

VANDERBILT

General Terms and Conditions of Purchase

Vanderbilt International (SWE) AB, Security Products, Englundavägen 7, SE-171 41 Solna, Sweden

1. Introduction

Unless otherwise agreed in writing, these general terms and conditions of purchase apply to all contracts concerning the delivery of goods concluded between Vanderbilt International (SWE) AB ("Vanderbilt") and the supplier. These general terms and conditions of purchase shall also apply to future business relationships, even if they are not expressly negotiated. Conditions of the supplier in derogation hereof, which Vanderbilt does not expressly acknowledge in writing, shall not be binding upon Vanderbilt, even if Vanderbilt does not expressly oppose to such conditions.

Effective Date: 11/2015

2. Offers

2.1 All offers should be submitted without any costs for Vanderbilt. Should the content of the offer deviate from Vanderbilt's non-binding inquiry for an offer, this must be expressly stated in writing in the offer.

2.2 Models, tools, printer layouts, drawings and other documents made available by Vanderbilt prior to or following an offer shall remain Vanderbilt's exclusive property and shall be kept strictly confidential. Without Vanderbilt's prior permission such documentation shall not be made available to any third party or used or copied to produce goods for any third party. Upon request, all documentation shall be returned to Vanderbilt without undue delay.

3. Orders

Only orders in writing (or per EDI) with the reference codes indicated, are binding for Vanderbilt.

4. Order confirmation

4.1 The supplier shall confirm each order in writing (or per EDI). Unless the order has been confirmed within seven (7) business days after the date of the order, Vanderbilt has the right to cancel the order at any time. Such cancellation shall not result in any liability or cost for Vanderbilt. For written orders where the price is agreed and the goods shall be delivered immediately following the order, the parties may agree in writing to deviate from the order confirmation requirement.

4.2 The order confirmation shall refer to the reference codes, which have been stated in the order. Should the content of the order confirmation deviate from the order, Vanderbilt is not bound by the order unless Vanderbilt has expressly acknowledged the order confirmation in writing.

5. Delivery, time of delivery and delay

5.1 The goods shall be suitably packed and labelled with the reference codes stated in the order. If no specific delivery term has been agreed, delivery shall be made DDP (Delivered Duty Paid) to the place of destination stated by Vanderbilt. Any agreed trade term shall be construed in accordance with the Incoterms in force at the formation of the contract. The goods shall be delivered together with all necessary documentation which Vanderbilt needs for the appropriate assembly, operation and maintenance. Any documentation regarding the goods shall be available in Swedish or English.

5.2 The supplier undertakes to at its own expense take all measures necessary in order for the goods to be delivered in time and in compliance with these general terms and conditions of purchase. If the supplier anticipates that the delivery may be delayed, the supplier shall immediately inform Vanderbilt in writing, stating the reason, and if possible, the time when delivery can be expected. If the supplier fails to give such notice, Vanderbilt shall be entitled to compensation for any additional costs which could have been avoided if Vanderbilt had received such notice.

5.3 If delivery has not been made within the agreed time, Vanderbilt has the right to demand delivery or to, at any time during the delay, cancel the order.

5.4 With respect to goods specifically manufactured for Vanderbilt, Vanderbilt has the right to cancel the order only if the delay is of material significance to Vanderbilt.

5.5 If the supplier is responsible for the assembly of the goods, the delivery shall not be deemed to be completed until Vanderbilt has approved, in writing, the function test of the goods delivered and assembled.

5.6 In case of delay in delivery, the supplier shall pay liquidated damages amounting to 0.2 per cent of the total purchase price for each completed business day of delay until delivery is made or until Vanderbilt cancels the order. The liquidated damages shall

not exceed 10 per cent of the total purchase price for the goods. If Vanderbilt cancels the order due to delay in delivery, Vanderbilt shall be entitled to compensation for the loss suffered as a result of the delay.

5.7 The risk of accidental loss and accidental deterioration of the goods shall pass to Vanderbilt on delivery of the goods at the place of destination stated by Vanderbilt.

6. Quality assurance

6.1 The supplier shall have a satisfactory quality assurance system in order to assure that the delivery meets Vanderbilt's specifications and quality requirements. Vanderbilt reserves the right to undertake quality checks at the supplier's and/or its sub suppliers' premises. The supplier undertakes to, without cost, assist Vanderbilt during such checks and to promptly remedy any defect or nonconformity. Vanderbilt's possible quality checks shall not limit the supplier's liability for defects and/or delay in delivery.

