

LSI INDUSTRIES INC.

PURCHASE ORDER – TERMS AND CONDITIONS

1. ACCEPTANCE OF PURCHASE ORDER. The Terms and Conditions of purchase contained herein ("Purchase Order") shall be the sole and exclusive terms of sale and shall supersede all agreements and understandings, both oral and written, entered into prior to the date of the Purchase Order, unless such documents specifically state that they take precedence over any related Purchase Order. LSI requests that Supplier confirm in writing receipt and acceptance of LSI's Purchase Order within 72 hours. Supplier's failure to refuse the Purchase Order within 72 hours of receipt shall constitute its acceptance of this Purchase Order. LSI reserves the right to rescind or modify our Purchase Order as a result of Supplier not presenting applicable counter offers in writing within 72 hours. Any conflicting or additional terms contained in any document originating with Supplier after execution of the Purchase Order shall be of no effect. LSI shall not be bound by this Purchase Order unless and until Supplier executes its acknowledgment on the face hereof, or when Supplier delivers to LSI any of the goods ("Goods"), or renders for LSI any of the services ("Services") ordered herein. Supplier's shipment of the Goods or rendering of the Services ordered herein shall constitute a waiver by Supplier of any right to claim that its acceptance constitutes a counter-offer or that the terms of such acceptance, whether contained in Supplier's order acknowledgment or other sale or shipping forms, are binding on LSI. Supplier's failure to comply with each and every item of this Purchase Order shall constitute an event of default and shall be grounds for the exercise by LSI of any of the remedies provided for in these Terms and Conditions.

2. CHANGES. LSI reserves the right at any time to make changes in the following: specifications, drawings and data incorporated in this Purchase Order where any of the articles or material described on the face hereof (hereinafter referred to as "Goods") are to be specially manufactured for LSI; methods of shipment or packing; place of delivery; and time of delivery. Such changes shall be made by instruction to Supplier in writing from LSI. Supplier acknowledges and agrees that any references on this Purchase Order to Supplier's bids or proposals, or any requirement, request, approval or expression of opinion by LSI in respect to any material, workmanship, design, drawing or other document shall not diminish, waive, impair or affect Supplier's obligations hereunder.

3. SHIPMENT. Goods shall be shipped to LSI by the most economical means of transportation unless otherwise specified by LSI. Packaged Goods shall be conspicuously marked to show contents and an itemized packaging list shall be included with shipment. LSI's count upon receipt of Goods shall be final and binding on Supplier.

4. DELIVERY. All Goods are to be delivered in accordance with the terms and instructions set forth on the face hereof at such times and in such quantities as agreed upon on the face hereof.

THE OBLIGATION OF SUPPLIER TO MEET THE DELIVERY DATE SPECIFICATIONS AND QUANTITIES GOES TO THE ESSENCE OF THIS PURCHASE ORDER. TIME IS OF THE ESSENCE FOR THIS PURCHASE ORDER. If delivery of the Goods called for herein is not made within the time specified in this Purchase Order or, within a reasonable time, but not to exceed sixty (60) days if no time is specified, LSI reserves the right, without liability, in addition to its other rights and remedies, to refuse to accept such Goods. Any provisions for the delivery of Goods by installment shall not be construed as making the obligations of Supplier severable.

5. TITLE AND RISK OF LOSS. Title and risk of loss pass as stated on the Purchase Order as either "origin" or "destination". If the Purchase Order is silent as to title and risk of loss, then title and risk of loss passes at LSI's dock FOB Destination.

6. INSPECTION AND ACCEPTANCE. Goods are subject to inspection and approval at LSI's destination. LSI reserves the right to reject and refuse acceptance of Goods which are not in accordance with specifications, drawings and data furnished by LSI, or Supplier's express or implied warranty. LSI will charge Supplier for any costs incurred in inspecting Goods which are rejected. Items not accepted will be returned to Supplier at Supplier's expense. Payment for any Goods shall not be deemed as acceptance thereof.

7. WARRANTY. Supplier warrants the Goods to be of good merchantable quality, fit for the purpose for which they are intended, in compliance with the specifications, and free of all defects, design defects, liens, encumbrances and liabilities whatsoever; that Supplier has good and marketable title thereto capable of being transferred to LSI; and that the Goods have been delivered to LSI in good condition with any special packaging requirements having been complied with. Supplier further warrants that it shall defend LSI's title to the Goods against all claims of any third persons. Supplier shall also indemnify and hold harmless from any direct, indirect, consequential, incidental, special and economic damages for which LSI may become liable in contract or tort where Supplier's Goods are unfit for the purposes intended by LSI or any end user. Said Warranties shall be in addition to any other warranties, express and implied, given to LSI by Supplier. Nothing contained in this Purchase Order shall be deemed a waiver of warranties implied by law.

