

Novanta Corporation  
Synrad Business Unit  
Terms & Conditions for the Purchase of Goods

DEFINITIONS:

"Novanta Corporation" or "Novanta" means the Synrad Business Unit of Novanta Corporation, a Michigan corporation with a usual place of business located at 4600 Campus Place, Mukilteo, WA 98275, in connection with buying the "Product(s)" covered by the General Terms and Conditions for the Purchase of Goods (the "Terms") set forth in this document.

The term "Buyer" means Novanta when it submits a written order (a "Purchase Order" or "PO") or when it receives and accepts in writing a quotation from a Seller. Unless otherwise explicitly specified, text form, including but not limited to fax, e-mail or similar forms of communication, shall always be acceptable in addition to the written form.

The term "Seller" means a person or company that accepts from Novanta a written Purchase Order, or that submits to Novanta a quotation that Novanta receives and accepts with a written acknowledgement.

The terms "Product" and "Products" mean the Product or Products proposed for sale by the Seller. The Seller's acceptance of a PO from Novanta and/or Novanta's written acceptance of a price quotation are both referred to as an "Acceptance" when they are subject to these Terms.

Novanta and the Seller are sometimes referred to in these Terms jointly as the "Parties" and severally as a "Party."

"Incoterms® 2010" means the 2010 edition of the International Commercial Terms published by the International Chamber of Commerce.

1. **Formation of Contract, Purchase Order, and Acceptance.** A binding, non-cancellable contract for the sale of Products (an "Accepted Order") is formed when the following two (2) events occur:
  - 1) the Seller issues a quotation in response to an inquiry from Novanta or Novanta submits a PO (or a Release under an existing Blanket Order) to the Seller; and
  - 2) the Seller accepts the Buyer's PO or the Buyer accepts the Seller's quotation in a written acknowledgement or ships a Product in response to the Release.

The Buyer's agreement to buy the Products specified in the Accepted Order is expressly conditioned upon acceptance of these Terms. The Buyer hereby objects to any additional or different terms and conditions contained in the Seller's sales documents, none of which shall be binding upon the Buyer unless specifically agreed to in writing and signed by an authorized representative of the Buyer. Failure by the Buyer to object to any provision contained in the Seller's sales documents shall not in any way be deemed an alteration to or waiver of any one of these Terms. The Buyer's acceptance of the Seller's sales documents can be made only by written Acknowledgement. In the event of a conflict between a provision of these Terms and the Accepted Order, the provision in the Accepted Order that varies the standard Term shall take precedence.