6.2 Unless otherwise agreed, the supplier and its sub suppliers shall be certified according to ISO 14000. If the supplier ceases to be ISO 14000 certified Vanderbilt has the right to terminate the contract in whole or in part.

7. Factory acceptance tests

7.1 In the event that the parties have agreed that the goods shall be examined prior to delivery, the supplier shall arrange for factory acceptance tests at its own expense. The factory acceptance tests shall be carried out at the site where the goods are manufactured and during normal working hours. If no special technical requirements for the factory acceptance tests have been specified in the contract, the tests shall, in order to be approved, show that the goods meet the requirements, which Vanderbilt is entitled to impose on goods free from defects.

7.2 The supplier shall notify Vanderbilt in writing of the factory acceptance tests in sufficient time to permit Vanderbilt to be represented at the tests. If Vanderbilt is not represented, the supplier shall draw up detailed minutes regarding the execution and the result of the test. Vanderbilt shall receive the minutes immediately following the test.

7.3 If the factory acceptance tests show that the goods do not conform to the contract, the supplier shall promptly remedy any deficiencies in order to ensure that the goods comply with the contract. New tests shall then be carried out promptly at Vanderbilt's request.

8. Spare parts

The supplier undertakes to provide spare parts during the normal life of the goods, however at the maximum for ten (10) years after delivery.

9. Defects

9.1 The goods must be of satisfactory quality and free from defects in material and workmanship, be fit and suitable for the purpose for which they were designed and/or required, conform to the agreed specifications, and any and all relevant legal and regulatory requirements, in particular environmental, health and safety requirements valid at the time, even if not expressly referred to in any specification.

9.2 The supplier shall remedy defects which appear within two (2) years from delivery. Vanderbilt shall notify the supplier of any defect within reasonable time after the defect was discovered by Vanderbilt. When a defect has been remedied, the supplier shall be liable for defects in the repaired or replaced goods under the same terms and conditions as those applicable to the original goods.

9.3 Upon receipt of a notice under section 9.2, the supplier shall remedy the defect without undue delay and at its own cost. Repair shall be carried out at the place where the product is located unless Vanderbilt deems it appropriate that the defective product is returned to the supplier for repair or replacement.

9.4 If the supplier should not remedy the defect within reasonable time, Vanderbilt may undertake or employ a third party to undertake necessary remedial works at the risk and expense of the supplier. The supplier shall be informed in writing before such work is initiated. Vanderbilt shall also be entitled to a reduction of the purchase price in proportion to the reduced value of the product or, if the defect is of material significance, terminate the contract in whole or in part by notice in writing to the supplier.

10. Compensation

10.1 Vanderbilt is entitled to compensation for direct damages, which Vanderbilt suffers due to a defect or a delay, including but not limited to damage to property caused by the goods, liquidated damages or other compensation, which Vanderbilt is obliged to pay to a third party.

10.2 If the supplier or someone else for whom the supplier is responsible has acted negligently, Vanderbilt shall always be entitled to compensation for all damage suffered due to a defect or a delay. Compensation may however only be claimed to the extent the loss exceeds the liquidated damages that Vanderbilt is entitled to according to section 5.6 above.

10.3 For the avoidance of doubt, the above shall not limit Vanderbilt's rights and remedies under the Swedish Sales of Goods Act (SFS 1990:931) (*Sw. köplagen*).

11. Health, environment and security

11.1 The goods, or the Vanderbilt products into which the goods are incorporated (and/or packaging and packaging components) may need to comply with laws that restrict product content, including, but not limited to, the European Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the European Union's Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS), the European Union's Directive on Packaging and Packaging Waste and/or any local laws in the individual member states of the European Union or the Economic Area that incorporates the aforementioned directives ("Substance Laws"). The supplier warrants that the goods will not contain any of the substances prohibited by such Substance Laws and that any restricted substances including substances covered by REACH contained in the goods will not exceed the relevant concentration values permitted by the Substance Laws ("Restricted Values") in force at the time the goods are supplied. Upon request, the supplier will provide to Vanderbilt: (i) satisfactory documentation that the goods do not exceed the Restricted Values; (ii) certification of the exact concentration of each substance subject to the Restricted Values in all goods; and (iii) reports on the occurrence of other substances that may require disclosure to governmental bodies, customers and/or recyclers.

