TERMS & CONDITIONS OF BALLUFF DE MEXICO, S.A. DE C.V. FOR THE FREE LICENSING OF STANDARD SOFTWARE
(DATED: 11/2020)

BALLUFF

1. General information – Scope

1.1 These software conditions apply to the free licensing of standard software by Balluff de México, S.A. de C.V (hereinafter referred to as **"Balluff"**) to the customer (hereinafter referred to as **"customer"**). Separate terms and conditions apply to other types of software licenses and legal transactions.

1.2 The subject matter of these software conditions for the free licensing of standard software (hereinafter referred to as **"software conditions"**) does not include the following:
a. licensing of standard software for a fee;
b. installation of software at the customer's premises;
c. individual setting of variable software parameters according to customer requirements (customizing);
d. individual program extensions for the customer;
e. adaptations of software interfaces according to the customer's needs;
f. training of users of the customer;
g. software updates; and
h. any other that herein is not specifically indicated as included.

1.3 These software conditions represent the sole agreement between Balluff and the customer with regards to the licensing of the software referred to herein, so these shall apply exclusively. By accepting these software conditions, Balluff and the customer acknowledge and accept that they do not recognize any other terms and conditions for the use of the software matter of these software conditions, including but not limited to: conflicting conditions or conditions deviating from these software conditions, as well as conditions of the customer which are not regulated in these software conditions, unless both, Balluff and the customer have expressly agreed to their validity in writing.

1.4 All agreements made between Balluff and the customer in connection with the licensing of the standard software are recorded in these software conditions and in the respective individual contract.

1.5 These software conditions, especially those provisions concerning the protection of the intellectual property rights held by Balluff and regulating the permitted uses and legitimate users of the licensed software, shall be applicable at all times and be binding to anyone that uses the licensed software. Notwithstanding, it is expressly acknowledged that the licensed software may only be used by customers with whom Balluff holds an active business relationship by means of a binding agreement in accordance with the applicable laws of the governing jurisdiction; therefore, any use made by anyone who does not fall under such criteria, shall be considered as an unauthorized use and be subject to any applicable penalties set forth in these software conditions or the applicable laws concerning the matter of these software conditions.

2. Subject matter of the contract – Open Source software

2.1 The subject matter of these software conditions is the granting of rights of use to the standard software property of or licensed to Balluff outlined in the licensing documentation (hereinafter referred to as **"contract software"**) for free.
The full description of the contract software can be found in the licensing documentation (as this term is defined below), which the customers expressly states to know and understand and has been made available to the customer on request or unsolicited before or in connection with the conclusion of the contract.

2.2 The **"licensing documentation"** consists of part number code or material number, the product datasheet, as well as an installation guide/operating instructions.

2.3 The contract software consists of the executable program code. The source code is not a subject matter of the contract.

2.4 The contract software may include Open Source software and software of third parties that is licensed royalty-free (hereinafter referred to as **"OS software"**). A list of the OS software and the applicable OS software licensing conditions is fully known and understood by the customer since it has been made available to the customer on request before conclusion of the contract or at the latest upon delivery of the contract software. In this regard, the customer acknowledges and accepts that, notwithstanding the OS software is licensed royalty-free, it is still protected under the Mexican Copyright Law and other applicable national and international regulations and therefore, commits not to breach any intellectual property right related to it as well as to hold Balluff harmless from any dispute that may arise from any breach of the obligations set forth herein on the customer's behalf.

2.5 If software products from third-party providers which are not OS software are also provided with the contract software, these may be used solely in conjunction with the contract software. Special terms of use may apply here, which are pointed out to the customer in a suitable form, but in any case, the customer commits not to breach any intellectual property right related to software products from third-party providers which are not OS software, as well as to hold Balluff harmless from any dispute that may arise from any breach of the obligations set forth herein.

2.6 Balluff is entitled to protect the contract software against unauthorized use. The customer may not remove or bypass such protective measures of the contract software under penalty of the early termination of the business relationship between the parties without any liability for Balluff.

3. Delivery of the contract software – Version

3.1 Unless otherwise agreed, Balluff supplies the customer with the contract software in the current version at the time of delivery.

3.2 Except when otherwise stipulated, the contract software is delivered at the discretion of Balluff either on a data carrier or by providing the contract software as a download and sending the information required for the download.

4. Rights of use – Backup copy

4.1 Balluff grants the customer a non-exclusive, either (a) time-limited license or (b) perpetual license to use the contract software and the licensing documentation. The difference can be found in the licensing documentation. If there are no corresponding details in the licensing documentation, the licensing is effected for an indefinite time, but can be terminated following the provisions set forth in Section 9 below.

