

## **GENERAL TERMS AND CONDITIONS – SRS**

### **1. PREAMBLE**

These General Terms and Conditions (“Terms and Conditions”) shall apply to any quotation or proforma invoice issued by STRATEGIC ROBOTIC SYSTEMS INC, a State of California corporation “SRS”). All orders and sales of SRS products and services (“Goods”) are subject to final approval by SRS and shall be subject to these Terms and Conditions, which shall take precedence over any additional or different terms and conditions from the buyer (“Buyer”).

Unless clearly stated otherwise, the provisions contained herein shall apply to all offers made by the seller and all orders accepted by the seller. The provisions herein shall precede any other document referred to in the agreement, except the special terms set out in a specific individual order, where the latter shall prevail. Where the special terms apply, they will be explicitly stated in the order.

Furthermore, these general terms, as detailed in this document, shall prevail over any terms and conditions referred to in any order or other document emanating from the buyer. Any failure or delay on the seller’s behalf in exercising his rights under any provision of this agreement shall not be construed as a waiver of those rights at any time now or in the future.

This document may be amended or modified only by written agreement of duly authorized representatives of both parties.

### **2. DEFINITIONS**

“Seller” means Strategic Robotic Systems, Inc. (SRS).

“Buyer” means the legal entity purchasing Goods from Seller.

“Goods” means the products or services offered by Seller and purchased by Buyer.

“Offer” means any quotation, bid, proposal, or offer of services for Goods and/or Services made by Seller to Buyer;

“Statement of Work” means the specification(s), requirements, and details related to the Goods and/or the Services to be provided.

“Order” means any purchase order or similar instrument issued by the Buyer to the Seller to purchase Goods.

“Services” means services purchased by the Buyer and performed by the Seller.

“Order” means Buyer’s purchase order or similar procurement instrument.

All references to “terms and conditions” herein mean and include these “General Terms and Conditions of Purchase.”

Any other terms and conditions mutually agreed upon by the Parties in writing in accordance with Section 2 herein. Buyer and Seller are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### 3. U.S. GOVERNMENT CONTRACTS

If the products are to be used in the performance of a U.S. Government contract, no Government requirements or regulations shall be binding upon SRS unless expressly agreed in writing.

### 4. PRICES & QUOTES

At SRS, we value your partnership and want to ensure a clear understanding of our business relationship. Therefore, SRS acceptance of any order for Goods is conditioned upon Buyer's acceptance of these Terms and Conditions. All quotations issued by, and all sales of Goods made by SRS shall be subject to these Terms and Conditions, which shall prevail and be effective notwithstanding any inconsistent or additional terms contained in any purchase order or other document submitted by Buyer. Under no circumstances shall any such inconsistent or additional terms be considered a part of these Terms and Conditions, and such inconsistent or additional terms are hereby rejected unless expressly accepted in writing by an authorized officer of SRS. These Terms and Conditions shall not be modified other than in writing and signed by SRS and Buyer and shall become a part of any further or additional order or agreement between the parties regarding the sale of the Goods. Verbal agreements shall not be binding upon SRS unless they have been agreed to in writing.

Unless otherwise stated, prices are quoted in US dollars and valid for a period of ninety (90) days, after which SRS shall have the right to adjust quoted prices upon written notice to Buyer. Quoted prices do not include any applicable local, state, federal, or foreign taxes, duty, and any such taxes, including sales and excise taxes, levied on the Goods shall be added to the specified prices for Goods paid by Buyer and shall remain the sole responsibility of the buyer.

Unless stated otherwise in writing by Seller, the prices offered apply only to the specific quantities, specifications, and delivery schedules set forth in Seller's Offer. Any variation or fluctuation in quantity, specifications, delivery schedules, or shipping costs may necessitate a price and/or delivery schedule adjustment.

Unless stated otherwise, all prices for domestic and international deliveries are Ex-Works, as defined by INCOTERMS 2020.

