

HK INSTRUMENTS

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HK INSTRUMENTS

NON-EXCLUSIVE DISTRIBUTOR AGREEMENT

January 2020

CHAPTER I

Subject matter of the contract

Effective in the 23rd of **January**, 2020,

the firm **HK Instruments Oy**

whose registered office is at **Muurame**

represented by **Tuomo Kalliomäki**

which is hereinafter referred to as "the Supplier"

appoints **Sensormatica LLC**

whose registered office is at **St.Petersburg**

represented by **Roman Gorbunov**

which is hereinafter referred to as "the Distributor"

to be his non-exclusive distributor in the territory of **Russian Federation.**

which is hereinafter referred to as " the Territory"

the following products: **Fixed installation measurement instruments for building automation and ventilation systems:**

Differential Pressure Transmitters (DPT/DPT-Flow + FloXact)
Pressure Switches (PS)
Differential Pressure Gauges (DPG)
Liquid Column Manometers (MM)
Air Velocity Transmitters (AVT)
Differential Pressure Indicators (DPI)
Carbon Dioxide Transmitters (CDT)
Relative Humidity Transmitters (RHT)
Pressure Transmitters for Liquids (PTL, DPTL)
Passive Temperature Sensors (PTE)

which are hereinafter referred to as " the Products".

CHAPTER II

Duties of the Distributor

Article 1. - Legal situation of the Distributor

The Distributor shall buy and sell in his own name and for his own account. He shall act as independent trader towards both the Supplier as well as the customers. He shall effectively promote the sale of the Products in the Territory, without being authorised to act in the name of the Supplier. Furthermore, he shall safeguard the interests of the Supplier with the due diligence of a responsible businessperson and shall always keep the Supplier informed of his activities as well as of the market conditions within the Territory.

Article 2. - Prices and conditions of sale and resale

- 2.1** The Distributor shall be free to fix his resale prices.
- 2.2** The Distributor shall sell the Products specified in Chapter I with the trademark and/or appearance prescribed by the Supplier.
- 2.3** All sales between the Supplier and the Distributor are based on the conditions attached hereto (Appendix 1). The sum due to the Supplier shall be paid to account No. **800019-01847385** at the Bank **Danske Bank** in **EUR (€)**.

Article 3. - Publicity and fairs

The Distributor shall advertise the Products within the Territory. The costs of the publicity shall be borne by the Distributor.

The Distributor shall inform the Supplier in good time of any contemplated participation in fairs and exhibitions.

Article 4.- Trade secrets

The Distributor shall not, even after the expiration of the Contract, use or communicate to third parties any know-how or other similar information received in any form which has not entered the public domain or trade secrets which he may have learnt in any way through his activity in connection with the contract, without a prior written approval from the Supplier.

Article 5. - Appointment of sub-distributors and / or agents

The Distributor is entitled to appoint sub-distributors or commercial agents for the sale of the Products in the Territory on a prior written approval from the Supplier. He shall inform the Supplier of such appointments.

Article 6. - Prohibition to sell outside the Territory

The Distributor shall refrain from active sales outside the Territory. The Supplier reserves all other territories to himself or to other distributors to which he has allocated or will allocate such territories. Thus, the Distributor shall refrain from seeking customers for the Products, from establishing any branch, and from maintaining any distribution depot outside the Territory.

Article 7. - Supplier's trademarks and symbols

The Distributor shall use the Supplier's trademarks, trade names or any other symbols, but only for the purpose of identifying and advertising the Products within the scope of the Contract and in the Supplier's sole interest.

The Distributor shall neither register, nor have registered, any of the above mentioned trademarks, trade names or symbols of the Supplier (or which are similar to those of the Supplier), in the Territory or elsewhere.

Except for the purposes of Article 17, the right to use the Supplier's trademarks, trade names or symbols, as provided for under the first paragraph of this article, shall cease immediately for the Distributor on the expiration or termination for any reason of the present Contract.

Article 8. - Assistance against unfair competition and infringement of industrial property rights

The Distributor shall inform the Supplier of all acts of unfair competition affecting the latter and of all infringements of industrial property rights of the Supplier which come to his notice. The Supplier shall have the right to decide on how to protect himself against such acts and infringements. The Distributor shall thereby at his own cost provide such assistance as the Supplier may reasonably require.

