

**GENERAL TERMS AND CONDITIONS (GTCs) for Merchant Customers of
Groz-Beckert USA Inc.**

- (1) The following general terms and conditions apply only to customers which are merchants as defined in §2-104(1) of the Uniform Commercial Code. These general terms and conditions do not apply to consumers.
- (2) The following general terms and conditions apply to the supply of goods as well as to work services including, but not limited to installation, repair and maintenance, and to other services such as paid consulting.

A. General Terms and Conditions	1
§ 1 Scope of Application	1
§ 2 Formation of Contract.....	1
§ 3 Scope of Supply and Performance, Performance Deadlines	1
§ 4 Prices, Costs	2
§ 5 Terms of Payment.....	2
§ 6 Purchase Money Security Interest	2
§ 7 Obligations of the Customer to Cooperate	3
§ 8 Liability for Defects and General Liability	3
§ 9 Intellectual Property Rights, Tools, Models and Molds.....	4
§ 10 California Prop 65 (Cal. Health & Safety Code § 25249.6).....	4
§ 11 Miscellaneous Provisions.....	4
B. Special Terms and Conditions for the Supply of Goods.....	4
§ 1 Scope of Application	4
§ 2 Scope of Services.....	4
§ 3 Supplementary Provisions for the Supply of Software	4
§ 4 Supplementary Warranty Provisions for the Supply of Software	4
C. Special Conditions for Work Services: Installations, Repairs, Maintenance Services, Customizing, Software Development	5
§ 1 Scope of Application	5
§ 2 Appointment of Project Managers	5
§ 3 Changes During the Execution of the Work / Change Request Management	5
§ 4 Acceptance	5
§ 5 Supplementary Provisions for the Supply of Software	5
§ 6 Supplementary Warranty Provisions for the Supply of Software	6

A. General Terms and Conditions

§ 1 Scope of Application

- (1) These general terms and conditions apply to all our areas of operation, including but not limited to the supply of goods, installation, repair, maintenance, and paid consulting.
- (2) Our relationship with the customer is governed exclusively by these general terms and conditions, including all future transactions and all business contacts with the customer, such as subsequent contract negotiations or the subsequent contracts, even if such general terms and conditions are not expressly agreed upon or referred to again. The application of the customer's general ordering or purchasing conditions is expressly rejected.
- (3) To the extent any third party is a beneficial party to a contract between us and a customer, these general terms and conditions shall apply to such

third party, expressly including our limitation of liability. Customer agrees to include these general terms and conditions in any agreement between itself and such third party.

- (4) Acceptance of our services and deliveries by the customer is considered as acknowledgement of the validity of these general terms and conditions.

§ 2 Formation of Contract

- (1) Unless otherwise agreed in writing, our offers are subject to confirmation by us and non-binding.
- (2) We are not bound by an order until it has been confirmed by us in writing in the form of an order confirmation, or until we commence with the execution of the order.

§ 3 Scope of Supply and Performance, Performance Deadlines

- (1) Our written offer or our order confirmation is definitive in respect of the scope of our supply or service. Additional terms, agreements and amendments require our written confirmation. If our offer or order confirmation is based on information provided by the customer (data, figures, illustrations, drawings, system requirements, etc.), our offer will only be binding to the extent such information is correct. If it becomes apparent after execution of the contract that the order cannot be carried out according to the customer's specifications, we may, in our sole discretion, withdraw from the contract if and to the extent that the customer is not prepared to accept any alternative solution proposed by us, to assume any additional costs which may arise, or to accept a later delivery time.
- (2) Where reasonable, in our sole discretion, we shall be entitled to partial performance. We will have the right to use subcontractors to fulfil our contractual obligations.
- (3) In the event we become concerned about a customer's ability to meet its obligations under any contract or these general terms and conditions, including but not limited to payment, we may require such customer to make advance payment for any goods or services, in our sole discretion. We retain the right to withdraw from individual contracts should the customer fail to make an advance payment or provide security within fifteen (15) days of request of same by us.
- (4) The delivery date shall be agreed upon on a case by case basis and shall be stated on the order confirmation unless otherwise agreed to by us in writing. To the extent the goods have been shipped by the delivery date or notification has been sent to the customer that the goods are ready for shipment, the delivery date will be deemed met. The commencement of the delivery period, which for purposes of these general terms and conditions shall mean the period between the written order confirmation and the agreed-upon delivery date, and compliance with delivery dates presupposes that the customer has provided correct specification and any cooperation required by us in a timely and proper manner, including that the customer has made available to us all documents requested, and makes any required advance payments, if applicable.
- (5) We will not be in default in the event of force majeure or other exceptional circumstances beyond our control. In the event of force majeure, we shall have the right, in our sole discretion, to terminate the contract with no liability to the customer whatsoever, even to the extent we were in default