8. PATENT, TRADEMARK. Supplier shall indemnify, hold harmless and defend LSI or any of LSI's distributors or the users of Goods from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorney's fees incident to any infringement or to any claimed infringement of any patent, trademark, designs, copyrights or any other industrial proprietary right of the United States or foreign countries resulting from the use and/or sale of Goods and Supplier shall defend or settle at its own expense any suit, action or proceeding in which LSI, any of LSI's distributors or the users of any Goods are made a defendant for such infringement and further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action or proceedings against such defendants. If use of the Goods is prohibited by reason of any such claim, Supplier shall replace them with substitute non-infringing goods acceptable to LSI, or remove the Goods and refund the Purchase Price, and pay all costs incurred in connection therewith.

9. PRICE. LSI shall not be billed at a price higher than that stated in this Purchase Order unless authorized by written consent issued and signed by LSI's authorized representative. No charges of any kind, including miscellaneous charges for set-up, freight or crating, shall be charged to LSI unless specifically agreed to in writing by LSI. Supplier agrees that any credit balance will be paid to LSI upon written request. LSI may offset against amounts payable under this Purchase Order all present and future indebtedness of the Supplier to LSI arising from this or any transaction.

10. TERMINATION. LSI reserves the right to cancel this Purchase Order partially or entirely, in the event Goods fail to conform to the warranty specified in provision (7) of this Purchase Order, in the event Supplier fails to make deliveries as specified in this Purchase Order, or in the event Supplier breaches any other terms and conditions of this Purchase Order. LSI may cancel all or any part of this Purchase Order at any time prior to shipment. LSI may forthwith cancel this Purchase Order in the event of the happening of any of the following: insolvency of Supplier; the filing of a voluntary petition in bankruptcy; the filing of an involuntary petition to have Supplier declared bankrupt; the appointment of a receiver or trustee for Supplier, or the execution by Supplier of assignment for the benefit of creditors. In the event of any such cancellation, LSI, without prejudice to any other rights available to it for breach of this Purchase Order, shall have the right: (a) to refuse to accept delivery of Goods; (b) to recover from Supplier all payments made therefore and for freight, storage handling and other expenses incurred by LSI and to be relieved from liability for any future payments to Supplier; (c) to recover any advance payments to Supplier for undelivered or returned Goods; (d) to purchase elsewhere and charge Supplier with any resultant losses. No returned Goods shall be replaced without LSI's written replacement order.

11. REMEDIES. The remedies herein reserved to LSI shall be cumulative and additional to any other or further remedies provided in law or equity.

12. APPLICABLE LAWS. This Purchase Order shall be governed by and construed according to the laws of the State of Ohio of the United States of America, without reference to the principles of conflict of laws. If Supplier is not located within the United States of America or any of its territories, all Freight Terms shall be assigned the meanings given to them in Incoterms 2000 published by the International Chamber of Commerce. This contract shall not be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Any suit, action or proceeding arising out of the sale hereunder shall be instituted by either party in the courts of the State of Ohio, Hamilton County, or the United States District Court for the Southern District of Ohio, Western Division and LSI and Supplier shall irrevocably and unconditionally submit and consent to the jurisdiction and venue of any such court for such purpose, and each waives any obligation it may have as to the venue of any dispute arising out of or in connection with this transaction.

13. MODIFICATION AND WAIVER. This Purchase Order, together with any specifications, drawings and data furnished to Supplier, constitutes the entire agreement between LSI and Supplier and there are no understandings or representations of any kind except as herein expressly set forth. Any alterations or modifications thereof shall be by mutual agreement of the parties and shall not be binding on LSI unless made in writing and agreed to by a duly authorized representative of LSI. No claim or right arising out of breach of this Purchase Order can be discharged in whole or in part by waiver or renunciation of the claim or right unless the waiver or renunciation is in writing signed by the LSI.

14. TAXES. Unless expressly provided on the face of this Purchase Order all taxes of any type or sort assessed, imposed or charged on the production, delivery, or sale of the Goods shall be paid by Supplier.

15. MAXIMUM LIABILITY. LSI's maximum liability under this Purchase Order shall in no event exceed the price stipulated in the terms set forth on the face of this Purchase Order.

