

SUPPLIER TERMS AND CONDITIONS

These Supplier Terms and Conditions (the “**Agreement**”) are a binding contract between Applied Motion Systems, Inc. (“**AMS**”) and the supplier or vendor identified in the applicable Purchase Order (the “**Supplier**”) governing Supplier’s provision of the Services (as defined herein) to AMS pursuant to the Purchase Order(s) between the parties hereto (each a “**Party**” or together the “**Parties**”) and each such Purchase Order is incorporated herein by this reference. All Purchase Orders between the Parties are governed by this Agreement. THE PARTIES AGREE TO AND EXECUTE THIS AGREEMENT BY EXECUTING A PURCHASE ORDER.

The Parties agree as follows:

1. **SERVICES.** Supplier agrees to supply to AMS with the materials and/or services with the specifications (including any drawings or technical specifications) and in the quantities and on the schedule as set forth in the applicable Purchase Order (the “**Services**”) for the prices, payment terms, and delivery schedule as set forth in the applicable Purchase Order. If a Purchase Order is silent as to any of the foregoing details, AMS will instruct Supplier in writing (email to suffice) with respect to such details and such instructions shall be considered part of the applicable Purchase Order and enforceable provisions of this Agreement. Supplier will acknowledge the Purchase Order, and any subsequent changes, with a confirmation of prices, payment terms, and delivery schedule.
2. **PURCHASE ORDERS.** AMS and Supplier may be Parties to one or multiple Purchase Orders, each of which shall be governed by the terms and conditions of this Agreement. AMS may include in a Purchase Order certain requirements imposed by one or more AMS customers, and such requirements are integral provisions of the applicable Purchase Order. The Parties agree that specifications, plans, and drawings, general and detailed, attached to the Purchase Order or referenced in this Agreement are incorporated herein as an integral part of the Agreement. If the terms or conditions of a Purchase Order conflict with any terms of this Agreement, the Purchase Order shall control with respect to the conflicting terms or conditions and the performance of that Purchase Order.
3. **DELIVERY AND ACCEPTANCE.** Supplier shall deliver the Services according to the delivery schedule specified in the applicable Purchase Order.
 - (a) **Timing.** Supplier acknowledges and agrees that time is of the essence with respect to the delivery schedule in the Purchase Order. Unless otherwise specified, title and risk of loss for each item of Services shall pass to AMS upon delivery.
 - (b) **Acceptance.** Upon delivery, AMS shall inspect the delivered Services. AMS may reject any delivered Services that AMS determines is a Nonconforming Material (defined in Section 3(d)) or is nonconforming with the applicable Purchase Order. Acceptance will be deemed to have occurred unless AMS provides written notice of rejection within ten (10) business days of delivery. For clarity, AMS payment to Supplier for delivered Services shall not constitute AMS’s acceptance of such delivered Services or evidence of satisfactory performance of this Agreement by Supplier.
 - (c) **Delays.** Supplier shall notify AMS in advance if Supplier will fail to meet a scheduled delivery, and the Parties will communicate to explore alternatives, mitigating the impact of potential delays. If AMS determines that the delay cannot be mitigated or will result in lost business or incurrence of costs or fees, AMS may cancel the order without penalty and Supplier shall promptly refund any payments made by AMS for the undelivered Services.
 - (d) **Nonconforming Materials.** Any materials (or other Services delivered to AMS shall not be deemed accepted until after final inspection by AMS following delivery. AMS may reject any Services delivered that AMS deems in its sole but reasonable discretion to be not of merchantable quality (“**Nonconforming Materials**”) within ten (10) business days of delivery. AMS may opt to return Nonconforming Materials to Supplier at Supplier’s expense (including transportation/shipping charges). The Parties may agree in writing (email to suffice) to repair the Nonconforming Materials, deliver conforming replacements for the Nonconforming Materials, or refund any payments made by AMS for the Nonconforming Materials.



