

Purchase Order Terms and Conditions

1. **Applicability.** This purchase order is an offer by Master Lock Company LLC or its affiliate specified on the face of this purchase order (e.g. Master Lock Company LLC, Sentry Safe, Inc.; the "Buyer") for the purchase of the goods specified herein (the "Goods") from the party to whom the purchase order is addressed (the "Seller") in accordance with and subject to these terms and conditions (the "Terms"); together with the terms and conditions on the face of the purchase order, the "Order"). This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior understandings and communications with respect to the subject matter of the Order. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order. These Terms apply to any repaired or replacement Goods provided by Seller hereunder. Unless previously agreed to in writing, Buyer is not obligated to any minimum purchase or future purchase obligations under this Order.

2. **Acceptance, Amendment and Modification.** This Order is considered accepted by Seller unless rejected in writing or by other means acceptable to Buyer, within two (2) business days of issuance. Further, this Order is not binding on Buyer until Seller accepts the Order by written acknowledgement, commencement of performance or shipment by Seller. Within two (2) business days of this Order, Seller is required to confirm the terms of this Order, including promise dates, material requirements, quantities, cost and SKU. No change to this Order is binding upon Buyer unless it is in writing, specifically states that it amends this Order and is signed by an authorized representative of Buyer, provided, however, that Buyer has the right to change, modify, rescind, or to terminate this Order or any provision herein upon written notice to Seller signed by an authorized Buyer purchasing representative sent within ten (10) business days of the date of this Order. Any delays requested by Seller ten (10) business days after this Order has been accepted will result in orders being shipped via Air Freight at Seller's expense.

3. **Quantity and Price.** Buyer's count shall be accepted as conclusive on all shipments not accompanied by a packing slip. Buyer reserves the right to reject and return any Goods or material in excess of the quantities specified herein. The price of the Goods is the price stated in the Order (the "Price"). If no price is included in the Order, the Price shall be the price set out in Seller's published price list in force as of the date of the Order. Unless otherwise specified in the Order, the Price includes all packaging, transportation costs to the delivery location specified herein, insurance costs, customs duties, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

4. **Delivery and Shipping.** Unless otherwise specified in these Terms or the Order, the provisions of FCA Incoterms 2010 shall apply ("**Incoterms**"). Consistent with the Incoterms, Seller shall deliver the Goods and/or perform the Services at the delivery point ("**Delivery Location**"), and on the date(s) specified on this Order (the "**Delivery Date**"). If no Delivery Date is specified, Seller shall deliver in full within a reasonable time of receipt of the Order. Timely delivery is of the essence, if for any reason Seller fails to deliver the Goods or Services in full, on the Delivery Date, Seller shall immediately notify Buyer to that effect and the reasons therefore. Buyer reserves the right to reject or return at Seller's risk and expense all Goods, articles or materials shipped which are in excess of or in advance of the time specified for delivery, or to defer payment for advance deliveries until the specified delivery dates. Seller shall give written notice of shipment to Buyer when the Goods are delivered to a carrier for transportation. Seller shall provide Buyer all shipping documents, including the commercial invoice, packing list, and any other documents necessary to release the Goods to Buyer within one (1) business day after Seller delivers the Goods to the transportation carrier. The Order number must appear on all shipping documents, shipping labels, invoices, correspondence and any other documents pertaining to the Order.

5. **Title, Risk of Loss.** Consistent with the Incoterms and unless specified otherwise on the face of the Order, risk of loss of the Goods remains with Seller and title will not pass to Buyer until the Goods are delivered to and accepted by Buyer at the Delivery Location specified on the face of this Order.

6. **Packaging** All goods shall be packed for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's expense.

7. **Inspection and Rejection of Nonconforming Goods.** The Buyer has the right to inspect the Goods on or after the delivery date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Order for cause pursuant to **Section 15**. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.

8. **Most Favored Customer.** Seller represents and warrants that the price for the Goods is the lowest price charged by Seller to any of its external buyers for similar volumes of similar Goods. If Seller charges any other buyer a lower price, Seller must apply that price to all Goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Order without liability pursuant to **Section 15**.

9. **Payment Terms.** Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller within the number of days specified on the face of this Order

after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. In the event of a payment dispute, Buyer shall deliver a written statement to Seller no later than 5 business days prior to the date payment is due on the disputed invoice listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items, within the period set forth in this **Section 9**. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under the Order notwithstanding any such dispute.

10. **Set-off.** Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

11. **Warranties.** Seller warrants to Buyer that all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods with the foregoing warranties.