prior to such event of force majeure. In the event of such events of force majeure where we do not terminate the contract, the delivery or performance deadlines will be extended by the period of the event of force majeure and any additional period of time we deem necessary. For purposes of these general terms and conditions, an event of force majeure shall include but not be limited to operational disturbances or breakdowns, delays in transportation, labor strikes or other circumstances beyond our control, including without limitation, Acts of God, natural disasters, epidemics, pandemics, or any local, state, or federal state of emergency.

- (6) We may refuse performance and terminate the contract with no liability to the customer if it becomes apparent that payment may be jeopardized by the customer's inability to make such payment, including the customer's poor financial circumstances or if other obstacles to payment become apparent, e.g. export or import bans, war, the insolvency of suppliers or absence of the required employees due to illness.

§ 4 Prices, Costs

- (1) Our prices for supplies of goods are net prices and, unless otherwise agreed in writing, the terms of delivery are always FCA 3480 Lakemont Boulevard, Fort-Mill South Carolina 29708-9243 (Incoterms 2020). Notwithstanding the provisions of this incoterm concerning the transportation and insurance contracts, we undertake to organize the transportation by determining the means of such transportation, the transportation route and, if we consider it necessary, transportation insurance, without being responsible for choosing the fastest and/or least expensive option. The customer will bear the costs and risks for all transportation and insurance costs in accordance with the FCA provisions in Incoterms 2020. The prices can be taken from our offer or our order confirmation or - if no prices are stated in the offer or in the order confirmation - from our currently valid price list.
- (2) For services, the prices refer to the implementation of the service at the agreed place of performance. All taxes of any kind levied by any federal, state, municipal or other governmental authority, shall be added to all invoices and shall be the sole responsibility of the customer.
- (3) If a performance period for services of more than four months has been agreed between the time of confirmation of the order and the performance of the service, we will have the right, in the event of any costs increases during such period, to pass such increase on to the customer. The same will apply if a performance period of less than four months was agreed to, but such performance can only be provided by us later after four months as a result of customer's delay in providing necessary documents, assistance, or payment, as applicable.
- (4) In the case of services to be performed by us, such payment shall always be based on a per hour cost of time actually spent, unless a flat-rate payment was agreed to in writing. The units of time recording and the current hourly rates will be provided in our offer or our order confirmation or, if no hourly rates are stated in the offer or order confirmation, from our currently valid price list.
- (5) Unless agreed otherwise in writing, expenses and travel costs will be invoiced separately and will be the sole obligation of customer. The reimbursement by the customer of travel and accommodation costs will be made on presentation of receipts, unless otherwise agreed in writing between the parties before the trip is carried out. The current travel and expense rates can be found in our offer or our order confirmation. If no rates are listed there, the currently valid rates can be found in our current price list.

§ 5 Terms of Payment

- (1) Unless otherwise agreed, our invoices relating to the supply of goods are payable without deduction within 30 days of the invoice date. Invoice amounts relating to work and services are payable within 15 days of the invoice date without deduction. If we provide our supplies or services in partial deliveries, we will have the right to demand a corresponding partial payment for each such partial delivery.
- (2) The customer is not entitled to make deductions without our express written consent.
- (3) If the customer is in default of payment from the 16th or 31st day after receipt of the invoice, as applicable, interest will accrue on the unpaid amount at the lesser of 1.5% per month or the maximum interest allowed under applicable law.
- (4) Payments are to be made exclusively by the customer. Payment by third parties, even if accepted by us, shall not fulfil the customer's payment obligations unless the customer has our prior written consent.
- (5) Cash payments are generally not accepted by us.
- (6) In the event we agree to payment in installments and the customer is more than two weeks in arrears with any such installment, either in whole or in part, the entire outstanding balance will become due for immediate payment.
- (7) The assignment of claims against us by the customer requires our prior written consent, which will only be refused for good cause, in our sole discretion.