11.2 For goods subject to the European Union's Directive on Waste Electrical and Electronic Equipment (WEEE) and/or any local laws in the individual member states of the European Union or the Economic Area concerning recycling or disposal of waste ("Disposal Regulations"), the supplier: (i) represents and warrants that such goods are correctly labelled in accordance with the Disposal Regulations; (ii) agrees to assist Vanderbilt, as necessary in Vanderbilt's reasonable opinion, to comply with its obligations, if any, under the Disposal Regulations; and (iii) agrees to assume responsibility for taking back and disposing of goods in the future upon the request of Vanderbilt or its customer in accordance with the Disposal Regulations. No additional charges will be due to the supplier from Vanderbilt for the supplier's agreement to undertake these responsibilities.

12. Third party claims and insurance

12.1 The supplier shall indemnify and hold Vanderbilt harmless against any claim made against Vanderbilt due to all types of damages caused by goods delivered by the supplier including compensating Vanderbilt for all costs and legal expenses incurred by such claims. The supplier shall furthermore compensate Vanderbilt for all costs incurred due to an injunction imposed by an authority or a court to withdraw goods, to provide security, warning or other similar information or a ban to sell and/or export goods.

12.2 The supplier undertakes to obtain and maintain sufficient product liability insurance during the contract period. Upon Vanderbilt's request, the supplier shall submit a copy of the valid contract.

13. Payment conditions and invoicing

13.1 Unless otherwise agreed, payment for the delivered goods is due 30 days after the invoice date. The invoice may not be issued unless complete delivery has been made. The payment is however only due if an approved delivery has been made and if Vanderbilt has received a correct invoice. All invoices shall contain all reference codes stated in the order and the amount for each delivery shall be clearly stated. In case of late payment due to circumstances not attributable to the supplier or anyone for whom the supplier is responsible, the supplier is entitled to default interest in accordance with the Swedish Interest Act (SFS 1975:635) (*Sw. räntelagen*).

13.2 Vanderbilt reserves the right to set off such amount owed to the supplier, or withhold payments for goods not provided in accordance with the contract.

14. Prices

The prices in the order are fixed, exclusive of value-added tax, and unless otherwise agreed in writing, the prices shall be deemed to include all costs for delivery, for example packing and transportation. Additional charges are not accepted by Vanderbilt.

15. Confidentiality and intellectual property

15.1 All Vanderbilt's trade secrets as well as all descriptions, drawings, computer programs, calculations and other documentation that the supplier has received knowledge of or received in connection with the execution of the delivery, shall be kept in secret and may not be reproduced or used for other purposes than to execute the delivery. The supplier is fully responsible for damage, which Vanderbilt suffers due to a violation of these obligations.

15.2 The supplier is not entitled to make use of or refer to any trademark, trade name, domain name, patent, design, copyright, or other intellectual property right of Vanderbilt, unless prior obtained written consent of Vanderbilt. Any authorized use shall be strictly in accordance with Vanderbilt's instructions and for the purposes specified.

15.3 The supplier warrants that the goods will not result in or give rise to any infringement or misappropriation of any intellectual property right of a third party. For the avoidance of doubt, the supplier shall indemnify and hold Vanderbilt harmless against any claim relating to infringement of intellectual property rights of a third party in accordance with section 12.1.

15.4 The supplier hereby assigns by way of present and future assignment all intellectual property rights, know-how, copyrights and other rights developed by or on behalf of the supplier explicitly for or on instructions of Vanderbilt.

15.5 All intellectual property rights to software, including source code, sub-software and documentation, developed explicitly for Vanderbilt or on Vanderbilt's instructions shall rest with or be transferred to Vanderbilt. Intellectual property rights to other software shall remain with the supplier and the supplier shall grant Vanderbilt a non-exclusive, non-transferable, irrevocable, perpetual and royalty free license not limited to specific equipment or location.

16. Export control

16.1 Goods purchased by Vanderbilt may be exported from Sweden to other nations by Vanderbilt and/or customers of Vanderbilt. The supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). The supplier shall advise Vanderbilt in writing within two weeks of receipt of the order, and in case of any changes without undue delay, of any information and data required by Vanderbilt to comply with all Foreign Trade Regulations during export, import and re-export, including without limitation:

- all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN);
- the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding;
- the country of origin (non-preferential origin); and
- upon Vanderbilt's request, the supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

16.2 The supplier shall be liable for any expenses and/or damage incurred by Vanderbilt due to any breach of the obligations according to section 16.1.

