

**GENERAL TERMS AND CONDITIONS OF PURCHASE**

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**§ 1 Scope of application**

1. These General Terms and Conditions of Purchase apply to the procurement of goods, of work such as in particular installation, repair and maintenance operations, and of services.
2. Our relationship with the supplier is governed exclusively by these General Terms and Conditions of Purchase. They also apply to all future transactions, as well as to all business contacts with the supplier, such as the commencement of contract negotiations or the initiation of a contract, even if they are not expressly agreed again or if no express reference is made to them once more.
3. . These general terms and conditions of purchase take precedence over the supplier's general terms and conditions of sale, unless we agree otherwise in writing.
4. Earlier versions of our terms and conditions of purchase are superseded by the present Terms and Conditions of Purchase.

**§ 2 Conclusion of contract**

1. We place our orders, amendments to orders and delivery call-offs in writing by remote data transmission, email or fax.. Our agreements can only be interpreted on the basis of written exchanges between us and the supplier. Each order, amendment of order as well as each delivery call-off must be confirmed by the supplier in written without delay. If this confirmation is not sent within seven calendar days of receipt of our order or order amendment, or if our order is not accepted within a period of seven calendar days,, the order will lapse and we will no longer be bound by its terms. Delivery call-offs will become binding if the supplier does not refuse them in written within seven calendar days of receipt. If, a counter-offer is made to us by the supplier or if the supplier responds to one of our orders with a delay or with a modified offer, the contract will normally only be concluded on the basis of our order or amended order, provided that we accepted it in written form
2. Any reference to business relations between the supplier and ourselves in advertising materials or reference documents, or the use of trademarks and identification marks to which we are entitled will require our prior written consent.
3. Quotations or cost estimates submitted to us by the supplier will be binding. They must be prepared by the supplier free of charge even if we do not accept them.

**§ 3 Subject of performance**

1. The supplier is obliged to deliver or perform the goods/services ordered by us in accordance with the contractual agreements, except deviations under written common agreements of the parties. The supplier must ensure that the goods/services are supplied using suitable materials and comply with the generally recognised rules of technology, the statutory and official safety regulations including environmental protection regulations and the applicable law in general and in particular the relevant statutory regulations applied in Germany and the European Union (in particular: the Low Voltage and EMC directives insofar as they lie within the responsibility of the supplier,

the RoHS guidelines, the REACH directive) as well as US regulations in connection with conflict minerals (Dodd-Frank Act). The supplier is obliged to provide the required information in accordance with Article 33 of the REACH directive, among other things, together the goods to be supplied.

2. If we order parts which the supplier manufactures according to a drawing, sketch or model specified by us, the supplier must, at our request, submit a test report with the delivery of the goods or services, from which the product characteristics such as dimensions etc. can be known.
3. If the supplier makes changes in the composition of material or in the conception of its products or services ordered by us, it will be obliged to inform us of this circumstance without delay. Such modifications always require our consent.

## § 4 Models, tools, drawings, sketches, logo

If as part of the preparation of offers, orders or goods/services we provide the supplier with information and documents, in particular models, samples, production equipment, tools, measuring and testing equipment, drawings, works standard sheets, print templates or other materials, these will remain our exclusive property. They are to be safeguarded by the supplier with due care and diligence free of charge and separately from other items in its possession, marked as our property and used by the supplier only for the provision of our goods/services. Models and tools made available to the supplier are to be insured by the supplier at its own expense against hazards such as fire, water, theft and loss. All information and documents are to be treated as confidential by the supplier in accordance with the provisions of § 16.

## § 5 Supplier compliance, audit rights

1. The suppliers respects our Code of Conduct for Suppliers, available at [www.groz-beckert.com](http://www.groz-beckert.com).
2. The supplier undertakes to comply with the Code of Conduct for Suppliers and to impose it along the supply chain, in particular to make the declaration in respect of its own suppliers an essential part of the schedule of obligations.
3. Before engaging the supplier for the first time and regularly thereafter, we have the right to

check that the supplier complies with the requirements of our Code of Conduct. For this purpose, we can, for example, obtain information from the supplier, request the presentation of existing certificates from experts, certifications or internal audits, or review the supplier's measures in consultation with the supplier or have audits carried out by auditors to be named in individual cases. We have the right to check that such requirements are complied with by the supplier in its business operations by means of spot checks, which must as a rule be notified in advance.