2. **Prices & Shipments.** Delivery shall be EXW the Seller's shipping point, Incoterms® 2010 ("Delivery"), and title and risk of loss shall pass to the Buyer upon Delivery. The Seller shall ship Products freight collect using the carrier specified by the Buyer, in a single shipment. The Buyer reserves the right to reschedule the Delivery Date of Products by the Seller at any time prior to shipment without incurring any additional charge. Delivery of Products more than a) five (5) business days before or b) after the scheduled Delivery Date (as defined in Section 5 below) may, at the Buyer's option, be returned to the Seller at the Seller's expense, or such delivery may be refused by the Buyer. The Purchase Order number must appear on all invoices, packing slips, waybills, shipping labels, Certificates of Compliance, inspection documents, and all other documents required by the Accepted Order or otherwise provided by the Seller in writing. Prices do not include any goods, services, technical data, documentation, proprietary rights, installation assistance, or testing that are not specifically stated in the Accepted Order. The Seller's prices are valid for ninety (90) days from the date on a quotation unless otherwise stated on the face of the quotation.
3. **Legal Compliance, Taxes & Other Charges.** The Parties agree to comply with all applicable laws, rules, and regulations (including but without limitation the International Traffic in Arms Regulations, the Export Administration Regulations, and the Foreign Corrupt Practices Act). Unless otherwise stated in the Accepted Order, the Seller is responsible for the ultimate payment of all federal, state, local, foreign or provincial, present or future, sales, revenue, or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax, however characterized, applicable to the manufacture or sale of any Product ("Sales Taxes"). If the Buyer is exempt, the Buyer shall provide the Seller with the documentation necessary to support such a claim and to allow the Seller to document its decision not to collect such Tax. The Buyer has committed to comply with applicable national and international standards of conduct.
  - 3.1 **Conflict Minerals.** Supplier commits to have in place supply chain policies and processes to undertake: (1) Reasonable Country of Origin Inquires ("RCOI") into the country of origin of Conflict Minerals incorporated into Products it provides to Purchaser; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals are sourced from the Democratic Republic of Congo, Angola, Burundi, the Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia ("the Covered Countries") directly or indirectly; (3) the conduct of any risk assessment and mitigation actions necessary to implement these country of origin inquiries and due diligence procedures, providing to Purchaser upon request, the results on the industry standard Conflict Minerals Reporting Template ("CMRT") for itself and its supply chain. If the Supplier discovers through its RCOI efforts that any conflict minerals directly or indirectly benefit the armed groups in the Covered Countries, the Supplier will take steps to work with its suppliers and contractors to stop using such conflict minerals and, if not possible, stop purchasing such raw materials or components from the supplier in question. Supplier shall notify the Purchaser, through the CMRT, should it be made known to the Supplier that Conflict Minerals (cassiterite (also known as tin), columbite-tantalite (also known as tantalum), wolframite (also known as tungsten), and gold, or their derivatives) are contained in any Product supplied under this Agreement originated from any Covered Country, unless the Conflict Mineral was processed by a facility listed as compliant pursuant to the Responsible Minerals Initiative (RMI) Conflict-Free Smelter Program or similar programs.
