

GENERAL CONDITIONS OF PURCHASE OF BALLUFF, INC. STATUS 07/2026

BALLUFF

1. Applicability.

a. These Terms and Conditions of Purchase ("Terms") are the only terms which govern the purchase of the goods ("Goods") and the services and associated deliverables (collectively, "Services") by Balluff, Inc. or the Balluff Affiliate issuing the Purchase Order (such entity, "Buyer") from the seller identified on Buyer's purchase order ("Seller"). The written purchase order referencing these terms ("Purchase Order") and these Terms (collectively, this "Agreement") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings and agreements, whether oral or written; provided that, if the parties have entered into any separate written agreements covering the purchase of the Goods or Services, or any non-disclosure or other written agreements that contradict any term or condition of these Terms, the separate agreements are not superseded by this Agreement and the terms and conditions of the separate agreements shall prevail to the extent they are inconsistent with these Terms. An "Affiliate" of a party means an entity controlled by, controlling or under common control of such party, but only so long as such control continues where "control" means the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise, and "controlled by" and "under common control with" have correlative meanings.

b. These Terms prevail over any of Seller's terms and conditions of sale regardless of whether or when Seller submits its sales confirmation or provides such terms and conditions. This Agreement expressly limits Seller's acceptance of the Purchase Order to the terms of this Agreement. Seller's written acceptance of the Purchase Order, failure to reject the Purchase Order within three (3) business days after receipt, or fulfillment of the Purchase Order constitutes acceptance of the Purchase Order and these Terms.

c. As used in this Agreement: (i) the term "including" means "including without limitation;" (iii) the word "or" is not exclusive; and (iv) words used in the singular have a comparable meaning when used in the plural, and vice-versa. The following terms are defined in the Sections indicated: Affiliate §1(a); Agreement §1(a); Buyer §1(a); Buyer Materials §14; Change Order §8; Confidential Information §23 Delivery Date §2(a); Delivery Point §2(b); Force Majeure Event §24; Goods §1(a); Indemnitee §16; Losses §16; Price §10; Purchase Order §1(a); Services §1(a); Terms §1(a); Warranty Period §13; Work Product §15(b).

2. Delivery of Goods.

a. Seller shall deliver the Goods in the quantities and on the dates specified in the Purchase Order or as otherwise agreed in writing by the parties ("Delivery Date"). If no delivery date is specified, Seller shall deliver the Goods within seven (7) days of Seller's receipt of the Purchase Order. If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate this Agreement immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date. Buyer has the right to return any Goods delivered prior to the Delivery Date at Seller's expense and Seller shall redeliver such Goods on the Delivery Date, or Buyer may store such Goods at Seller's risk and expense until the Delivery Date. Buyer reserves the right to limit the size and weight of deliveries.

b. Seller shall deliver all Goods to the address specified in the Purchase Order ("Delivery Point") during Buyer's normal business hours or as otherwise instructed by Buyer. Unless otherwise provided on the Purchase Order, all shipments are FOB the Delivery Point and the Price includes all costs to package, insure, and deliver the Goods to the Delivery Point. Seller shall pack all Goods for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition.

c. Unless otherwise agreed by Buyer, upon Buyer's request at any time, Seller shall collect any shipping or packaging materials from the Delivery Point or another location specified by Buyer at Seller's expense. If Seller does not collect the shipping or packaging materials within two (2) weeks after Buyer's request, Buyer may return or

dispose of the shipping or packaging material and Seller shall be responsible for all expenses and for the risk of loss.

3. Quantity.

If Seller delivers more or less than the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller's sole risk and expense. If Buyer does not reject the Goods and instead accepts delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted on a pro-rata basis. Buyer may issue a debit memo to Seller on Buyer's customary form.

4. Shipping, Title and Risk of Loss.

Delivery shall be made in accordance with the terms on the Purchase Order. Seller must notify Buyer when Goods are ready for shipment and all shipments must include a bill of lading. The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence, and any other documents pertaining to the Purchase Order. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. Thus, by way of example and not limitation, Seller bears the risk of loss or damage in transit where the Delivery Point is Buyer's facility (e.g., FOB or DDP Buyer's warehouse) and Buyer bears the risk of loss or damage in transit where the Delivery Point is Seller's facility (e.g., FOB Seller's warehouse). Where the Delivery Point is Buyer's facility, delivery will be complete only after Buyer's authorized representative signs for the Goods. Seller shall assist Buyer at Buyer's request in filing and collecting Buyer's insurance claim, including supplying proof of shipment, quantity, and condition of Goods.

