TERMS & CONDITIONS OF BALLUFF AB FOR THE LICENSING OF STANDARD SOFTWARE FOR A FEE
(DATED: 11/2024)

BALLUFF

1. General information - Scope

1.1 These software conditions apply to the licensing of standard software for a fee by Balluff AB (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 licensing of standard software for a fee (hereinafter referred to as „**software conditions**") does not include the following:
(a) licensing of standard software free of charge;
(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; and
(g) software updates.
This list is not exhaustive.

1.3 These software conditions apply exclusively. Balluff does not recognize 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 Balluff has 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.

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 of Balluff outlined in the licensing documentation (hereinafter referred to as „**contract software**") for a fee.
The full description of the contract software can be found in the licensing documentation, which is 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 shall be made available to the customer on request before conclusion of the contract or at the latest upon delivery of the contract software.

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.

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.

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 either a non-exclusive: (a) time limited right of use to the contract software and licensing documentation in return for a license fee in the form of recurring payment ("**Subscription License**"); or (b) an unlimited right of use to the contract software and licensing documentation in return for a license fee in the form of a one-time payment ("**Perpetual License**").The difference can be found in the licensing documentation. If the relevant information is not included in the licensing documentation, a Subscription License is granted.

4.2 The license comes into effect upon delivery of the contract software.

4.3 At the commencement of the license, the customer obtains a 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 backup copies and have the copyright mark of the original software.
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 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 generally 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 sublicencing).

4.8 If the customer is granted a simple, unlimited right of use, the customer is entitled to transfer the rights to the contract software uniformly to a third party with the prior consent of Balluff. Such a transfer of the rights to a third party is only permitted if the third party fulfills all obligations from the licensing documentation and these software conditions.
A corresponding agreement shall be concluded in writing.
In such a case, the customer shall surrender and cease use of the contract software and licensing documentation uniformly, completely, and definitively, and delete and destroy all backup copies.
Without the prior written consent of Balluff, the customer is prohibited from temporarily or partly licensing the use of the contract software to third parties for a fee, irrespective of whether the contract software is relinquished in a physical or non-physical form. The same applies to free licensing.

4.9 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, except in cases covered by Section 26g of the Swedish Copyright Act (decompilation).

4.10 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.
If Balluff voluntarily provides the customer with patches or bug fixes, updates or upgrades, these are also subject to these software conditions, unless otherwise agreed. Balluff is not obligated to provide the customer with patches or bug fixes, updates or upgrades.

4.11 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

5.1 The license fees are set out in the respective quotation of Balluff and are payable as a (a) one-time fee and/or (b) in the form of ongoing fees and/or (c) in the form of royalties according to the time intervals specified in the respective quotation by Balluff.

5.2 For updates and upgrades of the contract software, an additional fee defined in the respective quotation is charged as a one-time fee and/or in the form of ongoing fees. If no additional fee is regulated in the respective quotation of Balluff, the updates and upgrades of the contract software are realized free of charge.

5.3 Ongoing fees are due at the start of the respective invoicing period. For partial periods, the fee is invoiced proportionally based on a 30-day month.

5.4 The terms of payment for all fees are regulated in the respective quotation from Balluff. All prices are stated exclusive of value added tax.

5.5 Balluff can change the current license and usage fees and the invoicing periods at its discretion. The customer shall be notified thereof in writing four months in advance. If the customer does not agree with this change, the customer may terminate the respective license agreement with three (3) months' notice to the end of the month after receipt of the written notification.

5.6 In the event of a software subscription with ongoing fees, Balluff shall be entitled to provisionally prohibit the customer from using the contract software if the customer (a) is in default of payment of the ongoing fee or a not inconsiderable part of the ongoing fee for two consecutive dates or (b) is in default of payment of the ongoing fees in an amount equal to two periodic ongoing fees in a period extending over more than two dates. In such a case, Balluff will allow the customer to use the contract software again if the customer has paid the due ongoing fees including default interest, reminder costs and fees to Balluff.
The rights of Balluff pursuant to Section 10.2 of these software conditions shall remain unaffected.

