) due to normal wear and tear or (v) otherwise attributable to the sphere of Purchaser's responsibility. Allied Vision may charge Purchaser for the additional costs incurred in the aforementioned cases.

THE ABOVE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED; AND ALLIED VISION EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

§ 12 INTELLECTUAL PROPERTY RIGHTS THIRD PARTIES

(1) Allied Vision will, at its own expense, defend any suits that may be instituted by anyone against Purchaser for alleged infringement of any United States patent or trademark relating to goods provided by Allied Vision, and pay any final damage award therein, provided Purchaser shall have made all payments then due hereunder, shall give Allied Vision immediate notice in writing of any such suit, shall transmit to Allied Vision immediately upon receipt all processes and papers served upon Purchaser, and shall permit Allied Vision, through its counsel, to defend or settle the same either in the name of Purchaser or in the name of Allied Vision. Further, if the result of any such suit is a determination or acknowledgement of infringement, Allied Vision shall, at Allied Vision's option (a) obtain for Purchaser the right to continue to use the goods purchased from Allied Vision, or (b) replace the same with non-infringing goods, or (c) modify such goods so that they are non-infringing.

§ 13 LIABILITY

(1) Allied Vision's liability with respect to the goods sold hereunder shall be limited to the warranty and indemnity provided in sections 11 and 12 of these GTSD and, with respect to any other breaches of its contract with Purchaser, shall be limited to the contract price.

ALLIED VISION SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR UNDER OTHER THEORIES OF LAW OR EQUITY, WITH RESPECT TO GOODS SOLD BY ALLIED VISION, OR ANY UNDERTAKINGS, ACTS OR OMISSIONS RELATING THERETO.

Without limiting the generality of the foregoing, Allied Vision specifically disclaims any liability for property damages, penalties, special or punitive damages, damages for lost profits or revenues, downtime, lost good will, cost of capital, cost of substitute goods, or for any other types of economic loss, or for claims of Purchaser's customers or any third party for any such damages, costs or losses.

ALLIED VISION SHALL NOT BE LIABLE FOR, AND DISCLAIMS, ALL CONSEQUENTIAL, INCIDENTAL, INDIRECT AND CONTINGENT DAMAGES WHATSOEVER.

(2) Notwithstanding the foregoing, the Allied Vision shall be liable for other damages based on an intentional or grossly negligent breach of duty by Allied Vision or on an intentional or grossly negligent breach of duty by Allied Vision's legal representative or vicarious agent. In the event of gross negligence, liability shall be limited to the typically foreseeable damage at the time of conclusion of the contract. In the event of intentional or negligent breach of an essential contractual obligation, Allied Vision shall only be liable for the typically foreseeable damage at the time of the conclusion of the contract. An essential contractual obligation is such an obligation which makes the proper fulfillment of the contract possible in the first place and on which Purchaser relied and was entitled to rely and which such obligation's non-fulfillment threatens the underlying purpose of the contract.

(3) Insofar as the liability of Allied Vision is excluded or limited on the basis of the above provisions, this shall also apply to the personal liability of Allied Vision's employees, representatives and agents.

(4) PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATION OF DAMAGES PROVISIONS SET FORTH IN THIS SECTION 13 SURVIVE EVEN IF THE EXCLUSIVE REMEDY SET FORTH IN SECTION 11 IS DEEMED TO FAIL OF ITS ESSENTIAL PURPOSE OR OTHERWISE BE DEEMED UNENFORCEABLE.

§ 14 ASSET AND CREDIT DETERIORATION

(1) If Purchaser fails to pay any amounts due under the contract or becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors, in addition to any remedies that it may have under these GTSD, Allied Vision may terminate such contract with Purchaser with immediate effect upon notice to Purchaser.

(2) In the aforementioned case, Allied Vision shall be entitled to initially credit payments of Purchaser against the most recent claims despite payment instructions to the contrary and shall waive with such crediting the extended and/or prolonged retention of title for the associated Reserved Goods. Allied Vision shall inform Purchaser about this and shall bear the interest disadvantage caused by this.

(3) Furthermore, in the event Purchaser fails to pay any amounts due under the contract or becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors, Allied Vision shall be entitled to prohibit the further processing and resale of the Reserved Goods according to § 9 and to revoke the collection authorization pursuant to § 9 paragraph 5.

§ 15 NO-RUSSIA-CLAUSE

(1) Due to the applicable export control regulations, Allied Vision prohibits any further delivery or re-export of the goods to Russia and any delivery or re-export of the goods to other countries for use in Russia.

(2) If the Purchaser intentionally or negligently violates the provisions of para. 1, he is obliged to compensate Allied Vision for the resulting damages. Furthermore, in the event of culpable breach of the provisions of para. 1, the Purchaser shall owe Allied Vision an appropriate contractual penalty up to the amount of the purchase price of the goods; the amount of the penalty shall be determined by Allied Vision at its reasonable discretion and may be reviewed in court.

§ 16 APPLICABLE LAW, PLACE OF PERFORMANCE AND JURISDICTION

(3) THE NEGOTIATION, EXECUTION, PERFORMANCE AND ENFORCEMENT OF THIS OFFER, THESE TERMS AND ANY ASSOCIATED AGREEMENT WILL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF PENNSYLVANIA AND THE U.S. (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS). THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS. Purchaser and Allied Vision each irrevocably and unconditionally agree that the sole and exclusive forum and venue for any legal or equitable action or proceeding arising out of or in connection with the Agreement will lie in the United States District Court for the Eastern District of Pennsylvania or the courts of the State of Pennsylvania sitting in Chester County and each party hereby irrevocably and unconditionally submits to the sole and exclusive personal jurisdiction of such courts.

Unless otherwise specified herein, the place of performance for all obligations arising from the contractual relationship shall be Allied Vision's plant in Exton, Pennsylvania.