

## **General Terms and Conditions of Purchase of the SNA LLC**

### **1. General Provisions**

These Purchasing Conditions apply to all orders placed by Schleifring North America (SNA). Any deviating conditions in any preceding quotations or in the SELLER's confirmation of the order, even if we have not objected to them, shall only apply when we have expressly acknowledged them in writing. These Purchasing Terms along with a purchase order constitutes the contract between the SELLER and SNA (hereinafter "Contract").

SELLERs are required to comply with the applicable requirements of the SNA Code of Ethics and Standards of Conduct, viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads) alternatively, they may have their own Code of Conduct that meets the requirements of FAR 52.203-13, viewable at <https://www.acquisition.gov/far/52.203-13>.

All orders are placed in writing, in principle, only written agreements are binding. Orders placed orally or by phone must be confirmed in writing. The same also applies to any agreements to subsequently change the Contract.

Invoices to be submitted, immediately after shipment of goods, by mail or preferably by email to [accounting@schleifringna.com](mailto:accounting@schleifringna.com). Please submit a separate invoice for each purchase order. The invoice must contain the purchase order number and line item number prescribed by the Contract. Costs of packaging and shipping are to be stated separately in case these costs are not part of the agreed price.

### **2. Terms of Payment**

Our Payment Terms shall be as negotiated. Our normal payments will be net 30 days after receipt of a valid invoice, subject to the condition that the goods have been accepted by us (inspection of incoming goods) upon receipt of the invoice.

### **3. APPLICABLE LAWS**

(a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws of the State of Massachusetts, without regard to its conflicts of law's provisions. SELLER, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. SELLER, at its expense, shall provide reasonable cooperation to SNA in conducting any investigation regarding the nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.

(b) If applicable, SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to SNA hereunder is, on the Toxic Substances Control Act (TSCA) Chemical Substances inventory compiled by the United States the Environmental Protection Agency pursuant to TSCA (15 U.S.C. Sec. 2607(b) as amended and implemented in 40 CFR Part 710; and is designated as "active" pursuant to the TSCA Inventory Notification Rule (codified by amendments to 40 CFR Part 710 effective August 11, 2017).

(c) Upon request, SELLER shall make available to SNA all Safety Data Sheets for any material provided to SNA, or brought or delivered to SNA or its customer's premises in the performance of this Contract as required by applicable law, such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

### **4. COMMUNICATION WITH SNA CUSTOMER**

SELLER shall not communicate with SNA's customer or higher tier customers in connection with this Contract, except as expressly permitted by SNA. This clause does not prohibit SELLER from communicating with the U.S. Government with respect to (1) matters SELLER is required by law or regulation to communicate to the Government, (2) fraud, waste, or abuse communicated to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information, or (3) any matter for which this Contract, including a FAR or FAR Supplement clause, provides for direct communication by SELLER to the Government.

### **5. CONTRACT DIRECTION**

(a) Only the SNA Procurement Representative has authority on behalf of SNA to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.

(b) SCHLEIFRING North America engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by SELLER shall be in writing and sent to the SNA Procurement Representative.

## 6. COUNTERFEIT WORK

(a) The following definitions apply to this clause:

"Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

(b) SELLER shall not deliver Counterfeit Work or Suspect Counterfeit Work to SNA under this Contract.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to SNA directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. SELLER may use another source only if:

(i) the foregoing sources are unavailable,

(ii) SELLER's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and

(iii) SELLER obtains the advance written approval of SNA.

(d) SELLER shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.

(e) SELLER shall immediately notify SNA with the pertinent facts if SELLER becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by SNA, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. SELLER, at its expense, shall provide reasonable cooperation to SNA in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.

(f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flow down, or other provision included in this Contract addressing the authenticity of Work.

(g) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine OCM/OEM Work conforming to the requirements of this Contract.

Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation SNA's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies SNA may have at law, equity or under other provisions of this Contract.

(h) SELLER shall include paragraphs (a) through (f) and this paragraph (h) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to SNA

## 7. EXPORT CONTROL

(a) SELLER shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Control Reform Act of 2018; the Export Administration Regulations, 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Trade Control Laws").

(b) SELLER shall notify SNA if any deliverable under this Contract is restricted by applicable Trade Control Laws. Before providing SNA any item or data controlled under any of the Trade Control Laws, SELLER shall provide in writing to the SNA Procurement Representative the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Arrangement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the SNA Procurement Representative in writing of any changes to the export classification. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, SELLER or other source of the Work has properly determined their export classification.

