

## General Terms and Conditions of Trade of LICO Electronics GmbH & LICO Mechatronik Kft.

1. Deliveries, services and quotations by LICO (as supplier or vendor) are supplied exclusively on the basis of these General Terms and Conditions. These also apply for all future business relationships even when they are not expressly specified and agreed. Applicability of these conditions is deemed to have been acknowledged at the latest with the acceptance of the goods or service performed. Counter acknowledgements made by the buyer with reference to his own terms of trade or conditions of purchase are hereby expressly rejected.

2. Final or supplementary agreements are only valid when they have been confirmed in written form by LICO.

3. Quotations are made without commitment and are not binding. To have legal force, declarations of acceptance and all orders require confirmation in written form by LICO.

4. Drawings, illustrations, dimensions, weight or other performance details are only binding in nature when this has been expressly agreed in written form.

5. Sales personnel of LICO is not authorized to confirm any verbal ancillary agreements or to give any verbal assurances beyond the scope of the content of the written contract.

6. The prices applicable are those quoted by LICO in their confirmation of order, plus costs of carriage and packaging and the respective rate of VAT / value adding tax. In the case of shipping by LICO, LICO is free to contract a transport insurance at the cost of the buyer. Prices are given in EUR, excl. local taxes & duties.

### **International Commercial terms of Delivery, Transport insurance / transport damage / loss in transit:**

The general terms of delivery of LICO are according to Incoterms EXW: Ex works, the sales price therefore does neither include the transport nor a transport insurance. In consequence the transfer of risk of a shipment from the seller to the buyer is the takeover of the carrier/forwarder.

Normally the carrier/forwarder is liable for careless or grossly negligent damage; however this liability might be limited to an insufficient amount. In the case a shipment arrives damaged in what extent ever, the shipment shall be declined or taken over only with very detailed description on the note of the delivery of the carrier/forwarder. With this the buyer can claim at the carrier/forwarder. If the shipment is obviously damaged and therefore declined, the buyer has to claim at the forwarder.

In the case the shipment has been insured from the buyer, the buyer has to claim at his insurance, in the case the shipment has been insured from the seller, the buyer has to inform the seller immediately of the damage and of the eventual decline of the shipment. Hidden or inner damages which can be considered as obvious, like noise of broken glass, have to be reported on the note of delivery from the carrier/ forwarder, such and i.e. wet packaging, deformed packaging etc damages which have to be somehow obvious at the taking over are definitely not covered by sellers' warranty as long as the sellers packaging is usually sufficient.

In the case a shipment is taken over under normal conditions and a hidden damage occurs after taking the shipment in operation/production according to the ZVEI a sufficiently documented damage claim has to be sent in 7 days written form to the seller. In the case of need the buyer is strongly recommended to contract a corresponding transport insurance either by the seller or from buyer's side. The liability of LICO is limited to the value of the product and the sufficient packaging. Is the packaging obviously not sufficient for the transport from seller to buyer, the seller is liable to replace or repair the damaged product.

After taking over of the goods from LICO by the Buyer and/or by the Buyer's agent, LICO shall not be under any obligation or liable for any damage to the goods or their packaging (f.ex. Incoterm Exworks).

7. For small orders until a value of Euro 200,00 a handling fee of Euro 25,00 may be charged. LICO reserves the right to stipulate delivery against payment in advance or by COD at the buyer's expense.

8. Agreed or prescribed delivery dates or periods are not binding. To be binding, they require to be in written form. The designated delivery date is as a rule governed by the date of dispatch from the factory.

9. To the extent that LICO is responsible for failure to maintain binding delivery date agreements and periods or has delayed performance, the buyer is entitled to compensation in respect of delay in delivery amounting to "% for each complete week of delay, limited to a maximum of 5% of the invoice value of the goods and / or services affected by the delay. Further entitlement is excluded, unless the delay is attributable at the least to gross

negligence on the part of LICO.

10. Even with binding periods and delivery dates, LICO shall not be held responsible for delays in delivery or provision of services due to force majeure or due to other events which make such delivery or provision substantially more difficult or impossible for LICO. They shall entitle LICO to postpone the delivery or provision for the duration of the constraint plus a reasonable lead time or partially to withdraw from the contract in respect of its unfulfilled portion.

11. If the constraint is longer than one month in duration, after setting a reasonable period of grace the buyer (only then) is entitled to withdraw from the contract in respect of its unfulfilled portion.

12. Shipments are made acc. to Incoterms: EXW: Ex works, unless otherwise agreed, either by parcel-service of forwarder at the discretion of LICO. LICO is entitled to make partial deliveries or provide partial services at any time, which will be deemed to be individual business as far as payment is concerned.