§ 6 Purchase Money Security Interest

- (1) Customer hereby grants us a purchase money security interest under § 9-103 of the Delaware Uniform Commercial Code (or any other corresponding law) in the goods purchased from us (the "Collateral") to secure customer's payment obligations to us.
- (2) Customer hereby irrevocably authorizes us to file UCC-1 financing statements to perfect the security interest granted herein and any extensions or amendments thereto.
- (3) Legal title and ownership of the goods supplied by us does not transfer to customer until the goods are paid for in full. The goods remain the property and collateral of us until full payment has been received.
- (4) The customer shall notify us immediately of any seizure or other interference of third parties in respect to our rights in the Collateral and will provide us with all documents and information necessary to oppose such interference by all legal means.
- (5) The customer must treat the Collateral with care. At our request, the customer must sufficiently insure the Collateral at its own expense against fire, water and theft at their replacement value. If maintenance and inspection work become necessary, such maintenance and inspection will be done within a reasonable amount of time and at the customer's sole expense. We shall have the right at any time after reasonable notice to inspect the Collateral for so long as any balance of the purchase price remains outstanding.
- (6) If the customer does not fulfill its obligations under any contract entered into with us or if, in our good faith opinion, customer's credit becomes impaired, we may suspend performance until such time as we have received full payment for any goods already delivered or in process and are satisfied (in our sole discretion) as to customer's credit for future

deliveries. If we suspend performance and later proceed with any such order, we shall be entitled to such extension of time for performance as is necessitated by the suspension. We shall also have the right to rescind the contract. In such case, customer, upon written notice from us, shall surrender the Collateral and customer hereby authorizes us to enter the premises of customer to retake possession of the Collateral at the expense of the customer and to sell it by private sale or public auction at the highest price possible, notwithstanding the customer's financial obligations and other duties; after deduction of the costs of such sale the proceeds thereof shall be used to reduce the customer's debt; any remaining surplus shall be made available to customer.

§ 7 Obligations of the Customer to Cooperate

- (1) The customer must reasonably support us and our employees to the extent deemed necessary by us, in our sole discretion. If we have to provide project-related work or services by our employees at the customer's premises, support at our request may also include the customer providing us work rooms and workstations with PCs and telephones, the costs of which will be borne by the customer.
- (2) Materials, information and data that we require in order to perform our services must be made available to us by the customer. Data and data carriers must be technically free of defects. If special legal or operational safety regulations apply at the customer's premises, the customer must inform us of this in writing prior to the services being provided.
- (3) The only instructions that the customer may provide to our employees are instructions related to safety requirements and operating regulations in the customer's premises or by applicable law. Instructions or individual questions regarding work or services to be provided by us are not to be given to the employees entrusted with the task by us, but to the contact persons named by us for the project.

§ 8 Liability for Defects and General Liability

- (1) Claims made by the customer for a defect in our products or services shall be void if not made within one year from the date of delivery, except in the case of fraud or our willful misconduct.
- (2) Claims by the customer for subsequent performance due to defects in the service or goods to be provided by us are subject to the following provisions:
 1. If the supplied goods are defective, we may, at our sole option, choose whether to provide subsequent performance by eliminating the defect (rectification of defects) or by supplying a defect-free item (replacement delivery). This is without prejudice to the right to refuse the chosen type of subsequent performance under applicable law.
 2. We are entitled to make the subsequent performance dependent on payment by the customer of the purchase price due.
 3. Any subsequent performance by us will be done in a reasonable amount of time, in our discretion, after we have received the defective product in order that we may inspect same. In the event of a replacement delivery, the customer must return the defective item to us at their sole cost.
 4. We will be entitled to carry out the rectification of defects on the customer's premises.
 5. We will bear the expenses required for the purpose of inspection and subsequent performance, including transportation, travel, labor and material costs, provided that a defect exists. If we determine no defect

exists, the customer shall reimburse us for our out of pocket costs and expenses.