- (e) **Packaging.** Services that require packaging must be packed and marked in such a manner as to permit securing lowest transportation rates. AMS will not incur additional charges for crating, packing, or similar costs without AMS's prior written approval. Packages shipped by parcel freight (UPS, FedEx, etc.) must contain the corresponding load ID and the appropriately numbered packages (should there be more than one (1) package in the shipment).
- (f) **Changes.** AMS may submit a written request to change a Purchase Order or to suspend delivery of Services until a specified date for approval by Supplier, not to be unreasonably withheld. If Supplier approves such changes, Supplier may recalculate the payments due using the original pricing schedule under the applicable Purchase Order. Any adjustments to payments due will be communicated to AMS in writing and require mutual agreement before implementation.

4. PAYMENTS. Supplier's invoice will include all information and documentation necessary for AMS to determine the Services provided and amount due. Except as it relates to any amount disputed by AMS in good faith, AMS will pay Supplier within thirty (30) days of AMS's receipt of an invoice. Without prejudice to any other right or remedy it may have, AMS reserves the right to set off at any time any amount owing to it by Supplier against any amount payable by AMS to Supplier. AMS may pay invoices by ACH, check, or payment card. Supplier must deposit all checks from AMS within ninety (90) days of receipt.

5. SUPPLIER OBLIGATIONS

- (a) **Quality Control.** Supplier shall implement and maintain a quality control system according to industry best practices for the Services purchased under this Agreement. Supplier will use commercially reasonable efforts to ensure all Services shipped to AMS are of merchantable quality. AMS will confer with Supplier if the amount of Nonconforming Materials received by AMS exceeds a de minimis amount. If Supplier continues, after such conference, to deliver to AMS more than a de minimis amount of Nonconforming Materials, as determined by AMS in its sole but reasonable discretion, AMS reserves the right to terminate the applicable Purchase Order or this Agreement upon notice to Supplier and without liability, except as to merchantable Services already delivered to AMS.
- (b) **Subcontractors.** Supplier may engage suppliers or subcontractors (each a "Subcontractor") to support Supplier's performance of a Purchase Order. Supplier shall ensure that all tiers of Subcontractors adhere to the applicable terms and conditions of this Agreement and Supplier shall remain liable for each Subcontractor's (including sub-tier Subcontractors) compliance with the obligations under this Agreement and Applicable Laws (defined below).
- (c) **Supplier Costs.** Except as specifically provided herein, Supplier is solely responsible for all costs and expenses related to packing, transporting, loading, customs, taxes, tariffs and duties, insurance, and any other similar financial obligations related to the sale and delivery of the Services to AMS.
- (d) **Insurance.** Throughout the Term, Supplier shall, at its own expense, maintain and carry insurance policies with reputable insurers with sufficient policy limits to cover Supplier's potential liabilities arising out of or in connection with the performance of this Agreement. Upon request by AMS, Supplier shall provide AMS with a certificate of insurance evidencing the required coverage. Supplier agrees to waive any right of recovery against AMS for any claim covered by the Supplier's insurance.
- (e) **Dies, Tools, Jigs.** Supplier shall furnish, keep in good condition, and replace as necessary all die equipment, tools, jigs, fixtures, and patterns ("Tools") used in manufacture of materials or other Services to be furnished hereunder at Supplier's sole expense. AMS may, at its option, reimburse Supplier for the whole or any part of said Tools or replacements thereof to become the legal owner of such Tools; in which case Supplier agrees to properly maintain and safely deliver such tools to AMS upon written request (email to suffice) by AMS.

6. GENERAL QUALITY TERMS. The terms and conditions of this Section 6 apply only to Services wherein the Supplier provides or delivers materials to AMS.

- (a) **Hazardous Materials.** Where the Services are for materials delivered under a Purchase Order that are designated by any Applicable Laws (defined below) as hazardous or toxic, either in the form to be furnished



or as waste upon disposal, Supplier shall notify AMS of such designation and shall propose a non-hazardous or nontoxic alternative if such an alternative exists. Supplier shall package and label all such Services in accordance with Applicable Laws. All required labels shall be clear and conspicuous and shall include all required certificates, warnings, and instructions for shipping, safety, handling exposure and disposal. Supplier must provide an appropriate Safety Data Sheet on all hazardous materials delivered.