CHAPTER III

Duties of the Supplier

Article 9. - Documents and advertising material

The Supplier shall assist the Distributor in giving him all necessary documents, prospectuses and any other necessary information, which remain the property of the Supplier, unless the contract provides for their transmittal to customers.

Article 10. - Permission for, or prohibition of, other distributors of the Supplier to sell outside their contractual Territory.

The Supplier is entitled to sell the Products to customers outside the Territory even if the latter intend to export to the Territory. The Supplier shall impose on his other distributors obligations which correspond to those provided for in Article 6 in respect of the Distributor.

CHAPTER IV

Duration of the Contract

Article 11. - Expiration of the Contract

The Contract is concluded for a period of one (1) year during which it can be renewed by a separate confirmation letter. The Contract may be terminated by giving three (3) months' notice by registered letter.

Article 12. - Early termination

Without prejudice to any express provisions for termination contained herein, the Contract may be terminated immediately by registered letter in case of any fundamental breach of the Contract. Such termination may also take place where the legal structure or ownership of one of the parties has changed in such way as seriously to affect the result that the other party could reasonably expect from the Contract. This shall also apply in the case of death or permanent incapacity of **Roman Gorbunov** or in the case of his termination of employment with the Distributor.

Article 13. - Return of information and advertising material

On the expiration or termination of the Contract, the Distributor shall return to the Supplier all information and advertising material he possesses as well as the documents specified in Article 11, placed at his disposal by the Supplier.

Article 14. - Disposal of stock and settlement of current orders on the expiration of the Contract

On the expiration or termination of the Contract, the provisions of the Contract shall continue to govern the liquidation of the stock held by the Distributor as well as orders not yet executed.

Article 15. - Indemnity and compensation

No claims for indemnity or compensation can be lodged by reason of the termination of the Contract, save where these claims are based on breach of contract by one of the parties.

CHAPTER V

Miscellaneous Provisions

Article 16. - Applicable Law - Governing version

The Contract shall be governed by the law of Finland.
The version in the English language of the Contract shall be the governing version.

Article 17. - Dispute settlement

Any disputes between the parties shall be settled as far as possible by amicable negotiation and settlement. In the event that agreement or settlement cannot be achieved, the dispute shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finnish Central Chamber of Commerce. The arbitral tribunal shall consist of one (1) arbitrator, who shall be appointed by the Finnish Central Chamber of Commerce.

January 23rd 2020



HK Instruments Oy
Tuomo Kalliomäki
CEO

Sensormatica LLC
Roman Gorbunov
General Director

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General terms and conditions

1. Applicability of the Terms and Conditions

These terms and conditions shall be applied to trade in devices, components and accessories between HK Instruments Oy and the customer, unless the parties have otherwise mutually agreed in writing. These conditions do not apply to trade by agents, to which the manufacturer's conditions of sale shall be applied.

2. Price

The prices in effect at the time the offer is made form the basis of pricing. All prices exclude VAT.

If changes occur in customs, freight, VAT or other general payments related to the delivery before the date of delivery, the seller has the right to change the price of the goods in the same proportion that said changed prices or payments affected the price of the goods.

3. Offer

The seller's offer is binding and it is valid for 30 days unless otherwise agreed.

Provided the seller's offer is tendered under intermediary terms and conditions of sale, an immediate in storage offer is denoted whereby the goods may be sold to a third party during the period the offer is valid and the seller does not guarantee the inventory is sufficient.

4. Contract

A contract between the seller and the buyer is deemed to have been established when

- the parties have signed a written contract (purchase agreement)
- the buyer has approved a binding offer in writing (order) or
- the seller has confirmed in writing as such an order other than one based on an offer or an order different from the offer (order confirmation)

5. Drawings and Descriptions

The information on prices, measurements, weights and performances given in descriptions, photos, memos, drawings, directories and price lists and other information containing technical and other details have been given without obligations, unless specifically referred to in the offer.

All technical drawings and documents needed for the manufacture of the product or its component, which one party has provided to the other party prior to, or after the signing of the contract, shall remain the property of the provider. The receiving party may not, without the provider's consent, use, copy, surrender or divulge by other means information regarding them to a third party.