5. Inspection and Rejection of Nonconforming Goods.

Buyer has the right but not the obligation to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) cancel the Purchase Order in its entirety and return all Goods without further inspection at Seller's expense for a full refund of all amounts paid by Buyer; (b) inspect the entire delivery, or have a third party inspect the entire delivery, at Seller's expense; (c) accept the nonconforming or defective Goods at a reasonably reduced Price; or (d) reject the non-conforming or defective Goods and require replacement of such Goods. If Buyer requires replacement of the Goods, Seller shall replace the rejected Goods at Seller's expense (including transportation charges for the return of the rejected Goods and the delivery of replacement Goods) within seven (7) days. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party, charge Seller the cost thereof, and terminate this Agreement for cause pursuant to Section 16. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under this Agreement, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.

6. Quality Assurance, Data Sheets, and Certificates.

Seller shall conduct quality assurance processes for the Goods in accordance with the most recent ISO 9001, IATF 16949, ISO 14001, or such other standards agreed by Buyer, and provide Buyer with all relevant reports upon request. Seller shall maintain a system consistent with highest industry standards for the same or similar goods to identify and trace defects in the Goods. Seller shall provide materials data sheets, manufacturing certificates, test reports, and other data and documents requested by Buyer. Seller shall provide samples of Goods at Buyer's request prior to shipment. In addition, the Balluff Quality Assurance Agreement shall apply, which can be accessed at <https://www.balluff.com/assets/pdf/balluff-quality-agreement-2024-10-22.pdf>, which we have already provided to the Supplier as part of the business initiation and which we will provide to the Supplier again at any time, on request.

7. Seller Services Obligations.

a. Seller shall provide Services to Buyer as described in, and in accordance with, these Terms, the Purchase Order, any written description of services referencing the Purchase Order, and any description of Services provided by Seller. The Services shall include all actions necessary to provide the Services regardless of whether such actions are detailed in the Purchase Order or description of Services.

b. Seller shall appoint a project manager to coordinate with Buyer relating to the Services, provide status updates, and answer any inquiries by Buyer. Seller will not replace the project manager except at Buyer's reasonable request or with Buyer's prior written consent. Any change in the project manager will not change any Service deadlines.

c. Except as otherwise specified in the Purchase Order or description of Services, all Services are subject to Buyer's review and written acceptance. In addition to any other remedies available to Buyer in this Agreement or at law, Seller shall immediately reperform any defective Services and resubmit for Buyer's review. Buyer's payment for the Services or use of the Services does not constitute acceptance of the Services. Buyer has no obligation to accept any partial performance of Services.

d. Before the date on which the Services are to start, Seller shall obtain, and at all times during the term of this Agreement, maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services, and shall ensure that all persons and entities, whether employees, agents, subcontractors, vendors, or anyone acting for or on behalf of Seller, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the Services.

e. Seller shall maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Seller in providing the Services in such form as Buyer shall approve. During the term of this Agreement and for a period of two (2) years thereafter, upon Buyer's written request, Seller shall allow Buyer to inspect and make copies of such records and interview Seller personnel in connection with the provision of the Services.

8. Change Orders.

Buyer may at any time, by written instructions issued to Seller (each a "Change Order"), require changes to the Goods or Services. Seller shall within two (2) business days of receipt of a Change Order either accept the Change Order or, only if the proposed changes would require Seller to incur significant additional expense or delay completion of the Services, submit to Buyer a firm cost or deadline proposal for the Change Order. Seller shall inform Buyer of any changes that Seller determines are necessary or advisable and shall submit a proposed Change Order if requested by Buyer including any proposed changes in cost or deadlines necessitated by the proposed changes. If Buyer accepts a Change Order cost or deadline proposal from Seller, Seller shall proceed with the changes stated in the Change Order subject to the cost or deadline proposal. Seller acknowledges that a Change Order may or may not entitle Seller to an adjustment in Seller's compensation or deadlines under this Agreement.