5.7 For international transactions, the agreed prices are net prices, i.e. this is the net price to be paid by the customer after deduction of any foreign taxes. In particular, the term „foreign taxes" covers corporation tax, trade tax, value added tax, goods and service tax, other withholding taxes, customs, or other surcharges and costs, as well as other fees and duties, which are collected by a foreign state or a foreign municipality. All foreign taxes shall be assumed and paid in full by the customer. The customer undertakes to provide Balluff with all necessary tax certificates, tax assessments and all other documents, which are required by Balluff in order to fulfill the tax obligations of Balluff abroad and in Sweden.

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 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 observes 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 data 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 The parties agree that software generally can not be created without any errors; this also applies to the contract software.

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.

7.3 Before concluding the contract with Balluff concerning the licensing of the contract software, the customer shall check that the licensing documentation and the contract software meet its wishes and requirements. The customer shall familiarize themselves with the essential functional characteristics and conditions of the contract software.

7.4 For the permanent provision of contract software, Balluff shall eliminate defects with the contract software in accordance with the statutory regulations.

7.5 All rights of the customer owing to defects with the contract software become time-barred within 12 months. This period begins on the day the license key is provided.

7.6 If and to the extent to which the contract software and Balluff have agreed the provision of maintenance and support services by Balluff in an individual agreement, the details agreed in this respect shall apply to the scope and time limits of the elimination of defects and errors.

7.7 The rights of the customer owing to defects with the contract software are excluded, provided this involves minor or insignificant deviations from the agreed or assumed quality, and in the case of only minor interference of the usability.

7.8 Balluff is not responsible for defects which are based on improper use or handling of the contract software or unsuitable operating conditions for the contract software at the customer's premises.

7.9 If the customer requests supplementary performance, Balluff can, at its discretion, improve or supply an error-free replacement. Balluff is entitled to eliminate defects by installing a newer version or by means of a workaround.

7.10 If the elimination of a defect has failed three times, the customer is entitled to rescind from the respective contract or to reduce the payment.

7.11 The customer is also entitled within the framework of the statutory provisions and these software conditions to demand compensation and reimbursement of expenses. Claims exerted by the customer for compensation are subject to the limitationsmentioned in Section 9.

7.12 The customer shall notify Balluff in writing of any defects with the contract software and enclose a comprehensible and detailed description of the defect, and, if possible, recordings which demonstrate the defect. The error notification must enable Balluff toreproduce the defect.

7.13 Within the framework of eliminating defects, Balluff can, at its own discretion, implement measures by means of remote maintenance by telephone, e-mail, or remote access. The customer grants Balluff access to its systems and the contract software installed thereon to the extent required. The customer shall create the necessary technical conditions for remote access at the request of Balluff.

8. Liability for defects of title

8.1 If a third party asserts a claim against the customer owing to an infringement of industrial property rights through the use of the contract software, the customer shall immediately inform Balluff thereof in writing. At its own discretion, Balluff shall fulfill the claims at its own expense, refuse such claims, or end the dispute through a settlement. The customer grants Balluff the sole authority to decide on the legal defense and settlement negotiations. The customer shall give Balluff the necessary authority on a case-by-case basis and support Balluff in a reasonable manner with the defense.

8.2 In the event of interference in the contractual use of the contract software owing to a defect of title, Balluff shall rectify the cause for the infringement of industrial property rights within an appropriate period. This shall happen at the discretion of Balluff, whereby Balluff obtains the right to continue to use the contract software or changes or replaces it to a reasonable extent.

8.3 Balluff shall only be liable for infringements of property rights if the contract software was used according to the contract. Balluff's liability is waived if the contract software is changed by the customer or third parties or is combined, commissioned or used with programs or data not provided by Balluff or not approved in advance by Balluff in writing and claims of third parties arise therefrom.
If any claims are asserted against Balluff, the customer shall indemnify Balluff therefrom upon the first request.

8.4 Claims exerted by the customer for compensation are subject to the limitations mentioned in Section 9.

9. Liability

9.1 Balluff is liable for damages and loss, such as production loss, lost profits, and other economic consequential loss or indirect loss (hereinafter referred to as „**damages**") for defects with the contract software or due to the infringement of other contractual or non-contractual obligations, in particular due to tort, only in the case of intent or gross negligence. The foregoing limitation of liability shall not apply in the event of injury to life, limb or health, the assumption of a guarantee or procurement risk, the breach of material contractual obligations or liability under the Swedish Product Liability Act.