16. INDEMNIFICATION. Supplier shall indemnify and hold harmless LSI, its customers and those for whom LSI acts as agent in purchasing hereunder from all claims, liability, loss, damage and expense, including reasonable attorneys' fees, sustained from the purchase, use or sale of any of the Goods or upon breach of the warranty hereunder, and any litigation thereon, and such indemnity obligation shall survive acceptance of the Goods and payment therefor by LSI. In addition, if Supplier performs Services at or Goods are delivered directly to LSI's customers or suppliers, or if Supplier performs services at any one of LSI's locations, Supplier shall indemnify and hold harmless LSI from all claims, liability, loss, damage and expense, including reasonable attorneys' fees, sustained by LSI from Supplier's performance of such Services or the delivery of the Goods. With regard to intellectual property, Supplier represents and warrants that the use of Goods will not violate the intellectual property rights of any third party under patent, copyright, trademark, or trade secret law. In the event that a third party claims that LSI's use of the Goods violates the intellectual property rights of that third party under patent, copyright, trademark, trade secret or unfair competition law, Supplier shall, at its expense, indemnify, defend, save and hold harmless LSI from and against any claim, loss, expense or judgment (including reasonable attorney fees) provided that (a) LSI give Supplier written notice of the claim, and (b) LSI provides reasonable assistance to defend against the claims(s).

17. INSURANCE. Upon request Supplier, shall furnish LSI with a copy of a Certificate of Insurance showing adequate coverage for Worker's Compensation, product liability and property damage. Supplier shall obtain and maintain, at all times, insurance coverage in amounts not less than comprehensive general liability of \$1,000,000 per occurrence; \$2,000,000 per location/project; \$1,000,000 automobile liability combined single limit each accident; \$5,000,000 umbrella liability per occurrence/aggregate and worker's compensation for \$1,000,000 bodily injury for each accident. LSI shall be named as an additional insured under each liability insurance policy either by name (LSI Industries Inc.) or by definition in the policy.

18. INTERNATIONAL SALE. Notwithstanding any provisions to the contrary set forth herein, any international sale shall be subject to the following terms: (a) all trade terms identified herein shall be governed by the meanings assigned to them in Incoterms 2000; (b) LSI and Supplier hereby agree that the Purchase Order shall be governed by and construed in accordance with the laws of the State of Ohio, without reference to the principles of conflicts of law and hereby further agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the terms hereof; (c) any suit, action or proceeding arising out of the sale hereof shall be instituted by either party in the courts of the State of Ohio, Hamilton County, or United States District Court for the Southern District of Ohio, Western Division and LSI and Supplier irrevocably and unconditionally submit and consent to the jurisdiction and venue of any such court for such purpose, and each waives any obligation it may have as to the venue of any dispute arising out of or in connection with this transaction; (d) all other terms and conditions set forth herein shall apply to international sales.

19. ASSIGNMENT. Supplier shall neither assign any rights nor delegate any duties under this Purchase Order nor any monies due hereunder without the prior written consent of LSI's authorized representatives. Supplier will not assign this Purchase Order or any rights or obligations hereunder, nor will Supplier subcontract with any other party for the furnishing of any completed or substantially completed Goods or Services described in this Purchase Order without LSI's express written consent, and in such event Supplier will remain fully liable for subcontractor's work, and all subcontractors will be required by Supplier to agree in writing to perform in accordance with the terms of this Purchase Order and to permit LSI to exercise all rights under this Purchase Order as if the subcontractor had executed this Purchase Order.

20. CONFIDENTIALITY. Supplier covenants and agrees that it shall not, and shall cause its officers, directors, employees, agents and representatives to not, directly or indirectly, disclose or communicate to any person or entity any information of LSI disclosed hereunder or in connection with the Purchase Order contemplated hereby. Supplier shall be responsible for the compliance of this nondisclosure obligation by Supplier's officers, employees, agents and representatives. This nondisclosure covenant has no geographic, territorial or time limitation and applies no matter where Supplier may be located or conducts business in the future.

21. AUDIT RIGHTS. Supplier hereby grants to LSI access to all pertinent information, including but not limited to, specifications, inspection reports, books, records, payroll data, receipts, correspondence and other documents and materials in the possession or under the control of Supplier, or otherwise relating to any of Supplier's obligations under this Purchase Order or any payments requested by Supplier pursuant to this Purchase Order. LSI shall have the right at any reasonable time to send its authorized representatives to examine all such information. In addition, all work, materials, inventories provided under this Purchase Order must be accessible to LSI, including without limitation any parts, tools, fixtures, gauges, models and the like. Supplier shall maintain all pertinent information relating to this Purchase Order for a period of four (4) years after completion of Services or delivery of Goods pursuant to this Purchase Order. In the event that any such audit discloses any inaccurate information, the Supplier shall indemnify, defend and hold harmless LSI from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including but not limited to all attorneys' fees and any other cost related thereto. The Supplier shall cause all of its sub-suppliers to grant to LSI all of the rights afforded to LSI pursuant to this Section. (3/13/23)