4.2 The license takes effect with the delivery of the contract software.

4.3 At the commencement of the license the customer obtains the non-exclusive right to use the contract software and the licensing documentation in accordance with the licensing documentation, as well as the provisions of these software conditions. This right of use cannot be sublicensed.
The permitted use of the contract software and the licensing documentation includes the installation, loading into the working memory, the display and running of the contract software, as well as the intended use of the contract software by the customer for its business purposes.

4.4 The use of the contract software and the licensing documentation is only permitted in the agreed countries of destination. Unless otherwise agreed, this is the country in which the customer has its registered office.

4.5 The customer is only allowed to make copies of the contract software and the licensing documentation to the extent that is necessary for the contractual use of the contract software.

4.6 **"Backup copies"** within the meaning of these software conditions are copies of the contract software which are made in the event that the original software is damaged or deleted accidentally.
The customer may make backup copies of the contract software to the extent necessary according to the general rules of engineering. Backup copies must be labeled as such and have the copyright notice of the original software in the understanding that, regard-

less such labeled has been added or not, the contract software will still be protected from any infringement by the applicable national and international intellectual property regulations.
The use of the backup copy is only permitted in the event of a deterioration or loss of the copy of the contract software originally provided by Balluff. The customer shall inform Balluff in writing about any and all backup copies that it creates within the next ten business days that follow the date in which such backup copies are created.
The customer shall observe these software conditions with regard to the use of the backup copy.

4.7 Without the prior written consent of Balluff, the customer is prohibited from selling the contract software and the licensing documentation or otherwise transferring them to third parties or making them available to third parties (incl. renting, leasing, loaning, or sublicensing).

4.8 The customer shall not edit, change, reverse engineer, decompile, or disassemble the contract software or parts thereof, or fix the contract software in another way, as well as create derivative works of the contract software. The stringent, non-negotiable regulations set forth on Articles 101 to 114 and other correlative of the Mexican Copyright Law ("Ley Federal del Derecho de Autor") shall remain unaffected thereby.

4.9 Updated versions of software or files that close security loopholes, correct errors, or add functions, are considered to be **"patches"** within the meaning of these software conditions. New versions of the contract software which contain minor program improvements or new and/or modified basic functions are said to be **"updates"** according to these software conditions. **"upgrades"** as defined in these software conditions are configurations to a higher version of the contract software with a significant extension of the function.
The Customer shall not be entitled to refuse the addition of any patches, updates or upgrades to the licensed software. Any and all patches or bug fixes, updates or upgrades provided by Balluff shall also be subject to these software conditions, unless otherwise agreed.
Balluff is not obligated to provide the customer with patches or bug fixes, updates or upgrades.

4.10 All other rights to the contract software and the licensing documentation not expressly granted, particularly all rights to the trademark, business secrets, know-how, or other intellectual property rights to the contract software, shall remain with Balluff.
Markings of the contract software and licensing documentation, particularly copyright notices, brands, serial numbers, or similar may not be removed, modified, or disguised.

5. License fee

Balluff provides the customer with the contract software free of charge.

6. Customer's obligations

6.1 The customer shall register before using the contract software according to the respective specifications of Balluff.

6.2 The customer is solely responsible for ensuring that the contract software is suitable for its purposes; in case of doubt, the customer shall seek advice from a third-party specialist before conclusion of the contract.

6.3 The customer is solely responsible for ensuring that the hardware and software environments meet the system requirements of the contract software; in case of doubt, the customer shall seek advice from a third-party specialist before conclusion of the contract.

6.4 The customer is responsible for the installation of the contract software. At the customer's request, Balluff may, if necessary, undertake the installation for a separately agreed fee.

6.5 When using the software, the customer is obligated to exercise the required due care and diligence.

6.6 The customer shall observe the instructions given by Balluff for the operation of the contract software.

6.7 The customer is obligated to protect the contract software against access by unauthorized third parties by adopting appropriate measures, particularly to keep safe all copies of the contract software in a protected place.

6.8 The customer is obligated to take appropriate precautions in the event that the contract software does not work completely or partially (e.g. with daily backup).

6.9 The customer shall immediately notify Balluff in text form of any defects and errors with the contract software.

6.10 If Balluff voluntarily provides the customer with patches or bug fixes, updates or upgrades for the contract software, then the customer shall install and use them.

7. Liability for defects

7.1 In consideration that the contract software is made available to the customer for free, the customer expressly agrees to waive any rights to claim damages for software defects from Balluff, and therefore, Balluff's liability for any kind of defects related to the contract software shall be excluded, including liability for defect of title.

