

1. INTRODUCTION

- (a) These General Terms and Conditions (“**Terms**”) shall apply to any and all agreements for delivery of goods to ASSA ABLOY AB and any of its subsidiaries (“**ASSA ABLOY Group**”) unless otherwise explicitly agreed in writing between the parties. A subsidiary shall mean any entity controlled or owned, directly or indirectly, from time to time by ASSA ABLOY AB.
- (b) Terms used, but not otherwise defined, in these Terms shall have the same meaning as those terms in the applicable Purchase Agreement.

2. DELIVERY AND PASSING OF TITLE

- (a) The Supplier shall deliver the Products Ex Works Incoterms 2010 if not otherwise agreed in the Order (the “**Delivery Terms**”). Timely delivery shall be of the essence for each Order.
- (b) Title in, and risk of loss or damage to a Product, shall pass to the Purchaser in accordance with the Delivery Terms. The Products shall be appropriately packed in accordance with the Purchaser’s instructions.
- (c) If the Supplier fails to meet a confirmed delivery date, the Purchaser may, at its sole discretion and without prejudice to any other remedies; (i) request that the Supplier expedite the delivery per the Purchaser’s instruction at no charge; and/or (ii) cancel the undelivered portion of such Order at no charge; and/or (iii) terminate the Purchase Agreement in accordance with clause 13(b) (iii). Furthermore, the Supplier shall be liable to pay liquidated damages to the Purchaser at the rate of five (5) % of the Order value for each commenced week of delay subject to a maximum aggregate equal to fifty (50) % of the Order value. Payment of the liquidated damages shall be made upon demand of the Purchaser or, at the Purchaser’s option, through set-off against amounts subsequently invoiced by the Supplier and shall not restrict the Purchaser from making other claims.

3. FORECASTS

- (a) The Purchaser may provide the Supplier with order forecasts setting out the Purchaser’s need of Products during the time period set forth in the Purchase Agreement (the “**Order Forecast**”). The Supplier shall use its best efforts to maintain sufficient manufacturing capacity and stock of the Products to meet the requirements set out in the Order Forecast.
- (b) Order Forecasts shall not be binding on the Purchaser or give rise to any liability or obligation of the Purchaser to place any Orders for any Products, nor form any commitment to purchase a specific volume of the Products, or any part or material used to manufacture the Products. In addition, no Order Forecast shall give rise to any liability for the Purchaser due to the Supplier’s cost for stocking etc.

4. PURCHASE PRICE AND INVOICING

- (a) The Purchaser shall pay the applicable purchase price for each Product as set forth in the Purchase Agreement or Exhibit 1 (Price and Products) attached thereto. The purchase price shall be paid, in the currency stated in the Purchase Agreement, within ninety (90) days from the date on which the Products shall be deemed to have been delivered according to the Delivery Terms, however always subject to correct and complete invoice documentation. Payment of an invoice shall not constitute acceptance of Products.
- (b) The Supplier shall issue and date invoices upon each shipment of Products. All invoices shall refer to the relevant Order and include such information as is required by law.
- (c) The purchase price shall be fixed during twelve (12) months from the date of the Purchase Agreement unless otherwise agreed in writing. The parties shall in good faith review and agree on the applicable purchase price to apply after the expiration of the twelve (12) month period. The Supplier shall use open book calculation for this purpose. However, if the parties cannot agree on the new purchase price before the end of the twelve (12) months’ period, the Purchase Agreement may be terminated in writing by either party by giving six (6) months’ written notice to the other party. During the six (6) months’ notice period the then current purchase price shall continue to apply.
- (d) The Supplier and the Purchaser shall work together to achieve significant reductions in total costs. The Supplier commits to a reduction of minimum five (5) % of the Purchaser’s total spend per annum with respect to the Products delivered to the Purchaser. Performance against the five (5) % goal shall be tracked by the Supplier and reviewed by the Purchaser’s category manager and/or the site management of the Purchaser on a regular basis.

5. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

- (a) Except to the extent expressly provided herein, each party shall continue to own its intellectual and industrial property rights without conferring any interests therein on the other party and neither the Supplier nor any third party shall acquire any right, title or interest in any intellectual or industrial property rights of any company within the ASSA ABLOY Group.
- (b) Notwithstanding the above, all intellectual property rights with regard to and for the Products, including but not limited to, drawings, designs, models, calculations, tools etc. that are provided by the Purchaser or are created by the Supplier in connection with this Purchase Agreement, shall vest in and exclusively belong to the Purchaser. The Supplier shall, where necessary, take all actions required to ensure that Purchaser receives the rights referred herein.

- (c) Without limiting the generality of clause 5(a) and except as may otherwise be expressly provided for herein, the Supplier agrees that it shall not without the prior written consent of the Purchaser use any trademark of any company within the ASSA ABLOY Group for any purposes whatsoever.

6. PURCHASERS' GOODS, TOOLS AND DESIGN

- (a) All goods, tools and design or any other property supplied by the Purchaser to the Supplier (the **"Purchaser Property"**) at the sole cost of the Purchaser, will be and remain the property of the Purchaser and shall be returned to the Purchaser upon request. The Supplier may not make use of them for any purpose other than for fulfilling its obligations under the Purchase Agreement.
- (b) The Supplier will, at no extra cost for the Purchaser, store and maintain all Purchaser Property in good order and condition, upgrade the Purchaser Property (as required) and insure the Purchaser Property on customary terms while in the Supplier's care.
- (c) The Supplier shall keep the Purchaser Property clearly separated from its own property and the Purchaser Property shall be marked as property of the Purchaser.
- (d) The Purchaser shall have the right to enter or otherwise be allowed access to the Supplier's premises for the purpose of removing the Purchaser Property from the premises.

7. MANUFACTURING

- (a) The Supplier shall without limitation be responsible, at no additional cost to the Purchaser, for:
 - (i) sourcing and procuring all raw materials for the Products;
 - (ii) obtaining all necessary approvals, permits and licences for the manufacturing of the Products;
 - (iii) providing sufficient qualified staff and workers to perform the obligations under the Purchase Agreement;
 - (iv) implementing and maintaining effective inventory and production control procedures with respect to the Products; and
 - (v) handling other matters as reasonably requested by the Purchaser from time to time.
- (b) The Supplier shall not change any process, material, component, packaging or manufacturing location without the Purchaser's express prior written approval.

8. WARRANTIES

8.1 Product warranty

- (a) The Supplier warrants that all Products delivered to the Purchaser shall be free from defects in material and workmanship, conform to the Specifications (if any) and be free from design defects and suitable for its intended purpose.
- (b) The Supplier furthermore warrants as of the date of each delivery of Products that such Products:
 - (i) are free of encumbrances and other restrictions to title and use;
 - (ii) have been manufactured and delivered in compliance with all applicable laws and regulations; and
 - (iii) do not infringe any intellectual or industrial property rights.

8.2 Warranty period and remedies

- (a) The Supplier's warranties hereunder shall extend to any defect or nonconformity arising or manifesting itself within twenty-four (24) months after delivery to the Purchaser, or eighteen (18) months after delivery to the Purchaser's customers, whichever is the later.
- (b) If any Product does not conform with any of the warranties in clause 8.1, the Purchaser may require the Supplier to immediately correct or replace such Product at the Supplier's risk and expense or refund the Purchase Price.
- (c) Any sums due from the Supplier to the Purchaser in accordance with clause (b) above, shall be paid upon first demand of the Purchaser or, at the Purchaser's option, through set-off against amounts subsequently invoiced by the Supplier.
- (d) The remedies stipulated in clause (b) above shall be in addition to any other rights and remedies available under law.
- (e) If the Supplier fails to correct or replace a defective Product within a reasonable time, the Purchaser may correct or replace such Products and the Supplier agrees to reimburse the Purchaser for the costs incurred thereby.