6. In the case of the supply of goods, the following shall also apply:

If the customer has installed the defective goods into or attached to another product in accordance with intended use, we will be obligated, to reimburse the customer for the necessary expenses for the removal of the defective goods and the installation or attachment of the repaired or delivered defect-free product.

7. The customer will bear the expenses for rectification of defects or subsequent delivery that arise as a result of the customer removing the product from the delivery location, as provided in the contract or order confirmation.

- (3) The customer's claims for defects, in particular the claims for subsequent performance, withdrawal from the contract, reduction in price and compensation for damages, presuppose that the customer inspected the goods or services at the time of delivery and reported any defects to us in writing promptly after such inspection. The report will be considered prompt if it is made within 10 days of the discovery of the defect, with timely dispatch of the report being sufficient to comply with the deadline. Irrespective of this obligation to inspect and report defects, the customer must report obvious defects in writing within ten days of delivery, in which case timely dispatch of the report is sufficient to meet the deadline. If the customer neglects the proper inspection and/or reporting of any defects, our liability for the unreported defect will be waived and the customer shall be responsible for any such defects. Notwithstanding the foregoing, we may not waive our liability to the extent a defect exists as a result of fraud or willful misconduct on our part.
- (4) The customer can only demand compensation:
 1. for damage resulting (i) from an intentional or grossly negligent breach of duty on our part, or (ii) from an intentional or grossly negligent breach by one of our legal representatives, executives or agents of obligations that are not essential to the contract (material obligations) and are not main or secondary obligations in connection with defects in our products or services.
 2. from damage resulting from the intentional or negligent breach of essential contractual obligations (material obligations) on our part, on the part of one of our legal representatives, executive employees or agents. Essential contractual obligations (material obligations) within the meaning of these general terms and conditions are obligations whose fulfilment is essential for the proper execution of the contract and on whose compliance the customer may reasonably rely.
 3. Furthermore, we will be liable for damage due to the negligent or intentional breach of obligations in the case of deficiencies in our supplies or services (subsequent performance or secondary obligations) and
 4. for any damage that falls within the scope of a warranty (commitment) or a guarantee of quality or durability expressly given by us in writing.
- (5) In the event of a negligent breach of an essential contractual obligation, the amount of liability will be limited to the damage typically to be expected and foreseeable for us at the time of the contract, provided that due care was exercised.
- (6) Claims for damages by the customer in the event of a negligent breach of a material contractual obligation will be barred after one year from the delivery or service date. Excluded from this is damage in the case of injury

to life, limb or health.

- (7) If third parties are commissioned or involved in the initiation or settlement of the contractual relationship between the parties, the above-mentioned warranty and liability limitations will also apply to such third parties.

§ 9 Intellectual Property Rights, Tools, Models and Molds

- (1) If we manufacture according to drawings, models or samples or specifications provided by the customer, the customer must ensure that intellectual property rights of third parties are not infringed by this. Before placing an order with us, the customer is obligated to ascertain whether the products it has ordered infringe the on the intellectual property rights of third parties. In this respect, the customer must indemnify us against any claims by third parties. If the customer is prohibited from manufacturing or supplying by a third party with reference to an intellectual property right belonging to it, we will be entitled, without examining the legal situation, to stop work and demand reimbursement of the costs incurred.
- (2) If we make tools, molds, models or similar items for the purpose of providing the delivery or service, we will retain title to them. This will also apply if we demand partial payment from the customer for such production. If we invoice the customer for such items in full and the customer pays for the manufacture of such items in full, ownership will pass to the customer. Notwithstanding the foregoing, we will retain possession of such items as long as we provide services to the customer using such items.

§ 10 California Prop 65 (Cal. Health & Safety Code § 25249.6)

For all products manufactured for, or supplied by us to the customer, for sale in, or delivery to, California, we are obligated to comply with California Health and Safety Code Section 25249.5 et seq., and any regulations promulgated pursuant thereto ("Prop 65"). We must (1) notify customer of any and all products manufactured for, or supplied by us to customer, for sale in, or delivery to, California that contain substances listed in Prop 65 that require a Prop 65 warning; or (2) certify that products manufactured for, or supplied by us to customer, for sale in, or delivery to, California do not contain substances listed in Prop 65 and thus do not require a Prop 65 warning. If we fail to timely and properly notify customer of any product that requires a Prop 65 warning, and to provide a proposed form on any warning required pursuant to Prop 65, we will defend, indemnify and hold customer harmless from and against any and all loss, damage, liability, fees, cost and/or expense whatsoever including reasonable legal fees and expenses, direct, special, incidental and consequential damages arising out of or relating to any Prop 65 violations. Our warranty shall run to customer, its successors, assigns and authorized customers only.