4. The supplier undertakes to comply with statutory regulations in connection with the minimum wage and to oblige its suppliers to do the same, including effective follow up. At our request the supplier must provide us with the relevant evidence without delay.

## § 6 Terms of payment

1. The payment periods will commence on the agreed delivery or performance date, at the earliest on the date of receipt of the goods or the date on which performance has been completed, acceptance of the goods or services - insofar as this has been agreed or is provided for by law - and correct invoicing. If the issue of further certifications or material inspection certificates has been agreed, the payment periods will not commence before receipt of these documents. Such documents will form an integral part of the delivery and must be submitted no later than five calendar days after receipt of the goods or invoice.
3. For payments made within 14 calendar days after receipt of the goods the supplier will grant a 3% cash discount. Otherwise payment will be made net within 30 calendar days. If the supplied goods or services contain defects or defects are discovered within this period, we will have a right of retention and the supplier's payment claim will not be due until final rectification of the defect, or until a defect-free replacement delivery has been made.
4. We will be entitled to make payments with means of payment of our choice by cash, bank transfer, cheque or discountable bill of exchange, with discount charges and taxes to be borne by the supplier.

5. Settlement of an invoice will not be regarded as a waiver of claims. In the event of defective delivery, and after a formal notice we will have the right to withhold payment on a proportional basis until proper performance has been effected.
6. Set-off by the supplier will only be permissible if its counterclaim is due, undisputed or has been finally established by a court of law.

#### **§ 7 Prices, dispatch, packaging, delivery**

1. Unless otherwise agreed, the agreed prices are always fixed prices and include packaging and shipping costs. If no prices are stated in the order, the supplier's list prices with the customary deductions will apply. If the supplier reduces the prices for the ordered goods prior to delivery, the reduced prices will apply. Unless otherwise agreed in the contract, goods are always to be shipped DAP to the destination named in the order (Incoterms 2020). Packaging costs are to be borne by the supplier.
2. A single delivery note and invoice in two copies are to be issued for each delivery and the invoice is to be sent electronically to [e-invoice-gbkg@groz-beckert.com](mailto:e-invoice-gbkg@groz-beckert.com). The documents must correspond word for word with the designations used in our order and contain the following information:
  - Date, No. and reference of the order
  - Contents of the shipment (description of the product or service and price (including any discount)
  - Status of the order
  - VAT ID No. of the supplier.
    - Invoicing address
    - Terms of payment (date and deadlines in accordance with these general terms of purchase, discount conditions and penalties).

The supplier also undertakes to comply with all the rules applicable to electronic invoicing

3. If, by way of exception, a delivery with an Incoterm other than that specified in Point 1 above has been agreed, the supplier must note that we have ourselves taken out insurance against transport risks by signing an SLVS insurance policy. In this respect, as an SLVS customer we waive any further transport insurance.
4. We carry out customs clearance ourselves. In order for us to be able to carry out customs

clearance, the supplier is obliged to send all goods with the T1 customs transit document. Customs clearance will then be carried out by us in Albstadt.