12. **Indemnification.** Seller shall defend, indemnify and hold harmless Buyer and Buyer's parent company, its subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees] and Buyer's customers (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the products purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent. Upon request by Buyer, Seller agrees to furnish certificates in form satisfactory to Buyer evidencing adequate insurance coverage for the benefit of both Seller and Buyer as to workmen's compensation, occupational disease, unemployment compensation, fire and extended coverage, public liability, including contractual liability on both owned and non-owned vehicles, and comprehensive general liability

13. **Intellectual Property Indemnification.** Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

14. **Compliance with Law.** Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances (including, without limitation, the laws and regulations set forth in **Annex A** of these Terms, as amended from time to time). Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order.

15. **Termination.** Buyer may terminate this Order, in whole or in part, at any time with or without cause for undelivered Goods on 30 days' prior written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may terminate this Order upon written notice to Seller. If Buyer terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

16. **Limitation of Liability.** Nothing in this Order shall exclude or limit (a) Seller's liability under **Sections 11, 12, 13 and 18** hereof, or (b) Seller's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

17. **Waiver.** No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. **Confidential Information.** All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.

19. **Force Majeure.** Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). *Force Majeure* Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. Seller's economic hardship or changes in market conditions are not considered *Force Majeure* Events. Seller shall use all

diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under the Order for a continuous period of more than 45 days, Buyer may terminate this Order immediately by giving written notice to Seller.

20. **Assignment.** Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

21. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.

22. **No Third-Party Beneficiaries.** This Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

23. **Governing Law.** All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of Wisconsin without giving effect to any choice or conflict of law provision or rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Wisconsin.

24. **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the State of Wisconsin in each case located in the City and County of Milwaukee, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

25. **Cumulative Remedies.** The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

26. **Notices.** All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

27. **Severability.** If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

28. **Survival.** Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Set-off, Warranties, Indemnification, Intellectual Property, Compliance with Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.

WISCONSIN SALES / USE TAX EXEMPTION: Buyer, holding Sellers Permit No. 167266, issued pursuant to the Wisconsin Sales and Use Tax Law, hereby certifies that this purchase is exempt from the Wisconsin Sales and Use Tax for one of the following reasons:

(1) Purchase for Resale, Lease or Rental. (2) Purchase of an ingredient or component part destined for sale. (3) Purchase of tangible personal property which is consumed or destroyed or loses its identity in manufacturing and is destined for sale. (4) Purchase of containers or other packaging material used in shipping. (5) Purchase of machinery and processing equipment (repair or replacement parts, service or maintenance thereof) used exclusively by the manufacturer in manufacturing. (6) Purchase is not tangible property or taxable services. Buyer further agrees that should this purchase later be determined not to be exempt under the above exemption, Wisconsin Sales/Use Tax liability will be assumed by Buyer.

ANNEX A COMPLIANCE WITH LAWS

A. **Export / Import Laws.** Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods. Buyer is subject to U.S. sanctions laws and may not source products from any party listed on the Specially Designated Nationals List maintained by the U.S. Department of the Treasury ("**Restricted Party**") or in U.S. sanctioned countries (currently including, without limitation, **Crimea, Cuba, Iran, North Korea, Sudan, Syria**). Seller agrees not to market or sell any products (i) to any Restricted Party or (ii) in (or from individuals or entities from) such U.S. sanctioned countries. Seller confirms that it is not directly or indirectly owned by, controlled by, owning or controlling or named as a Restricted Party.

B. **Labor and Safety Laws.** Seller warrants and certifies that in the performance of this Order it will comply with all applicable statutes, rules, regulations, and orders of the United States, and of any state or political subdivision thereof, including (a) all laws and regulations pertaining to labor, wages, hours and other conditions of employment and applicable price ceilings, if any; and that the articles delivered hereunder shall be produced in compliance with the Fair Labor Standards Act of 1938 of the United States as amended, (b) all standards of the Occupational Safety and Health Act of 1970, Fair Labor Standards of 1938, Title VII of the Civil Rights Act of 1964, Executive Order 11246, Motor Vehicle Safety Act, Toxic Substance Control Act,

C. **Product Compliance.**

i. Seller shall label all hazardous materials as defined by applicable United States federal, state and local statutes, laws, propositions, and regulations, as required by such laws. Seller agrees to comply with all laws including those relating to the packaging, labeling, and distribution of Goods that contain hazardous materials, including, but not limited to, California Proposition 65 and the Hazardous Communication Standards promulgated by the United States Occupational Safety and Health Administration.

ii. Product regulatory compliance for Buyer-branded products (including without limitation, Master Lock, SentrySafe and American Lock) includes safety approvals and certifications, radio transmission certification, EMC compliance, environmental requirements including energy efficiency as well as other applicable regulatory requirements. Banned substances, as defined under applicable laws, under no circumstances shall be present in the Goods or used in the processes used to manufacture the Goods. Seller shall use commercially reasonable efforts to replace restricted substances, as defined under applicable laws, with acceptable alternatives.

iii. Seller shall comply with any product-based directives issued by governmental authorities that regulate product content in a manner which restricts ingredients or imparts a ban on the sale of non-compliant products or packaging in designated geographic regions. Examples include, without limitation, RoHS, WEEE, decaBDE, REACH / SVHC and DMF regulations in the European Union and Proposition 65 in California and the United States Dodd-Frank Act requirements for Conflict Minerals.