§ 11 Miscellaneous Provisions

- (1) Any agreement, contract, conformation of order, and these general terms and conditions, shall be governed by, and construed in accordance with the laws of the State of Delaware, without regard to its principals of conflicts of laws.
- (2) If any provision in these general terms and conditions 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) Neither the United Nations Convention on the International Sales of Goods nor any other existing or future bilateral or international treaties shall be applicable to any contract between the customer and us.

B. Special Terms and Conditions for the Supply of Goods

§ 1 Scope of Application

In addition to the general conditions under Section A., the following special conditions shall also apply for the supply of goods.

§ 2 Scope of Services

- (1) Transportation insurance for goods to be shipped will only be taken out upon written request by the customer. The transportation insurance is then taken out in the name and for the account of the customer.
- (2) Our obligations cover the transfer of ownership and surrender of the object of purchase. Unless agreed to in writing by us, the assembly, installation or configuration of the object of purchase is not part of our obligation.

§ 3 Supplementary Provisions for the Supply of Software

(1) Delivery and Scope of Supply

The software, including updates, shall be delivered in the form of an object code on a standard data carrier or online as a download from a website. The scope of delivery also includes application documentation. Unless otherwise agreed between the customer and us in writing, the application documentation can be provided at our discretion either as an operating manual or on a data carrier. We are not required to transfer the source code.

(2) Rights of Use to the Software

1. The respective licensing conditions of the software apply to the granting of rights of use to the software.
2. Unless otherwise agreed between us and the customer in writing, the customer will receive a simple right of use for the software supplied, unlimited in time. In the absence of other agreements, the right of use entitles the purchaser to use the software on a single PC (single user license) or to use the software on a machine or server, provided that it is ensured that the use of the software / access to the software per license is only permitted to one user or the agreed number of users at the same time.
3. Additional rights, in particular for reproduction beyond the extent required for contractual use, are not granted. With the exception of the right to correct errors, the customer is not entitled to make changes to the software. The right to correction of errors by the customer only applies if we failed or refused to correct such error. The making of a backup copy of the software by the customer as well as the duplication within the scope of the usual data backup to ensure the intended operation of the software is permitted.
4. Labelling of the software, in particular copyright notices, trademarks, serial numbers or other similar marks, may not be removed, changed or made unrecognizable.

§ 4 Supplementary Warranty Provisions for the Supply of Software

- (1) We will also provide regular updates to remedy known defects with an automatic installation routine for download and by offering the customer telephone support to solve any installation problems that may arise.
- (2) If we are not in a position to remedy a defect or make a subsequent delivery free of defects, we will provide the customer with workarounds.

Such workarounds will be considered as supplementary performance, provided that they do not lead to a significant impairment of the functionality or processes of the software. Workarounds are temporary solutions to an error or malfunction without interfering with the source code.

C. Special Conditions for Work Services: Installations, Repairs, Maintenance Services, Customizing, Software Development

§ 1 Scope of Application

The following special terms and conditions for work services apply in addition to the general terms and conditions under Section A. for all contracts with the customer for the provision of work services, including, but not limited to the installation of goods and other items, the repair of goods and other items, and the development or customizing (i.e. the adaptation of software to the customer's requirements) of software.

§ 2 Appointment of Project Managers

(1) Both we and the customer are obligated to appoint a project manager before any work begins. The measures necessary for the implementation of the project will be agreed between the project managers. The responsibility for the implementation of the work lies with us. The respective project managers must be named in writing to the respective contact person within a reasonable period of time after execution of the contract.

(2) The project managers will meet on a regular basis, as agreed to between them..

§ 3 Changes During the Execution of the Work / Change Request Management

(1) The project managers may agree on changes by mutual written consent. The agreements are to be recorded and signed by both project managers. Insofar as no agreements have been made regarding payment or other contractual provisions, including schedules with regard to the agreed changes, the changes must be implemented within the framework of the contractual terms agreed up to that point.

