

Terms and Conditions for Purchase Orders of Arktis Radiation Detectors Ltd.

May 2017

1. Definitions

- 1.1. "Company" means Arktis Radiation Detectors Ltd, a Swiss company having its principal place of business at Räffelstrasse 11, 8045 Zurich, Switzerland, which is the buyer of Goods and/or Services under the Contract.
- 1.2. "Supplier" means a natural person or legal entity who is the seller and supplier of Goods or Services under the Contract.
- 1.3. "Contract" means the sale and purchase agreement between the Company and the Supplier regarding the sale and supply of Goods and Services consisting of an individual contract incorporating (whether expressly or by implication) these Terms and Conditions ("T&C").
- 1.4. "Goods" means the items to be delivered by the Supplier in accordance with the Contract and all materials, documents, or other items which are the result of Services provided by the Supplier under the Contract in any form or media, including without limitation data, diagrams, drawings, reports and specifications.
- 1.5. "Services" means the services to be provided by the Supplier in accordance with the Contract.
- 1.6. "Party" means the Company or the Supplier.

2. Scope of Application of these T&C

- 2.1. These T&C are binding for the entire present and future business relationship between the Parties and apply to all purchase orders made by the Company, even if these T&C are not expressly incorporated by reference. With conclusion of the Contract and acceptance of a purchase order the Supplier agrees to these T&C.
- 2.2. Unless expressly agreed in writing by the Company, no terms and conditions submitted or referred to by any the Supplier when submitting a quotation, confirming a Contract, delivering Goods, performing Services or issuing invoices shall become part of the Contract.

3. Conclusion of the Contract; Modifications

- 3.1. The Contract and each purchase order must be in writing and otherwise the Company is entitled to reject the Goods or Services and any associated claim for payment.
- 3.2. The Company may amend, modify and/or cancel the purchase order or withdraw from a contract offer until receipt of acceptance of the purchase order or the contract offer by the Supplier. The Company shall have the right after the Contract has been concluded to request changes with regard to the subject of delivery, and in particular with regard to specifications, drawings, design, construction, time and place of delivery, packaging, quality, amount and means of transport. In the event that such a change results in an increase or reduction of costs for the Supplier or an extended delivery date, the Supplier must inform the Company as soon as possible, and no later than within three (3) working days, of any expected additional costs or extension to the delivery date. The Parties shall agree a suitable adjustment of the remuneration for the Supplier or the delivery time as soon as possible.

4. Engagement of Third Parties

- 4.1. The Supplier may not engage third parties for the performance of its contractual obligations without the prior written consent of the Company and the Supplier shall remain responsible and liable for the services rendered by third parties.

5. Delivery and Acceptance

- 5.1. The Supplier shall deliver the ordered Goods/Services according to the Incoterms 2010 as specified in the Contract. If there are no specified Incoterms stated in the Contract then DDP (Delivered Duty Paid) shall apply.
- 5.2. All deliveries must include a delivery note stating the order number and any other information required in the Contract. The Supplier shall include details of the origin, export control classification (if applicable) and the custom tariff number of the Goods on the invoice as well as on the delivery note. The Supplier shall be liable for any additional custom duty and other costs caused by a lack of such details. Benefit, risk and title of the Goods shall pass to the Company upon delivery and acceptance of the Goods at the place of delivery.
- 5.3. The place of delivery of Goods and place of performance of Services shall be the delivery or performance address stated in the Contract.
- 5.4. All agreed deadlines are binding. If the Supplier fails to meet agreed deadlines, he is considered in default immediately upon the expiration of such deadline. Partial deliveries and advance deliveries may only be made if approved in advance and in writing by the Company.
- 5.5. In case of late or anticipated late delivery, the Supplier must inform the Company immediately in writing, including the reasons for such delay and the expected actual delivery date. In case of late or incomplete delivery of Goods the following contractual penalties are agreed:
 - delay from 1 to 5 days: 0.2% of the purchase order value per day
 - delay from 5 to 10 days: 0.3% of the purchase order value per day
 - delay of more than 10 days 0.4% of the purchase order value per day
- 5.6. In addition to the contractual penalties above in case of late or incomplete deliveries of more than 20 days, the Company has the right to terminate the Contract and annul the purchase order with immediate effect in writing.
- 5.7. Payment of any contractual penalty does not alter the Supplier's obligation of on-time delivery and the Company reserves all other legal and contractual rights and remedies for late or incomplete delivery.
- 5.8. However, the Supplier shall not be deemed to be in default as a result of delays in delivery due to events of Force Majeure as set forth below or due to reasons attributable to the Company.
- 5.9. The Supplier shall deliver the ordered Goods/Services in appropriate packing. The Company is entitled to return all re-usable packing material to the Supplier and to obtain credit for the same.
- 5.10. All packing units must have a label showing content, quantity and the Company article number as well as any other information required in the Contract. The Supplier must ensure that the necessary certificates and documentation for the Goods are enclosed. In case of dangerous or hazardous Goods, the packaging must contain clear indications complying with the relevant laws and regulations.
- 5.11. The Supplier must organize the transport of Goods at its own risk and expense to the place of delivery. Instructions in the Contract related to means of transportation and the choice of the carrier must be observed. The Supplier must have an appropriate insurance cover for loss of and/or damage to the Goods delivered. The Supplier shall on demand provide written confirmation of such insurance cover from its insurers.