### 5. INSPECTION

The Buyer shall inspect all Goods supplied and promptly verify conformity with the quotation upon delivery and before using such Goods. Goods must not be returned without SRS's prior authorization. Goods shall be deemed accepted if no written notice specifying in detail any shortages, damages, or other claims has been received by SRS within ten (10) days following delivery. SRS shall not be liable for any damage, warranty,

or remedy, and back charges will not be accepted without prior notification, an opportunity to view and repair, replace, or otherwise cure, and approval by SRS.

All dates and schedules specified by SRS for the performance or delivery of Goods have been stated only approximately as an estimate from the date of such quotation. They are contingent upon, among other things, the timely receipt of complete specifications and other information reasonably requested by SRS to be provided by Buyer. SRS shall not incur any liability, either direct or indirect, nor shall any quotation or purchase order be canceled due to delays in meeting such dates or schedules. SRS shall not be responsible for any delays caused by third parties utilized by SRS or the inability of such third parties to provide or deliver their goods or services to SRS.

Unless otherwise expressly agreed to in writing, shipment of the Goods will be Ex-Works (EXW), SRS facility, San Diego, California (INCOTERMS 2020), at which time title and risk of loss shall pass to the Buyer. Payment of all shipping and freight charges, along with all customs, duties, costs, taxes, insurance premiums, and other expenses related to the transportation of the Goods, shall be the sole responsibility of the Buyer.

## 6. PAYMENT

Unless otherwise stated, prices are quoted in US dollars and valid for a period of ninety (90) days, after which SRS shall have the right to adjust quoted prices upon written notice to Buyer. Quoted prices do not include any applicable local, state, federal, or foreign taxes, duty, and any such taxes, including sales and excise taxes, levied on the Goods shall be added to the specified prices for Goods paid by Buyer and shall remain the sole responsibility of the buyer.

Unless otherwise provided in a quotation, all invoices require payment of 40% with order and balance due before dispatch. If payment terms are offered, the title of the Goods shall not be passed to Buyer until SRS receives payment in full of the entire purchase price for such Goods, including transport costs and taxes. SRS reserves the right to refrain from the execution of further components of a quote or order, or of any subsequent quote or order, or to terminate delivery until any outstanding issued invoices are paid in full.

Standard payment terms for domestic Orders are net thirty (30) days from the date of the Seller's invoice, subject to credit approval of the Buyer by the Seller. Payment terms for international orders may be cash in advance by wire transfer or an irrevocable letter of credit confirmed with the Seller's bank. Credit terms, shipments, and performance of work are always subject to the approval of the Seller's Credit Department. Each shipment is a separate and independent transaction, and payment must be made by the Buyer accordingly.

If, prior to shipment of the Goods or services, the Buyer fails to fulfill the terms of payment of any prior invoice submitted by the Seller or, if in the opinion of the Seller, the Buyer's financial condition becomes impaired or unsatisfactory, the Seller reserves the right to change, without notice, the terms of payment and/or delay or discontinue further

shipments. The conditions mentioned above are detailed without prejudice to any other available legal remedies until past due obligations have been paid and the Seller has received acceptable assurance regarding the Buyer's prompt payment of future commitments. All amounts due to Seller but not paid by Buyer on the due date bear interest payable by the Buyer to Seller at a rate of one and one-half (1.5%) percent per month.

## 7. TAXES

The amount of any present or future sales, use, excise, import duty, or other tax applicable to the manufacture, sale, or lease of Goods will be added to the invoice. The Taxes are payable by the Buyer unless the Buyer provides the Seller with a tax exemption certificate acceptable to the applicable taxing authority.

## 8. SHIPPING TERMS AND RISK OF LOSS

All domestic and international shipments by Seller are Ex-Works (EXW), as defined by INCOTERMS 2024. The risk of loss for the Goods will transfer to the Buyer upon the Seller presenting the Goods to the carrier. If the Seller prepays shipping, insurance, or other related costs, the Buyer agrees to reimburse the Seller promptly for all expenses incurred by the Seller.

## 9. TOOLING

Unless otherwise provided by a special written agreement signed by Seller and Buyer, all tooling, fixtures, equipment, tools, software, and designs produced, acquired, or used by the Seller to fill the Buyer's Order remain the Seller's property.