8.3 Epidemic Failures

If, during the warranty period, defects are reported in more than five (5) % of the total number of Products/units shipped in any consecutive thirty (30) day period (**"Epidemic Failure"**), the Supplier shall dedicate sufficient resources on a continuing basis, at its sole expense, to identify and eliminate the cause(s) of the Epidemic Failure and shall also, at the Purchasers' written request, replace or update all Products delivered to the Purchaser with the potential for such Epidemic Failure and reimburse the Purchaser for its commercially reasonable expenses relating to any recalls or related actions taken by the Purchaser. If replacement Products are not provided and/or an acceptable plan to resolve an Epidemic

Failure is not provided to the Purchaser within thirty (30) days after it is reported, or such additional period as may be permitted by the Purchaser depending on the nature of the Epidemic Failure, the Purchaser may terminate the Purchase Agreement without any liability to the Supplier for such termination. In the event of an Epidemic Failure, the Purchaser is entitled to request a refund or credit for the affected Products (and the Supplier shall provide such refund or credit on the Purchaser's request) and the Purchaser may also cancel any specific Order pertaining to the affected Product.

8.4 Spare Parts

During the term of the Purchase Agreement and for a minimum period of five (5) years after termination or expiration of the Purchase Agreement, the Supplier shall make spare parts for all components of each of the Products available for sale to the Purchaser. The spare parts shall be available to the Purchaser at prices equivalent to the prices the Supplier offers to the Supplier's other customers for such spare parts.

9. QUALITY ASSURANCE, AUDIT AND COMPLIANCE WITH LAWS

- (a) The Supplier shall maintain applicable ISO standard certification and/or such other quality systems and procedures as may be agreed from time to time.
- (b) The Supplier undertakes to comply with ASSA ABLOY Group's sustainability program and processes, Code of Conduct and the supplier manual applicable from time to time.
- (c) For the purposes of monitoring compliance with the Purchase Agreement and the ASSA ABLOY Group's Code of Conduct, the Supplier shall, whether by prior arrangement or otherwise, allow access (or procure access) for the Purchaser and/or its agents and representatives to the Supplier's manufacturing premises and otherwise to the areas of its and its subcontractors production facilities related to the Products, as well as its quality assurance system.
- (d) All Products shall be manufactured and/or supplied in compliance with all applicable laws and regulations, including applicable export control laws, sanctions and licensing rules. The Supplier may be explicitly required to comply with other and/or additional standards and regulations in a Specification (if any).
- (e) The Supplier shall provide all information needed for the Purchaser to comply with applicable export control laws, including the re-export, of Products or software, data or technology supplied in relation to Products. This information shall include; (i) relevant export control classification numbers in relevant jurisdictions; and (ii) Products' origin and customs classification codes.
- (f) The Supplier undertakes to notify the Purchaser in writing if any Product or part of a Product that the Supplier provides to the Purchaser contains any material from time to time identified as a "conflict

mineral" in accordance with the United States Dodd-Frank Wall Street Reform and Consumer Protection Act or any similar legislation in force from time to time. Any failure to present such written confirmation will constitute a representation from the Supplier that no conflict minerals are used in any Product, or part of a Product.

10. PRODUCT LIABILITY

- (a) The Supplier shall be responsible for all Products manufactured by the Supplier and shall effect and maintain sufficient and adequate insurance policies during the term of the Purchase Agreement and any warranty period covering the Products.
- (b) The Supplier shall upon the written request by the Purchaser, provide certificates of insurance evidencing the insurance coverage of the Supplier.

11. INDEMNITIES

11.1 General Indemnification

Notwithstanding any other rights which the Purchaser has under the Purchase Agreement or applicable laws, but subject to the restrictions set out in clause 11.3 below, the Supplier shall defend, indemnify and hold harmless the Purchaser from and against any third party claims and against any cost, damage, liability, loss or expenses which the Purchaser incurs as a result of the Supplier's negligence or breach of warranty or representation or any other default under or in connection with the Purchase Agreement. This shall include, without limitation, compensation for any cost, expenses, loss or damage which a Purchaser incurs in connection with a product recall which the Purchaser reasonably performs because of the Supplier's failure to supply the Products in accordance with the Purchase Agreement or which otherwise are deemed defective.