13. Maintenance of the delivery and service obligations of LICO presupposes the punctual and orderly fulfilment of the buyer's obligations.

14. Should the buyer default in acceptance, LICO shall be entitled to claim compensation for losses thereby occasioned; in the event of default in acceptance, the risks of casual deterioration and accidental loss pass to the buyer.

15. Risk passes to the buyer as soon as the consignment has been taken over by the person carrying out the transport, or it has left the premises of LICO for the purposes of transport. If transport is not possible and this is not the fault of the seller, risk passes to the buyer with notification of the goods' readiness for dispatch.

16. LICO guarantees that the goods are free of defect and have the assured properties; the period of guarantee on the parts is 6 months, and starts with the date of delivery. The guarantee does not extend to correcting faults caused by normal wear-and-tear or outside influences. The warranty does not cover overuse or misuse.

17. If operating or maintenance instructions, datasheets or manuals given by LICO have not been followed, alterations have been undertaken on the product, parts have been replaced or spare parts used which did not correspond with the original specifications, all guarantee provisions are nullified if the buyer is not able to refute a correspondingly substantiated claim that one of these circumstances has given rise to the fault.

18. On receipt of the goods, the buyer must inspect the consignment without delay for adequacy and freedom from defect. Complaints must be made in writing immediately, but in any event within one week of receipt of the goods to LICO. Defects which even a careful inspection fail to reveal within this period must be notified in writing to LICO without delay after their discovery. When defects are not notified in writing or not notified without delay, the goods are deemed to have been accepted. Complaints following reworking will not be recognized. Optical imperfection, small scratches, uneven surfaces etc, which do not effect the function, do not allow the buyer to step back from the purchasing contract.

19. In the case the buyer notifies goods not complying with the product description, LICO requires that the defective part or unit is sent from the buyer on his cost to LICO for repair or rework. LICO may require that the buyer keeps the defective part or unit and sends a service engineer to the buyer to undertake rework or repairs on site. LICO is also entitled to replace the insufficient product free of charge to the buyer in lieu of rework or repair.

20. LICO is not liable to start a service procedure if no detailed failure description is supplied from buyer to seller. In this case no reclamation has been made.

21. Reclamations of any kind do not entitle the buyer to keep back payments or request pay-back of down payments. This is especially valid for Rental- or partial payment businesses.

22. Any kind of payments in respect to rental or partial payments are lost payments in case of mutual termination of the contract. Open amounts until the mutual termination stay upright and have to be settled from the buyer/leasee to LICO.

23. LICO has the right, in case of sub-suppliers based in the Common Market (EU) to refer any kind of claim or subject of warranty to these supplier(s). From this point on all requests have to be directed and addressed to the EU-based supplier.

24. In the case of transport damage the buyer has to address the reclamation immediately and directly at the forwarder. In the case of omission the cost and expenses have to be carried from the buyer. In the case the shipment is covered from an insurance company the claim mandatory has to be made from the buyer at the insurance company. However, any damage does not entitle the buyer to keep back payments or request back payment(s).

25. If reworking fails to produce the desired results within a reasonable time, the buyer may at his option require abatement in payment, exchange of the product or cancellation of the contract.

26. Guarantee claims against LICO may only be made by the immediate buyer and are non-assignable. The above sections contain the complete guarantee terms for goods and exclude all other grounds for guarantee claims whatsoever. This does not apply to claims for compensation for assured properties, which are intended to protect the buyer against the risk of damage as the consequence of a defect.

27. Articles correctly ordered and delivered against an order are in principle excluded from exchange or return. In the case of common articles delivered from warehouse stocks, LICO may exceptionally agree to an exchange or return of the goods against a credit note. In such cases, all costs including ancillary costs arising in connection with dispatch of the goods plus a handling charge amounting to 25% of the value of the goods, but not in any event being less than € 25.00 must be borne by the buyer.

28. Until all outstandings are satisfied (including all outstandings on account current) to which LICO is entitled on any legal basis from the customer now or in the future, LICO shall be accorded the following security, which it shall release at its option to the extent that the value of the security continuously exceeds the value of the outstandings by more than 20%.

29. Title to the goods remains vested in LICO. Reworking or conversion is always carried out for LICO as manufacturer, but without creating obligations for him. If the (co-)ownership of LICO is extinguished by combination, it is here and now agreed that the buyer's (co-)ownership of the uniform object shall pass in proportion to value (invoice value) to LICO without any delay. The buyer shall preserve the (co-)ownership of LICO free of charge. Goods in which LICO enjoys (co-)ownership are hereinafter referred to as "conditional goods".