- (b) **Specialty Metals.** No foreign melted specialty metals (as defined in DFARS 252.225-7009) may be used as raw material for Services that are materials. Material certification must state the country of origin of the raw material. Certain qualified countries are excepted as listed in DFARS 225.872-1. Supplier shall promptly, but in no case later than thirty (30) days from discovery, notify AMS that delivered Services may contain improperly sourced specialty metals.
- (c) **Counterfeit Materials.** Supplier shall ensure that no counterfeit materials, or separately identifiable items or components of Services for materials, are delivered to AMS pursuant to the guidance available under 48 CFR § 252.246-7007. Supplier shall promptly, but in no case later than thirty (30) days from discovery, notify AMS if delivered Services may contain counterfeit components.
- (d) **Conflict Minerals.** This paragraph applies if any Services that are materials or any portion of such Services delivered under a Purchase Order meet the definition of a “conflict mineral” under Section 13(p) of the Securities and Exchange Act of 1934 (the “Act”). Supplier commits to supply only those conflict minerals which are Democratic Republic of the Congo (DRC) conflict-free according to the Act, and to provide supporting data to AMS when requested. Supplier shall promptly and in any case within thirty (30) days of discovery, notify AMS that the delivered Services may contain improperly sourced conflict minerals.

7. SPECIFIC QUALITY TERMS. The terms and conditions of this Section 7 apply only to Services wherein the Supplier provides or delivers materials to AMS and only if and to the extent required by the applicable Purchase Order or otherwise where the materials delivered under the Services meet the elements or specifications noted in the applicable paragraph below. Supplier shall adhere to and ensure that its Subcontractors and all levels of the supply chain of the Services adhere to all applicable provisions of this Section 7.

- (a) **RoHS.** If any Services that are materials delivered under a Purchase Order are subject to EU Directive 2015/863 that restricts the use of hazardous substances, Supplier will provide AMS with a RoHS Certificate of Compliance, Certificate of Conformity or Declaration of Conformity in accordance with EN IEC 63000:2018 along with the delivered Services.
- (b) **REACH.** If the Services that are materials are or contain a chemical substance governed by the EU Regulation on the registration, evaluation, authorization, and restriction of chemicals (the “REACH Regulation” or EC 1907/2006), Supplier shall (on behalf of itself and its Subcontractors) notify AMS of such chemical substances and shall be solely responsible for fulfilling any requirements under the REACH Regulation.

8. CONFIDENTIALITY. The Parties acknowledge and agree that during the performance of this Agreement, they may have access to Confidential Information of the other Party. The Parties agree to keep all Confidential Information strictly confidential and not to disclose it to any third party without the written consent of the disclosing Party; except that the receiving Party may disclose Confidential Information to a Subcontractor under an obligation of confidentiality at least as strict as this Agreement and only to the extent and as necessary to perform the applicable Purchase Order. As used herein, “**Confidential Information**” means all confidential and proprietary information of a Party, or any of its affiliates disclosed to the other Party, or any of its affiliates, including without limitation information that is marked or designated as “Confidential” and/or “Proprietary,” communications between the Parties, information that relates to this Agreement, materials, Services, pricing or benefits, and either Party’s information regarding a Party’s trade secrets, business plans, customer lists, customer information, intellectual property, proprietary assets, and data. Confidential Information does not include any information that: (a) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party or any third party; (b) was known to the Receiving Party prior to its disclosure by the Disclosing Party as evidenced by the Receiving Party; (c) was independently developed by the Receiving Party as evidenced by the Receiving Party; or (d) is received from a third party without breach of any obligation owed to the Disclosing Party. The receiving Party must use the same degree of care that it uses to protect the



confidentiality of its own Confidential Information of like kind. The confidentiality obligations of this section shall survive the termination of this Agreement for a period of three (3) years. In the event of a conflict between this Section 6 and an executed Mutual Non-Disclosure and Proprietary Rights Agreement (“**MNDA**”) between the Parties, the MNDA shall control.

9. TERM AND TERMINATION. The Agreement is effective as of the date the Parties execute the applicable Purchase Order (“**Effective Date**”) and shall continue until such Purchase Order is fulfilled or until terminated by either Party as permitted hereunder, whichever occurs first (the “**Term**”).

(a) AMS may terminate a Purchase Order at any time for convenience effective immediately upon written notice to Supplier. Upon receipt of written notice of termination, Supplier shall immediately stop work on the terminated Purchase Order. AMS shall remit payment for all fees accrued but unpaid under the terminated Purchase Order up to and including the date of termination.

