

## **SICK, Inc. Purchase Order Provisions Terms and Conditions**

- 1. ACCEPTANCE.** This purchase order is an offer to purchase goods and/or services as set forth on the face hereof. Any of the following acts by Seller shall constitute acceptance of this order; signing and returning a copy of this order; delivery of any of the goods ordered; commencement of performance or informing SICK, Inc. ("SICK") in any manner of commencement of performance; or returning Seller's own form of acknowledgment expressly acknowledging the terms set forth on the face hereof. Any additional or different term or condition on Seller's acknowledgment form, or otherwise communicated by Seller in accepting this order, shall be deemed to be a material alteration of this order and is hereby objected to by SICK. Any such term or condition shall be totally inapplicable to this order unless specifically agreed to in writing signed by an authorized representative of SICK. Acceptance of the goods or services covered by this order will not constitute acceptance by SICK of Seller's terms and conditions. To the extent this order is in any way deemed to be an acceptance of a quotation or other offer by Seller, any such acceptance is expressly conditional upon the consent of the Seller to the terms and conditions of this order.
- 2. PRICE AND DELIVERY.** Seller shall furnish the goods covered by this order (the "Goods") or the services covered by this order (the "Services") in accordance with the prices and delivery schedule stated on the face of this order. If prices and/or delivery dates are not stated, Seller shall offer its lowest prices and best delivery dates, both of which shall be subject to written acceptance by SICK. All prices include all applicable taxes and other government charges, including, but not limited to all federal, state and municipal sales, use or excise taxes, or any customs duties. Seller warrants that the prices charged for the Goods or Services ordered will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods or services in the same or smaller quantities and under like circumstances. SICK may return, or store at Seller's expense, any Goods delivered more than ten (10) days in advance of the delivery date specified for such Goods. Time is of the essence.
- 3. PACKING AND SHIPPING.** No charge shall be made by Seller for packaging or storage. All Goods shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates. On containers, Seller shall mark handling and loading instructions, shipping information, order number, item and account number, shipment date, and names and addresses of Seller and SICK. An itemized packing list shall accompany each shipment.
- 4. FCA TITLE AND RISK OF LOSS.** Unless otherwise specified on the face of this order, the FCA point shall be SICK's location designated on the face of this order in accordance with Incoterms 2010. If transportation is FCA Seller's location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to SICK until delivery of the Goods to the carrier. If transportation is FCA. SICK's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to SICK until delivery of the Goods to SICK's location.
- 5. INVOICING.** After each shipment made or Service provided under this order, Seller shall send a separate invoice, including item numbers, in duplicate, accompanied (if applicable) by a bill of lading or express receipt. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure of Seller to meet the requirements of this order. SICK may set off any amount owed by Seller or any of its affiliated companies to SICK against any amount owed by SICK to Seller under this order.
- 6. INSPECTION**

  - a) All Goods may be inspected and tested by SICK, its customers, higher tier contractors, and (in the case of Goods purchased for a U.S. Government contract or subcontract) the U.S. Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Goods, Seller shall, if required by SICK, use an inspection system accepted by SICK in writing. All inspection records relating to the Goods shall be available to SICK during the performance of this order, and for such longer periods specified by SICK in its acceptance of the inspection system, if any.
  - b) Final inspection and acceptance by SICK shall be at destination unless otherwise specified in this order. Such inspection shall be in accordance with the customary established inspection procedures of the location of SICK where the Goods are received. If rejection of a shipment would result from SICK's normal inspection level under such procedures, SICK may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Seller the reasonable costs thereof.
  - c) No inspection (including source inspection), tests, approval (including design approval), or acceptance of the Goods shall relieve Seller from responsibility for any defects in the Goods or other failures to meet the requirements of this order, or for latent defects, fraud, such gross mistakes as amount to fraud, or Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this order, SICK may, by written notice to Seller; (i) rescind this order as to such Goods; (ii) accept such Goods at an equitable reduction in price; or (iii) reject such Goods and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such goods are replacements. If Seller fails to deliver required replacements promptly, SICK may; (i) replace or correct such Goods and charge the Seller the cost thereof (including cover and any incidental costs); or (ii) terminate this order for cause as provided in Section 20(b) hereof. Rights granted to SICK under this Section 6 are in addition to any other rights or remedies provided elsewhere in this order or in law.
- 7. WARRANTIES.** In addition to all other express or implied warranties, Seller warrants that the Goods will be (i) new and free from defects in workmanship and materials; (ii) free from defects in design except to the extent that such Goods comply with the detailed designs provided by SICK; (iii) suitable for all purposes, if any, which are stated on the face of this order; and (iv) in conformity with all the other requirements of this order. These warranties, and all other warranties, express or implied, shall survive delivery, inspection, acceptance, and payment. In addition to any other rights SICK may have, if Goods are found not to be as warranted within a period of one (1) year after acceptance by SICK, SICK may return such Goods to Seller, at Seller's expense for correction, replacement, or credit, as SICK may direct. Any Goods corrected or furnished in replacement shall, from the date of delivery of such corrected or replacement Goods, be subject to the provisions of this Section 7 for the same period and to the same extent as Goods initially furnished pursuant to this order. As to Services, in addition to any express or implied warranties. Seller warrants that it possesses the requisite expertise, facilities and equipment necessary and appropriate to perform the Services, and that such Services shall be performed in an expert, timely safe and workmanlike manner. In addition to any other rights SICK may have, if the Services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the Services by Seller, Seller shall, at SICK's option, either refund to SICK the amount paid for the Services, or perform the Services again in a proper manner to the extent necessary to provide SICK with the result originally contemplated by SICK.
- 8. MATERIALS AND TOOLS.** If SICK furnishes Seller material or equipment (such as special dies, molds, jigs, tools, test equipment, masks, etc.) or pays for such material or equipment, title thereto shall remain or vest in SICK, and Seller shall label, identify, maintain and