(c) SELLER shall not export, re-export, transfer, disclose or otherwise provide or make accessible SNASNA technical data and/or hardware controlled by Trade Control Laws ("Export Controlled Information") to any persons, or entities not authorized to receive or have access to the data, services and/or hardware, including third country/dual national employees, lower-tier subcontractors and sub-licensees, or modify or divert such Export Controlled Information to any military application unless SELLER receives advance, written authorization from SNA and verification of any required export authorization is in place. SELLER shall not provide a defense service as defined by the Trade Control Laws using any or all of SNA's technical data and/or hardware. To the extent SELLER's Work provided under this Contract include packing, labeling, processing, and/or handling exports for SNA, SELLER shall maintain an auditable process that assures accurate packing, labeling, processing, and handling of such exports. SELLER shall also promptly notify SNA if it becomes aware of any failure by SELLER or SELLER's lower-tier subcontractors to comply with this clause and shall cooperate with SNA in any investigation of such failure to comply.

(d)(1) SELLER hereby represents that neither SELLER nor any parent, subsidiary, affiliate, employee, or sub-licensee or lower tier SELLER of SELLER (i) are located within an ITAR §126.1 listed country, (ii) nor included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists").

(2) SELLER further represents that it shall immediately notify the SNA Procurement Representative if SELLER's status changes with respect to any of the foregoing.

(e) In the event of an anticipated change in control of SELLER involving a non-U.S. person or entity, SELLER shall provide SNA with notice at least 90 days prior to the effectiveness of such change of control consistent with applicable law and confidentiality restrictions.

(f) If SELLER is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defense articles or furnishing defense services, SELLER represents that it is and will continue to be registered with the Directorate of Defense Trade

Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR. (g) Where SELLER is a party to or signatory under a SNA Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemption, collectively, "Export Authorization," SELLER shall provide prompt notification to the SNA Procurement Representative in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SELLER's performance under this Contract, or (2) any change by SELLER that might require SNA to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to SNA all information and documentation as may reasonably be required for SNA to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for export authorizations shall not constitute an excusable delay under this Contract.

(h) Upon completion of performance of this Contract, SELLER and its lower-tier subcontractors shall as directed by SNA, return or destroy all export controlled technical data, technology, hardware or other items. SELLER shall provide a certificate of destruction for all destroyed items.

(i) SELLER shall include paragraphs (a) through (g) and this paragraph (h) of this clause or equivalent provisions in lower-tier subcontracts for the delivery of items that will be included in or delivered as Work to SNA. SELLER shall immediately notify SNA upon learning that any lower-tier subcontractor with which it engages has become listed on the Restricted Parties List.

**(j) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns, SELLERS, or subcontractors at any tier, in the performance of any of its obligations under this clause**

## **8. EXTRAS**

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

## **9. ANTI-CORRUPTION, GRATUITIES/KICKBACKS**

Refer to SNA's Anti-Corruption Policy, viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads)

(a) SELLER shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a SNA SELLER.

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA" and the UK Anti-Bribery Act or any other applicable Anti-Corruption law.).SELLER

## **10. INDEMNITY**

Each party shall defend, indemnify, and hold harmless the other party, their officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of a party, their officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of their obligations under this Contract.

## **11. INFORMATION ASSURANCE**

(a) Information provided by SNA to SELLER remains the property of SNA. SELLER shall comply with the terms of any proprietary information agreement with SNA and comply with all proprietary information markings and restrictive legends applied by SNA to anything provided hereunder to SELLER. SELLER shall not use any SNA provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of SNA. SELLER shall maintain data protection processes and systems sufficient to adequately protect SNA provided information and comply with any law or regulation applicable to such information.

(b) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

## **12. INTELLECTUAL PROPERTY**

(a) SELLER warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Except to the extent that the U.S. Government assumes liability therefor, SELLER shall defend, indemnify, and hold harmless SNA, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

(b) Items delivered under this Contract such as operation and maintenance manuals shall be delivered with the right to copy for internal use and/or copy and deliver with the right to use to SNA's customers.

(c) The tangible medium storing copies of all reports, memoranda or other materials in written form including machine readable form, prepared by SELLER and furnished to SNA pursuant to this Contract shall become the sole property of SNA. Nothing in this paragraph (e) assigns ownership of SELLER's intellectual property included on such medium to SNA.