(b) A Party may terminate this Agreement for cause if the other Party fails to perform or breaches a material provision of this Agreement, commits an act of fraud or is grossly negligent by any act or omission, or suspends or ceases to carry on a material part of its business. The non-breaching Party shall provide the breaching Party with an opportunity to cure the breach within thirty (30) days, after which the termination shall become effective if the breaching Party does not cure to the non-breaching Party’s satisfaction. Termination for cause does not relieve the breaching Party of its liabilities arising before the termination date. Termination of a Purchase Order shall automatically terminate this Agreement with respect to that Purchase Order. Upon notice of termination, the Parties shall fulfill any outstanding obligations to the other Party up to the date of termination. All provisions regarding warranty, liability, limits of liability, and confidentiality shall survive the termination of this Agreement.

10. WARRANTY. In addition to all warranties implied in fact or law, unless otherwise agreed between the Parties in writing, Supplier expressly warrants that all Services shall (a) be of good quality and workmanship and free from all defects for a period of twelve (12) months from the date of delivery; (b) conform to the applicable Purchase Order; and (c) be merchantable and useable for the intended purpose. Upon receipt of oral or written notice from AMS of a warranty claim, Supplier shall, at Supplier’s sole expense, repair or replace any Services that fail to conform to the warranties herein if so required by AMS.

11. INDEMNITY; FINES. Supplier shall indemnify and hold AMS harmless against any loss or expense AMS may sustain because of (a) any defect in the Services or (b) failure of Supplier to deliver Services as specified in this Agreement; or (c) any breach of this Agreement by Supplier. Supplier agrees to pay reasonable attorneys’ fees for AMS in any action or proceedings in any court, directly or indirectly involving a defect in Services supplied hereunder or failure of Supplier to deliver Services. Supplier shall be solely responsible for and shall pay all costs and expenses associated with all fines or other penalties incurred due to Supplier’s noncompliance with Applicable Laws (defined in Section 13) pertaining to the Services.

12. LIMITED LIABILITY. No claim of any kind against AMS, regardless of the legal theory, will be for damages greater in amount than the value of the Services and shipping costs that remains unpaid by AMS. AMS is not liable for any incidental, consequential, indirect, special, exemplary, enhanced, or punitive damages under any circumstance, including failure of any essential purpose.

13. DISPUTE RESOLUTION. In the event of any dispute, controversy, or claim arising out of or relating to this Agreement (“**Dispute**”), the Parties agree to undertake reasonable efforts to resolve the Dispute through informal negotiations prior to initiating any formal legal proceedings. The complaining Party shall provide written notice of the Dispute to the other Party, including a clear and concise statement of the issue and the relief sought. The Parties shall engage in good faith negotiations to promptly resolve the Dispute, which may include discussions, communications, or meetings between authorized representatives. If the matter remains unresolved thirty (30) days after the notice of Dispute, the complaining Party may initiate formal legal proceedings.