6. Condition of Delivery

The condition of delivery is free seller's storage (re: Incoterms 2000 EXW) unless otherwise agreed.

7. Packaging

The prices stated in price lists and directories apply to unpacked products.

8. Time of Delivery

Unless the time of delivery is agreed, the seller shall stipulate the time of delivery.

The goods are considered to have been delivered when handed over to a freight carrier for forwarding to the purchaser. When, according to the terms of the contract, the buyer has to collect the goods from the seller or from a place designated by the seller, the goods are deemed conveyed when the seller has notified the buyer that the goods are ready for delivery.

9. Conveyance and Examination of the Goods

On acceptance of the goods, the customer must make sure that the delivered goods correspond with the packing list and are externally undamaged. Before using, connecting, or installing the goods, the customer must again examine the goods to ensure their flawless condition. Complaints regarding errors or deficiencies must be made to the seller without delay, at the latest within 8 days of the conveyance of the goods.

10. Force Majeure

The seller is not liable to fulfill the contract if an obstacle the seller is unable to overcome exists regarding the contract, or if fulfilling the contract would require sacrifices that are unreasonable compared to the advantage for the buyer should the seller fulfill the contract. If said obstacle or disparity ceases to exist within a reasonable period of time, the buyer has the right to demand that the seller fulfill the contract.

When the manufacturer or the party from which the seller obtains the goods has not fulfilled the terms of his contract thus causing the seller's delivery to be delayed or not completed, the seller is not obligated to compensate the buyer for any potential losses.

The buyer does not have the right to request a new delivery to replace a flawed product if an obstacle as noted in this section exists for the seller.

When completion of the contract within a reasonable period of time becomes impossible due to factors noted in this section, both parties are entitled to cancel the contract with no liability to compensate by notifying the other party of their intentions in writing.

11. Payment

The payment period starts from the invoice date. In case of a delay in payment, the buyer is liable for compensating the seller according to his/her rate of interest and paying the expenses arising from the collection of payment.

12. Warranty

The seller is obligated to provide a warranty of 60 months for the delivered goods regarding material and manufacturing. The warranty period is considered to start on the delivery date of the product.

If a defect in raw materials or a production flaw is found, the seller is obligated, when the product is sent to the seller without delay or before expiration of the warranty, to amend the mistake at his/her discretion either by repairing the defective product or by delivering free of charge to the buyer a new flawless product and sending it to the buyer. Delivery costs for repair under warranty will be paid by the buyer and the return costs by the seller.

The warranty does not comprise damages caused by accident, lightning, flood or other natural phenomenon, normal wear and tear, improper or careless handling, abnormal use, overloading, improper storage, incorrect care or reconstruction, or changes and installation work not done by the seller or his/her authorized representative. The selection of materials for devices prone to corrosion is the buyer's responsibility, unless otherwise is legally agreed upon.

Should the manufacturer alter the structure of the device, the seller is not obligated to make comparable changes to devices already purchased.

Appealing for warranty requires that the buyer has correctly fulfilled his/her duties arisen from the delivery and stated in the contract.

The seller will give a new warranty for goods that have been replaced or repaired within the warranty, however only to the expiration of the original product's warranty time.

The warranty includes the repair of a defective part or device, or if needed, a new part or device, but not installation or exchange costs.

13. Returns

The sale made is binding and irrevocable and the seller is not liable to accept the return of a product. Products delivered according to contract are taken back and products reimbursed up to 70% provided the seller has, prior to the return of the product, agreed to it. Returned products may be taken back and credited provided they are in the original package and in original condition.

14. Notifications

The sender is responsible for ensuring the arrival of notifications sent to the other party.

15. Ownership

Ownership of the product is passed to the buyer when the price is paid in full.

16. Disagreements

Disagreements concerning contracts and related stipulations should be settled primarily by the parties to the contract. In case a settlement cannot be reached, the dispute shall be resolved in Finland in the lower court at the domicile of the sell.

AUTHORIZATION LETTER

HK Instruments Oy hereby appoints Sensormatica LLC
as the authorized distributor for the distribution, sale and
promotion of the HK Instruments products in
Russian Federation.

the distributorship is effective for twelve months in the
period of 23rd January 2020 to 22nd January 2021.



HK Instruments Oy
Tuomo Kalliomäki
CEO