(d) No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties under this clause

## **13. INSURANCE**

(a) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:

(1) Workers' compensation insurance meeting the statutory requirements where Work will be performed;

(2) Employer's liability (EL) in the amount of \$3 million per each accident or per each employee for disease;

(3) Commercial general liability (CGL) including Products Liability and Completed Operations liability in the amount of \$3million per occurrence and \$5 million in the aggregate annually; and,

(4) Automobile liability (AL) insurance covering third party bodily injury and property damage with a minimum of \$3 million per occurrence limit(b) SELLER shall provide SNA thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to maintain the required insurance. SELLER shall have its' insurers name SNA as an additional insured on the CGL and AL policies for the duration of this Contract. SELLER shall provide a "Certificate of Insurance" evidencing SELLER's compliance with these requirements. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of SNA and is not contributory with any insurance which SNA may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SELLER's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract

#### **14. PARTS OBSOLESCENCE**

SNA may desire to place additional orders for Work purchased hereunder. SELLER shall provide SNA with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Work purchased under this Contract

#### **15. Periods of Delivery, Contractual Penalty**

The agreed periods and dates of delivery are binding, as is the agreed place of delivery. SNA is to be notified within three days of the occurrence, of the cause, of any delays occurring in the delivery stating the reasons. In case of delays in delivery that are the responsibility of the SELLER, SNA shall be entitled, excluding any claims for damages of the SELLER, to rescind the contract as a whole or in part, provided an additional period to be granted according to law has expired. In such case, the SELLER shall be obliged to compensate SNA for any damage.

#### **16. Ownership of Drawings, Samples, Models, etc.**

Any drawings, samples, models, etc. made available to the SELLER by SNA continues to be SNA property. This applies in the same manner to any items and materials to be provided by SNA, whether tools or material to be processed. The SELLER is obliged to treat all property made available to it by us in a careful and considerate manner, to perform any maintenance and inspection work required and to insure it, if applicable; all costs incurred in this connection shall be borne by the SELLER.

#### **17. Assignment to Third Parties**

Any rights and obligations from this Contract may only be transferred to a third party subject to SNA's written consent, which shall not be unreasonably withheld.

#### **18. Duties to Warn and to Take Due Care**

Since we inform the SELLER about the purpose of use of the ordered parts or their intended further processing, the SELLER is obliged to give us a respective warning if it considers the part to be manufactured by it to be not or not optimally suitable for the specified purpose of use. In so far, the SELLER is regarded as an expert with regard to the parts to be manufactured by it.

Any Deviations to SNA stated requirements must be announced by the SELLER and the parts in question can only be shipped after approval of SNA.

#### **19. No Silicone in Products**

Silicone generally might have a negative impact on the function of our Sliprings. Therefore for SNA it is important to work only with silicone-free components or consumables like e.g. oil or grease. SELLER. The SELLER agrees to only provide SNA with silicone-free products. In case of silicone-content in a product the SELLER has to state this condition in writing with its offer and later with the order confirmation. This is necessary both for pure silicone and also a silicone-content in a product. The shipment of such an article has to be agreed between SELLER and SNA prior to shipment.

#### **20. Shipment Regulations**

Upon delivery of every consignment, duplicate copies denoting the exact statement of the delivery items is to be sent to SNA. Partial deliveries must be expressly marked as such. Order number, line number and if applicable other individual references shown on the order are to be stated. The SELLER shall be responsible for the consequences of shipping documents that are incorrect, incomplete or received late.

The SELLER must provide for appropriate packaging to ensure the safe travel of the shipment. The transport risk shall be borne by the SELLER, and it shall include transport insurance at SELLER own expense, if applicable.

#### **21. Warranty**

The SELLER warrants that its delivery will be free from any defects of quality and title for a period of 2 years from the receipt of the contracted goods by SNA. In the event of failure, default or refusal of subsequent performance, we shall be entitled to substitute performance at the expense of the SELLER.

#### **22. Inspection of Incoming Goods**

We inspect incoming goods on a sample basis, i.e. random samples are taken from the entire delivery. When, based on the sampling results, a sorting out of the parts is necessary, SELLER to expect the return of the whole delivery.

