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1. **DEFINITIONS.** “Goods” shall mean the materials, products, data, software and/or services identified on the applicable Buyer purchase order or elsewhere in the Order. “Seller” means, as applicable, the seller, licensor, supplier, renter, lessor and/or loaner of the Goods. “Buyer” means the party buying, licensing, purchasing, renting or leasing the Goods from Seller, which in turn means, as applicable, CyberOptics Corporation or one of its wholly-owned subsidiaries worldwide. “Order” shall mean these terms and conditions, the terms and conditions on the face of, referenced on, or included with the applicable Buyer purchase order (including, without limitation, the description of the Goods and information related to delivery and prices for such Goods), and any Change Order as defined in Section 4 below; provided, however, that reference to any Seller offer, proposal or quotation in this Order shall not constitute a modification of any of the terms and conditions of this Order. In the event of any conflict between these terms and conditions and those on the face of Buyer’s purchase, those on the face of the purchase order shall control.
2. **ACCEPTANCE.** Acceptance of this Order by Seller is expressly limited to the terms and conditions contained in this Order. Any terms or conditions stated by the Seller in any prior, concurrent or subsequent proposal, offer, quotation, acknowledgement or other document, are deemed by Buyer to be a material alteration of this Order and are hereby rejected and inapplicable unless specifically agreed to by Buyer in writing. Seller shall be deemed to have accepted this Order and all of its terms and conditions if Seller does any of following: (a) delivers any of the ordered Goods; (b) commences performance under this Order; or (c) delivers to Buyer any form or other written communication, including by email, of acknowledgement related to this Order.
3. **PRICES, TAXES & INVOICES.** Prices shall be in U.S. dollars. Seller warrants that the prices for Goods provided under this Order are not less favorable than those extended to all its other customers for the same or similar Goods in equal or less quantities. All invoices shall be rendered within twenty-four (24) hours after each shipment or in the case of services when the services are completed. The prices in the Order shall include all applicable sales that by law may be passed on to the Buyer. The responsibility for import taxes (VAT, GST, etc.), duties and/or other import related costs and fees, and the duty to clear the Goods through customs in the country in which Buyer is located, shall be in accordance with the applicable Incoterm as set forth in Section 11 below. Buyer shall make payment of Seller invoices sixty (60) days after receipt thereof, subject to adjustment for errors, shortages, rejections and other justifiable causes. Buyer shall have the right to set off or withhold any amount due and owing to the Seller on this Order based on any amounts due or owed to Buyer by Seller, its subsidiaries, divisions or affiliates related to any other transactions with Buyer.
4. **CHANGES & TERMINATION.** Buyer may at any time by written change to the Order (any such change referred to as a “Change Order”), in whole or part: (a) suspend performance of the Order; (b) make changes in the drawings, designs, specifications, method of shipment or packing requirements; (c) make changes in the time and/or place of delivery for the Goods; or (d) change the quantity of Goods ordered. If any such Change Order 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 Order price and/or delivery dates, and such adjustment shall be set forth in a Change Order. Buyer may terminate this Order, in whole or part, for any reason, and at any time, by written notice to Seller. Subject to Section 5, any claim by Seller related to such termination shall not exceed the actual, documented and reasonable costs incurred by Seller in performance of the acceptably completed portion of the Order. Notwithstanding the foregoing: (a) no payment shall be due Seller for any undelivered terminated Goods that are in Seller’s standard stock and/or are readily marketable by Seller; and (b) in no event shall Buyer’s payment for terminated Goods exceed the aggregate price payable by Buyer for finished Goods under the Order. Any Seller claim related to a Change Order or a Buyer termination may be deemed, at Buyer’s option, absolutely and unconditionally waived unless such claim is asserted by Seller in writing (including the amount of the claim and any information or documents supporting such claim) delivered to Buyer within thirty (30) days of the date of Seller’s receipt of the Change Order or termination.
5. **DELIVERY / COMPLETION.** Time is of the essence and completion and delivery Goods within the time specified in the Order is required. Buyer reserves the right to terminate, without incurring any cost or liability whatsoever, all or part of the undelivered and/or uncompleted portion of an Order if Seller does not, or if in the Buyer’s reasonable judgment Seller cannot, make delivery as specified in the Order. If Seller’s delivery fails to meet the requirement of the Order, Buyer shall be entitled to request delivery by the most expeditious means available with expenses related to such means to be borne by Seller. Buyer shall not be required to make payment for Goods delivered to Buyer that are in excess of quantities specified by Buyer. If delivery dates are not stated, Seller shall perform to its best delivery date. Buyer may return, or store at the Seller’s expense, any Goods delivered more than five (5) calendar days in advance of the Order delivery date.