## 10. PACKING AND PACKAGING

The Seller's prices for delivering the Goods include the Seller's standard commercial packing and packaging services. Any non-standard or special packing or packaging requirements requested by Buyer will be provided by Seller at additional cost to Buyer.

## 11. DELIVERY SCHEDULES AND DELAY

All shipping dates are approximate and require the prompt receipt of all necessary Buyer-furnished information and material, if applicable. The Seller is not liable for any damages, re-procurement costs, or penalties related to late deliveries.

Without limiting the generality of the preceding, Seller is not liable for any delays due to force majeure including, but not limited to, weather conditions, acts of God, acts of civil or military authorities, fires, strikes, job actions, floods, earthquakes, epidemics, quarantine restriction, war, terrorism, riot, supplier or vendor delays, or any other causes beyond the reasonable control of Seller.

In the event of such delay, Seller will promptly notify Buyer, and the date(s) of delivery will be deferred for a period commensurate with the time lost due to the delay. If the excusable delay under force majeure continues for more than ninety (90) days, the Seller

and the Buyer will each have the option of terminating the affected Order(s) under Article 12, Termination for Convenience. If the Seller's production is curtailed for any of the above reasons so that Seller cannot deliver the total quantity of Goods scheduled for delivery to Buyer, Seller may allocate deliveries of available Goods among its various customers then under order for similar Goods. The allocation will be made in a commercially fair and reasonable manner. When such allocation has been made, the Buyer will be notified of the estimated available quantity for delivery.

## 12. HARDSHIP AND FORCE MAJEURE

A party's non-performance shall be excused to the extent that the performance is rendered impossible or unreasonably onerous (regarding delivery dates, prices, or the quantity to be delivered) by the occurrence of an event beyond the parties' reasonable control. Such events include but are not limited to weather conditions, acts of God, acts of civil or military authorities, fires, strikes, job actions, floods, earthquakes, epidemics, quarantine restrictions, war, terrorism, riots, and supplier or vendor delays. If such an event occurs, the party claiming force majeure will promptly notify the other party. The parties to this agreement will then consult to find a reasonable way to adjust the agreement in order to permit its continued performance. If the parties do not reach an agreement, each party retains the option to terminate the original agreement.

Failure to make any payments, reimbursements, or to issue credits shall not be excusable under this clause.

## 13. CANCELLATION

The Seller's goods are made on command for each Buyer. No orders may be withdrawn or canceled by Buyer, nor may they be deferred when ready, unless SRS shall have previously approved such withdrawal, cancellation, or deferral in writing. If the Buyer requests changes in any order submitted to SRS, the Buyer shall be responsible for all charges and expenses reasonably incurred by SRS due to the changes. By submitting an order to SRS, Buyer warrants, represents, and covenants that it is solvent now and will be solvent at shipment and agrees to notify SRS immediately in writing upon the occurrence of any change of events.

## 14. TERMINATION FOR DEFAULT

Either Party may terminate the Order if the other Party breaches a material provision of this Agreement or the Order. A breach of a material provision is to be understood as a fundamental breach of the agreement amounting to a non-performance. In determining whether a breach is to be considered as fundamental and, as such, giving rise to the right to terminate, the following shall be considered: Whether the non-performance substantially deprives the aggrieved party of what it was entitled to expect under the contract unless the other party did not foresee and could not reasonably have foreseen such result. Strict compliance with the obligation that has not been performed is of the essence under the contract. If the non-performance is intentional or reckless, giving the

aggrieved party reason to believe it cannot rely on the other party's future performance, it can inform the non-performing party they are in Default. If a Party (the "Defaulting Party") is in breach of a material provision of this Agreement or the Order, the other Party (the "Non-Defaulting Party") will submit a written cure notice to the Defaulting Party advising of such breach. The Defaulting Party will have fifteen (15) days to cure the breach. If the Defaulting Party does not cure the breach within the fifteen (15) day period, the Non-Defaulting Party may terminate the Order.