### **23. Events of Force Majeure**

Neither party shall be liable to the other for failure or delay in the performance of required obligations, except for payment obligations which are not liquidated damages, if such failure or delay is caused by riot, civil disorder, war, terrorist act, pandemic, labor dispute, government order, failure of the government to issue export licensure, fire, energy or utility disruption, flood, natural disaster or other similar cause beyond such party's control, provided that such party gives prompt written notice of such condition and resumes its performance as soon as possible, and provided further that the other party may terminate this Agreement if the such condition continues for a period of sixty (60) days.

### **24. Confidentiality**

Confidential Information shall mean all information in oral or written form that is disclosed by one party to the other party, or to which a party may be exposed while at the other party's facilities (1) that has not been publicly made known by that party, either prior to or subsequent to a party's receipt of such information from the other party; or (2) that has been designated as confidential or proprietary in a non-disclosure agreement (NDA) if applicable.

The receiving party shall hold such Confidential Information in trust and confidence for the other party and shall not use it (1) except in furtherance of the relationship set forth in this Contract; or (2) other than as necessary for the performance of this Contract. The receiving party shall not copy, publish, or disclose to any third party such Confidential Information or proprietary information of others in the rightful possession of a party except as may be authorized by the disclosing party in writing. The provisions of this Section shall not apply to a party's Confidential Information that becomes public knowledge without the fault of the receiving party or that is disclosed to the receiving party without an obligation of confidentiality by a third party having the right to lawfully possess and disclose the same.

Confidential information shall be protected for a period of three (3) years unless some other period is required by Customer requirements. In the event that a particular Customer requires a party to protect confidential information for a period greater than three (3) years, the party shall notify the other party and the other party agrees to abide by this longer duration.

The terms and conditions of this Section shall survive the expiration or termination of this Contract.

### **25. Readiness for Delivery**

The SELLER obliges itself to maintain its readiness to deliver the contractual parts as well as respective spare parts for a period of 10 years after the last delivery under the contract.

### **26. Reserved**

### **27. Quality Requirements Flow-Down**

Seller shall require lower-tier SELLERS to comply with quality assurance requirements comparable to those contained in this Purchase Order. Seller shall assume responsibility for the quality of all procured material and workmanship.

### **28. Combating Trafficking in Person (FAR 52.222-50)**

Refer to SNA's Combatting Trafficking in Human Persons Awareness Program and Compliance Policy, viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads). The provisions of Federal Acquisition Regulation 52.222-50 (NOV 2021) are incorporated by reference, and are available for viewing at <https://acquisition.gov/far/52.222-50>.

### **29. Equal Employment Opportunity and Affirmative Action Compliance**

Refer to SNA's Equal Employment Opportunity & Affirmative Action Program Policy, viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads). The Seller shall comply with and require lower-tier SELLERS to comply with the following FAR requirements relating to Equal Opportunity and Affirmative Action Compliance, which are available for viewing at <https://www.acquisition.gov/far/52.222>:

- (A) FAR 52.222-26 – Equal Opportunity for Compensation
- (B) FAR 52.222-35 – Equal Opportunity for Disabled & Protected Veterans
- (C) FAR 52.222-36 – Equal Opportunity for Workers with Disabilities
- (D) FAR 52.222-37 – Employment Reports on Veterans

### **30. Anti-Harassment**

Refer to SNA's Anti-Harassment Policy, viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads). SNA has a strict policy against workplace Harassment. All forms of Harassment of, or by, employees, vendors, visitors, customers, and clients are strictly prohibited and will not be tolerated.

### **31. Required FAR and DFARS Flow Downs**

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced in SNA's document "FAR and DFARS Flow downs" viewable at [www.schleifring.com/downloads](http://www.schleifring.com/downloads) are incorporated by reference into Buyer's Terms and Conditions of Purchase, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of the contract between Buyer and Seller (the "Contract") unless made inapplicable by their respective notes, if any.

Where necessary to make the context of these clauses applicable to this purchase contract, the term "Contractor" shall mean "Seller", the term "Contract" shall mean this "Purchase Contract", and the terms "Government", "Contracting Officer", and equivalent phrases shall include "Buyer".

All referenced FAR and DFARS paragraph numbers refer to current paragraphs and revisions in effect as of the date of the Government prime contract referenced in this Purchase Contract, or are revised versions published by the U.S. Government. Copies of FAR and DFARS may be obtained on the internet at <https://www.acquisition.gov/>.