preserve such material and equipment and shall dispose of it (including scrap) only in accordance with SICK's direction. Unless otherwise authorized in writing by SICK, Seller shall use such material or equipment exclusively in the performance of purchase orders for SICK. Seller shall be responsible for any loss, damage, or destruction to such material or equipment, but Seller shall not include any insurance cost therefor in the prices charged under this order.

9. **CONFIDENTIAL AND PROPRIETARY INFORMATION.** Except as otherwise specified and mutually agreed, all submittals and other documents furnished by Seller for the execution of the order, including any designs, drawings, specifications, calculations, sketches, models, reports, computer programs, charts, photographs and other documents, are work product and all intellectual property rights in such documents shall belong to SICK. Seller acknowledges and agrees that SICK may disclose certain information to Seller for purposes of the Work that SICK and/or Customer considers to be confidential or proprietary or to constitute trade or business secrets (collectively "Confidential Information"). When SICK and/or Customer discloses any information designated as Confidential Information, or reasonably understood to be confidential in nature, to Seller, Seller agrees that: (a) the Confidential Information shall be used solely for the purpose of performance under the Seller and disclosed only to those of Seller's employees who have a need to know the information for that purpose; (b) it shall not disclose Confidential Information to any third party without SICK's prior written consent; (c) it will take precautions to prevent the disclosure of the Confidential Information that are no less stringent than those employed to preserve the secrecy of its own confidential business information or trade secrets, and in no event less than reasonable precautions; and (d) upon completion of the order it will return all documents containing Confidential Information to the SICK and/or Customer without retaining any copies thereof. The provisions of this Section shall remain in force for perpetuity after Seller's final completion of its work at the Project. Seller agrees that in the event of its breach or threatened breach of its obligations under this Section, SICK shall be entitled to equitable relief in order to restrain any continued or threatened breach. No obligation of confidentiality shall apply to Confidential Information that (i) was already publicly known at the time of disclosure; or (ii) was verifiably and legally known to the Seller prior to the time of disclosure; or (iii) is subsequently publicly disclosed through no fault of the Seller.
10. **SUBCONTRACTS.** Seller shall not subcontract for complete or substantially complete parts of the work called for by this order without SICK's prior written approval.
11. **COMPLIANCE WITH LAWS.** Seller shall comply with all federal, state, and local laws, ordinances, rules and regulations in the manufacture and sale of the Goods and performance of the Services, including but not limited to Executive Order 11246 as amended, the Occupational Safety and Health Act, the Truth in Negotiation Act, the Resources Conservation and Recovery Act and all applicable requirements of the Fair Labor Standards Act. Goods sold under this order shall be in compliance with the Toxic Substances Control Act and all applicable rules and orders thereunder. Seller will defend and hold SICK harmless from any laws, damages, or costs arising from or caused in any way by any actual or alleged violations of any federal, state, or local law, ordinance, rule or regulation. Seller understands that SICK and Goods purchased hereunder may be subject to and required by law to comply with Directive 2011/65/EU of the European Parliament on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("RoHS Directive"). Seller agrees that all materials, components, parts, or products provided hereunder are compliant with the RoHS Directive restriction on hazardous materials. Seller agrees to provide, within ten (10) days of SICK's request, any required technical documentation and certification required by the RoHS Directive that any materials, components, parts, assemblies or products provided hereunder are in compliance with the RoHS Directive.