16.3 The supplier acknowledge that Vanderbilt's obligation to fulfil the contract is subject to the presumption that the fulfilment is not prevented by any impediments arising out of national and international foreign trade and customs requirements or any embargos or other sanctions.

17. Corporate responsibility

17.1 The supplier shall comply with the principles and requirements of the "Code of Conduct for Vanderbilt's Suppliers" attached hereto as Annex 1 (hereinafter referred to as the "Code of Conduct").

17.2 If requested by Vanderbilt, the supplier shall once a year either - at its option - provide Vanderbilt with (i) a written self-assessment in the form provided by Vanderbilt, or (ii) a written report approved by Vanderbilt describing the actions taken or to

be taken by the supplier to assure compliance with the Code of Conduct.

17.3 Vanderbilt and its authorized agents and representatives and/or third parties appointed by Vanderbilt, shall be entitled to conduct inspections at the supplier's premises in order to verify the supplier's compliance with the Code of Conduct. An inspection may only be conducted upon prior written notice during regular business hours in accordance with the applicable data protection laws and shall not unreasonably interfere with the supplier's business activities or violate any of the supplier's confidentiality agreements with third parties. The supplier shall reasonably cooperate in any inspections conducted. Each party shall bear its expenses in connection with such inspection.

17.4 In addition to any other rights and remedies Vanderbilt may have, in the event of (i) the supplier's material or repeated failure to comply with the Code of Conduct or (ii) the supplier's denial of Vanderbilt's right of inspection as provided for in section 17.3, after providing the supplier reasonable notice and a reasonable opportunity to remedy, Vanderbilt may terminate this contract and/or any purchase order issued hereunder without any liability whatsoever.

17.5 Material failures include, but are not limited to, incidents of child labour, corruption and bribery, and failure to comply with the Code of Conduct's environmental protection requirements. The obligation to provide the supplier reasonable notice and the supplier's opportunity to remedy shall not apply to violations of requirements and principles regarding the child labour as set out in the Code of Conduct or wilful failures to comply with the Code of Conduct's environmental protection requirements.

18. Applicable law and disputes

18.1 The contract is governed by Swedish law, without regard to its conflict of law provisions. Any dispute, controversy or claim arising out of or in connection with the contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English.

18.2 The parties undertake, indefinitely, not to disclose the existence or contents of any judgment or decision related to or in connection with the contract or any information regarding negotiations, arbitral proceedings or mediation in connection therewith. This confidentiality undertaking shall not apply in relation to information which a party is required to disclose by law, pursuant to an order of a governmental authority, pursuant to applicable stock exchange rules, or which may be required for the enforcement of a judgment or an award.

ANNEX 1

CODE OF CONDUCT FOR VANDERBILT'S SUPPLIERS

This Code of Conduct defines the basic requirements placed on Vanderbilt's suppliers of goods and services concerning their responsibilities towards their stakeholders and the environment. Vanderbilt reserves the right to reasonably change the requirements of this Code of Conduct at any time. In such event Vanderbilt expects the supplier to accept such reasonable changes.

The supplier declares herewith:

Legal compliance

- to comply with all applicable laws, rules and regulations;

Prohibition of corruption and bribery

- to tolerate no form of and not to engage in any form of corruption or bribery, including any payment or other form of benefit conferred on any government official for the purpose of influencing decision making in violation of law;

Respect for the basic human rights of employees

- to promote equal opportunities for and treatment of its employees irrespective of skin colour, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- to respect the personal dignity, privacy and rights of each individual;
- to refuse to employ or make anyone work against his will;
- to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- to prohibit behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- to provide fair remuneration and to guarantee the applicable national statutory minimum wage;
- to comply with the maximum number of working hours according to applicable law;
- to recognize, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organizations or trade unions;

Prohibition of child labour

- to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14;
- to not employ any young workers under the age of 18 to perform any work that is likely to be hazardous or harmful to their health and safety;

Health and safety of employees

- to take responsibility for the health and safety of its employees;
- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
- to provide training and ensure that employees are educated in health and safety issues;
- to set up or use a reasonable occupational health and safety management system;

Environmental protection

- to act in accordance with the applicable statutory and international standards regarding environmental protection;
- to minimize environmental pollution and make continuous improvements in environmental protection;
- to set up or use a reasonable environmental management system;

Supply chain

- to use reasonable efforts to promote among its suppliers compliance with this Code of Conduct; and
- to comply with the principles of non-discrimination with regard to supplier selection and treatment.