9. Time, Safety, and Expertise.

Seller acknowledges that time is of the essence with respect to Seller's obligations under this Agreement including the timely delivery of Goods and Services. Seller will notify Buyer immediately by email if Seller has reason to believe that a delivery will be delayed for any reason, giving the reasons therefore and the expected delivery date, provided that neither Seller's notification nor any lack of response by Buyer will change the Delivery Date of Goods or the deadline of any Services. Seller and its employees or other representatives shall comply, and Seller shall ensure that its subcontractors and vendors and their employees and other representatives comply, with all applicable rules, regulations and policies of Buyer, including security procedures concerning systems and data and remote access thereto, building security procedures and general health and safety practices and procedures. Seller must, within the scope of Seller's general and special expertise, check any documentation, drawings, calculations, specifications, or other requirements relating to Goods or Services that are provided by or on behalf of Buyer for errors or contradictions and notify Buyer immediately in writing of any errors, contradictions, or other concerns so that such errors or contradictions may be rectified or clarified. Seller must inform Buyer of any risks that may

arise if it Goods or Services are not used as intended, provided that any such notice shall not alter Seller's warranty or other obligations under this Agreement.

10. Subcontractors and Vendors.

Seller shall obtain Buyer's written consent prior to entering into agreements with or otherwise engaging any person or entity, including Seller's Affiliates and subcontractors, other than Seller's employees, to provide any Goods or Services to Buyer. Nothing contained in this Agreement shall create any contractual relationship between Buyer and any Seller subcontractor or vendor. Seller must not disclose any Confidential Information to any subcontractor or vendor or proposed subcontractor or vendor, except with Buyer's prior written consent and shall provide only the limited information required (by way of example only, Seller will not provide a complete set of drawings if the vendor requires only a partial set). Seller shall enter into and maintain written agreements that binds the subcontractor or vendor, if and as applicable, to obligations that are materially the same as those under this Agreement including the confidentiality and intellectual property provisions of this Agreement. Seller shall be and remain fully responsible for the performance of subcontractors and vendors and for their compliance with all the terms and conditions of this Agreement as if their acts and omissions were Seller's acts and omissions, and regardless of Buyer's approval of any subcontractor or vendor.

11. Price.

The price of the Goods and Services is the price stated in the Purchase Order (the "Price"). If no price is included in the Purchase Order, the Price shall be the price set out in Seller's published price list in force as of the date of the Purchase Order. Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties, tariffs, fees, excise taxes, and taxes (except sales tax and value-added taxes). Seller is responsible for correctly invoicing Buyer (as a separate line item) and remitting any sales and value-added taxes to the relevant authorities. Seller shall provide all evidence to Buyer of such payments promptly upon Buyer's request. If any such tax is thereafter refunded or credited to Seller, then Seller shall immediately refund to Buyer the amount of the refund or credit. Seller shall cooperate and assist Buyer at Seller's expense in connection with any proceeding brought by or against Buyer relating to taxes assessed against Buyer. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

12. Payment Terms.

Except for Services provided on a time and materials basis, as otherwise provided on the Purchase Order, Seller shall issue an invoice to Buyer on, or within seven (7) days after, delivery of the Goods (or the Delivery Date if later) or acceptance by Buyer of all Services, and only in accordance with these Terms. Except as otherwise provided on the Purchase Order, Services performed on a time and materials basis will be invoiced at after the close of each calendar month based on the actual verifiable time spent and permitted reimbursable expenses incurred during such calendar month. Seller shall provide a detailed report with its invoice and promptly provide any additional documentation requested by Buyer. Unless otherwise provided in the Purchase Order, Buyer shall pay properly invoiced and undisputed amounts within thirty (30) days after Buyer's receipt of such invoice, provided that Buyer shall be entitled to a discount of three percent (3%) if paid within fourteen (14) days after receipt of the invoice. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller. The parties shall seek to resolve any payment disputes expeditiously and in good faith. Seller shall continue performing its obligations under this Agreement notwithstanding any such dispute.

