

GENERAL TERMS AND CONDITIONS OF PURCHASE

Groz-Beckert USA Inc.

Contents

Contents	1
§ 1 Scope of application.....	1
§ 2 Conclusion of contract	1
§ 3 Subject of performance.....	1
§ 4 Models, tools, drawings, sketches, logo	2
§ 5 Supplier compliance, audit rights.....	2
§ 6 Terms of payment	2
§ 7 Prices, dispatch, packaging, delivery	3
§ 8 Delivery and performance time.....	3
§ 9 Acceptance	4
§ 10 Warranty for defects, liability.....	4
§ 11 Recourse against the supplier	5
§ 12 Rights of withdrawal in the event of force majeure.....	6
§ 13 Property rights.....	6
§ 14 CE declaration of conformity / manufacturer's declaration / certificate of origin / certificates / approvals	6
§ 15 Confidentiality	6
§ 16 Closing provisions, place of jurisdiction, applicable law.....	7

§ 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. We do not recognise any terms and conditions of the supplier that deviate from or conflict with our Terms and Conditions of Purchase. The application of the supplier's general terms and conditions is expressly rejected.
4. Earlier versions of our terms and conditions of purchase are superseded by the present Terms and Conditions of Purchase.

5. The provision of the ordered goods/service as well as the settlement of the agreed remuneration constitute an acknowledgement and acceptance of the application of these Terms and Conditions of Purchase exclusive of any other terms and conditions.

§ 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. In case of doubt, the content of verbal agreements and agreements made by telephone (discussions) will only be binding if it has been confirmed by us in text form. Each order, amendment of order as well as each delivery call-off must be confirmed by the supplier in text form 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, we will no longer be bound by the order and will be entitled to withdraw it. Delivery call-offs will become binding if the supplier does not refuse them within seven calendar days of receipt. If, instead of an order from us, an 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 only be concluded on the basis of our order or amended order.
2. Any reference to business relations with us in advertising materials or reference documents, or the use of any of our trademarks or other identifying marks require our prior written consent, which may be withheld in our sole discretion.
3. Quotations or cost estimates submitted to us by the supplier will be binding. They must be prepared by the supplier free of charge.

§ 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. Deviations will only be permissible with our express written consent. 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 and environmental protection regulations which constitute applicable law or which have already been adopted with a transitional period and are certain to come into force, 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 with 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 derived.
3. If the supplier makes changes in the type of composition of the processed material or in the design of its products or services compared to similar products or services previously provided to us, it will be obliged to inform us of this circumstance without delay. Such modifications always require our written 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 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. Express reference is made to our Code of Conduct for Suppliers, available at <https://www.groz-beckert.com/en/company/responsibility/>.
2. The supplier undertakes to comply with the Code of Conduct for Suppliers and to impose it along the supply chain, 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 will 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 third-party auditors to be named in individual cases. We have the right to confirm that such requirements are complied with by the supplier in its business operations by means of spot checks, of which supplier 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 monitoring. 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.

2. 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 to withhold payment 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. In this case we will also be entitled to the cash discount referenced above.
3. We will be entitled to make payments with means of payment of our choice by cash, bank transfer, check, or discountable bill of exchange, with discount charges and taxes to be borne by the supplier.
4. Settlement of an invoice will not be regarded as a waiver of claims for defects. In the event of defective delivery, we will have the right to withhold payment on a proportional basis until proper performance has been effected.
5. 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 of competent jurisdiction.

§ 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 are to be issued for each delivery and the invoice is to be sent electronically to gbu-accountingap@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

- Status of the order
- Sales and Use tax number or similar ID No. or exemption certificate of the supplier.

3. If, by way of exception, a delivery with an Incoterm other than that specified in subparagraph 1 above has been agreed, the supplier must note that we have ourselves obtained 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. 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 the freight forwarder at the applicable port of entry.

§ 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 writing 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 materials to be provided by us as an obstacle to performance if it has sent us a written reminder for the provision of the documents, information or materials and has not received them - insofar as we have a duty to provide them - within a reasonable period of time.
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 as binding in each case is exceeded.

5. If liquidated damages have been agreed upon and incurred for non-compliance with dates and deadlines, we may claim this until the final payment has been made and set it off against such payment. The contractual liquidated damages will be set off against the damages 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 damages incurred by us because of the delay.
7. Acceptance of a delivery does not imply a waiver of claims for damages arising from a delay in delivery.

§ 9 Acceptance

1. In the case of 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 a written acknowledgment that the goods are accepted in conformity with § 2-606 of the Uniform Commercial Code. The supplier must request acceptance from us in good time. We will be obliged to accept the goods insofar as the prerequisites for acceptance are fulfilled.
2. Acceptance cannot be refused due to insignificant 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 written form.

