

TERMS AND CONDITIONS OF SUPPLY

Spectrolytic Ltd.

Governed by the Laws of Scotland, United Kingdom

1. General

- a. Spectrolytic Ltd. (the "Company") offers to sell products ("Products") and/or Services to the buyer ("Buyer") subject to these Conditions, which apply to the exclusion of any other terms implied by trade, custom, practice or course of dealing.
- b. Each order ("Order") shall be an offer by the Buyer to purchase subject to these Conditions. A contract ("Contract") forms only on the Company's written acceptance. The Buyer is responsible for ensuring the Order and any specification are complete and accurate.

2. Price

- a. The price shall be as set out in the Order, or if no price is quoted, from the Company's published price list in force at the date of delivery.
- b. The Company may increase the price on at least 5 calendar days' written notice before delivery where increases are due to:
 - i. factors beyond the Company's control (including exchange rate fluctuations, taxes, duties, labour or materials costs);
 - ii. changes requested by the Buyer to delivery dates, quantities or types; or
 - iii. delays caused by the Buyer's instructions or failure to provide adequate information.

3. Terms of Payment

- a. The Company may invoice on or at any time after delivery or completion of Services.
- b. Payment is due in full within 30 days of the invoice date, to the bank account nominated by the Company in writing.
- c. The Buyer may not withhold payment by reason of any right of set-off or counterclaim.
- d. Overdue amounts accrue interest at 6% per annum above the Bank of England base rate, from the due date until actual payment, whether before or after decree.
- e. The Company may recover its reasonable costs (including legal costs) in pursuing overdue sums.

4. Delivery

- a. Delivery is ex works (EXW Incoterms 2020) from the Company's premises or as agreed in the Order. The Buyer is responsible for compliance with all applicable export control regulations and shall indemnify the Company accordingly.
- b. Delivery dates are approximate only and time is not of the essence unless agreed in the Contract. The Company is not liable for delays outside its reasonable control.
- c. If the Buyer fails to take delivery within 3 days of notification, delivery is deemed completed at 9am on the third day and the Company may store and charge for the Products.
- d. If the Company cannot supply due to circumstances beyond its control, it shall refund any amounts already paid.

10. Limitation of Liability

- a. Subject to 10.c, the Company is not liable for loss of profit or any indirect or consequential loss.
- b. The Company is not liable for IP infringement arising from its compliance with a specification provided by the Buyer.
- c. Nothing in these Conditions excludes liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation, or any liability that cannot lawfully be excluded.
- d. Subject to 10.c, total liability for direct losses shall not exceed the amounts paid by the Buyer in the previous 12 months.

11. Intellectual Property

- a. All IP rights in the Products and Specifications vest in the Company. No IP rights are granted to the Buyer beyond the limited software licence in clause 8.
- b. The Buyer shall not disclose Specifications to third parties without the Company's written consent, and shall ensure any permitted recipients are bound by equivalent obligations.
- c. The Company will indemnify the Buyer against third-party IP infringement claims relating to the Products (save where caused by Buyer's specification), provided the Company has full control of proceedings, the Buyer provides reasonable assistance, and the Buyer makes no admissions or settlements without consent.
- d. The Buyer warrants its specifications do not cause the Company to infringe third-party rights, and shall indemnify the Company against any such claims.
- e. The Buyer shall not impair the Company's trade marks or use the Company's name, logo or marks for advertising without prior written consent.

12. Orders and Specifications

The Company reserves the right to make changes to Product specifications required to comply with any statutory requirement.

13. Export Compliance

- a. The Buyer shall comply with all applicable UK and international sanctions and export control laws, including screening customers against OFAC, BIS and equivalent lists before supplying any Products.
- b. Breach of export compliance obligations entitles the Company to terminate any Contract immediately. The Buyer shall indemnify the Company against all resulting costs and losses.
- c. The Company shall not be required to take any action prohibited or penalised under applicable sanctions or export control laws.

14. Maintenance Services

- a. This Clause 14 applies where the Buyer purchases maintenance services.
- b. Maintenance may be provided in three ways:
 - i. Annual recalibration and software update by the Company to ensure material conformance.