13. Representations and Warranties.

a. The "Warranty Period" shall be the longest of: (i) any warranty period stated on the Purchase Order; (ii) the longest warranty period quoted by Seller to Buyer prior to placement of the Purchase Order; (iii) the longest warranty period provided by Seller to any other customer for the same or similar goods or services; or (iv) three (3) years from the Delivery Date of Goods or completion of Services.

b. Seller represents and warrants to Buyer for the Warranty Period that:

- i. all Goods and Services will be free from any defects in workmanship, material and design;
- ii. all Goods and Services will conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; and
- iii. all Goods and Services will be fit for their intended purpose and operate as intended, and be merchantable.

c. Seller represents and warrants to Buyer that:

- i. it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with highest industry standards for the same or similar services, and it shall devote adequate resources to meet its obligations under this Agreement;
- ii. Seller's performance of this Agreement will not violate any non-compete, confidentiality or other obligations (whether pursuant to a written agreement or otherwise) of any third party;
- iii. all Goods and Services will be free and clear of all liens, security interests or other encumbrances;
- iv. the use, sale, possession, and performance of all Goods and Services, will not infringe or misappropriate any third party's patent, copyright, trademark, trade dress, trade secret or other intellectual property right anywhere in the world;
- v. Seller, Seller's Affiliates, and each of their vendors and subcontractors, are in compliance with, and will continue to comply with, the Balluff Supplier Code of Conduct available at www.balluff.com/assets/company/code-of-conduct/balluff-supplier-code-of-conduct.pdf.
- vi. the Goods will be manufactured, imported, sold, and shipped, and the Services will be performed, and deliverables provided, in accordance with all applicable laws, rules, and regulations of all applicable countries, including with respect to fair labor standards, and to corrupt practices laws and regulations, and in accordance with best trade practices including with respect to safety and environmental design;
- vii. Seller has implemented and will strictly observe its own conflict minerals policy to ensure that all purchased metals originate from smelters validated by Seller as being conflict mineral free; and
- viii. all test data, reports, certificates, declarations, approvals, disclosures and other information relating to the Goods or Services provided by Seller to Buyer or to any governmental or non-governmental body, including Declarations of REACH Substances and Declarations of RoHS Compliance to the United States Environmental Protection Agency (EPA), Certificates of Compliance to the Underwriters Laboratories (UL), and all information concerning conflict minerals in accordance with Section 1502 of the Dodd-Frank Act including the EICC GeSI Conflict Minerals Reporting Template, shall be complete and accurate in all respects and that any Goods certified, qualified or otherwise approved by EPA, UL or any other body will continue to be so certified, qualified or otherwise approved.

d. Seller shall, at its own cost and expense, promptly but in any event within seven (7) days Buyer notifies Seller by email or other writing of any defect in any Goods or Services, or any breach of any warranty: (i) replace or repair the defective or nonconforming Goods and pay for all related expenses, including transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer, and (ii) repair or re-perform the applicable Services. Seller shall further pay all costs incurred by Buyer with respect to Goods that have been used by Buyer in the production of Buyer's products, including the cost to repair or replace the Buyer's product at any stage in its production (including Buyer's labor and logistics costs), any costs incurred to retrieve and replace affected Buyer products from any point in the distribution chain including the cost to remove the Buyer product from a customer site and repair or replace the Buyer product at the customer site, and any other amounts incurred by Buyer customers or to Buyer's other vendors.

e. If any Goods, or any Buyer product incorporating any Goods,

is the subject of a recall or service action or Buyer determines that it is necessary to conduct a recall or service action in order to avoid injury or danger to any person or property, Seller shall immediately reimburse Buyer for all damages, costs, and expenses incurred as a result of the recall action or service action upon submission to Seller, provided that Seller shall not be liable to the extent the recall or service action was caused by any negligent act or omission of Buyer or another supplier to Buyer.

f. The representations and warranties set forth in this Section 11 are cumulative and in addition to any other warranty provided by law or equity, and survive any delivery, inspection, acceptance, or payment of or for the Goods or Services by Buyer. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods or Services with the foregoing warranties.