§ 10 Warranty for defects, liability

1. We accept supplied goods subject to the right of inspection pursuant to § 2-513 of the Uniform

Commercial Code to ensure that they are free from defects. If we send a notice of defects within 14 calendar days of receipt of the delivery by us, we have the right to inspect the goods pursuant to will fulfil our obligation to inspect and give notice of defects in accordance with § 2-513 of the Uniform Commercial Code prior to making payment. Our obligation to inspect is limited to defects which are obvious during our incoming goods inspection by means of external examination based on 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 concluded 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. If an inspection of the delivery within the period of 14 calendar days is not feasible in the ordinary course of business, 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. Notwithstanding our duty to examine, our complaint (notice of defect) will be regarded as prompt and timely if it is sent within 14 calendar days of the discovery of the defect or, in the case of obvious defects, of the actual delivery.

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 claims for defects of quality (implied warranty and strict liability claims).
3. If we are entitled to a claim for subsequent performance under applicable law, the supplier must, at our discretion, either remedy the defect or deliver goods free of defects. Additional costs arising from the fact that we have moved the defective goods to another location after delivery will be borne by the supplier if this transfer corresponds to the intended use of the goods.

- 3.1. If the incoming goods inspection is carried out by sampling as agreed, we will be entitled to make claims for subsequent performance regarding the entire delivery if the required quality standard is not achieved.
- 3.2. If 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 unacceptable for us. This will 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 if major damage - in particular 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. We will inform the supplier of this in writing. This will not affect any further legal claims - such as claims for reimbursement of expenses.
- 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 between the parties in the individual contract.

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, unless the supplier is not responsible for the defect in title.
7. Our approval of drawings, calculations or other technical documents provided by the supplier will not affect the supplier's responsibility for defects and the liability for warranty obligations assumed by the supplier.
8. The supplier will in principle be liable to us without limitation for compensation in the event of all forms of culpable breach of duty, irrespective of whether direct or indirect damage, financial loss or other damage claims are asserted. In addition, the supplier will be liable in accordance with product liability law, insofar as its prerequisites are fulfilled.

§ 11 Recourse against the supplier

1. Supplier shall indemnify us from any claims asserted by our customers arising out of or in connection with a defect of supplier's goods.
2. Before we acknowledge or assert 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 five (5) business days and if no amicable solution is reached, the claim for defects granted by us shall be deemed to be owed to our customer. In such case, the burden of proof to the contrary will be borne by the supplier.
3. Our claims arising from supplier recourse 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 may demand compensation from the

supplier for the damage caused by its products and indemnification against corresponding claims by third parties. In cases of infringement-based liability, however, this will only apply if the supplier is at fault. If the cause of the damage lies within the supplier's sphere of responsibility, the supplier will bear the burden of proof in this respect.

5. The costs to be reimbursed will also include the costs of any necessary 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 manufacturer's liability insurance policy for its obligations arising from its liability as a manufacturer of the supplied goods, with such insurance also covering recall costs. Regarding 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 and name Groz-Beckert USA Inc. as an additional insured thereunder.

§ 12 Rights of withdrawal in the event of force majeure

If, due to events of force majeure, labour disputes, operational disruptions through no fault of our own, riots, official measures or other unavoidable events occurring after the conclusion of the contract, the demand for the ordered goods is significantly reduced through no fault of our own, we may withdraw from the contract in whole or in part or require performance at a later date, without the supplier being entitled to any claims against us as a result, insofar as the events referred to are of considerable duration.

§ 13 Property rights

1. The supplier is liable for ensuring that no third-party rights are infringed in connection with its goods/services unless it is not responsible for the infringement.

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, supplier notify us thereof upon 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.

§ 14 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. If the supplied goods are to be shipped abroad by us, the supplier must, upon request, provide us with the relevant documents for submission to the relevant governmental bodies overseeing export controls.
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.

§ 15 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, is necessary to achieve the purpose of the contract, is required under applicable law or court order.

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. In the event we provide supplier with any of our trade secrets, supplier undertakes to protect such 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.

4. The contractual and other legal relationships with the supplier are governed by South Carolina law, without regard to its choice of law principles.

Valid from: January 2023

§ 16 Closing provisions, place of jurisdiction, applicable law

1. The place of performance and exclusive place of jurisdiction for all disputes arising between the parties from the contractual relationship is Fort Mill, South Carolina. As an exception to this, we will also be entitled to assert claims against the supplier at its own general place of jurisdiction.
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.
3. The contractual language is English. If the parties also use another language, in accordance with the agreement the English wording will take precedence.