

General Terms and Conditions of Purchase for Investment Goods and Services of Hangrohe SE

For use in business transactions between enterprises – valid from 07/2022

I. General

1. These "General Terms and Conditions of Purchase for Investment Goods and Services of Hangrohe SE" apply in addition to the General Terms and Conditions of Purchase of Hangrohe SE as amended (<https://www.hangrohe-group.com/de/>). In the event of contradictory provisions in the two aforementioned conditions, the provisions of the "General Terms and Conditions of Purchase for Investment Goods and Services" shall take precedence.
2. Orders are generally placed on the basis of an SAP order. Subsequent changes and/or adjustments to an order must be offered by the Supplier in writing. An official SAP order from Hangrohe is required for validity. An exception is made with regard to services (e.g. assembly systems, special machines, etc.), which are subject to continuous adjustment during the development and creation period. The changes must be documented here in a progress list. After provision of the service, the SAP order must then be adjusted accordingly. After becoming aware of them, any changes to deadlines and costs must be submitted in writing to Hangrohe by the Supplier. In order for a change/adjustment to be valid, it must be documented in Hangrohe's progress list and signed by the Supplier.
3. As a general rule, verbal ancillary agreements are not made at the time of commissioning.

II. Quotation, quotation documents

1. Quotations in any form must always be prepared for Hangrohe free of charge and in euros. Unless otherwise stipulated in the invitation to submit a quotation, the quotation must be prepared as a fixed price incl. all services at the DDP deployment location of Hangrohe (Incoterms 2010). In accordance with the statutory provisions, the warranty period is 24 months after performance has been provided in full.
2. All cost factors must be listed in detail in the quotation. The quotations must also state the delivery times from the order date. The binding period for a quotation must also be at least 90 days.
3. Any kind of transfer or storage of data or documents provided by Hangrohe for the preparation of quotations, whether in written form, electronic form or any other form, for purposes other than the preparation of the quotation itself, is prohibited without the express written consent of Hangrohe.

III. Conclusion of the contract

1. Commissioning takes place exclusively in the form of a written SAP order. The confirmation for this order must be in the form of the original signed order. The order confirmation must be received by Hangrohe within 7 days of the order date with binding information relating to the delivery time, order number and prices. Deviations from the order must be explicitly listed and attached to the order confirmation. In this case, the order shall only be concluded if Hangrohe agrees to the deviations in writing.
2. If Hangrohe does not receive an order confirmation within 7 days, this is to be regarded as an unconditional order confirmation in accordance with the order.

3. Hangrohe has the right to change the scope of supply and services relating to the order at any time. Hangrohe and the Supplier shall reach an agreement concerning the technical feasibility of the desired changes. The Supplier shall inform Hangrohe SE as soon as possible of additional or reduced costs arising from the change requests and of any influences related to deadlines before Hangrohe makes the final decision regarding the implementation of the change.
4. Hangrohe shall approve the implementation of the change by means of an addendum to the respective order. The Supplier shall provide all additional services resulting from the changes at market prices and shall provide evidence of this on request. If no short-term agreement can be reached between the Supplier and Hangrohe concerning a cost-related effect and the delayed cost agreement jeopardises the agreed deadlines, the Supplier shall, at Hangrohe's request, make advance payments with the change request following technical clarification.
5. If no agreement can be reached between the Supplier and Hangrohe regarding the effects of the changes and an independent expert therefore becomes necessary, the Parties shall each bear half of all costs incurred as a result.

IV. Prices

1. In the case of investment goods, the price shown must be offered as a fixed price. It may only be changed on the basis of order changes and the corresponding written quotation from the Supplier to Hangrohe.
2. In the case of services, the price indicated in the order shall be the maximum price. It may not be exceeded without the written confirmation of Hangrohe. Exceeding this limit without the prior written consent of Hangrohe will result in the sum being borne in full by the Supplier. Services that are ordered as call-off quotas or cannot be precisely defined in terms of time must be billed on an hourly or daily basis according to the work actually performed. Services that have not been ordered shall expire without substitution at the end of the delivery date. Unless otherwise agreed in the SAP order, all additional costs such as travel and hotel costs, expenses, etc. are included in the quotation price.

V. Invoicing

1. Invoices must only be issued for each order after performance has been provided in full. Invoices are only valid in their original form and must contain the order number in addition to the order description. In the case of a partial invoice, reference must always be made to the total amount. The partial payments that have already been made must be stated. In the case of advance payments (e.g. for machines or systems), which are not offset by a corresponding equivalent value at Hangrohe SE, an unconditional order confirmation (of this order) must be available no later than upon receipt of the invoice. This shall take the form of a countersigned original order, as well as a directly enforceable advance payment guarantee for the amount of the advance payment, which is valid upon first request and for an unlimited period. Value added tax must be shown separately.