#### **§ 8 Delivery and performance time**

1. Agreed dates and deadlines are binding. The receipt of the goods or the performance of the service or, in the case of work services, acceptance by us will be decisive for compliance with the delivery date or the performance period. The supplier undertakes to notify us immediately in text form if circumstances arise or become apparent which indicate that the agreed delivery or performance time cannot be met. Such notification does not release the supplier from its liability for delay.
2. The supplier may only invoke the lack of necessary documents or information to be provided by us or necessary materials as an obstacle to performance if it has sent us within a reasonable period of time a written reminder insofar as we have a duty to provide them -.
3. Premature deliveries will have no influence on the agreed date for payment. Partial deliveries will only be accepted after express written agreement. The remaining delivery must be listed in the delivery documents. If partial deliveries have not been agreed, the agreed date for payment will be calculated from the date of the complete delivery at the earliest.
4. The supplier will be in default of delivery even without the issue of a reminder as soon as the delivery date agreed in each case is exceeded.
5. If a contractual penalty has been agreed for non-compliance with dates and deadlines, we will claim this until the final payment has been made and set it off against such payment. The contractual penalty will be set off against the damage caused by the delay.
6. If the delay in delivery is due to the fault of the supplier, the supplier will be liable without limitation for any damage incurred by us as a result of the delay.
7. Acceptance of a delivery does not imply a waiver of claims for damages arising from a delay in delivery.

#### **§ 9 Retention of title**

1. Any processing, mixing or combination (further processing) by the supplier of items provided will

be carried out on our behalf. The same applies in the case of further processing by us of the goods supplied, so that we will be deemed to be the manufacturer and acquire ownership of the product at the latest with the further processing in accordance with the applicable statutory provisions.

2. The transfer of ownership of the goods to us must be unconditional and without regard to the payment of the price. However, if in individual cases we accept a transfer of ownership conditional on payment of the purchase price, the supplier's retention of title will expire at the latest upon payment of the purchase price for the supplied goods. We remain authorised to resell the goods in the ordinary course of business even before payment of the purchase price with advance assignment of the claim arising therefrom (or alternatively application of the simple retention of title extended to the resale). This excludes all other forms of retention of title, in particular extended retention of title, transferred retention of title and the retention of title extended to further processing.

## § 10 Acceptance

1. In the case of work services requiring acceptance and in cases where we have agreed acceptance with the supplier, the following will apply: Acceptance will take place after completion of the overall performance. Acceptance can only take the form of formal and written acceptance. We will be obliged to accept the goods insofar as the prerequisites for acceptance are fulfilled.
2. Acceptance cannot be refused due to insignificant / minor defects. If we do not declare acceptance in due time, the supplier may set us a reasonable deadline for the declaration. The relevant result will be deemed to have been accepted upon expiry of the deadline if we neither declare acceptance in writing by the set deadline nor explain to the supplier in writing what defects still need to be remedied. However, this legal consequence will only occur if the supplier has informed us, together with the setting of the deadline, of the consequences of an acceptance which has not been declared or which has been refused without stating any defects. Such information must be provided in text form.

## § 11 Warranty for defects, liability

1.

The supplier must comply with all rules and laws applicable in all countries through which the goods to be delivered. The supplier must provide all necessary or required information concerning the goods or their handling, and a protocol must be drawn up by the supplier establishing the rules for handling the product, a protocol which will be attached to the contract. We will inspect the delivered goods with limitation to defects which are obvious during our incoming goods inspection by means of external examination on the basis of the delivery documents (e.g. transport damage, incorrect and short delivery) or which are recognisable during our quality control by means of random sampling. If we have reached an agreement with the supplier on an outgoing goods inspection (e.g. a quality assurance agreement or similar agreements on outgoing goods inspections to be carried out by the supplier), which includes in particular an inspection of functionality as well as any other agreed characteristics, our obligation to inspect will be limited to defects which become apparent during our incoming goods inspection by means of an external inspection of the goods and the delivery documents. We will notify the supplier of obvious defects immediately after the inspection and identification of the defect. In this respect the supplier waives the objection of delayed notification of defects.

2. If the supplier's goods/services contain defects of quality or if there is a breach of obligations by the supplier, we will be entitled to assert the statutory claims for defects of quality (warranty and liability claims).
3. The goods delivered by the supplier are covered by a contractual warranty for a period of 2 years from the date of delivery or 3 years from the date of dispatch, covering the non-conformity of the goods with the order and any latent defect, resulting from a material, design or manufacturing fault affecting the goods delivered and rendering them unfit for use, without prejudice to any damages that we may claim in respect of the loss suffered as a result of the non-conformity of the goods, within the statutory limitation periods. Should the goods prove to be non-conforming or defective, we shall be entitled

to put the supplier on notice to deliver goods free of defect or to remedy the defect. Additional costs arising from the motion of the defective goods to another location after delivery will be borne by the supplier.