12. **LIEN WAIVERS.** Seller shall furnish, upon SICK's request, waivers by Seller and all other persons entitled to assert any lien rights in connection with the performance of this order, and shall indemnify SICK against all costs, loss or liability incurred by SICK as a result of any failure by Seller or any other person to comply with the provisions of this Section 12.
13. **PATENT, COPYRIGHTS AND MASK WORK RIGHTS.** Seller shall defend, at its own expense, any suit or claim that may be instituted against SICK or any customer of SICK for alleged infringement of patents, copyrights or mask work rights relating to the maintenance, sale, or use of the Goods, except for any such infringement resulting from Seller's compliance with detailed designs provided by SICK, and Seller shall indemnify SICK and its customers for all costs and damages arising out of such alleged infringement. SICK shall have the right, at no additional charge, to use and/or reproduce the Seller's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals, and other similar supporting documentation and sales literature. Seller shall advise SICK of any updated information relative to the foregoing literature and documentation with timely notifications in writing.
14. **LIABILITY FOR INJURY.** Seller shall indemnify SICK against any and all costs, loss and liability for all personal injury and property damage (including but not limited to response or remedial action costs associated with damage to the environment or to natural resources), caused by the Goods or Services performed by Seller (whether performed on the premises of Seller or SICK or elsewhere), and shall defend at its sole cost and expense any action brought against SICK as a result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage sufficient to cover the above, and upon SICK's request, shall furnish SICK with satisfactory evidence of such insurance.
15. **ASSIGNMENT.** Seller shall not assign this order or any rights under this order without the prior written consent of SICK, and no purported assignment by Seller shall be binding on SICK without such written consent.
16. **NOTICE OF LABOR DISPUTES.** Whenever an actual or potential labor dispute delays, or threatens to delay, the timely performance of this order, Seller shall immediately notify SICK in writing of all relevant information with respect to such dispute.
17. **CESSATION OF PRODUCTION.** If production of any Goods, or the provision of any Services, is to be permanently discontinued at any time within one (1) year after final delivery of such Goods, or Services under this order, Seller shall give SICK at least one hundred eighty (180) days prior written notice of such discontinuance, during which time Seller shall accept orders from SICK for a reasonable quantity of such Goods or Services.
18. **PUBLICITY.** Seller shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this order without the prior written consent of SICK, except as may be required to perform this order.
19. **CHANGES.** SICK may, at any time, by written change order, suspend performance of this order in whole or in part, make changes in the drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Goods, reschedule the Services, or require additional or diminished Services. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this order, an equitable adjustment shall be made in the contract price for delivery dates or both, and this order shall be modified in writing accordingly. Any claim for adjustment under this Section 19 may, at SICK's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to SICK within thirty (30) days from the date of receipt by Seller of the change order. If the cost of property made obsolete or excess as a result of a change is paid by SICK, SICK may prescribe the manner of disposition of such property. SICK's engineering and technical personnel are not authorized to change the Goods or Services ordered or any other provision of this order. No

change order will be binding on SICK unless issued by an authorized representative of SICK's purchasing office. Nothing in this Section 19 shall excuse Seller from proceeding with the order as changed.