## 15. CHANGE ORDERS AND AMENDMENTS

The Buyer must submit all change order requests to the Seller in writing, and will not be effective unless and until the Seller consents in writing to the change(s). Seller will advise Buyer in writing of the price and delivery schedule impact(s), if any, of the change request. The Seller's acceptance of changes will be subject to the Buyer's agreement to any price and delivery schedule adjustments.

## 16. LIMITED WARRANTY

SRS warrants that the Goods manufactured by Seller will be free from defects in material and quality for twelve (12) months from the date of original shipment when operated in accordance with the instructions and safety measures that have been laid out by Seller in the corresponding user guide/website for each individual product. This warranty only applies to defects in material and workmanship in covered products. It is not to be interpreted as providing full-service coverage for such items as routine maintenance, adjustments, or recalibration as per instructions in the user manual.

The warranty period on serviced items is ninety (90) days after completion of service work.

The warranty is voided for any of the following events:

- Normal wear and tear, such as, but not limited to, rope, batteries, and other systems or components subject to wear.
- Unauthorized modification.
- Any damage caused by improper use, improper maintenance, improper storage, or operations inconsistent with the user's manual. (Please read the user manual and observe the instructions.)
- tampered with, altered, or repaired without prior written approval by SRS.
- Failure of electrical or other energy supplies.
- Shipping Damage and or due to inadequate packing
- Nontransferable to a new Buyer unless authorized by SRS
- Acts of God and war, riots, or other civil commotion.

A standard warranty covers batteries for one (1) year. The cells are rated to maintain 80% capacity for three hundred (300) cycles, where a cycle is considered a matching charge and discharge.



The warranty for batteries is contingent on the following events:

- The customer will maintain and handle the battery per the instructions in the system manual.
- The customer will charge the packs using the provided supplier charging system.
- The customer will not compromise the battery seal.

This warranty does not apply to components and consumables with shorter third-party manufacturer's warranty periods. Components and consumables manufactured by third parties will bear their manufacturer's warranty. The warranty does not cover shortcomings that are due to design errors or any form of consequential damages that are the result of errors in measurements. If Buyer identifies any defects in material or quality, Buyer will promptly notify Seller of the defective Goods and the specific nature of the defect per Article 15, Return Authorizations. At its sole discretion, Seller will either repair or replace any such Goods found by Seller to be defective, which shall constitute Buyer's sole remedies under this Agreement, and any other remedies, either express or implied by law, shall be considered waived by Buyer. Seller's warranty does not apply to any Goods subjected to improper installation, damage during employment, misuse, alteration, repair, neglect, accident, inundation, fire, or the like. THIS WARRANTY APPLIES TO ALL OFFERS MADE BY THE SELLER AND TO ALL ORDERS ACCEPTED BY THE SELLER UNLESS OTHERWISE SPECIFIED IN WRITING FOR EACH INDIVIDUAL PRODUCT. IN THE CASE OF GOODS OTHER THAN THOSE OF THE SELLER'S OWN MANUFACTURE, THE SELLER MAKES NO WARRANTIES, EXPRESS, STATUTORY, OR IMPLIED.

## 17. RETURN AUTHORIZATIONS & REPAIRS

Buyer will promptly notify Seller of any non-conformance(s) in the Goods, accompanied by a description of the claimed non-conformance(s), and afford Seller a reasonable opportunity to inspect the Goods. No Goods may be returned without Seller's prior authorization, as evidenced by a return merchandise authorization (RMA) in written form obtained on demand. Once a return authorization number is obtained, the Buyer will return the defective Goods. The determination of warranty versus non-warranty RMA status will be determined once the item is returned to the Seller. The seller covers warranty RMA freight insurance, transportation, and these costs, and coordination/arrangement of inbound transport are the sole responsibility of the Seller. For non-warranty RMA returns the Seller DOES NOT cover non-warranty freight insurance, transportation, or import and export duties and taxes, and these costs, and coordination/arrangement of inbound transport are the sole responsibility of the Buyer. The Buyer must take the necessary precautions to insure the Goods before returning the product for repair. Seller is not held responsible for any damages or loss occurring during shipment, nor is Seller liable for any consequential damages resulting from returning goods becoming damaged or lost during shipment. Failure to follow the Seller's return procedures may result in lost Goods, delays, additional service costs, restocking charges,

warranty denial, or shipment refusal by the Seller. The return authorization number must appear on the shipping label and all paperwork associated with the return. The Seller has the right to reject Goods returned without the correct return authorization number clearly marked on the outside of the shipping container. Granting a return authorization number does not necessarily mean that a credit will be approved or that the evaluation or repair will occur without a fee. New, unused, standard stock parts returned for credit will be subject to a \$25.00 or 15-percent minimum handling charge, whichever is greater.