11.2 Intellectual Property Rights Indemnification

The Supplier shall defend, indemnify and hold harmless the Purchaser against any costs, direct and indirect damages, liabilities, losses or expenses incurred by the Purchaser as a result of any legal action, claim or demand brought against the Purchaser by a third party based on the allegation that the Purchaser's (or its subcontractors' or agents') possession, use or sale of the Products constitutes an infringement on any intellectual or industrial property rights of such third party.

11.3 Restrictions

- (a) Except as provided under clause 11.2 and subject to clause (b) below, neither party shall be liable under the Purchase Agreement for any loss of profit, indirect or consequential damage whatsoever. However, any direct damage or loss incurred by any company within the ASSA ABLOY Group relating to the Purchase Agreement shall be considered a direct damage to and recoverable loss by the Purchaser.

- (b) Nothing in the Purchase Agreement shall exclude or restrict either party's liability for gross negligence, fraud, wilful misconduct, or for death and personal injury.

12. **FORCE MAJEURE**

- (a) Neither party shall be liable to the other party for any delay or failure in performance due to an event of circumstances or occurrences which cannot reasonably be averted or controlled by the party concerned, however excluding power shortages and energy black-outs ("**Force Majeure**") and which substantially affects the performance of the obligations under the Purchase Agreement. If an event of Force Majeure occurs, a party's contractual obligations affected by the Force Majeure and the period for performing such obligations shall be extended, without penalty, for a period equal to such suspension.

- (b) If a case of Force Majeure is expected to last for more than two (2) weeks, or if the Supplier may not be able to meet a scheduled delivery date, the Purchaser may terminate the Order concerned as well as any other Orders affected by Force Majeure that has not yet been delivered, with immediate effect. The Supplier shall not be entitled to any compensation for loss or damage as a result of such termination.

13. **TERM AND TERMINATION**

- (a) Unless otherwise set forth in the Purchase Agreement, the Purchase Agreement may be terminated (in whole or in part) by the Purchaser at any time by giving three (3) months' notice to the Supplier and by the Supplier by giving six (6) months' notice to the Purchaser. Any accepted and outstanding Orders shall remain unaffected by the termination.

- (b) The Purchaser may terminate the Purchase Agreement (including any Orders) with immediate effect if:

- (i) the Supplier commits a breach of a material obligation or performance under the Purchase Agreement, which is not remedied within thirty (30) days of the Purchaser notifying the Supplier of said breach; or
- (ii) the Supplier repeatedly fails to deliver the Products in compliance with the terms and conditions of the Purchase Agreement;
- (iii) the Supplier repeatedly fails to meet a confirmed delivery date; or
- (iv) there is a breach of ASSA ABLOY Group's Code of Conduct; or
- (v) the Supplier or its owner(s), directors or officers becomes listed in any sanctions or export control laws imposed by the UN,

the EU or its member states, the US or any other relevant authority, or if the Supplier breaches any applicable sanctions or export control laws, or if the Supplier's ability to fulfil its obligations under this Purchase Agreement is materially affected by the imposition of sanctions or export control laws.

- (c) The Purchaser may furthermore terminate the Purchase Agreement with immediate effect if there is a change of control of the Supplier.

- (d) The Supplier may terminate the Purchase Agreement with immediate effect if the Purchaser commits a material breach of a material obligation under the Purchase Agreement which, if capable of remedy, is not remedied within thirty (30) days of the Supplier notifying the Purchaser of said breach.

- (e) Either Party may terminate the Purchase Agreement with immediate effect if:

- (i) the other party shall pass a resolution for winding up or a court shall make an order to that effect; or
- (ii) the other party shall cease to carry on its business or substantially the whole of its business; or
- (iii) the other party becomes or is declared insolvent under any applicable law or makes or proposes to make any arrangement or composition with its creditors; or
- (iv) a liquidator, trustee or administrator or any similar officer is appointed over the assets of the other party.