  - 3.2 **RoHS and REACH.** The Seller hereby confirms that it has reviewed and is familiar with the requirements of a) Directives 2011/65/EU and 2015/863/EU of the European Parliament and of the Council of the European Union ("EU") on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS), b) EU legislation No. 1907/2006 ("REACH"), and c) California Proposition 65, all concerning chemicals dangerous to human health and the environment, and that Products to be supplied to the Buyer will be in accordance with RoHS, REACH, and California Proposition 65. The Products do not contain chemicals used in excess of the Maximum Concentration Value (MCV): Lead, Mercury, Cadmium, Hexavalent Chromium, Polybrominated Biphenyls (PBB's), Polybrominated Diphenyl Ethers (PBDE's), BIS (2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP).
  - 3.3 **Human Trafficking and Slavery.** The Seller will at all times comply with and the Seller hereby represents that it does comply with all applicable United Nations and national laws, statutes, ordinances, rules, regulations, orders, and other requirements, regarding child labor, slavery and/or human trafficking.
4. **Changes.** No less than ten (10) business days prior to the scheduled Delivery Date the Buyer may, in writing, direct changes within the general scope of an Accepted Order in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of Delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property, and, if the Accepted Order includes services, (vi) description of services to be performed, (vii) time of performance (e.g. hour of the day, days of the week); and (viii) place of performance. The directed change shall not become effective unless and until Buyer issues a Purchase Order reflecting the change and Seller has confirmed its acceptance in writing. The Seller shall comply immediately with such direction. If such change increases or decreases the cost or time required to perform the Accepted Order, the Buyer and the Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. The Buyer shall modify the Accepted Order in writing accordingly. Unless otherwise agreed in writing, the Seller must assert any claim for adjustment to the Buyer within ten (10) days and deliver a fully supported proposal to the Buyer within sixty (60) days after the Seller's receipt of such direction. If the Seller's proposal includes the cost of property made obsolete or excess by the change, the Buyer will direct the disposition of the property. The Buyer may examine the Seller's pertinent books and records to verify the amount of the Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse the Seller's performing in accordance with the Buyer's direction.
5. **Delivery Dates, Rejection.** The date of Delivery shall be the date specified in the applicable PO ("Delivery Date"). Time is of the essence in the delivery of Products to the Buyer on the Delivery Date. The Seller shall immediately inform the Buyer if it is or will be unable to deliver Products on the Delivery Date. The Buyer reserves the right to collect from the Seller any charges or additional costs that it may incur as a result of the Seller's failure to deliver Products on the Delivery Date. If the Seller needs information, sample material, or documentation from the Buyer in order to manufacture the Products, then all delivery dates are predicated upon prompt and timely notice from the Seller of what is needed and prompt and timely receipt from the Buyer of the necessary information and sample material. If the Seller intends to stop the production of a Product that has been ordered and supplied to Buyer, the Seller shall immediately notify Buyer after the decision to cease production has been made. This notice must be made at least (12) months prior to the cessation of production and must be communicated to Buyer in writing. Such notice will provide to Buyer the right to submit a last time buy Purchase Order based on the terms current at the time of the notice. Unless otherwise specified in writing, the Seller is obliged to stock replacement parts or ensure availability of replacement parts of the Product for a period of at least 5 years after the last shipment.