14. Tooling and Production Materials.

Except as otherwise provided in the Purchase Order, all tools, production equipment, models, matrices, templates, samples, components, materials and any other items, and all intellectual or industrial property rights embodied therein or relating thereto furnished to Seller or paid for or to be paid for by Buyer (collectively, "Buyer Materials") shall be and remain the sole property of Buyer. Seller shall be responsible for inspecting Buyer Materials for condition and compliance with the Purchase Order and all applicable descriptions. Buyer Materials shall be plainly marked or otherwise clearly identified by Seller as "Property of Balluff" in English and in any other languages commonly used at the location where the Buyer Materials are located. Seller shall store, maintain and use Buyer Materials: (a) only at Seller's facilities; (b) in a manner so as to prevent access by or disclosure to any third party; (c) in compliance with any instructions of Buyer or the manufacturer or supplier of the Buyer Materials. Seller must use Buyer Materials solely for the performance of this Agreement and no other purposes. Seller shall make the Buyer Materials available for inspection by Buyer or its designee at any time during business hours. Seller shall permit Buyer to take immediate possession of the Buyer Materials upon demand and shall return Buyer Materials to Buyer promptly upon termination of this Agreement or Buyer's earlier request, in the same condition as they were received other than reasonable wear and tear. Seller shall be responsible for damage and risk of loss of the Buyer Materials and shall insure the Buyer Materials as required in Section 17. Other than Buyer's ownership interest, Seller must not permit any Buyer Materials to be subject to any liens, security interests, or other encumbrances.

15. Intellectual Property Rights.

a. Buyer grants Seller a limited, non-exclusive, terminable, non-transferable, royalty-free license to use artwork, designs, tooling, molds, and other materials supplied, paid for or to be paid for by Buyer, including the Work Product and Buyer Materials, solely to the extent necessary to manufacture and supply the Goods or perform the Services in accordance with this Agreement. Seller will make no other use of any such materials except with Buyer's express prior written consent in each instance. Seller shall safeguard all such materials and comply with all directions from Buyer, including the use, disposal and return (in the same condition as received, reasonable wear and tear excepted). Seller will not remove or deface any proprietary notices on any materials and will affix any markings required by Buyer. Buyer will retain exclusive ownership of all patent, trademark, copyright, trade secret and other intellectual property rights (whether or not registered) in all such materials. Seller will not register or otherwise assert or acquire, or attempt to assert or acquire, any rights in any of Buyer's intellectual property in the United States or elsewhere.

b. Seller hereby assigns to Buyer, absolutely and forever, all patent, copyright, trademark, and trade secret rights, and all other rights, title and interest in and to all deliverables and other work product relating to the Services ("Work Product"), whether or not delivered to Buyer, all of which is Confidential Information and intellectual property of Buyer. Seller shall execute, or if applicable, require its employees, agents, vendors or subcontractors to execute, all documents requested by Buyer to as may be necessary or advisable to transfer, protect and maintain Buyer's intellectual property rights, and will otherwise cooperate with Buyer.

c. Except as expressly permitted in a Purchase Order or otherwise in writing by Buyer, Seller will use any patent, trade secret, copyright, trademark or other intellectual property rights of Seller or

any third party in performing the Services nor will Seller incorporate any intellectual property of Seller or any third party in any Work Product. Seller hereby grants to Buyer such rights and licenses with respect to Seller intellectual property, and Seller shall secure such rights and licenses with respect to any third party intellectual property, that will allow Buyer to use and otherwise exploit the Work Product, to the same extent as if Buyer owned the Seller or third party intellectual property without incurring any fees or costs other than those provided in the Purchase Order. Without limiting, the foregoing, such rights and licenses shall be perpetual, worldwide, fully paid-up, and royalty-free and shall include the rights to use, reproduce, perform (publicly or otherwise), display (publicly or otherwise), modify, improve, create derivative works of, distribute, import, make, have made, sell, and offer to sell, and be freely assignable and sublicensable. Seller further hereby grants Buyer a nonexclusive, irrevocable, freely transferable, fully-paid, perpetual license for any and all purposes, including the right to create derivative works, to any and all intellectual property rights that Seller or its subcontractors or vendors may hold in: (i) the Goods or Services; and (ii) any drawings, descriptions, calculations, or other documentation provided to Buyer relating to the Goods or Services.

16. Indemnification.

Seller shall at Seller's expense defend, indemnify and hold harmless Buyer, Buyer's Affiliates, their successors or assigns, and their directors, officers, shareholders and employees (each an "Indemnitee") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the purchase, use or possession of the Goods or Services including arising from any defect therein, with Seller's negligence or willful misconduct, or Seller's breach of this Agreement or any applicable laws. Without limiting the foregoing, Seller shall at Seller's expense defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use, sale, or possession of the Goods or Services infringes or misappropriates the patent, copyright, trademark, trade dress, trade secret or other intellectual property right of any third party. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent. If Buyer is enjoined from using, selling or possessing any Goods or Services, or in Buyer's opinion is likely to become enjoined, Seller shall at its expense and Buyer's election take one or more of the following actions: (i) modify the Goods or Services so that it is no longer infringing (provided that its functionality is not impaired); (ii) replace the Goods or Services with goods or services that are at least functionally equivalent; (iii) obtain the right for Buyer to continue using, selling and possessing the Goods or Services; or (iv) reimburse Buyer for the full cost to replace the Goods or Services with goods or services that are at least functionally equivalent or superior. Notwithstanding any of the foregoing actions, Seller's obligations to indemnify, defend and hold harmless Buyer will not be diminished or eliminated.