D. **Government Contracting. During the performance of this Order, any Seller which is a "subcontractor" to Buyer, as defined and for purposes of the relevant federal regulations referenced below ("Subcontractor"), agrees as follows:**

i. **E.O. 11246:** The equal opportunity clause ("**E.O. Clause**") required of government contractors and subcontractors under Executive Order No. 11246 of September 24, 1965, as amended ("**E.O. 11246**") and as set forth in Federal regulations promulgated under E.O. 11246 (41 C.F.R. Section 60- 1.4(a)), is incorporated by reference in this order as provided by 41 C.F.R. Section 60-1.4(d). This E.O. Clause includes Subcontractor's commitments of non-discrimination and affirmative action regarding employment decisions, posting of notices; certain statements in advertisements; notice to unions, compliance with E.O. 11246 and its implementing regulations, and penalties for non-compliance, furnishing information and reports; and inclusion by subcontractor of these E.O. Clause commitments in its subcontracts or purchase orders. Subcontractor will certify upon request that it requires its own subcontractors to comply with paragraphs (1) through (7) of the E.O. Clause unless the value of its subcontract or purchase order is exempt under the rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of E.O. 11246. (E.O. 11246, Section 202 & 204) Subcontractor shall file complete and timely reports on Standard Form 100 (EO-1), as required by Federal regulations, (41 C.F.R. Section 60-1.7(a) (1). Subcontractor certifies, as required by Federal regulations (41 C.F.R. Section 60-1.8), that it does not and will not maintain or provide for its employees any segregated facilities.

ii. **Rehabilitation and Veteran's Acts:** The affirmative action clauses required pursuant to regulations issued under Section 503 of the Rehabilitation Act of 1973 (regarding the handicapped), 29 U.S.C. Section 793 (41 C.F.R. Section 60-741.4), and under Section 402 of the Vietnam Era Veteran's Readjustment Assistance Act of 1974 (regarding veterans), 38 U.S.C. Section 2012 (41 C.F.R. Section 60-250.4), are incorporated herein by reference as provided by those regulations (41 C.F.R. Section 60.741.22 and 41 C.F.R. Section 60-250-22, respectively). These clauses include Subcontractor's commitments of nondiscrimination, affirmative action, compliance with law and penalties for non-compliance, posting of notices, notification to unions, and inclusion of the clauses in subcontracts and, in the case of veterans, to listing of openings and reporting requirements.

iii. **Small Business Act:** It is the policy of the United States, as expressed in the Small Business Act, 15 U.S.C. Section 637(d), that small business concerns ("**SBC**") and small business concerns owned and controlled by socially and economically disadvantaged individuals ("**SBCO**") shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency. Subcontractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. Subcontractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of compliance with this clause. Subcontractor acting in good faith may rely on written representations by one of its subcontractors regarding its status as either SBC or an SBCO. Subcontractor agrees to require all subcontracts (except SBCs) that receive subcontracts in excess of \$500,000 to adopt a subcontracting plan similar to the plan required by the clause at 48 C.F.R. Section 52.219-9.

E. **Other Laws.**

i. Seller warrants and certifies that in the performance of this Order it will comply with the U.S. Foreign Corrupt Practices Act (and other anti-corruption and anti-bribery laws as applicable, including the UK Bribery Act, and any other laws requiring the maintenance of books and records that accurately reflect the dispensation of funds it receives from Buyer, each as amended, all of which are hereby incorporated by reference.

ii. Seller acknowledges that Buyer is subject to regulations regarding Conflict Minerals as set forth in Section 13(p) of the Securities Exchange Act of 1934, and any rules and regulations promulgated from time to time with respect thereto. Seller shall use commercially reasonable efforts to assist in and promote Buyer's compliance with such Conflict Mineral regulations.

F. **Certificate of Compliance.** In furtherance of the provisions of this Annex A, upon request from Buyer, Seller agrees to file a compliance survey, a certificate of compliance, or similar documents in a form reasonable to Buyer, which shall certify and/or confirm Seller's compliance with the terms contained herein.