6. **Credit & Payment Terms.** Unless otherwise specified in the PO or in an agreed Novanta Master Supplier Agreement, payment terms are net sixty (60) days from the date of the Buyer's receipt of a completed invoice, provided the Buyer has not rejected the Product pursuant to Section 9. The Seller shall provide a separate, original invoice for each shipment. The Seller shall send electronic invoices to the Buyer separately but shall include a copy of the invoice with each Product shipment. The invoice for each delivery shall include the Buyer's Purchase Order contract number and line item number. The Seller shall forward its invoices to the address specified in the PO. Unless freight or other charges are itemized, the Buyer may take any offered discount on the full amount of the invoice. Payment due date, including discount periods, shall be computed from the latest of: a) the scheduled Delivery Date; b) the actual Delivery Date; or c) the date of receipt of a correct invoice. Payment shall be deemed made on the date the Buyer's check is mailed or payment is otherwise tendered.
7. **Packaging and Shipping.** The Seller shall (i) ship all of the Products covered by the applicable PO in accordance with the instructions appearing on the face of the Purchase Order, and (ii) place the applicable PO number on all packaging and shipping documents. Each delivered container must be labeled to identify the contents without opening it and packages must contain packing sheets listing contents. The Seller shall provide suitable protective packing to permit safe transportation and handling at no additional charge and shall bear full responsibility for damage due to improper packing of the Products. Damage to any items resulting from improper packaging will be charged to the Seller.
8. **Ethics.** The Buyer is committed to uncompromising ethical standards, strict adherence to laws and regulations, and customer satisfaction. Both Parties will comply with all applicable national, state, provincial, and local laws, ordinances, rules and regulations including but not limited to those relating to providing, attempting to provide, or offering to provide any kickback (as defined in the Anti-Kickback Act of 1986), the Foreign Corrupt Practices Act, or any other applicable national, state or local laws regarding kickbacks or commercial bribery.
9. **Acceptance Criteria, Documentation, and Rejection.** The Seller shall verify that all Products meet all Specifications before Delivery. The Buyer's acceptance of a Product shall be contingent upon final inspection and testing by the Buyer that the Product conforms to the Specifications provided by the Buyer and that all required supporting documentation for the Products has been delivered. In no event shall payment be deemed to constitute acceptance. The Buyer has the right, within fifteen (15) business days following Delivery, to reject, by written notice to the Seller, any Products that do not comply with the PO, including the Specifications, or have obvious physical defects, and to notify the Seller of underages or overages in quantity, in which case the Seller shall promptly repair or replace, at its own discretion, Products that are not consistent with the Purchase Order, make up any underage in the shipment or accept the return of any overage, making arrangements with the Seller for the shipment of any defective or excess Products to the Seller's facilities at the Seller's expense.
10. **Inspection.** The Buyer or its representative may inspect any Seller's location engaged in the performance of a Purchase Order and may inspect or test Products to be delivered hereunder during manufacture, processing, or storage. If the Buyer or a representative of the Buyer makes any inspection or test on the premises of the Seller, the Seller shall provide all reasonable facilities and assistance for the safety and convenience of such personnel. If, as a result of any testing by the Buyer or the Seller, the Buyer finds that the Products do not comply with the order or are unlikely to comply upon completion, the Buyer shall inform the Seller in writing and the Seller shall take action to ensure compliance.
11. **Specifications.** The Seller will provide a copy of the available specifications for the Products with its quotation or Acceptance (the "Specifications") and those Specifications, as modified by mutual written agreement will be the only specifications applicable to the Accepted Order. If the Parties have agreed in the Accepted Order to modify the Specifications to meet the Buyers particular application, then the Specifications will be deemed the Specifications as so modified.
12. **Warranty.** The Seller expressly warrants that all Products delivered hereunder will: conform strictly to the Specifications and/or designs, specifications, drawings, performance standards, or other requirements set forth in the applicable Purchase Order, will be of new material, free from defects in material and workmanship; be merchantable; and be fit and sufficient for the purposes intended. Such warranties shall survive any inspection, Delivery, Acceptance, or payment by the Buyer of, or for, the Products, for a period of twenty-four (24) months following the Delivery Date. The Buyer's remedies under these warranties shall include at the Seller's election (a) prompt return and full refund of the purchase price paid by the Buyer for such Products, (b) prompt repair by the Seller or persons designated by the Seller and accepted by the Buyer of any Products found to be defective in violation of these warranties, without charge, or (c) replacement of Products with new products that conform to the Purchase Order. The Seller shall be responsible for all shipping and other costs and expenses in connection with return and/or replacement of defective Products.
13. **Exclusive Remedies.** The remedies provided herein are the Parties' sole and exclusive remedies. Neither the Buyer nor the Seller shall be liable to the other for any indirect, special, incidental, or consequential damages or lost business opportunity, whether based on contract, tort, or other legal theory arising out of the sale, installation, service, or use of the Products, even if the Parties have been advised of the likelihood of such losses. In no event shall the Seller's liability to the Buyer exceed the amount that has then been paid to the Seller by the Buyer during the previous twelve (12) months.
14. **Patents, Indemnification, and Insurance.**