- 3.1. If the incoming goods inspection is carried out by sampling as agreed, we will be entitled to make claims for subsequent performance with regard to the entire delivery if the required quality standard is not achieved.
- 3.2. If after a formal notice the supplementary performance fails or if the supplier refuses the selected type of supplementary performance, we may withdraw from the concluded contract, reduce the claim for remuneration existing against us or, if the supplier fails to prove that it was not at fault for the defects, claim damages instead of performance. The same will apply if subsequent performance by the supplier is unreasonable for us. This will in particular be the case if the supplier does not immediately comply with its obligation to remedy the defect despite being requested to do so and acute dangers or major damage are threatened. In these cases we will also be entitled to have the remedial work carried out ourselves or by third parties at the supplier's expense. This will apply in particular if major damage - including penalties and claims on the part of our customer due to default - can only be avoided by having the defect remedied by us or by third parties commissioned by us without prejudice of our own claim and indemnisation rights. We will inform the supplier of this.
- 3.3. The course of the statutory limitation periods will be suspended for the duration of the supplier's attempts at subsequent performance. The suspension of the limitation periods begins at the time of our notification of defects. The suspension of the limitation period will only end at the time when the goods supplied can be used without defects. For parts newly delivered during the limitation period within the scope of the warranty for defects, the limitation period will begin anew at the time when the supplier has completely fulfilled our claims for a new delivery, unless we have to assume from the supplier's conduct that the supplier did not consider itself obliged to take such a measure, but only made the replacement delivery or rectified the defect as a gesture of goodwill or for similar reasons.
4. For warranty claims, including claims for damages due to defects, the statutory limitation

period applies from the start of the statutory limitation, unless otherwise agreed in written between the parties.

5. If a material defect becomes apparent in a delivery of goods within six months of the transfer of risk, it will be assumed that the goods were already defective at the time of the transfer of risk, unless this assumption is incompatible with the nature of the goods or the defect.
6. If the supplier's goods/services received by us are defective in title, the supplier must indemnify us against possible claims by third parties.
7. Our approval of drawings, calculations or other technical documents provided by the supplier will not affect the supplier's legal responsibility for defects and the legal liability for warranty obligations assumed by the supplier.
8. The supplier will in principle be liable to us of all direct and indirect damages without limitation for compensation in the event of all forms of culpable breach of duty, including non-limitative , financial loss or other damage claims are asserted.

## § 12 Recourse against the supplier

1. We will be entitled to our statutory rights of recourse within a supply chain without restriction in addition to the claims for defects in particular in respect of recourse actions.
2. Before we acknowledge or fulfil a claim for defects asserted by a customer (including reimbursement of expenses), we will notify the supplier and request a written statement, briefly explaining the facts. If a detailed answer is not received within a reasonable period of time and if no amicable solution is reached, the claim for defects actually granted by us shall be deemed to be owed to our customer without dispute on the amount..
3. from the liability of the supplier will also apply if the defective goods have been further processed by us or another company, e.g. by incorporation into another product.
4. If a claim is made against us for violation of domestic or foreign or official safety regulations or product liability rules or for a defect in our products which is attributable to the supplier's goods or services, we are entitled to obtain compensation and warranty from the supplier for the damage caused by its products and indemnification against corresponding claims by third parties.



5. The costs to be reimbursed will also include the costs of any necessary product recall action, as well as the cost of any legal action. The supplier will be informed about the content and scope of the recall action to be carried out.

The supplier undertakes to take out a producer's liability insurance policy from a creditworthy insurer for its obligations arising from its liability as a producer of the supplied goods, with such insurance also covering recall costs in particular. With regard to the amount of the covered damages, a sum appropriate to the risk in the specific case must be agreed, unless a specific minimum sum of coverage has been contractually agreed between the parties. At our request, the supplier will be obliged to provide evidence of sufficient insurance cover by submitting suitable documents.