- 5.12. The Company shall examine the Goods delivered within thirty (30) days of delivery. The Company shall have the right to reject Goods/Services which are not in accordance with the Contract. Payment for the Goods/Services shall not be regarded as acceptance of the delivery. Acceptance of Goods/Services does not prejudice any warranty rights for hidden defects of any Goods/Services.

6. Price

- 6.1. All prices shall be binding and remain unchanged for at least six (6) months from receipt of the quotation.
- 6.2. All prices shall include all direct discounts, packing, transport, insurance, custom fees and any taxes with the exception of applicable value added tax. All costs or compensation with regard to the sale and delivery of Goods and/or the performance of Services which are not expressly stated in the Contract shall be borne by the Supplier, unless otherwise agreed.

7. Terms of Payment

- 7.1. The Supplier shall issue an invoice in accordance with the Contract in the currency agreed for the Goods/Services and stating the purchase order number.
- 7.2. Payment shall be made within thirty (30) days from the date on which the Company has received a conforming invoice.

8. Warranty

- 8.1. The Supplier warrants that all Goods and/or Services:
 - are in accordance with the Contract;
 - correspond strictly with all descriptions, advertisements, specifications and samples stipulated in the Contract;
 - are fit for all purposes for which the Goods in question are supplied;
 - are of perfect quality and free from any defects;
 - are in compliance with all applicable national and international laws and standards, in particular any applicable health, safety and employment regulations;
 - are carried out with proper and reasonable skill and care and to the highest professional standards;
 - comply with any other quality standard which the Company may not have specifically stated but which the Supplier can reasonably assume.
- 8.2. The warranty period shall extend for twenty-four (24) months following the Company's acceptance of the delivery. However, if the Goods are to be incorporated in a system supplied by the Company to the Company's customer, the warranty period shall only commence at the earlier of (a) acceptance of the system by the Company's customer and (b) nine (9) months from the Company's acceptance of the delivery.
- 8.3. In case of breach of a warranty obligation by the Supplier, the Company is entitled to require at its own discretion the prompt rectification of the deficiency free of charge or the replacement of the Goods concerned. If the Supplier fails to rectify the deficiency or replace the defective Goods within a time acceptable to the Company, the Company is entitled to either require a reduction of the purchase price, to withdraw from the Contract or to buy a substitute product from a third party in which case the Supplier shall be liable for the price difference.
- 8.4. If damage has occurred due to the breach of warranty, the Supplier shall in addition be liable to compensate such damage.

9. Product Liability

- 9.1. The Supplier will indemnify the Company against all loss or damage or claims by third parties to the extent that it is responsible for the defects in the Goods.
- 9.2. The Supplier shall take out and maintain a product liability insurance policy with coverage of not less than CHF 5'000'000.- per incident. The Supplier shall on demand provide written confirmation of such insurance cover from its insurers.

10. Compliance with Environmental Regulations

- 10.1. EC Regulation No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") regulates a large number of substances of very high concern ("SVHC"). All Goods shall comply with the REACH Regulation.
- 10.2. The European Restriction of Hazardous Substances Directive (2011/65/EU) ("RoHS2") in its current form restricts lead, mercury, hexavalent chromium and flame retardants PBB and PBDE. Some classes of electronic equipment and materials are excluded from the scope of RoHS2. All Goods shall comply with RoHS2.

11. Liability

- 11.1. The Parties shall be liable for any damage caused by negligence or willful intent to the other Party.
- 11.2. The Parties shall be liable for the conduct of their personnel and third parties engaged for the purpose of performance of the Contract (e.g. sub-suppliers or subcontractors) in the same way as for their own conduct.

12. Intellectual Property Rights

- 12.1. The Supplier warrants that all Goods delivered and all Services performed do not infringe any third party's registered or non-registered intellectual property rights, including without limitation patent, design, trade mark, service mark, copyright, confidential information, trade secrets or know-how. The Supplier will indemnify and hold the Company and its employees harmless for and against any claims, demands, costs and damages (including reasonable attorney fees) relating to such infringement of any third party's intellectual property rights.
- 12.2. The Supplier grants, or (if applicable) will procure that the third party owner grants, the Company and all users a worldwide, irrevocable, perpetual, transferable, non-exclusive, royalty-free right to use all intellectual property rights in the Goods (including embedded software necessary for operation and delivered as an integral part of the Goods).
- 12.3. The Supplier must specify in writing and prior to delivery all open source software contained in or used by embedded software, if any, and request the Company's written approval. The Supplier agrees to replace at its own cost any open sources software components rejected by the Company with software of at least the same quality and functionality.