17. Insurance.

During the term of this Agreement and for a period of two (2) years thereafter, Seller shall at Seller's expense obtain and maintain insurance, with insurers having not less than A- Bests rating, that is sufficient to cover all of Seller's operations and obligations relating to this Agreement and comply with applicable law, but in any event no less than the following: (a) commercial general liability (including product liability, completed operations and contractual liability) with limits no less than US \$1,000,000 per occurrence and US \$3,000,000 aggregate; (b) property insurance sufficient to cover the Goods in the amount of the Price and all Buyer Materials at their replacement value with loss payable to Buyer; and (c) if Seller provides Services, (i) professional liability or errors and omissions insurance with limits no less than US \$ 1,000,000 per occurrence and US \$3,000,000 aggregate; (ii) automobile liability with a limit of not less than US \$1,000,000 each accident and US \$3,000,000 aggregate; (c) workers' compensation insurance with statutory limits for all states in which the Goods are manufactured or Services are performed; and (d) employers' liability insurance with a minimum limit of US \$500,000 per accident and \$1,000,000 aggregate. The insurance may be carried in a single policy or a combination of primary and excess liability policies. If requested by Buyer, Seller shall provide Buyer with a

certificate of insurance from Seller's insurer naming Buyer as an additional insured on the commercial general liability insurance and professional liability or errors and omission insurance (where required) and shall provide updated certificates to Buyer as they renew (or if Seller changes insurers) so that Buyer always has current certificates of insurance. Seller shall provide Buyer with thirty (30) days' advance written notice in the event of a cancellation or material change in any Seller's insurance policy. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Seller's insurers and Seller. The limits of insurance or applicable deductibles or self-insured retentions will not limit the liability of Seller nor relieve Seller of any liability or financial responsibility.

18. Compliance with Law.

Seller shall comply with all applicable laws and regulations, and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement. Seller shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Seller. Seller shall promptly certify its compliance with this Section upon Buyer's request. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on the Goods.

19. Export Control.

Seller shall inform Buyer in writing of any licensing requirements or other restrictions on exports or re-exports of the Goods including export and customs regulations established by Germany, the European Union, the United States export and the country of origin of the Goods. Seller shall provide at least the following information on all quotes, order confirmations and invoices for the Goods: (a) the ECCN (Export Control Classification Number) in accordance with the US Export Administration Regulations (EAR); (b) the commercial origin of the Goods and components of the Goods, including technology and software; (b) whether the goods were transported through, manufactured or stored in the United States, or manufactured using United States technology; (c) the statistical goods number (HS code) of its goods; and (d) Seller's contact person to answer any questions. Seller will provide any additional trade data requested by Buyer and will notify Buyer immediately if there is any change to data previously provide by Seller.

20. Records and Audits.

Seller shall maintain full, clear and understandable documentation and records, including technical documentation, on all Goods and Services and shall make such documentation and records available for audit, inspection, and copying by Buyer or its designee during normal business hours. Buyer or its designee shall also have the right to inspect any facilities of Seller, Seller's Affiliates or their subcontractors or vendors including reviewing policies and business certificates, physically inspecting the entire facility while in operation including production areas, engineering areas, and storage areas, and confidential interviews with workers and management. Seller agrees to provide Buyer at Seller's expense with such all documentation, records and other information that Buyer deems necessary or appropriate and agrees to participate in any reasonable country of origin inquiry, any due diligence exercise, and any independent audit, including to determine if any Goods may contain conflict minerals. Seller shall fully cooperate with any inspection or audit and promptly comply with all requests including: (i) providing clean, temperature controlled facilities with adequate table space, electric power and tools for use by the inspectors; (ii) allowing the inspectors full discretion to select samples from production runs; (iii) providing workers to assist the inspectors including moving selected samples to and from the inspection area and with unpacking and re-packing; and (iv) ensuring that the inspectors receive full cooperation from Seller's management and supervisors.