9.2 Damages for material breach of contract are limited to compensation for typical contractual losses that Balluff had to have foreseen as a possible consequence upon entering into the agreement due to circumstances known to Balluff, except in cases of intent or gross negligence or injury to life, limb or health, assumption of a guarantee or procurement risk or liability under the Swedish Product Liability Act.

9.3 Typical, foreseeable losses within the meaning of Section 9.2 are:
(a) per case of damage: maximum losses in the amount of the net purchase price of the relevant individual contract.
(b) per calendar year: maximum losses no more than the net sales amount at which the customer acquired software from Balluff in the previous calendar year. In the first contract year, maximum losses no more than the net sales amount at which the customer acquired software from Balluff prior to the loss event.

9.4 In any case, contract typical, foreseeable losses within the meaning of Section 9.2 are not indirect losses (such as loss of profit or losses resulting from interruptions in production).

9.5 Irrespective of the foregoing provisions, when setting an amount which Balluff must pay the customer as damages, the economic circumstances of Balluff, type, scope, and duration of the business relationship, any causation and/or fault contributions of the customer shall be taken into account in favor of Balluff. Any compensatory damages, costs, or expenses to be borne by Balluff must be proportional to the value of the contract software.

9.6 All limitations of liability shall apply to the same extent to vicarious agents.

9.7 Any changes in the burden of proof to the detriment of the customer are not associated with the above provisions.

9.8 Material breach of contract within the meaning of Sections 9.1 and 9.2 are those obligations whose fulfilment is essential for the proper execution of the contract and on whose compliance the customer may rely.

9.9 Balluff shall only be liable for the recovery of data if the customer has taken all necessary and appropriate data backup precautions and ensured that the data from data material which is held in machine-readable format can be reconstructed with reasonable efforts.

10. Term - Revocation - Termination - Expiration of right of use - Return

10.1 In the case of a Subscription License, unless otherwise specifically agreed, the contract shall commence upon the commencement of the license and continue for twelve (12) months. In this case, the contract shall be automatically renewed for an additional year unless terminated by either party giving three (3) months' notice prior to the expiry.

10.2 Balluff is entitled to revoke or 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. In the case of a Subscription License, such compelling reason shall also exist for Balluff in particular if the customer (a) is in arrears with the payment of the ongoing fee or a not inconsiderable part of the ongoing fee for two consecutive dates or (b) is in arrears with the payment of the ongoing fees in an amount which reaches two periodic ongoing fees in a period which extends over more than two dates.
Balluff reserves the right to assert claims for damages. Statutory rights and claims shall remain unaffected.

10.3 Terminations and the revocation must be made in writing.

10.4 In the case of a Subscription License, 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. In the case of a Perpetual License, the customer's right to use the contract software (as-is) shall survive the termination.

10.5 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.

11. Confidentiality

11.1 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.

11.2 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.

11.3 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.

11.4 The confidentiality obligations pursuant to this Section 11 shall not apply to information
a. which was already in the public domain or known to the general public or was stateof 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. is subsequently in 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.

12. Export restrictions

12.1 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 Sweden, 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 provision 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.

12.2 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 andits associated companies.

13. Place of performance - Place of jurisdiction - Applicable law

13.1 Place of performance for all obligations arising from the contractual relationship is Gothenburg, Sweden.

13.2 Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the SCC Arbitration Institute („**SCC**"). The Rules for Expedited Arbitrations shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. In the latter case, the SCC shall also decide whether the Arbitral Tribunal shall be composed of one or three arbitrators. The seat of arbitration shall be Gothenburg, Sweden. The language to be used in the arbitral proceedings shall be English.

13.3 Swedish law shall apply exclusively to the exclusion of the conflict of laws provisions. The applicability of the UN Convention for Contracts for the International Sale of Goods (CISG) and the Swedish Sale of Goods Act (Sw: Köplagen) is excluded.