

Rittal – The System.

Faster – better – everywhere.

► Rittal Channel Partner Policy Manual – U.S.A.

Publication Date: May 2021

CONFIDENTIAL



ENCLOSURES

POWER DISTRIBUTION

CLIMATE CONTROL

IT INFRASTRUCTURE

SOFTWARE & SERVICES

FRIEDHELM LOH GROUP





Contents

| | |
|---|----|
| Chapter 1: Purpose and General Policies..... | 4 |
| Chapter 2: Rittal Channel Program Requirements..... | 6 |
| Chapter 3: Rittal Channel Program Benefits | 11 |
| Chapter 4: Optimize Your Marketing Development Funds..... | 16 |

Appendix

| | |
|---|----|
| A: Product Authorizations and Discount Levels | 20 |
| B: Area of Primary Responsibility (APR)..... | 21 |
| C: Rittal General Terms and Conditions of Sale..... | 22 |
| D: Rittal Channel Annual Rebate | 24 |

1. Purpose, Partner Definitions and General Policies

Purpose

The enclosure products of Rittal North America LLC (“Rittal”) provide unique features and benefits to a very diverse set of customers. Rittal recognizes that much of its future success will continue to depend on its ability to build and maintain strong working relationships with its Channel Partners--that is, its Rittal Distributors and Rittal System Integrators (as defined below). This Rittal Channel Partner Policy Manual USA (this “Manual”) is intended for the use of Rittal Channel Partners and Rittal employees, and provides Channel Partners with key information necessary for doing business with Rittal. This Manual is considered confidential and should not be copied or redistributed to anyone outside of Rittal or its approved channel partners.

This Manual shall be deemed to include all its Appendices. Rittal reserves the right from time to time, at its sole discretion, to modify any of the terms and provisions of this Manual.

Rittal Selective Distribution Policy

Rittal intends (but is not required) to limit the number of its North American channel partners by geography, application and/or industry. Rittal believes this selective distribution approach should improve the value of our Channel Partner relationships, while making both Rittal and its Channel Partners more effective in competing against competitive brands.

Certain Definitions

“**Distributor**” - A business primarily involved in the inventory and resale of electrical products to end users, OEMs, system integrators, panel shops and contractors. In order to qualify as a “Distributor”, the business must maintain warehouse space, generate at least 85% of its revenue from product resale, and be capable of delivering stock Rittal products to customers inside its assigned area of primary responsibility (APR) within 1-2 business days .

“**Customers**” - Industrial or industry end users, OEMs, system integrators, panel shops and electrical contractors. Representative industries would include, but not be limited to, industrial process and discrete manufacturing, automotive, food & beverage, petro-chemical, packaging, printing, pulp & paper, utilities and waste water.

“**System Integrator (SI)**” and/or “**Panel Shop**” – a business primarily involved in the design, configuration, assembly, resale, installation, service and support of electrical and mechanical automation products related to turn-key solutions to end users and OEMs. This type of Channel Partner operates a business model significantly different from a distributor because a much larger portion of its revenue (greater than 15%) comes from technical value added services. Generally speaking, this type of Channel Partner does not inventory a large amount of product and buys Rittal products from a Rittal Distributor Partner.

“**Rittal Distributor**” – A Distributor that has been designated by Rittal as an authorized non-exclusive Distributor for the products authorized by Rittal, as reflected by an authorized distributor agreement signed by Rittal and such Distributor. For the avoidance of doubt, the relationship between Rittal and a Rittal Distributor shall be that of independent contractors, and a Rittal Distributor shall not be considered Rittal’s agent or partner and shall have no authority or power to bind Rittal or to contract in the name of, or create any liability against Rittal.

Product Authorization

Rittal will provide each Rittal Channel Partner a list (contained in a price list) of the Rittal products that it is authorized to purchase (See Appendix A: Product Authorizations and Discount Level).

APR Policy

Area of Primary Responsibility (APR) – Each Rittal Channel Partner will be assigned a (or in certain circumstances more than one) geographic area of primary responsibility (APR) (See Appendix B: Area of Primary Responsibility (APR)). Rittal Channel Partners will be required to support Rittal products in their entire assigned APR. Each Rittal Channel Partner is only authorized to purchase, resell and support the authorized products from, and maintain inventories of such products, at its assigned location(s), and shall not purchase, resell, or support such products from, or maintain inventories of such products at any other location.

Rittal does not intend to offer any Channel Partners exclusive territories. Therefore, the assigned APRs provided to Rittal Channel Partners are not in any way to be viewed as exclusive territories. Additionally, Rittal reserves the right to assign multiple distributors to the same geographic APR territories, or sub-territories, at any time at its sole discretion. Any change in the Rittal Channel Partner APR or authorized locations will require written approval from Rittal. Rittal also reserves the right to modify, from time to time at its sole discretion, Rittal Channel Partner APR and location assignments.