## 20. TERMINATION

- a) Without Cause. SICK may terminate, for its convenience, all or any part of this order at any time by written notice to Seller. Upon such termination, settlement shall be made in accordance with the principles contained in Federal Acquisition Regulation (FAR) 52.249-2 as in effect as of the date of this order, except that Seller must submit any claim for equitable adjustment or termination to SICK within forty-five (45) days after the effective date of termination, or such claim shall be absolutely and unconditionally waived.
  - b) With Cause. If Seller fails to make delivery of the Goods, or fails to perform the Services, in accordance with the delivery dates specified in this order, or fails to perform any other provision of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms, or Seller undergoes a change of control or undertakes a partnership with a SICK competitor, SICK may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by written notice to Seller without liability and purchase substitute goods elsewhere, and Seller shall be liable to SICK for any excess cost occasioned SICK thereby, including excess costs incurred by contracting with another party in order to fill the obligations of the order. Seller shall continue performance of this order to the extent not terminated pursuant to the Section 20(b). Except with respect to defaults of subcontractors at any tier, Seller shall not be liable to SICK if the failure to perform this order arises out of causes beyond the control and without the fault or negligence of the Seller. If the failure to perform is caused by the default of a fault of a subcontractor at any tier, and if such default arises out of causes beyond the control of both the Seller and subcontractor, and without the fault and negligence of either of them, the Seller shall not be liable to SICK unless the Goods or Services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Seller to meet the requirements of this order.
  - c) If this order is terminated as provided in this Section 20(b), SICK, in addition to any other rights provided herein, may require the Seller to transfer title and deliver to SICK (i) any completed Goods, and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specifically acquired for the performance of this order.
  - d) If, after notice of the termination of this order "with cause", it is determined that the failure to perform is due to causes totally beyond the control and totally without the fault or negligence of the Seller such notice of default shall be deemed to have been issued pursuant to Section 20(a) hereof, and the rights and obligations of the parties hereto shall be governed by such Section 20(a).
21. **WAIVER.** The failure of SICK to insist upon the performance of any provision of this order, or to exercise any right or privilege granted to SICK under this order, shall not be construed as waiving such provision or any other provision of this order, and the same shall continue in full force and effect. If any provision of this order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this order shall not be affected thereby and shall remain in full force and effect.
22. **APPLICABLE LAW AND FORUM.** The validity, performance, and construction of this Agreement and the order shall be governed by the laws of the State of Minnesota, without regard to conflict of law provisions. Any claim or dispute must be resolved by a court located in Hennepin County, Minnesota. Both Parties agree to exclusive personal jurisdiction and venue in the state and federal courts of the United States located in the State of Minnesota, City of Minneapolis.
23. **SPECIAL U.S. GOVERNMENT PROVISIONS.** The provisions set forth in the attachment of this order entitled "SPECIAL U.S. GOVERNMENT PROVISIONS" shall apply if this order bears a U.S. Government contract number.
24. **DISPUTES.** Any dispute arising under this order which is not disposed of by agreement of the parties shall be decided by a court of competent jurisdiction. Pending settlement of final decision of any such dispute, Seller shall proceed diligently with the performance of this order in accordance with SICK's direction.
25. **COMPLETE AGREEMENT.** This order and any supplemental sheets and riders annexed hereto by SICK, contains the complete and entire agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter. This order includes Seller's agreement with SICK.
26. **OFFSET.** As a multinational company, SICK is involved in establishing a foreign procurement base in fulfillment of SICK's obligations to purchase in certain countries.
- a) If Seller is a foreign entity, by acceptance of this purchase order, Seller agrees to assist SICK in obtaining credit from Seller's Government for the value of this Order to meet any present or future contractual offer or industrial benefit requirements incurred by SICK or its assigns, including but not limited to providing, upon SICK's request evidence of the existence, value, content and other pertinent information relating to this transaction. SICK reserves the right to claim these credits on behalf of SICK's Sellers, customers or other third parties.
  - b) If Seller is a domestic entity who awards a portion of the work under this Order to a lower tier foreign subcontractor, Seller agrees to assign to SICK any credits obtained from the foreign subcontractor's Government relating to this transaction. Seller also agrees, at the request of SICK, to assist SICK in obtaining any such credits for SICK's use.
27. **INSPECTION BY SICK, SICK'S CUSTOMERS AND REGULATORY AGENCIES.** Seller shall permit access to all of its facilities related to this order and all applicable quality records by SICK, all regulatory authorities and SICK's customers.

### Terms and Conditions Supplement to SICK, Inc. Purchase Order Provisions For Those Orders Containing Tooling

1. **SCOPE OF ORDER.** This attachment is a part of SICK's purchase order as noted above. The term "Tooling" includes any and all tooling, fixtures, equipment, auxiliary equipment and accessories, gages and related items paid for by SICK when forming and manufacturing SICK specific products as well as any future modifications and changes.
2. **INSPECTION/LABELING & STORAGE.** All Tooling is subject to SICK's inspection at any time during normal business hours, and shall be clearly labeled as "Property of SICK, Asset # xxxxx" by way of engraving and/or a tool inventory number and safely stored and maintained by Supplier cost free. Notwithstanding any provision herein to the contrary the Tooling shall at all times remain the property of SICK.
3. **TOOL LIFE.** The minimum tool life shall be communicated to SICK via the quotation process (generally determined at X shots per tool) and guaranteed by Supplier. Any costs accruing until the minimum tool life is met shall be borne by Supplier.