#### § 13 Rights of withdrawal in the event of force majeure

In the event of national industrial disputes, riots, fires, floods, acts of terrorism, measures ordered by the authorities and any other serious, unforeseeable and unavoidable event, and more generally any force majeure, the parties are released from their contractual obligations for the duration of the disruption and within the limit of its effects.

The parties undertake to exchange all necessary information without delay, insofar as such exchange may reasonably be requested, and to adapt their obligations to the changing circumstances in accordance with the principle of good faith.

If the case of force majeure has not ended within three months, the other party may terminate the contract with immediate effect. No other rights may be exercised.

#### § 14 Property rights

1. The supplier is liable and warrants for ensuring that no third-party rights are infringed in connection with its goods/services provided in execution of this agreement.
2. If claims are asserted against us by a third party due to alleged infringement of domestic property

rights or property rights enjoying protection in the EU or a member state of the EU or of property rights in the country of destination of the goods or services the supplier will be obliged to indemnify us against these claims, unless it is not responsible for the infringement of property rights. The obligation to indemnify us covers all costs that necessarily arise from or in connection with the claim by a third party.

3. If the supplier already owns industrial property rights to the ordered goods or services or to processes for their manufacture, these must be notified to us on request, stating the relevant registration number, and we are to be granted a temporally unlimited, free, non-exclusive right of use to the extent that this is necessary to achieve the contractually agreed purpose.

#### § 15 CE declaration of conformity / manufacturer's declaration / certificate of origin / certificates / approvals

1. The supplier's goods must comply with all regulations, directives and standards relating to the goods in question and must be supplied with the prescribed certificates and approvals. If a manufacturer's declaration or a declaration of conformity (CE) is required for the goods, the supplier must prepare these and make them available to us immediately at its own expense.
2. The supplied goods must not be subject to any export or boycott restrictions and, in particular, they must not be covered by Annex I of the EC Dual-Use Regulation.
3. If parts of the goods and services are subject to authorisation according to the Export Control List / ECCN, the supplier must inform us of this separately or in the order confirmation.
4. The supplier undertakes to enclose a certificate of origin with each delivery.

#### § 16 Confidentiality

1. During the term of the contract, the supplier undertakes to keep secret all information and documents to which it has access in connection with the contract and not to record or forward them to third parties or exploit them in any way, unless this has been expressly approved in writing in advance or is necessary to achieve the purpose of the contract.
2. Excluded from this is any information, - which was already known to the supplier before the start of the contractual negotiations or which

is disclosed by third parties as non-confidential, provided that such third parties are not themselves in breach of confidentiality obligations,

- which the supplier has in each case developed independently of us,
- which is or becomes publicly known through no fault or action of the supplier, or
- which must be disclosed due to legal obligations or official or judicial orders.

In the latter case, the supplier must inform us immediately before disclosure. This is without prejudice to further legal obligations regarding confidentiality.

3. The supplier undertakes to protect our trade secrets from the inspection of third parties by means of secrecy measures which are reasonable under the circumstances and which correspond at least to the level of care customary in the trade and to the level of protection which the supplier applies to its own trade secrets of the same category.

## **§ 17 Closing provisions, place of jurisdiction, applicable law**

1. The applicable law is the law of the French Republic, to the exclusion of any international convention relating to the sale of goods.

All deliveries and services must be performed at the delivery address indicated by us. In the absence of any indication and if this address cannot be deduced from the circumstances, the place of performance shall be our goods receiving department.

The place of performance for all payments is our registered office and any other place where we have opened an account with a financial institution.

In the event of a dispute, the courts of Paris shall have jurisdiction. However, we are entitled to take legal action at the supplier's registered office.

2. If any provision in these Terms and Conditions of Purchase or a provision within the framework of other agreements is or becomes invalid, the validity of all other provisions or agreements will not be affected.