## 18. INTELLECTUAL PROPERTY AND INDEMNIFICATION

Buyer acknowledges that any and all of the intellectual property rights (including inventions, patents, trademarks, and copyrights) and the know-how used or embodied in, or in connection with the product sold (including the user guide) shall remain the sole property of Seller. If new know-how is generated or arises, or the invention (product) evolves as a consequence of the performance or as a result of this agreement, the Buyer acknowledges that all intellectual property rights therein shall belong to SRS unless otherwise agreed in writing. Buyer agrees to indemnify and hold Seller harmless from any demands, loss, liability, claims, or expenses (including attorneys' fees) made against Seller by a third party due to or arising out of or in connection with this agreement: To the extent that one Party's employees or agents enter on the property owned or controlled by the other Party, the first Party will indemnify and hold harmless the other Party, its officers, directors, and employees for any property damage or bodily injury or death caused by the first Party's employees or agents.

Subject to Buyer's compliance with the terms of this agreement and the Order, Buyer is granted a non-exclusive, irrevocable, perpetual, worldwide license to use any of Seller's intellectual property rights vested or embedded in the Goods. The license granted hereunder is limited to the extent such license is necessary for Buyer to use, market, and distribute the Goods in accordance with their purpose. Under no circumstance will the Buyer be entitled to use the Seller's intellectual property rights for any other purpose without the Seller's prior written consent.

The Seller is hereby granted a non-exclusive, non-transferable, worldwide, and perpetual license to use the Buyer's intellectual property rights, but only to the extent necessary for producing and supplying the Goods to the Buyer. Under no circumstance will the Seller be entitled to use the Buyer's intellectual property rights for any other purpose without the Buyer's prior written consent.

If Goods include software, the Buyer is subject to compliance with the terms of this agreement and the Order, as well as any of the Seller's use restrictions applicable at any time for the relevant software. The Seller grants the Buyer the non-exclusive and non-transferable license to use the Software solely to support the Buyer's internal business operations and, in the quantities, subject to the use restrictions set out in the Seller's end user license terms. For any third-party software, the third party's license terms will govern its use, with which Buyer shall fully comply.



## 19. LIMITATION OF LIABILITY

In no event shall SRS be liable to Buyer or to any third party for consequential, incidental, or special damages, or for lost profits, resulting from or in any manner related to the Goods, any performance or non-performance by SRS, or the design, use or any inability to use the Goods, whether such damages are claimed under contract, tort, or any other legal theory. Buyer understands and agrees that Buyer's sole and exclusive remedy, and SRS's limit of liability, for any loss resulting from defective Goods or breach of SRS of any provision or term set forth herein or otherwise, in each case, shall be limited to the purchase price of the Goods with respect to which such loss or damage is claimed. Further, Buyer agrees that its sole remedy for damages shall be limited, at SRS's sole discretion, to repair, replace, or purchase price refund only after the Goods are returned per SRS return policies. To the fullest extent allowed by law, the Seller's entire liability under this agreement shall not exceed the amounts actually paid by the Buyer to the Seller in respect of the Order that is the subject of the cause of action. If no Order is the subject of the cause of action, Seller's entire and aggregate liability under this agreement shall be limited to what is actually paid by Buyer to Seller in the twelve months immediately preceding the date the cause of action arose.