21. Termination.

Buyer may terminate this Agreement with immediate effect upon written notice to Seller at any time, without or without cause. If Seller becomes insolvent, files a petition for bankruptcy or commences or proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors are commenced against Seller,

then Buyer may terminate this Agreement upon written notice to Seller. If Buyer terminates this Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods and Services that have been received and accepted by Buyer prior to the termination.

22. Waiver and Remedies.

No waiver by Buyer of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Buyer. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. All remedies available to Buyer will be cumulative and the specification of a remedy will not preclude Buyer from pursuing other remedies available at law or in equity.

23. Confidential Information.

All non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, whether or not marked, designated or otherwise identified as "confidential" in connection with the Purchase Order or this Agreement, and whether provided before or after acceptance of the Purchase Order including in connection with any request for quotation ("Confidential Information") is confidential of Buyer, solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by Buyer in writing. Seller shall maintain an information security program consistent with industry standards that includes appropriate administrative, technical and physical safeguards to: (i) ensure the security and confidentiality of Confidential Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Confidential Information; (iii) protect against unauthorized access to or use of Confidential Information; and (iv) dispose of Confidential Information in a secure and lawful manner. Seller shall immediately notify Buyer, but in any event within forty-eight (48) hours, after Seller knows or suspects the occurrence of any incident that may compromise the confidentiality, integrity, or availability of Confidential Information. Seller shall promptly at Seller's expense take appropriate action to mitigate such incident or risk of incident, including restoring the Confidential Information and taking appropriate measures to prevent the occurrence or recurrence. Upon Buyer's request, Seller shall promptly return, or at Buyer's direction destroy, all documents and other materials received from Buyer, including all copies, notes and other documents and materials containing Confidential Information. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that Seller can document is: (a) in the public domain; (b) known to Seller at the time of disclosure; or (c) rightfully obtained by Seller on a non-confidential basis from a third party. Notwithstanding any other terms or conditions of this Agreement, pursuant to the Defend Trade Secrets Act, 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Furthermore, an individual who files a lawsuit for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

24. Force Majeure.

No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such party's (the "Impacted Party") failure or delay is caused by or results from the following (each a "Force Majeure Event"): (a) acts of God; (b) flood, fire, earthquake, explosion, and pandemics; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest;

(d) government order, law, or action; (e) embargoes or blockades in effect on or after the date of this Agreement; and (f) national or regional emergency; provided, however, that raw material shortages, production stoppages, crises in the transportation and logistics sector, and increased procurement costs impacting Seller shall not qualify as Force Majeure Events. The Impacted Party shall give notice within seven (7) days of the Force Majeure Event to the other party, stating the time period the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fourteen (14) days following written notice given by it under this Section, the other party may terminate this Agreement upon written notice.

25. Assignment.

Seller shall not assign, transfer, delegate or subcontract any of its rights, claims, or obligations under this Agreement without the prior written consent of Buyer. Any purported assignment, transfer, or delegation in violation of this Section shall be null and void. No assignment, transfer, or delegation shall relieve Seller of any of its obligations hereunder. Buyer may at any time assign, transfer, or delegate any or all of its rights, claims, or obligations under this Agreement without Seller's prior written consent to any Affiliate or to any person or entity acquiring all or substantially all of Buyer's assets.

26. Relationship of the Parties.

The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

27. Publicity.

Seller will not include Buyer on any public list of customers or make other public statements concerning its supply of Good or Services to Buyer except with the prior written consent of Buyer in each instance.

28. Notices.

All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Purchase Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section. Seller shall send a copy of any Notice to Buyer by email to balluff@balluff.com.

29. Severability and Amendment.

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party.

30. Survival.

Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including, but not limited to, the following provisions: Insurance, Compliance with Laws, Confidential Information, Intellectual Property Rights (except for Buyer's license to Seller, which license shall not survive termination), Governing Law and

31. Governing Law and Jurisdiction.

All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdiction). The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted and maintained in the United States district court for the Eastern District of Kentucky or the state court located in Kenton County, Kentucky, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding except that any judgment in any such action may be enforced in other jurisdictions by suit or in any other permitted manner. The prevailing party in any such legal suit, action, or proceeding shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.