30. In the course of his normal business activities, the buyer is entitled to rework or dispose of the conditional goods, provided he is not in default. Pledging or assignment by way of security is not permitted. Outstandings arising from selling on, or from any other legal ground (insurance, unlawful activity) with respect to the conditional goods (including all account balance outstandings from account current) are hereby assigned by the buyer by way of security to LICO in full. LICO authorizes him, revocably, to collect the outstandings assigned to LICO for account of the same in his own name. This authority to collect may only be revoked if the buyer is not discharging his payment obligations in an orderly manner.

31. In the case of access by third parties to the conditional goods, and in particular in the case of attachment, the buyer will refer to the title of LICO and advise the latter without delay, to enable him to exercise his rights of ownership. Where the third party is not in a position to reimburse LICO the legal or out-of-court costs which arise in this connection, the buyer shall be liable for these costs.

32. In the case of behaviour in violation of the contract provisions – in particular in case of default – LICO is entitled to regain possession of the conditional goods or if appropriate to demand assignment of the buyer's right to recover possession against third parties. The action of regaining possession or attachment of the conditional goods by LICO may not be construed as withdrawal from the contract.

33. Except as otherwise agreed, payment of the invoiced amount must be made after receipt of the invoice without deduction. All foreign currency banking cost entirely to be borne by the buyer. Cheque and Credit cards payments are not accepted as payment. Payments are only accepted by bank transfer.

34. If not otherwise agreed, the payment deadline starts with the day of shipment or with provision that the shipment can start.

35. LICO is entitled to offset any payments against older outstandings of the debtor to start with, notwithstanding any instructions of the buyer to the contrary, and will inform the buyer as to the form the offset has taken. If costs and interest have already accrued, LICO is entitled to offset the payment firstly against costs, then against interest and finally against the main debt.

36. A payment is deemed to have been made when LICO has the amount in question at its account free and out of call-back.

37. If the buyer falls into arrears, LICO is entitled to charge interest from the appropriate date at a rate of 2% above the respective highest refinancing facility rate of the European Central Bank as an inclusive compensation. The rate may be set at a lower level if the buyer can demonstrate a lower burden; submission of evidence of a higher loss by LICO is also permitted.

38. If LICO becomes aware of circumstances which call into question the buyer's creditworthiness, in particular if a cheque fails to be cleared or the buyer discontinues making payments, LICO is then entitled to designate the total outstanding debt due and payable immediately. LICO is in this case also entitled to require payments in advance or lodgement of security.

39. The buyer is only entitled to offset, retention or abatement, even when defect complaint or counter-claims are made, when the counter-claims have been legally determined or are not in dispute. The buyer is however entitled to retention on account of counter-claims arising from the same business relationship.

40. Compensation claims for positive breaches of contract, culpa in contrahendo and illegal action are excluded both against LICO and against their vicarious and executive agents, provided no malicious action or gross carelessness is involved. This also applies to claims for compensation for failure to fulfill, although only to the extent that replacement of indirect damage or that caused as a result of defect is claimed, unless liability is based on an assurance designed to protect the buyer against the risk of such damage. Liability is in every case limited to that which could reasonably have been anticipated on completion of the contract.

41. For these General Terms and Conditions and for the entire scope of legal relationships between LICO and the buyer, only the law of the Republic of Austria shall be applicable and only at the corresponding place of the seller which is Schwechat or Korneuburg in the case of LICO Electronics GmbH and Budapest in the case of LICO Mechatronic Kft.

42. Should a provision of these Terms and Conditions be or become not applicable, this shall not affect the validity of the remaining provisions. In such a case, the parties to this contract agree to replace the invalid provision by a valid provision having as far as possible a similar commercial effect to it and which best corresponds to the purpose of the contract.

43. After order confirmation units cannot be cancelled or returned. Goods are made to order! Changes according to actual cost!

**44. Prices and Technical info are confidential and made exclusively for Buyer's RFQ and cannot be shared with a third-party organization without the approval of LICO.**

45. Goods remain property of LICO until full payment.

**46. The current economic situation in the global supply chains can cause unforeseeable changes anytime. Therefore, LICO reserves the right to change the above conditions, prices and/or lead times in case of events beyond its control.**

47. To avoid reclamations from damaged parcels or shipments, LICO can make photographic evidence from the physical condition of outgoing parcel and palette shipments.

Supplement:

**Packing & Re-packing of LICO Magnifiers:**

It is very important to handle, pack and re-pack the magnifiers with a corresponding care.

The head with the lens shall be wrapped in a soft plastic bag or another non-scratching material. All joints have to be loose, that means the handles cannot be tightened. The upper and the lower arm have to be fixed to each other closely by wrapping a blister foil around and tape it tight or use sufficient rubber band to tighten. For the buyer it may be reasonable to contract a transport insurance.

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