Rittal Policy on Selling Outside of Assigned APR and Drop Shipments

Rittal believes that in order to support its policy of selective distribution, and ensure the quality of sales and support within each territory, Rittal Channel Partners should not solicit sales or sell outside the areas where they can provide effective sales and support. Therefore, Rittal will not knowingly provide special price agreements (SPAs), drop ship or otherwise support any Rittal Channel Partner sales efforts outside of its assigned APR. Rittal understands that occasionally exceptions to this policy may need to be granted, but the exceptions will be granted in writing and only on a case by case basis. This policy is intended to reinforce the principle of selective distribution and reduce destructive conflict. In doing so, Rittal believes that both the Rittal Channel Partner and Rittal will be more effective in competing against competitive brands. If the Rittal Channel Partner sells outside its assigned APR, Rittal may, at its sole discretion, require remedial action, including, but not limited to, prohibiting any such further sales, or requiring the Rittal Channel Partner to transmit all or a portion of the revenue from the extraterritorial sale to the Rittal Channel Partner within whose APR the sale was completed

Unauthorized Sub-Distributors

Rittal Channel Partners are prohibited from setting up unauthorized sub-distributors without prior written approval from Rittal. Sales to sub-distributors will only be permitted with prior written approval from Rittal.

- Sales to individual unauthorized sub-distributors totaling less than a combined \$15,000 of Rittal products in any 12 month period will be excluded from this prohibition. However, total sales to all unauthorized sub-distributors may not exceed the lesser of \$50,000 or 10% of total Rittal purchases by the Rittal Channel Partner for any 12 month period.

Credit and On-Time Payment

Rittal Channel Partners are required to provide sufficient evidence of credit worthiness and make timely payments to Rittal in accordance with Rittal's applicable payment terms.

Rittal Channel Partners acknowledge and agree that all sales by Rittal of its products are in accordance with, and subject to its standard terms and conditions of sale, as set forth in Appendix C: Rittal General Terms and Conditions of Sale.

On Time Payment - Failure to pay 85% or more of any invoice dollars in accordance with stated terms, excepting any invoices that are considered in dispute by Rittal, shall be grounds for termination of the Rittal Channel Partner's relationship with Rittal.

Warranty & Returns

Rittal Channel Partners acknowledge and agree that Rittal's warranty is set forth in Appendix C: Rittal General Terms and Conditions of Sale, and that Rittal's acceptance of product returns are in accordance with and subject to the terms and conditions.

Interpretation of Program Policies and Requirements

The Rittal Senior Sales Management will be the final authority in any interpretation of Rittal's policies or programs (including but not limited to this manual). Only the Senior Sales Management has the authority to make changes or modifications to such policies or program, as reflected by a written modification of such policies or programs approved by the Senior Sales Management. Rittal Regional Channel Managers and/or regional sales managers do not have the authority to make any such changes or modifications and can only help interpret such policies or programs as written.

2. Rittal Channel Partner Program Requirements

A. Program Overview and Requirements

The Rittal Channel Partner program is based on key performance indicators that are critical to the ability to drive value and success with and for our end customers. Therefore the program is tiered into five levels of partner performance– Platinum, Gold, Silver, Catalog and Authorized . This Manual outlines both the requirements and benefits associated with the five partner program tiers. Platinum, Gold, Silver, and Catalog tiers will enter into agreement with Rittal with specific pricing, terms and conditions; whereas, the Authorized tier will utilize Rittal’s standard pricing, terms and conditions.

Note: If there is more than one assigned APR for a Rittal Channel Partner, then for each such APR, the applicable requirements and benefits outlined in this Manual will apply separately to each such assigned APR, and the applicable requirements must be met independently in each such assigned APR without regard to achievements in other assigned APRs.