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6. **INSPECTION, AUDIT & RECORDS.** Upon five (5) calendar days' advanced written or verbal notice, Buyer, or its designated representative may, during normal working hours: (a) inspect and/or test any or all Goods at any time, at any place or stage of production (including, without limitation, any materials or parts related thereto); and/or (b) audit and examine all books, records, documents, computer systems, facilities and other items relating to this Order. If such inspection, testing, auditing or examination is done at Seller's premises, Seller will, without additional charge, provide all reasonable facilities and assistance required for safe and convenient inspection, testing, auditing and/or examination. Seller shall maintain adequate accounting and quality records in accordance with generally accepted practices, but at a minimum for the greater of any requirements required by applicable law or the requirements communicated in writing by Buyer to Seller. The foregoing shall not relieve Seller of its obligation to complete a full and adequate test and inspection of the Goods. Buyer and/or its designated representative may reject any or all Goods based on inspection by sampling.
7. **WARRANTIES.** In addition to and without prejudice to all other warranties available to Buyer by law, whether express or implied, Seller warrants and represents that Goods will be: (a) free from defects in workmanship, materials, and design; (b) in full conformity with all requirements of this Order, including without limitation, with all specifications, drawings, descriptions and/or samples communicated by Buyer to Seller in writing in Buyer's purchase order (including by reference therein) or otherwise communicated to Seller in writing; and (c) suitable for any purpose stated in the Order or otherwise communicated by Buyer to Seller in writing, or as otherwise reasonably intended by Buyer. Additionally, Seller warrants and represents that the Goods shall fully comply with any descriptions or claims of any kind made by Seller at any time and any place to the extent Buyer indicates at any time before, during or after delivery, that such descriptions or claims, in whole or part, must be complied with. These warranties and representations shall survive any inspection, delivery, acceptance and/or payment for the Goods, and such inspection, delivery, acceptance and/or payment shall in no way affect Buyer's warranty and representation rights. In addition to any other rights Buyer may have, if the Goods fail to meet any applicable warranties within eighteen (18) months after acceptance by Buyer, Buyer may, at Buyer's option, either: (a) return such Goods to Seller (or in the case of services, require Seller to return to the place where the services were provided) at Seller's sole expense for correction or replacement so as to comply with the applicable warranties; or (b) obtain a credit or refund on such Goods equal to full price paid by Buyer therefor. Any such Goods corrected or replaced shall be warranted from the date of Buyer's receipt thereof, for the same period and to the same extent as the Goods originally furnished under the Order. Risk of loss, freight costs and any import or export related taxes, duties or other costs related to return of Goods not meeting the applicable warranties shall be borne by Seller both ways (incoming and outgoing). Seller further warrants and represents that: (a) the Goods provided hereunder are free of any claim or encumbrance; (b) Seller has the right to provide the Goods hereunder, including, without limitation, the right to grant any applicable licenses; (c) Seller has adequate facilities, resources, personnel and expertise to accomplish its obligations under the Order; (d) Seller has no knowledge that the Goods infringe any patent, copyright or trademark, or involve a misappropriation of any trade secrets or confidential information of any third parties; and (e) in terms of software or firmware in any form, that it does not contain any harmful code of any kind, including without limitation, any code commonly referred to as a virus, malware, spyware, ransomware, bots, bugs, trojan horse or rootkit.
8. **DELAY & FORCE MAJEURE.** When any actual or potential event delays or threatens delay of delivery of the Goods, Seller shall immediately provide Buyer written notice thereof, including all relevant information with respect thereto. Any delay or failure by Seller to perform its obligations to this Order shall be excused if and to the extent that such is caused by an event or occurrence beyond Seller's reasonable control that is related to fires, floods, windstorms, explosions, riots, wars and natural disasters. The Seller's inability to obtain material through its regular sources, delays related to suppliers, and material shortages do not constitute an event or occurrence beyond Seller's reasonable control.
9. **ASSIGNMENT & SUBCONTRACTING.** Seller shall not assign this Order or any rights under this Order without the prior written consent of Buyer. Seller shall not subcontract any substantial portion of this Order without Buyer's written consent.
10. **CESSATION OF PRODUCTION.** If production or provision of any Goods is to be discontinued at anytime after delivery thereof to Buyer, Seller shall provide Buyer at least one hundred and eighty (180) days prior written notice of such discontinuance and during such time shall accept orders from Buyer for such Goods at the same prices and terms under this Order.