14. GENERAL TERMS

- (a) **Relationship of Parties.** In performing its obligations under this Agreement, the parties will act as independent contractors and not as an agent, employee, joint venture partner, or legal representative of the other party. Neither party to this Agreement is authorized to make any statements or make representations on behalf of the other party or in any way obligate the other party, except as expressly authorized in writing by the other party or under this Agreement. This Agreement benefits solely the parties to this Agreement and their respective permitted successors and assigns, and nothing in this Agreement, express or implied, confers on any other person any legal or equitable right or remedy. The Parties agree that this Agreement is non-exclusive in nature.
- (b) **Compliance with Laws.** Supplier agrees on behalf of Supplier and its Subcontractors to perform this Agreement in compliance with all applicable federal, state, and local laws, rules, regulations, and ordinances (“**Applicable Laws**”), including but not limited to the Fair Labor Standards Act of 1938 (29 USC § 201-219), the International Labor Organization Convention 138, the Toxic Substances Control Act of 1976 (15 USC § 2601), the Occupational Safety and Health Act of 1970 (29 USC § 651), the U.S. Foreign Corrupt Practices Act and all Applicable Laws governing anti-corruption, anti-bribery, and insider trading, as well as Applicable Laws governing data protection. Supplier shall not, and shall not permit its Subcontractors to, use forced or indentured labor, workers subject to any form of compulsion or coercion, or engage in or abet human rights violations or trafficking in persons.
- (c) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the state of Washington without giving effect to any choice or conflict of law provision, and any suit to enforce a provision of this Agreement will be brought exclusively in a court in Clark County, Washington, whether federal or state. The parties agree the United Nations Convention on Contracts for the International Sale of Goods (CISG) does not apply to this Agreement.
- (d) **No Publicity.** Each Party agrees to not publish, advertise, or disclose information relative to this Agreement, any Purchase Order, or the Services without prior written approval of the other Party.
- (e) **Non-Infringement.** Supplier guarantees that Services specified herein and their provision, sale, or use, alone or in combination, will not infringe on any trademark, copyright, United States or Foreign Patents, or other United States or foreign intellectual property rights and Supplier agrees to indemnify AMS against all judgments, decrees, costs, and expenses resulting from any such alleged infringement.
- (f) **Export Controls.** Supplier represents and warrants that Supplier will perform this Agreement in compliance with applicable United States and foreign import and export controls (“**Import/Export Controls**”). If Supplier delivers Services any component of which is subject to Import/Export Controls, Supplier agrees to accurately label and deliver such Services in compliance with Import/Export Controls.
- (g) **Severability; Waiver.** If any provision of this Agreement is for any reason found to be unenforceable, all other provisions of this Agreement will remain enforceable. AMS’s failure to enforce any right or provision of this Agreement will not be considered a waiver of such right or provision. Except as expressly set forth herein, the exercise by either Party of any of its remedies under this Agreement will be without prejudice to its other remedies under this Agreement or otherwise.
- (h) **Succession; Assignment.** This Agreement is binding upon and inures to the benefit of the parties and their respective successors and permitted assigns. No party may assign any of its rights, interests, or obligations under this Agreement without the prior written approval of the other party, unless the assignment is in connection with the sale of all or substantially all of AMS’s business or assets. Approval to assignment will not be unreasonably withheld.



- (i) **Audits.** Supplier shall keep and shall require its Subcontractors to keep accurate and complete books and records related to Supplier's performance of this Agreement. Upon request by AMS with at least five (5) business days' advance notice, Supplier will provide access for AMS and/or its third-party designee to inspect and audit at any time during business hours Supplier's and/or its Subcontractors' books and records, equipment and facilities, and processes reasonably related Supplier's provision of the Services and performance of this Agreement. All information disclosed to AMS pursuant to such audit(s) shall be considered Confidential Information. Each Party shall bear its own costs incurred in connection with any such inspection or audit
- (j) **Force Majeure.** If the Agreement cannot be performed due to force majeure (including acts of God, labor disturbance, sabotage, pandemic, epidemic, war, invasion, insurrection, riot, natural disaster, explosion, or other cause beyond such Party's reasonable control), the responsibility shall be exempted in part or in whole according to the influence of force majeure. However, if force majeure occurs after the party delays performance, the party shall not be exempted from liability.
- (k) **Notice.** All notices and other communications relating to this Agreement must be in writing and be deemed effective only if delivered to the Party's email address identified in the applicable Purchase Order or other email address as instructed by such Party or by hand, by facsimile, by express courier service, or mailed by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended Party as set forth in the applicable Purchase Order. Either Party may change the address to which notices or other communications hereunder are to be delivered by giving the other Party notice in the manner herein provided. All notices and other communications hereunder will be deemed given when they are received.
- (l) **Further Assurances.** Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments, and documents, as the other Party may reasonably request to carry out the intent and accomplish the purposes of this Agreement.
- (m) **Entire Agreement; Amendments.** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes any prior understandings, agreements, or representations by or between the Parties, whether written or oral. The headings have been inserted for convenience only and are not part of this Agreement. No amendment of this Agreement is valid unless it is in writing and signed by AMS and Supplier. No waiver by either party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. This Agreement may be executed in counterparts, including via facsimile, each of which will be deemed to be an original, but all of which together will constitute but one instrument.

BY EXECUTING A PURCHASE ORDER, EACH PARTY AGREES TO BE UNCONDITIONALLY BOUND BY THE TERMS AND CONDITIONS OF THIS SUPPLIER AGREEMENT AND THE APPLICABLE PURCHASE ORDER(S).