VI. Terms of payment

1. In the case of individual orders that include delivery without further services such as installation, commissioning or acceptance, payment is due after complete and correct delivery in accordance with the SAP order and following receipt of the invoice by Hansgrohe.
2. In the case of orders with a total order value of up to EUR 25,000 for which additional services such as installation, assembly, commissioning or acceptance have also been ordered, the invoice is due for payment following complete provision of the service and receipt of the invoice by Hansgrohe.
3. For orders over EUR 25,000 and up to EUR 50,000, a maximum of 80% of the service ordered according to the SAP order is due for payment following delivery and receipt of the invoice. Payment of the final invoice is due after complete provision of all services commissioned according to the SAP order and after receipt of the invoice by Hansgrohe.
4. The following terms of payment apply to orders over EUR 50,000:
 - a. 30% in the case of an unconditional order confirmation (of this order) in the form of the countersigned original order and the existence of a directly enforceable and unlimited advance payment guarantee from a major bank, savings bank or credit insurance company for the amount of this instalment as well as presentation of the partial invoice.

If the ordered deliveries are not carried out in accordance with the contract, the Supplier is obliged to repay Hansgrohe the advance payment that has been made.

The guaranteeing bank shall waive the defence of voidability (Section 770 (1) BGB (German Civil Code)). This does not affect the contestability in accordance with Section 123 BGB (German Civil Code).

The guarantor shall also waive the defence of set-off (Section 770 (2) BGB (German Civil Code)), insofar as the counterclaim of the debtor is not undisputed, ready for decision or established in court.

The guaranteeing bank shall waive the defence of failure to pursue remedies (Section 771 BGB (German Civil Code)).

Hansgrohe shall return the bank guarantee certificate following execution of the above-mentioned order. The guarantee obligation shall expire with this return of the bank guarantee certificate.

Any amendment or supplement to the bank guarantee agreement as well as an agreement concerning its cancellation must be made in writing. Deviations from this written form requirement are only permitted if the written form is complied with.

The bank guarantee must be subject to German law; the exclusive place of jurisdiction is Rottweil.

- b. 50% following delivery and successful preliminary acceptance of the machine/system at the Contractor's premises as well as receipt of the partial invoice.
 - c. 20% following final acceptance at the stated delivery address, but no later than 4 weeks after delivery, if acceptance was not able to take place for reasons demonstrably attributable to Hansgrohe, as well as the presentation of the final invoice.
5. The End of Accumulation Period (EOAP) 60 is generally agreed between the Supplier and Hansgrohe as the due date for

payment following the due date and receipt of invoice by Hansgrohe. All invoices for capital goods and services of the Supplier shall be collected by Hansgrohe over the calendar month in which the service was provided in full, in accordance with the SAP order ("Accumulation period"). The payment period is 60 days and starts at the end of the collection period (EOAP), provided that the service meets the agreed specification.

In order to reduce the administrative effort, payments on the part of Hansgrohe will be made on the 5th calendar day of the second calendar month after the collection period.

VII. Delivery dates and deadlines, arrears

1. Agreed dates in orders are considered as fixed dates and are binding. This also applies to interim deadlines such as preliminary acceptance, partial deliveries, commissioning and acceptance, etc. The Supplier must inform the responsible purchasing department of Hansgrohe immediately as soon as they realise that they will not be able to provide the service on time. If the Supplier is in arrears, Hansgrohe may demand a contractual penalty amounting to 0.5% per commenced week, but no more than 5% of the respective net order value affected by the arrears, following prior warning. In all other cases, the statutory default provisions shall additionally apply. The paid contractual penalty shall be offset against further damages caused as a result of arrears on the part of Hansgrohe SE.
2. Hansgrohe SE is not obliged to accept or accept goods or services before the agreed delivery date.

VIII. Liability.

1. Unless expressly agreed otherwise, the Supplier shall be liable in accordance with the statutory provisions of the Federal Republic of Germany. The application of the UN Convention on Contracts for the International Sale of Goods is expressly excluded.

IX. Rectification

1. The Supplier is obliged to immediately rectify the defects occurring during the warranty period in agreement with Hansgrohe's project management. In principle, the rectification of defects must take place on the day following the written notification, unless Hansgrohe has agreed otherwise. All costs incurred in the course of rectifying the defect shall be borne by the Supplier.
2. If the Supplier is in default with the rectification of a defect, Hansgrohe shall be entitled to rectify the defect itself or have it rectified by a third party. The Supplier shall bear all the verifiable costs incurred in this respect.