  - a) The Seller shall indemnify, defend and hold the Buyer and its affiliates and their directors, officers, employees and agents harmless from and against any and all actions, claims, liabilities, costs, damages and expenses (including reasonable attorneys' fees) arising out of, resulting from or caused by any negligent act or willful misconduct of the Seller in the design or supply of the Products, or from any defect or alleged defect resulting from the manufacture or labeling of the Products. This indemnification shall be in addition to the warranty obligations of the Seller. The Seller shall maintain adequate Workers Compensation, Employer's Liability, Product Liability, and General Commercial Liability insurance to cover its obligations set forth herein. The Seller will, upon written request, furnish a certificate of insurance to the Buyer with respect thereto upon request. The Seller agrees that said insurance policies shall not be canceled without thirty (30) days prior written notice to the Buyer. If the Seller or its representative performs work on the Buyer's premises, the Seller agrees that both shall be bound by the Buyer's security and safety policies.
  - b) The Seller warrants that the Products and the sale, lease, or use of the Products will not infringe any United States or Foreign patents, trademarks, or copyrights. The Seller agrees to defend, indemnify and save harmless the Buyer, its successors, assigns, customers and users of its products from and against, all suits, at law or in equity, and any and all costs and expenses (including reasonable attorneys' fees), liabilities or other losses arising from, or by reason of, any actual or claimed infringement of such patents, trademarks, or copyrights, except to the extent that the Products furnished hereunder by the Seller are manufactured in accordance with designs, drawings or specifications furnished by the Buyer. The Seller shall give the Buyer prompt written notice of any infringement claim.
15. **Confidentiality.** Both the Buyer and the Seller agree not to disclose to any party not having a legitimate need to know in connection with the implementation of the Purchase Order any information of the other Party, respectively, that is identified in writing at the time of initial disclosure as "confidential," "proprietary," "company private," or other word of similar meaning.
16. **Authority to Export.** The Seller hereby certifies that neither it nor any of its affiliates, officers, directors, or employees, have been previously or are currently, included in any list of sanctioned or restricted entities, groups, organizations or individuals, as such lists may be maintained and updated by any "Governmental Authority" (including without limitation any agency or department of the United States government, the European Union, any member state of the European Union and the United Nations, and any other jurisdiction where the Buyer is currently established and/or engaged in business operations) or owned or controlled by, or affiliated with any such entities, groups, organizations or individuals. The Buyer may periodically screen the name of the Seller and its known affiliates, officers, directors, or employees against the above-mentioned lists. The Seller shall not supply to the Buyer any parts, materials, components, assemblies or other items that originate in or have been imported, directly or indirectly, from those countries under trade embargo at the time of supply, presently: Myanmar (Burma), Cuba, Iran, Libya, North Korea, Sudan, and Syria, as maintained, enforced and periodically updated by the United States government and/or the European Union and its member states. The Seller shall comply with all applicable legal and regulatory requirements relating to the importation and/or exportation of the Products and provide the Buyer with all required and/or requested information and documentation, including but not limited to, the country of origin, the applicable Harmonized System Code and the Export Control Classification Number of each Product. In the event of any change in the above-mentioned information, the Seller shall immediately notify the Buyer of such change in writing and provide the Buyer with revised and updated information and documentation.
17. **Miscellaneous.**
  - a. **Applicable law and Jurisdiction.** The Accepted Order shall be deemed to be made and entered into in Washington and shall be governed by and interpreted in accordance with its laws, rules and regulations. The courts of Snohomish County, Washington will have jurisdiction over any dispute that may be brought in connection with the breach or interpretation of the Accepted Order.
  - b. **Purchases in support of a Government Contract.** Novanta Corporation is not a Government Contractor but it sometimes sells its commercial products to companies that make things for United States Government agencies. If the Products that the Buyer purchases pursuant to these Terms are for incorporation in a product and the End User of that product will be the Government, then the Parties agree that the items or services provided under the Accepted Order qualify as "commercial items" under Federal Acquisition Regulation (FAR) 2.101, and the Accepted Order is subject to the contract clauses contained in FAR 52.244-6 ("Accepted Orders for Commercial Items"), as required by each FAR 52.244-6 clause flowdown requirement. For purposes of this Accepted Order, with respect to these referenced clauses, the terms "Government" and "Contracting Officer" shall be construed to mean Novanta and "Novanta Accepted Order Administrator" respectively; the terms "Contractor" and "Contract" shall be construed to mean "Accepted Order" and "Accepted Order" respectively, where such substitution is allowable. In the event of a conflict between any of the clauses set forth in FAR 52.244-6 and the other provisions of these Terms is agreement, then the provisions of FAR 52.244-6 shall prevail.
  - c. **Computer Software License.** Computer software provided with Products, including any subsequent improvements or updates, is furnished to the Buyer in object code only under a nonexclusive, nontransferable license solely for the Buyer's own use and the use of its End Users of devices or systems into which the Products are integrated. The software may be copied only as may be necessary and incidental for use on such systems, for archival and backup purposes, or to replace a worn or defective copy; provided that all such copies always include the Seller's copyright and other proprietary notices on the software. The Buyer shall not (a) market, commercialize, sublicense, or otherwise provide or make available the software or