Any software provided as Goods are supplied to the Buyer "AS IS" and without warranty of any kind. SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES RELATED TO SOFTWARE, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHER, THE SELLER DOES NOT WARRANT OR MAKE ANY REPRESENTATIONS REGARDING THE USE OR THE RESULTS OF THE USE OF THE SOFTWARE OR RELATED DOCUMENTATION IN TERMS OF THEIR CORRECTNESS, ACCURACY, RELIABILITY OR OTHERWISE.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, EXEMPLARY, PUNITIVE, STATUTORY OR INCIDENTAL DAMAGES (INCLUDING LOSS OF PROFIT OR PRODUCTION), ARISING FROM ANY CLAIM RELATING TO THIS AGREEMENT, WHETHER SUCH A CLAIM IS BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY OR OTHERWISE, EVEN IF AN AUTHORIZED REPRESENTATIVE OF SUCH PARTY IS ADVISED OF OR WAS AWARE OF THE POSSIBILITY OF SUCH A DAMAGE, TO THE EXTENT THAT THIS LIMITATION OF LIABILITY CONFLICTS WITH ANY OTHER PROVISION(S) OF THIS AGREEMENT, SUCH PROVISION(S) WILL BE REGARDED AS AMENDED TO WHATEVER EXTENT REQUIRED TO MAKE SUCH PROVISION(S) CONSISTENT WITH THIS PROVISION.

SRS shall not be responsible or liable for any delays or failures in performance with respect to any quotation or order for Goods due to any cause or condition beyond the control of SRS, including, without limitation, strikes or labor difficulties, fires, floods or other actions of the elements, inability to secure transportation, shortage of materials or equipment, riots or other civil commotions and acts of God and war.



## 20. ARBITRATION AND LAW

Any disputes, controversies, or differences arising between the parties by virtue of this agreement that fail to be resolved amicably will be finally resolved through arbitration. The arbitration will take place in accordance with the arbitration rules of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. Any disputes arising under this agreement shall be resolved in accordance with the laws of the State of California. The place of arbitration shall be San Diego County, California, USA. Arbitration proceedings shall be carried out in English. Any proceedings and judgments of the arbitrators shall be confidential.

Each Party shall comply, in all material respects, with all laws, rules, regulations, and orders applicable to them in relation to this agreement, including, but not limited to, environmental laws, anti-money laundering laws, anti-corruption laws, privacy laws, tax laws, competition laws, sanction regulations, and export control regulations.

## 21. ASSIGNMENT

Buyer may not assign, sublicense, or otherwise deal with its rights or obligations under this agreement, in whole or in part, to any third party without Seller's prior written approval, not to be unreasonably withheld. The desire to assign, transfer, or sublicense should be notified to Seller no less than 60 days before the desired assignment is to take place, whereupon Seller has 30 days to give his reply (refusal or approval). Any silence on Seller's part is to be considered as a refusal.

## 22. UNENFORCEABLE PROVISIONS

Should any part of this agreement be held to be unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the remaining provisions of this agreement shall be fully effective, operative, and enforceable. The invalid or unenforceable provision in question shall be replaced with a provision of equal effect renegotiated between the parties in good faith. If no agreement can be reached, and it appears that the provision in question was of fundamental importance to the existence of the agreement between the parties, the agreement can be terminated in writing and duly notified to the other party.

## 23. SURVIVAL

All provisions of this agreement will survive its termination (howsoever occasioned) and shall remain in full force and effect thereafter. Furthermore, no clauses shall merge upon completion.

Furthermore, these general terms laid out in this document shall prevail over any terms and conditions referred to in any order or other document emanating from the buyer. Any failure or delay on Seller's behalf in exercising his rights under any provision of this agreement shall not be construed as a waiver of those rights at any time now or in the future.

## 24. GENERAL

These Terms and Conditions shall govern the entire agreement between SRS and Buyer, and shall supersede all preceding agreements and proposals, and shall prevail over any terms and conditions appearing on the Buyer's purchase order or other ordering documents. The Buyer's delivery of a purchase order pursuant to this quotation shall be deemed as acceptance by the Buyer of these Terms and Conditions. In the event the buyer includes different or additional terms and conditions in its purchase order, acceptance, confirmation, or other written form sent in response to any quotation, neither SRS's delivery of all or part of the Goods nor any other action except a written notice from SRS, shall constitute acceptance of such additional or different terms, but instead, these Terms and Conditions shall apply.