X. Rules and guidelines

1. The service must be provided in accordance with the recognised rules of technology that are applicable on the day of delivery, in accordance with the general laws and regulations of the supervisory authorities, the professional associations and the existing regulations and guidelines with regard to execution, occupational health and safety, as well as fire protection, environmental protection and protection against emissions. The service must comply with these rules, regulations and guidelines in all its components.
2. All prescribed legal and official documents that Hansgrohe requires for the use of the ordered machine(s), system(s) or service(s) must be handed over to Hansgrohe in writing or in electronic form, on request, and upon delivery at the latest.
3. Machines and systems must also comply with all applicable national and European directives and be CE-marked. In the case of components that are part of an overall machine or system, a declaration of conformity and the complete documentation required for a CE declaration of conformity with regard to the overall

machine or system are part of the order. The complete documents must be supplied both in paper and electronic form in German and – in the case of delivery outside Germany – in English and, on request, in the respective national language.

4. As a basic principle, the current country-specific legal requirements and guidelines of the country to which delivery is to be made in accordance with the order must always be complied with, even if these are not explicitly listed in the requirement/functional specification or in the order.
5. Upon request, the Supplier shall provide Hansgrohe with manuals, safety analyses, declarations of conformity and other documents relating to the delivery item, free of charge.

XI. Code of Conduct

1. When fulfilling an order on the Client's premises, the "Safety and Code of Conduct for External Companies" as amended (<https://www.hansgrohe-group.com/de/>) must be observed. The Supplier shall inform its employees entrusted with the execution of the order accordingly.
2. The basis for commissioning is the "Hansgrohe Principles on Health and Environmental Protection, Occupational Safety, Quality Assurance and Corporate Responsibility" as amended (<https://www.hansgrohe-group.com/de/>).
3. Unless expressly agreed otherwise, all aids required for the execution of an order, such as lifting gear, industrial trucks and similar, must be provided by the Contractor without any separate charge.

XII. Property rights, indemnification

1. The Supplier shall guarantee that the service is free of third-party rights.
2. The Supplier shall indemnify us against all public and private claims asserted against us due to violations of clause 1 above, including reasonable costs of legal defence, unless the Supplier is not responsible for the violation. The indemnification must take place at our first request.

XIII. Trade secrets

1. The Supplier is obliged to treat our orders and all related commercial and technical details as trade secrets.
2. The Supplier is obliged to maintain the confidentiality of documents and information even after orders have been carried out and after the business relationship with us has ended. Our business secrets may only be disclosed to third parties with our written consent or on the basis of an official or judicial order. In the latter case, the Supplier must give us the opportunity to comment on the order in advance.

XIV. Resource efficiency, environmental protection and occupational safety

1. Hansgrohe SE expects Suppliers to consistently manage environmental and occupational health and safety and to comply with environmental and occupational health and safety standards.
2. During the supply relationship, the Supplier is obliged to use the necessary resources efficiently, especially materials, energy and water. It must minimise environmental impacts, especially with regard to waste, wastewater, air and noise pollution.
3. The Supplier is obliged to ensure the health and safety of its employees at work.
4. The Supplier is required to introduce and maintain an environmental management system in accordance with ISO 14001, an energy management system in accordance with the requirements of ISO 50001 and an occupational health and safety management system in accordance with ISO 45001.

5. When procuring, Hansgrohe shall take the improvement of environmental performance and energy efficiency into account. The Supplier is requested to provide services and capital goods that support this improvement.
6. The Supplier shall provide Hansgrohe with all necessary information requested by Hansgrohe within the framework of the Supply Chain Due Diligence Act or similar regulations.

XV. Place of jurisdiction, place of performance, miscellaneous

1. The law of the Federal Republic of Germany shall apply exclusively to all legal issues between the Supplier and us, even if the Supplier has its registered office abroad. This applies to the exclusion of the conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG). This also applies in particular to tortious or other non-contractual claims.
2. Rottweil is agreed as the exclusive place of jurisdiction for all disputes arising from or in connection with contracts with suppliers based in Germany or in other member states of the European Union. This also applies in particular to disputes regarding tortious or other non-contractual claims.
3. All disputes arising from or in connection with contracts with suppliers based outside the European Union that cannot be settled amicably shall be settled in accordance with the Rules of Arbitration of the German Institution of Arbitration e.V. Bonn (DIS) to the exclusion of ordinary legal recourse. The place of arbitration shall be Rottweil. The arbitration tribunal may also decide on the validity of this arbitration agreement.
4. The Supplier shall assure that it will comply with the Masco Corporation Supplier Business Practices Policy in accordance with Appendix 1 as amended. HG is entitled at any time to verify the Supplier's compliance with these principles, including on site.
5. Should individual provisions of the contract or these GTCP be ineffective, this shall not affect the remaining terms and conditions. Ineffective provisions shall be reinterpreted in such a way that the economic purpose intended by this provision is achieved.

Annex 1

Masco Corporation Supplier Business Policy

The update version of Masco Corporation Supplier Business Policy is available on <https://masco.com/our-suppliers>.