- e. Subject to 4.d, the Company's liability for failure to deliver is limited to the cost of obtaining equivalent replacement products in the cheapest available market, less the Contract price.
- f. Software Products shall be delivered by the medium set out in the Order or as otherwise agreed in writing.

5. Warranties and Liabilities

- a. The Company warrants that Products will be free from defects in all material respects at the time of delivery.
- b. If the Buyer notifies a defect in writing within 12 months of delivery and returns the Products at its cost, the Company shall at its option repair, replace or refund the defective Products.
- c. No liability arises for defects from fair wear and tear, wilful damage, negligence, misuse, or failure to follow the Company's instructions.
- d. No warranty applies if the full price has not been paid by the due date.
- e. Products requiring annual recalibration must be recalibrated to maintain accuracy. The Company will, on request, provide a list of authorised recalibration providers. No liability attaches to the Company for data errors arising from failure to recalibrate or use of unauthorised providers.
- f. Services will be performed with all reasonable care, skill and diligence in accordance with best industry practice.

6. Title

- a. Risk passes to the Buyer on delivery. Title does not pass until the full price has been paid.
- b. Until title passes, the Buyer shall hold the Products on a fiduciary basis, store them separately, keep them identifiable and insured, and notify the Company immediately of any insolvency event (condition 9).
- c. If an insolvency event occurs before title passes, the Company may require return of the Products and, if necessary, enter the Buyer's premises to recover them.

7. Representations

- a. The Buyer shall not redistribute Products to third-party retailers or distributors, or sell through commerce websites or social media, without the Company's prior written consent.

8. Software

- a. Software Products are licensed on a non-transferable, non-sub-licensable and non-exclusive basis, solely for the purpose made available by the Company, subject to any applicable end-user licence agreement.
- b. The Buyer shall not copy, reverse engineer, decompile, disassemble or modify Software Products except to the limited extent permitted by law for integration purposes, and only after requesting the Company to provide the necessary information.
- c. All intellectual property in the Products remains owned by or licensed to the Company. No IP rights are transferred under the Contract beyond the limited licence above.

9. Insolvency

Any Contract terminates immediately on written notice if the Buyer becomes apparent insolvent

- ii. Return of the Product by the Buyer (at the Buyer's cost) for recalibration testing, returned with results at the Buyer's cost.
- iii. On-site recalibration at the Buyer's location (at the Buyer's option and expense), at the agreed day rate plus reasonable travel expenses. Company personnel shall comply with the Buyer's health, safety and security policies as notified to them.

15. Data Analysis

- a. This Clause 15 applies where the Buyer purchases Data Analysis services.
- b. The Company will analyse Product data per the Buyer's written instructions to produce predictive maintenance models.
- c. All outputs are indicative only and do not constitute advice. Reliance is at the Buyer's own risk.
- d. If the Product has not been recalibrated within 12 months prior to analysis, the Company accepts no responsibility for errors or inaccuracies in the models.
- e. The Buyer is responsible for backing up all data before transfer. The Company accepts no liability for loss or corruption of the Buyer's data.

16. Termination

- a. The Company may terminate immediately on written notice if: (i) the Buyer commits a material breach and fails to remedy it within 14 days of written notice; or (ii) the Buyer fails to pay any sum due and fails to remedy non-payment within 7 days of written demand.
- b. The Buyer may terminate if the Company commits a material breach and fails to remedy it within 14 days of written notice.
- c. Termination does not affect accrued rights and remedies of either party.

17. Severance

If any provision of these Conditions is held to be void, voidable or unenforceable, the remaining provisions shall continue in full force and effect.

18. Third Party Rights

No person other than a party to the Contract has any right to enforce any of its terms.

19. Waiver

No failure or delay in exercising any right or remedy shall constitute a waiver, nor shall any partial exercise preclude further exercise of that right or remedy.

20. Governing Law and Jurisdiction

These Conditions are governed by and construed in accordance with the laws of Scotland. The courts of Scotland shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with these Conditions.

(within the meaning of the Bankruptcy (Scotland) Act 2016) or is subject to sequestration, administration, receivership or liquidation. All undelivered orders are suspended and any unpaid price becomes immediately due.

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