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- 11. PACKING, SHIPPING & TITLE.** Seller shall charge Buyer for any packing or storage. All Goods shall be packed, marked and otherwise prepared in accordance with good commercial practices to ensure safe delivery and to obtain the lowest shipping rates. On packages and containers, Seller shall mark applicable handling and loading instructions, shipping information, order number, Goods description, shipment date, and names and address of Seller and Buyer. Buyer's count or weight on shipments shall be conclusive. An itemized packing list, an original bill of lading and documentation supporting freight charges shall accompany each shipment. The responsibility for freight, taxes (VAT, GST, etc.) and other shipping related costs, and for clearance of the goods through customs in the country where Buyer is located, in shall be in accordance with the Incoterm set forth on the Buyer's purchase order (pursuant to Incoterms 2010). In the event an Incoterm is not specified, the Goods will be shipped FCA Seller's factory. When Buyer is responsible for freight and other shipping related costs, and when requested by Buyer, Seller shall use Buyer's designated carrier and account information for shipment of the Goods; or (2) Seller will prepay the freight and other shipping related costs and bill Buyer therefor at actual cost. Title to the Goods shall pass to Buyer at Buyer's designated destination for the Goods (except in the case of software or other Goods that are licensed to Buyer, in which case title shall remain with Seller or the applicable title owner and Buyer shall obtain a perpetual, irrevocable, world-wide, fully-paid license and right to use the software, and further distribute such software, consistent with Buyer's business needs, provided that any such use and distribution shall not adversely affect the applicable software title owner's proprietary rights in such software.
- 12. BUYER'S PROPERTY.** If Buyer furnishes and/or pays Seller for materials, tools or equipment used to produce the Goods ("Buyer Property"), title thereto shall be in and remain with Buyer and Seller shall identify, maintain and preserve such Buyer Property and shall dispose of it only in accordance with Buyer's written instructions, which Buyer may give at any time. Buyer Property shall be used only in the performance of this Order for the benefit of Buyer or as otherwise instructed by Buyer in writing. Seller shall be responsible for any loss, damage or destruction to Buyer Property (normal wear and tear excepted) while in Seller's possession. Buyer does not warrant the accuracy or any other aspect of the Buyer Property.
- 13. INTELLECTUAL PROPERTY INDEMNIFICATION.** Seller shall adequately and timely defend, indemnify and hold harmless Buyer and Buyer's subsidiaries, agents and customers (collectively "Indemnified Parties") from and against any and all claims, suits, losses, liability, damages and costs, including, without limitation, attorneys' fees and legal costs (collectively "Liability"), arising from or incidental to any claim of infringement of any existing or future third party patents, copyrights, or trademarks, or violation of any third party trade secrets, with respect to the Goods or any part thereof. This provision shall not apply to infringement claims based on Goods manufactured or provided solely to Buyer's design or specifications to the extent such infringement is caused by such design or specifications.
- 14. GENERAL INDEMNITY.** Seller agrees to indemnify, defend and hold harmless the Indemnified Parties (as defined in Section 13) from and against any and all Liability (as defined in Section 13) arising out of or incidental to the injury or death to any person, damage to or destruction of any property, or breach of any Seller warranty or representation made part of this Order, which is caused by or arises from any acts or omissions of Seller or Seller's agents, suppliers, contractors or employees. Seller shall maintain such insurance as will protect the Indemnified Parties from claims under applicable Worker's Compensation Acts. Upon Buyer's request, certificates of such insurance shall be filed with the Buyer and shall be subject to Buyer's reasonable approval for adequacy of protection.
- 15. COMPLIANCE WITH LAWS.** Seller shall comply with all applicable laws, statutes, rules, regulations, ordinances and executive orders of the country, state, province, city or other local authority (collectively, "Laws") in the United States and where the Buyer is located if not in the United States, which now or may hereafter govern performance of this Order, and with any other Laws that Buyer may specify in its purchase order. Without limiting the foregoing:
- (a) **Export / Import.** Seller shall comply with all U.S. Laws and those of the country in which Buyer is located in, that govern the import, export or reexport of the Goods and/or any technology related thereto.