(2) If the parties fail to reach agreement on changes requested by either party, the following shall apply:

Until acceptance by the customers the customer is entitled to request us to make changes. The change requests are to be made to us in writing. We will examine the change request and shall accept changes requested by the customer unless they are unreasonable for us within the scope of our operational efficiency. We will inform the customer in writing within 14 days of receipt of the change request whether:

- the change request is accepted and will be carried out under the previous provisions of the contract.
- the change request has an impact on contractual provisions, e.g. price, execution deadlines etc., in which case we will inform the customer of the conditions under which the change can be made. The change will only be implemented if the customer accepts the change in writing on the conditions provided by us within 14 days after receipt of such notification.
- the examination of the change request for feasibility will involve extensive work: In this case we can make the examination of the

change request dependent on the customer paying for the work involved. In such a case we will be obligated to inform the customer in writing of the time required and the costs for such examination. The order to carry out an examination will not be deemed to have been placed until the customer has commissioned us in writing to carry out the examination.

- the change request is rejected.

If we do not respond to the change request within 14 days of written receipt of same, the change request shall be deemed rejected.

(3) In performing the work we shall observe the generally recognized testing methods as well as any applicable laws. If legal or other regulations change after execution of the contract, if new regulations are introduced or if new or changed requirements which affect the contractual performance arise for us (for example as a result of amended or new manufacturer documentation, factory standards or risk assessments) and if the customer has informed us of same in a reasonable period of time, to the extent feasible, we will take these requirements into account. Previously agreed-upon payment terms in service contracts or orders for services will be adjusted at our reasonable discretion, including taking into account the cost of any such testing requirement changes, personnel and / or used or new tools.

§ 4 Acceptance

The work will be handed over after completion. If handover is excluded because of the nature of the work, notification of completion will be given in writing. The work will be ready for acceptance after completion and handover or, if a handover is excluded because of the nature of the work, after notification of completion. The customer must accept the completed work within two weeks after such handover or, if handover is excluded according to the type of work, after completion. This period begins with the written notification from us to the customer that the work has been completed. The work will be deemed to have been accepted on expiry of the agreed period for acceptance if the customer neither declares acceptance in writing nor informs us in writing what defects are still to be remedied. We will inform the customer of this legal consequence when notifying the customer that the work has been completed or when handing over the work.

§ 5 Supplementary Provisions for the Supply of Software

(1) Delivery and Scope of Supply

The software, including updates, shall be delivered in the form of an object code on a standard data carrier or online as a download from a website. The scope of delivery also includes application documentation. Unless otherwise agreed between the customer and us in writing, the application documentation can be provided at our discretion either as an operating manual or on a data carrier. We are not required to transfer the source code.

(2) Rights of Use to the Software

1. The respective licensing conditions of the software apply to the granting of rights of use to the software.
2. Unless otherwise agreed between us and the customer in writing, the customer will receive a simple right of use for the software supplied, unlimited in time. In the absence of other agreements, the right of use entitles the purchaser to use the software on a single PC (single user license) or to use the software on a machine or server, provided that it is ensured that the use of the software / access to the software per license

is only permitted to one user or the agreed number of users at the same time.

3. Additional rights, in particular for reproduction beyond the extent required for contractual use, are not granted. With the exception of the right to correct errors, the customer is not entitled to make changes to the software. The right to correction of errors by the customer only applies if we failed or refused to correct such error. The making of a backup copy of the software by the customer as well as the duplication within the scope of the usual data backup to ensure the intended operation of the software is permitted.
4. Labelling of the software, in particular copyright notices, trademarks, serial numbers or other similar marks, may not be removed, changed or made unrecognizable.

§ 6 Supplementary Warranty Provisions for the Supply of Software

- (1) We will also provide regular updates to remedy known defects with an automatic installation routine for download and by offering the customer telephone support to solve any installation problems that may arise.
- (2) If we are not in a position to remedy a defect or make a subsequent delivery free of defects, we will provide the customer with workarounds. Such workarounds will be considered as supplementary performance, provided that they do not lead to a significant impairment of the functionality or processes of the software. Workarounds are temporary solutions to an error or malfunction without interfering with the source code.

Valid from: June 2020