14. **CONFIDENTIALITY**

- (a) The parties undertake not to disclose any confidential information, whether written or oral, acquired in connection with the Purchase Agreement, including, without limitation, any and all financial, technical, marketing, commercial, legal or other information of whatever nature, irrespective of whether such information has been or will be disclosed in writing, verbally or in any other form, disclosed to the other party under this Purchase Agreement ("**Confidential Information**").

- (b) Notwithstanding the above, the term Confidential Information shall not include any information which the party receiving the information can clearly establish by documented evidence (i) was at the time of disclosure to it, in the public domain; (ii) was after disclosure of it, published or otherwise becomes part of the public domain through no fault and or breach of the receiving party; (iii) was known to the receiving party prior to such disclosure, without any undertaking towards a third party to keep such information confidential; (iv) was provided to it from a third party who had a lawful right to disclose such information to it and which was disclosed by such

- third party without any obligation for the receiving party to keep such information confidential; or (v) was independently developed by the receiving party without use of the Confidential Information of the disclosing Party.
- (c) Any party shall be entitled to disclose Confidential Information in response to a valid order of a court or any other governmental body having jurisdiction over this Purchase Agreement or if such disclosure is otherwise required by law or by any binding applicable stock exchange rules, provided that the party shall first, to the extent possible, notify the other party of the required disclosure and make reasonable efforts to reduce any damage to the other party resulting from such disclosure.
- (d) The parties undertake to ensure that any person given access to Confidential Information will comply with the confidentiality undertakings set out in these Terms.
- (e) The parties shall, upon termination of the Purchase Agreement, or upon written request from the other party, immediately cease to use and return to the other party, or destroy, all documents and data disclosing Confidential Information.
- (f) The obligations in this clause 14 shall apply for the duration of the Purchase Agreement and for a period of five (5) years thereafter.
15. **MISCELLANEOUS**
- 15.1 **Assignment**
- The Supplier may not assign the Purchase Agreement, nor sub-contract its obligations hereunder, to any third party without the prior written consent of the Purchaser. The Purchaser shall be entitled to assign the Purchase Agreement to any other company within the ASSA ABLOY Group.
- 15.2 **Set-off**
- The Purchaser shall be entitled to set off any amount owing at any time from the Supplier to the Purchaser against any amount payable at any time by the Purchaser to the Supplier.
- 15.3 **Severability**
- If any provision of the Purchase Agreement or these Terms is held by any court or other competent authority to be void or unenforceable in whole or in part, the other provisions of the Purchase Agreement or these Terms and the remainder of the effective provisions shall continue to be valid. The parties agree to replace such a void or unenforceable provision by a provision that is valid and enforceable and that comes as close as possible to the common intention of the parties underlying the void or unenforceable provision.
- 15.4 **Waivers**
- A party's waiver of any of its rights under the Purchase Agreement must be in writing and duly executed by it. No single or partial waiver of any
- such right or remedy shall preclude any other or further exercise of that or any other such right or remedy.
- 15.5 **Entire agreement**
- The Purchase Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements relating to the subject matter hereof.
- 15.6 **Governing law**
- The Purchase Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of New York.
- 15.7 **Dispute resolution**
- (a) In the event a dispute arises between the Purchaser and the Supplier hereunder, the individuals directly involved in the dispute shall meet to negotiate and attempt to resolve the dispute. If the dispute cannot be resolved at this level within thirty (30) days, then representatives of the Supplier and the Purchaser shall promptly meet to negotiate and attempt to resolve the dispute. If the dispute cannot be resolved within thirty (30) days from the date the parties' representatives first met to negotiate a resolution to the dispute, then the dispute shall be resolved in accordance with clause 15.7 (b) below.
- (b) Any dispute arising out of or relating to the Purchase Agreement will exclusively be settled by a competent court in the State of New York. Each of the parties hereto hereby irrevocably waives any and all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort, or otherwise) arising out of or relating to the Purchase Agreement or the actions of any party hereto in the negotiation, administration, performance or enforcement hereof.
- (c) The United Nations Convention for the International Sale of Goods 1980 (CISG) shall not apply to the Purchase Agreement.