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- (b) **Equal Opportunity Employer.** Buyer is an Equal Opportunity Employer. Both Buyer and Seller shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
- (c) **Conflict Minerals.** In accordance with the 2010 USA Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502, it is Buyer's policy that its suppliers provide, and Seller shall endeavor to provide, products free of Conflict Minerals as defined in the Securities and Exchange Commission (SEC) regulations implementing the aforesaid Section 1502 of the Act (generally referred to as tantalum, tin, tungsten and gold sourced from the Democratic Republic of Congo and surrounding countries) and to comply with the supplier requirements set forth in Buyer's Conflict Minerals Policy available at www.cyberoptics.com.
- (d) **RoHS, REACH and WEEE.** Seller hereby confirms, warrants and represents that it has reviewed, and that the Goods supplied to Buyer are fully compliant with, the requirements of: (i) Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment and Directive 2015/863/EU amending the list of restricted substances in Annex II thereof (**RoHS**); (ii) EU legislation No. 1907/2006 on the registration, evaluation, authorization and restriction of chemicals ("**REACH**"); (iii) Directive 2012/19/EU on waste electrical and electronic equipment ("**WEEE**"); and (iv) all future amendments, releases, revisions or replacements to any of the foregoing. With respect to RoHS, Seller warrants and represents that the Goods supplied to Buyer shall not include any of the listed restricted substances in amounts exceeding the listed maximum concentration limits in RoHS regardless of whether or not the Goods fall outside the scope of and/or are excluded from RoHS. At Buyer's request, Seller shall promptly certify its compliance with any of the foregoing requirements, including without limitation, providing Buyer with a declaration of conformance in a format acceptable to Buyer.
- 16. CONFIDENTIAL INFORMATION AND IP OWNERSHIP.** Any information disclosed by Buyer to Seller (including, without limitation, any specifications, drawings, data, or information related to an aspect of Buyer's business) shall be considered "Confidential Information". Seller shall not disclose any Confidential Information to any third parties except to its employees with a need to know for the authorized purpose. Seller shall use the Confidential Information solely for the purpose of completing its obligations under this Order and for no other purpose (the "authorized purpose"). Notwithstanding the foregoing, Confidential Information shall not include information which is or becomes publicly known through no wrongful act of Seller. Seller agrees to use no less than a reasonable degree of care to protect the Confidential Information from any unauthorized disclosure or use. Upon Buyer's request, all Confidential Information and all copies thereof shall be returned to Buyer or destroyed. Buyer shall, at all times, retain all right, title and interest in the Confidential Information and all copies thereof. Buyer shall own all inventions and copyrightable work which Seller or any other party may derive from the Confidential Information, or that are first conceived of or reduced to practice by anyone in performance of this Order, and Seller agrees to assign, and hereby does assign to Buyer, any such copyrightable works and/or inventions. Any information which Seller discloses to Buyer in connection with this Order shall not, unless agreed to by Buyer in writing, be deemed to be confidential or proprietary information and shall be acquired free from any restrictions as to use or disclosure.
- 17. GOVERNING LAW & DISPUTES.** (a) If this Order is placed by CyberOptics in the United States and Seller is located in the United States, this Order shall be construed, performed and enforced under the laws of the State of Minnesota, U.S.A., exclusive of its conflict of law provisions, and the sole and exclusive venue for any claims or actions arising out of or related to this Order shall be in an applicable state or federal court having jurisdiction in the city of Minneapolis, Minnesota, U.S.A.. (b) If this Order is placed by CyberOptics in the United States and Seller is located outside the United States, this Order shall be construed, performed and enforced under the laws of the State of Minnesota, U.S.A., exclusive of its conflict of law provisions, and any controversy or claim arising out of or relating to this Order shall be determined by arbitration in accordance with the then-current rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said rules, and such arbitration shall be conducted in Minneapolis, Minnesota, U.S.A. (c) If this Order is placed by CyberOptics located outside the United States, this Order shall be construed, performed and enforced under the laws of country where such CyberOptics entity is located, exclusive of its conflict of law provisions, and any controversy or claim arising out of or relating to this Order shall be determined by arbitration in accordance with the then-current rules of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said rules, and such arbitration shall be conducted in country and location where the

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CyberOptics entity placing this Order is located. (d) Notwithstanding the foregoing, and to the extent permitted by applicable law, either party may, at any time, apply to a court having jurisdiction for a preliminary injunction and/or other equitable relief where such relief is necessary to protect the party's interests pending completion or anticipated beginning of any other legal proceedings or arbitration. (e) This Order shall be interpreted and construed in the English language and any legal proceedings and/or arbitration conducted hereunder shall be in English.

18. SURVIVAL. The terms and conditions in the Order that by their nature should survive the completion or termination of the Order as reasonably determined by Buyer shall survive and continue following any such completion or termination for the shorter of the following periods: (a) the duration stated in such terms and conditions; (b) the duration required by applicable law; or (c) an indefinite duration.

19. GENERAL PROVISIONS. (a) In the event that any of the terms or conditions of this Order are in conflict with any rule of law or statutory provision or otherwise unenforceable, such terms or conditions shall be deemed stricken from this Order, but such invalidity or unenforceability shall not invalidate any of the other terms and conditions of this Order, which shall continue in full force and effect. (b) The failure of Buyer to insist, in any one or more instances, upon the performance of any of the terms or conditions of this Order, or to excuse any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term or condition or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect. (c) Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted with Buyer to furnish the Goods. (d) There are no understandings, agreements or representations, express or implied, written or oral, not specified in the Order, and any modification of these terms and conditions must be approved in writing by a duly authorized representative of Buyer.

Revision History:

Rev	Date	Description
A	04/18	Supersedes QF74_011 (Rev F, 04/2015). Assigned new PN 8026650. Reviewed for compliance to ISO 9001:2015.
B	03/19	Added terms for RoHS, REACH and WEEE compliance; other minor editing.