13. Export Regulations

- 13.1. The Supplier warrants and shall be liable for respecting all applicable export, customs and conflict minerals national and international regulations or sanctions. Any documentation thereto shall be provided by the Supplier free of charge.

14. Bribery and Corruption

- 14.1. Both Parties warrant that each will not, directly or indirectly, and that each has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of each Party, or any other party in a manner contrary to applicable laws (including without limitation the US Foreign Corrupt Practices Act and the UK Anti-bribery Act).

15. Audit

- 15.1. The Company reserves the right to inspect the Goods and supervise the Services at any time before or after the delivery at the premises of the Supplier (or its sub-contractors). The Supplier shall ensure that the agreements with its sub-contractors permit such inspection. Such inspection or supervision shall not relieve the Supplier of any obligation under the Contract.

16. Confidentiality Obligation and Data Protection

- 16.1. Each Party (the "Receiving Party") shall keep secret and shall not disclose any information and personal data provided by the other Party (the "Disclosing Party"), including information concerning the business, operations or customers of the Disclosing Party and its suppliers (the "Confidential Information"), to any third party.
- 16.2. In cases of doubt, facts and information shall be treated confidentially. The Parties are obliged to take all economically reasonable and technically and organizationally possible measures to ensure that Confidential Information is effectively protected from access and knowledge by unauthorized parties.
- 16.3. The Receiving Party may communicate Confidential Information to its employees, suppliers, sub-contractors and consultants only to the extent necessary to fulfil the Contract, only on a strict "need to know" basis and only on the condition that such employees, suppliers, sub-contractors or consultants are bound by a confidentiality obligation equivalent to the obligations the Receiving Party has under this clause.

17. Force Majeure

- 17.1. No Party shall be deemed to be in breach of Contract by reason of any delay in performing, or any failure to perform, any of its respective obligations, if the delay or failure was due to any of the following events: acts of Gods, explosions, floods, fire or accident, war, terrorism, civil disturbance, general strikes, import or export regulations or embargoes ("Force Majeure Event").
- 17.2. In the event of either Party being so hindered or prevented by a Force Majeure Event, such Party shall give notice of suspension as soon as reasonably possible to the other Party stating the date and extent of such suspension and the cause thereof. Any Party whose obligations have been suspended as aforesaid shall resume the performance of such obligations as soon as reasonably possible after the removal of the Force Majeure Event and shall notify the other Party hereof. In the event that a Force Majeure Event continues for more than sixty (60) days, either Party may terminate the Contract with immediate effect.

18. Compliance with the Law and the UN Global Compact Principles

- 18.1. The Supplier must comply with all applicable laws and regulations.
- 18.2. The Supplier must commit to abide by the ten principles of the UN Global Compact.
- 18.3. In particular, the Supplier
 - ensures that it is not involved in human rights abuses;
 - is opposed to any form of forced labour or child labour;
 - upholds the elimination of discrimination in respect of employment;
 - seeks to use environmentally friendly technologies;
 - is opposed to corruption in all its forms, including extortion and bribery.

19. Termination

- 19.1. The Company may terminate the Contract for convenience in whole or in part by giving the Supplier thirty (30) days written notice.
- 19.2. In such event, the Company will pay to the Supplier the value of the delivered but unpaid Goods or Services and proven direct costs rea-

sonably incurred by the Supplier for the undelivered Goods or Services, however in no event more than the price for the Goods or Services agreed under the Contract. No further compensation will be due to the Supplier.

- 19.3. The Company will otherwise be entitled to terminate the Contract for the Supplier's breach or otherwise in accordance with the law.
- 19.4. Upon termination for any reason, the Supplier will immediately and at the Supplier's expense return to the Company all Company property then under the Supplier's control and provide Customer with the complete documentation regarding the delivered Goods or Services.

20. Miscellaneous

- 20.1. Without written consent, the Supplier may not mention or otherwise draw attention to its relationship with the Company in its advertising or in any other form.
- 20.2. The Contract may only be modified or amended by a document signed by both Parties. Any provision contained in the Contract may only be waived by a document signed by the Party waiving such provision.
- 20.3. The Contract and/or any rights and obligations thereunder may only be assigned by a Party to third parties with the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 20.4. If any part or provision of the Contract be held to be invalid or unenforceable by any competent authority having jurisdiction, the other provisions of this Contract shall nonetheless remain valid. In this case, the Parties shall negotiate in good faith a substitute provision that best reflects the economic intentions of the Parties without being unenforceable and shall execute all agreements and documents required in this connection.

21. Applicable Law and Place of Jurisdiction

- 21.1. The Contract shall be governed by and construed in accordance with the substantive laws of Switzerland, with the exclusion of the Vienna Convention on the International Sale of Goods dated April 11, 1980.
- 21.2. All disputes arising out of or in connection with the Contract, including disputes on its conclusion, binding effect, amendment and termination, shall be exclusively decided by the Commercial Court of Zurich, Switzerland.