any part thereof in any standalone form to any third party other than its End Users, or (b) reverse engineer, reverse compile, or reverse assemble the software in whole or in part or do anything to produce source code.

- d. **Proprietary Rights.** The Buyer retains for itself all proprietary rights in and to all of the Buyer's designs, engineering details, and other data and materials pertaining to all Products supplied by the Buyer. The Seller warrants that it will not divulge, disclose or in any way distribute or make use of such information, and that it will not manufacture or engage to have manufactured such Products. The Seller warrants that it has all right, title and interest in all products, drawings, designs, documents and specifications that it provides to the Buyer and its parent, subsidiaries and affiliates for the Buyer's use in providing Products for the Seller. The preservation of Buyer's proprietary rights shall apply to substances and materials as well as tools, equipment, templates, samples, and other items that Buyer provides to the Seller for production. Such objects are, as long as they are not processed, to be kept separately at the expense of the Seller and must be insured on an adequate scale against destruction and loss
- e. **Force Majeure.** Neither Party shall be responsible for any failure to perform the Accepted Order due to causes beyond its reasonable control, including, but not limited to, acts of God, labor disputes or shortages, acts of government or judicial action, or inability or delay in securing parts or components, all whether foreseen or unforeseen.
- f. **Assignment.** None of the rights, duties, or obligations set forth in the Accepted Order may be assigned, transferred, or delegated by one Party without the prior written consent of the other Party. It will not be deemed an assignment, however, if an Accepted Order is performed by the parent corporation of the Seller or by a sibling company of the Seller that is wholly owned by the parent of the Seller, following the merger of the Seller into that sibling or parent, so long as the equipment, assets and staff used to manufacture the Products remain substantially the same.
- g. **Non-waiver.** A Party's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege that such Party has under these Terms shall not thereafter be considered a waiver of that or any other terms, conditions, or privileges, whether of the same or similar type.
- h. **Entire Agreement.** An Accepted Order supersedes any and all prior agreements, offers, quotations, written or verbal messages, and any other communications and sets forth the entire agreement and understanding of the Parties with respect to the purchase and sale of the Products covered by that Accepted Order. In the event of a conflict between a provision in the Accepted Order and the corresponding provision in these Terms or general supply agreements in effect, the provision of the Accepted Order will control only if it makes specific reference to the corresponding provision in these Terms or a general supply agreement in effect. No modification, amendments, or supplements to an Accepted Order shall be effective for any purpose unless in writing and signed by both Parties. Whenever the permission or consent of either the Buyer or the Seller is required or permitted under an Accepted Order, such permission or consent will be in writing and will not unreasonably be withheld, delayed, or made subject to any condition not specifically provided for in the Accepted Order. Titles and captions are used for convenience of reference only and shall not be considered in the interpretation or construction of an Accepted Order.
- i. **Severability.** Every provision of these Terms is intended to be severable. If any provision is determined by a court or agency of competent jurisdiction to be invalid or unenforceable, the Parties agree that such illegality or invalidity shall not affect the validity or legality of the remainder of these Terms. The Parties shall meet to discuss the issue and shall agree to revise this Agreement by deleting the invalid or unenforceable provision and substituting in its place another provision of similar economic effect that would be valid and enforceable. The Terms, as amended by such deletion and revision, shall continue in full force and effect.
- j. **Consent to Advertising Required.** The Seller shall not advertise, publish, or otherwise make any public announcements, denials, or confirmations concerning any aspect of this a Purchase Order, without the prior written consent of the Buyer, which may be withheld by the Buyer in its sole discretion. If the Seller fails to observe this provision, the Buyer reserves the right to cancel the Purchase Order without obligation.
- k. **Termination for Convenience.** The Buyer may terminate work under this order in whole or in part at any time by written notice. In no event shall the Buyer be obligated for any amount in excess of the order price for terminated Products, or for any amount greater than the percentage of the order price reflecting the percentage of the work performed prior to notice of the termination, whichever is less.
- l. **Insolvency.** The Buyer shall be entitled to cancel any unfilled part of an Accepted Order without any liability whatsoever in the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, or in the event of the appointment, with or without the Seller's consent, of an assignee for the benefit of creditors or of a receiver.
- m. **Objective Quality Evidence.** The Seller shall document, implement, and maintain an acceptable quality system of ISO 9001 standard or an equivalent certification. Where appropriate, quality management systems such as ISO 13485 may be required. When requested by the Buyer, the Seller will execute a Seller quality agreement in a form provided by the Buyer.
- n. **Recalls.** The Buyer shall have the sole authority to declare a recall of any Products, as standalone products or as contained within the Buyer's products, if the Buyer believes that there is a potential significant health hazard or non-compliance with applicable government regulations unless the Seller is obliged by law to declare a recall. In the event the Seller is obliged to declare a recall, Seller must, before initiating the recall, consult with the Buyer with respect to such matter. The Seller agrees to reimburse the Buyer for all damages related to any recall provided that such recall is attributable to a breach of any of the Seller's obligations or warranties under these Terms. The Parties will work together in good faith to minimize the Parties' financial exposure as part of the recall.
- o. **Set Off.** All claims due or to become due from the Buyer shall be subject to deduction by the Buyer for any setoff or counterclaim arising out of this or any of the Buyer's transactions with the Seller.