7.2 The characteristics of the contract software are set out exclusively and definitively in the licensing documentation.
The information in the licensing documentation should be viewed solely as performance specifications and not as guarantees.

8. Liability

8.1 In consideration that the contract software is made available to the customer free of charge, the customer expressly agrees to waive any rights to claim any sort of damages from Balluff in relation to the contract software.

8.2 Any liability of Balluff is excluded, unless a deviating regulation is expressly contained in these software conditions.

8.3 Any contributory negligence on the part of the customer shall be taken into account.

8.4 The above limitations of liability also apply to the personal liability of employees, representatives, and/or organs of Balluff as well as to all vicarious agents of Balluff.

9. Term – Revocation – Termination – Expiration of right of use – Return

9.1 Unless otherwise stated in the licensing documentation, the granted license to use the contract software applies in perpetuity.

9.2 Unless otherwise stated in the licensing documentation, the contract may be terminated by either party by giving one (1) months' notice to the end of the month.

9.3 Balluff is entitled to terminate the rights of use for good cause at any time and without observing a period of notice. One such compelling reason is if the customer uses the contract software outside the extent permitted according to these software conditions. Balluff reserves the right to assert claims for damages. Statutory rights and claims shall remain unaffected.

9.4 Terminations must be made in writing.

9.5 The customer's right of use in relation to the licensed contract software and the licensing documentation ends (a) upon termination of the contract for any reason or (b) in the case of a replacement delivery, updates and upgrades. In the case of lit. b these software conditions apply to the replacement delivery, updates and upgrades.

9.6 When the customer's right of use ends, the customer shall delete or destroy all data carriers, copies of the contract software including backup copies and the licensing documentation. The customer shall confirm such in writing to Balluff without being asked.

10. Confidentiality

10.1 The contract software including Source Code (with the exception of any Open Source software components), the licensing documentation and other materials, which Balluff has marked as "confidential" or are to be otherwise viewed as confidential, are considered **"confidential information"** in accordance with these software conditions.

10.2 The customer undertakes to treat the confidential information in the strictest confidence and to not make it accessible to third parties, unless this is necessary for exercising the rights granted to the customer in accordance with these software conditions.

10.3 To protect the confidential information, the customer shall apply the same degree of care and diligence (but not less than a reasonable degree) as for its own confidential information.

10.4 The confidentiality obligations pursuant to this clause 10 shall not apply to information
    a. which was already in the public domain or known to the general public or was state of the art at the time of their notification to the customer.
    b. which was already known to the customer at the time of disclosure.
    c. which has subsequently entered into the public domain or known to the general public or state of the art, without the customer being at fault.
    d. which is disclosed or made accessible to the customer by an authorized third party.
    e. in respect of which Balluff has given its prior written consent to the customer passing on, disclosing or making accessible to third parties.
    The burden of proof for the existence of an exception in the above sense rests with the customer.

11. Export restrictions

11.1 The parties are aware that the contract software may be subject to export and import restrictions. In particular, there may be licensing requirements or the use of the contract software or associated technologies abroad may be subject to restrictions. The customer shall observe the applicable export and import control regulations of the United Mexican States, the European Union, and the United States of America, as well as all other relevant regulations. The performance of a contract by Balluff is subject to the proviso that no obstacles stand in the way of its fulfillment due to national and international regulations of export and import law, as well as any other statutory regulations.

11.2 The customer undertakes not to transfer the contract software to a government authority for inspection of any granting of rights of use or for a further official permit without the prior written consent of Balluff and not to export the contract software to countries or natural or legal entities for whom export bans apply according to the corresponding export laws. In addition, the customer is responsible for compliance with all applicable statutory regulations of the country in which the customer's registered office is located, and other countries in relation to the use of the contract software by the customer and its associated companies.

12. Place of performance – Place of jurisdiction – Applicable law

12.1 The registered office of Balluff is deemed to be the place of performance for both parties for all rights and duties from these software conditions.

12.2 For legal disputes that fall under the substantive jurisdiction of the federal administrative justice courts, the special unit for intellectual property of the federal administrative court in Mexico City, México is agreed as the place of jurisdiction, and for legal disputes which fall under the civil, commercial or criminal laws scopes, the local courts of Santiago de Querétaro, Querétaro, México are agreed as the place of jurisdiction.

12.3 This contractual relationship shall be governed by the applicable Local and Federal Laws in Mexico, excluding its conflict of law provisions. The applicability of the UN Convention for Contracts for the International Sale of Goods (CISG) is excluded.