4. **RISKS AND MAINTENANCE.** All risk of loss (excepting only reasonable wear and tear) shall be borne by Supplier from and after the time Supplier takes possession of the Tooling. After mold qualification, Supplier shall be responsible for on-going maintenance and related costs of all Tooling associated with day-to-day operations relative to manufacturing the Products, including, but not limited to, mold cleaning, tool change over, remedy of mold damage, molding flash, shorts resolution and the like. In furtherance, at all times during which Tooling resides at Supplier's facility, Supplier shall cause its applicable insurance policy to cover the Tooling for fire, water and burglary damages and all risks. Upon SICK's request, Supplier shall submit a confirmation of the insurance company proving the existing insurance coverage. If Supplier determines that any Tooling requires repairs beyond regular scheduled maintenance not caused by an action or omission of the Supplier (i.e., tool crash, crushed insert, improper setup and the like), Supplier shall provide written notice to SICK indicating: rationale for and reason giving rise to repair need, estimate of cost to make such repair, appropriate photos and other description of Tooling requiring repair, recommended supplier and estimated time line for repair. Any such repairs shall be subject to SICK's prior written approval, after which SICK shall be responsible for the actual cost of repairs not to exceed 110% of the estimated cost therefor. Under normal conditions, SICK is responsible for cost of repair and partial or complete replacement when any Tooling has reached the end of its useful life. In any event, the Parties acknowledge and agree that the expectation is that any such work shall, to the extent possible, utilize Supplier's resources and expertise and shall reflect Supplier's actual cost to perform such work.
5. **QUALITY.** Supplier shall be responsible for duplicating or creating a process for measuring and inspecting Products as an essential part of the on-going manufacturing process hereunder. In this regard, Supplier shall be required to demonstrate at any time and from time to time an on-going calibration program associated with guaranteeing the quality on parts constituting or otherwise contained in the Products, which program shall be established and maintained to the satisfaction of SICK.
6. **LIMITATION OF USE.** Tooling may only be used for filling SICK's orders, and in so doing Supplier shall comply with all applicable laws, regulations, orders and standards. Access to tools may not be provided to any other third party; neither may the tools be copied, nor rebuilt for any third parties. To the extent that copyrights or any other protection rights arise in connection with any modifications of the tools accomplished by Supplier, SICK shall hold the exclusive, transferable, sub-licensable rights of use, unlimited in terms of the object, place and time.
7. **LOCATION.** Supplier may not remove, transfer, relocate or loan any item of Tooling without SICK's prior written consent.
8. **REMOVAL.** Each article of Tooling is subject to removal at any time at SICK's request, in which event Supplier shall prepare for transport the item so designated and ship it to the location specified by SICK utilizing SICK's preferred carriers and customs brokers. The article shall arrive in good and working order, ordinary wear and tear excepted.
9. **OWNERSHIP & DELIVERY.** The Supplier shall undertake to take all necessary measures to prevent any infringement of SICK's property rights by a third party. In particular, the Supplier shall inform SICK without delay about any steps taken by third parties as a result of execution orders or any other encroachments upon SICK's property rights. The Supplier shall reimburse all repair costs or any other costs arising from any violation of this commitment. Supplier, for itself and its successors and assigns and as a continuing condition of its possession and use of Tooling, hereby waives and relinquishes, and agrees to obtain from third parties who might claim any such lien or right, their written waiver and relinquishment of all rights (if any) or any lien or other right of retention whatsoever with respect to the Tooling. To the extent that any common law or statutory provision should be deemed applicable to any of the Tooling and confers upon or creates in favor of Supplier any lien, right or remedy (whether for work performed on or goods produced with or raw materials ordered in connection with the Tooling) Supplier hereby irrevocably waives and relinquishes, for itself and its successors and assigns, any and all such liens, rights and remedies, agreeing that its rights and remedies are solely as set forth in this Contract. Supplier acknowledges that the provisions of the preceding sentence are a bargained consideration essential to SICK's agreement and to Supplier's possession of the Tooling.
10. **SAFEGUARDS.** Upon SICK's request, Supplier will participate promptly in the obtaining, execution and filing of any financing statements, lien waivers or other documents deemed by SICK to be necessary or prudent for the protection of its interest in any of the Tooling.
11. **END OF LIFE.** If the cost of such tooling which was purchased or acquired by Supplier specifically and exclusively for the manufacture of Products covered by the Purchase Order is recovered by Supplier from SICK Inc. by inclusion in the price of such Products or otherwise, such Tooling shall, upon completion or termination of this Agreement, become the property of SICK Inc. If SICK Inc. should so choose, Supplier shall dispose of or return same, as SICK Inc. shall direct. SICK Inc. shall pay the reasonable cost of such disposal or return.
12. **TOOL DRAWINGS.** Upon completion of the tool build, a copy of the final tool drawing(s) shall be sent to the attention of the Engineering Manager at the address listed on this purchase order."