## 25. DESTINATION CONTROL STATEMENT & PROHIBITION FOR DIRECT OR INDIRECT EXPORT TO RUSSIA

These items are controlled by the U.S. government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of to any other country or any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.

In addition to any other export or sanction regulations elsewhere in agreements between the Parties, the Customer/Distributor agrees not to sell, supply, transfer, or export, directly or indirectly, any products, technology, or knowledge received from SRS and its Affiliates to the Russian Federation or for use in the Russian Federation.

The full prohibition clause as part of these T&Cs:

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### 1.1 Definitions:

"SRS and its Affiliates" denotes SRS along with any entity or company that is under the control of, controls, or is in mutual control with SRS, encompassing but not limited to subsidiaries, joint ventures, or entities where SRS possesses a substantial stake in equity or voting rights.

"Customer/Distributor" encompasses any individual, entity, or company engaged in purchasing, acquiring, borrowing, or receiving SRS's products or services, whether for resale, distribution, or personal use.

1.2 In addition to any other export or sanction regulations elsewhere in agreements between the Parties, the Customer/Distributor agrees not to sell, supply, transfer, or export, directly or indirectly, any products, technology, or knowledge received from SRS and its Affiliates to the Russian Federation or for use in the Russian Federation.

For the purpose of this section, "indirect" sales, supply, transfer, or export shall include but is not limited to, engaging in transactions where the Customer/Distributor sells, supplies, transfers, or exports goods or technology to any party with knowledge, or under circumstances where the Customer/Distributor should reasonably have known, that such goods or technology would subsequently be sold, supplied, transferred, exported to or used in the Russian Federation by a third party.

1.3 In the event of a breach of the above prohibition, SRS and its Affiliates shall be entitled to, in addition to any rights and remedies granted to SRS and its Affiliates by law or contract, impose one or more of the following contractual sanctions, subject to SRS and its Affiliates' complete discretion:

- a) Temporary or permanent suspension of deliveries of goods or provision of services under the agreement until compliance is restored to SRS and its Affiliates' satisfaction;
- b) Immediate termination of the agreement and any agreements between the parties without liability to SRS and its Affiliates, effectively ceasing all ongoing and future business transactions;
- c) Requirement for the immediate recall of any products that have been sold, supplied, transferred, or exported in violation of the prohibition, with all associated costs to be borne by the Customer/Distributor and/or
- d) Customer/Distributor to reimburse SRS and its Affiliates for any costs incurred in connection with the breach, including but not limited to legal fees, costs of investigation, audit costs, and costs associated with the enforcement of the sanctions set out herein.

The choice of sanction(s) to be applied will depend on the specific circumstances of the breach, including its impact on SRS and its Affiliates' legal and regulatory compliance, the degree of fault or negligence on the part of the Customer/Distributor, and any mitigating factors present. SRS and its Affiliates will act in a fair and reasonable manner in determining the appropriate sanction(s).

1.4 SRS and its Affiliates reserves the right to conduct audits, either directly or through a third party, on the Customer/Distributor's operations to ensure compliance with this clause. These audits may include the inspection of records, inventories, and any relevant documentation. The Customer/Distributor agrees to provide full cooperation and access as necessary for the conduct of these audits.

1.5 The Customer/Distributor shall indemnify, defend, and hold harmless SRS and its Affiliates' and its respective directors, officers, agents, employees, members, and stockholders from and against any third-party claims, fines, penalties, liabilities, losses, damages, costs, and expenses (including reasonable attorney's fees) arising from or in connection with the Customer/Distributor's breach of this clause.

1.6 SRS and its Affiliates may amend or update this clause from time to time to reflect changes or updates to applicable legislation, including export control and sanction legislation in Norway, the EU, the US, and the UN. The Customer/Distributor agrees to comply with any such amendments or updates, which will be communicated in writing. The obligation to comply with the updated clause will take effect from the date specified in the notice provided by SRS and its Affiliates.