Rittal Channel Program Requirements Summary Table

| Requirements and Benefits | Platinum | Gold | Silver | Authorized |
|--|-----------------------|--------------------------------|-----------------------|------------|
| Inventory Depth | 17% of Annual Sales | 13% of Annual Sales | 10% of Annual Sales | NO |
| Min. Inventory Value | \$340,000 | \$65,000 | \$10,000 | NO |
| Minimum Purchases | \$2,000,000 | \$500,000 | \$100,000 | NO |
| Initial Stock Order | YES | YES | YES | NO |
| Training (Inside, Outside, Specialist) | YES | YES | YES | NO |
| Annual Business | YES | YES | YES | NO |
| EDI | Expected | Expected | Expected | NO |
| Reporting POS | YES | YES | YES | NO |
| Reporting Inventory | YES | YES | YES | NO |
| Pricing Discount Structure | Platinum | Gold | Silver | Authorized |
| Rebate | YES 4% | YES 2% | NO | NO |
| SPA Support | YES | YES | YES | NO |
| Leads | YES | YES | YES | NO |
| MDF | 0.50% or \$7,500 Min | 0.25% or \$1,500 Min | NO | NO |
| Specialist Support | YES | YES | NO | NO |
| Channel Manager Support | YES | YES | YES | NO |
| Cash Discount | 2% 10 Net 30 | 1% 10 Net 30 | Net 30 | NO |
| Consolidated Freight | YES 1-2 x Week | YES/NO Determined by Volume | NO | NO |
| FFA Anywhere | \$2,500 | \$2,500 | \$2,500 | NO |
| Stock Rotations Excluding Climate (12 months) | YES (2 Annually) | YES (2 Annually) | YES (1 Annually) | NO |
| Returns (Min Value) | 18 months \$250.00 | 15 months \$250.00 | 12 months \$250.00 | NO |
| RAS/Perforex Purch Assistance | YES | YES | NO | NO |
| PrimeXpress | YES | YES | YES | NO |
| Deal Registration | YES | YES | YES | NO |

1. Inventory Depth – minimum total dollars of Rittal product inventory investment.

For Platinum, Gold, Silver, and Catalog Rittal Channel Partners, based on Rittal Channel Partner Program Level, there is a minimum dollar of Rittal inventory investment required. The minimum investment shall be the greater of either the absolute dollar minimum stated or the percentage of the prior year Rittal standard product purchases.

For example: Gold Rittal Channel Partner with \$1,500,000 in Rittal standard product purchases during the prior year

- Minimum inventory dollar would be \$65,000
- But 13% of last year's \$1,500,000 in Rittal standard product purchases is \$195,000
- Therefore, this Gold Rittal Channel Partner would be required to have a minimum of \$195,000 inventory.

2. Minimum Rittal Purchases – minimum total purchases in calendar year. Annual (calendar year) minimum Rittal product purchase requirement for Rittal Channel Partners, as set forth above.

3. Rittal Policy on Competitive Brands

In those cases where the Platinum, Gold, or Silver Rittal Channel Partner supports or carries products competing with Rittal products, the Channel Partner must lead with or at a minimum provide proportionally equal sales & marketing support for the Rittal products. Rittal defines such competitive products to include, but not be limited to, all the following competitor companies and/or brands:

- a. Industrial Metal Enclosures:** nVent (Hoffman, Schroff), Saginaw Engineering (SCE), Eaton (Cooper B-Line), Hammond Manufacturing, Hubbell (Wiegmann), Haewa, Milbank Manufacturing, Adelet, Bud Industries, C&I Enclosures, and Unity
- b. Data Center Racks and Enclosures:** Schneider Electric (APC), Chatsworth (CPI), Eaton (Wright Line, Cooper B-Line), Legrand (Electrorack, Middle Atlantic), Emerson, and Panduit.

Note: When evaluating a Channel Partner's compliance with this requirement, Rittal reserves the right to review the distributor's public marketing communications such as websites, email blasts, blogs, other social media, signage, tradeshow participation, direct mail, advertising, business cards, stationery, and other promotional activities. Rittal also reserves the right to make blind product inquiries via phone or web in determining compliance with this requirement

4. Training – outside sales, inside sales and a company enclosure specialist is expected to complete training, as follows:

a. Rittal University is your online distance learning resource for Channel training on Rittal products. Course material is organized by product groups and/or markets shown in the left-hand navigation menu. Class seminars are followed by a short test that is graded to gauge your comprehension. A passing score allows you to print a course-specific certificate.

- i. Visit the Rittal RiSource Center/Distributor Portal via this direct link: <http://www.risourcecenter.com>

b. Sales Training for Channel Partners two outside sales and four inside sales people per authorized branch are expected complete two hours/CEUs per calendar quarter (eight hours per year) via local onsite training, Rittal WebEx or Rittal training online.

c. Specialist Training Channel Partners with Specialists are expected to conduct a more extensive training on Rittal products -minimum of three full days of training per year at a Rittal factory or competency center training.

5. Business Planning for Platinum, Gold, Silver and Catalog Rittal Channel Partners Annual growth plans and quarterly business reviews are required. Rittal Channel Partners who are Platinum, Gold, Silver or Catalog will be expected to actively participate in business planning and the sales engagement process to grow their Rittal business. Plans will at a minimum include target accounts, joint marketing and training plans necessary to support the desired growth.

6. EDI Ordering Requirement – Channel Partners should use EDI Transactions with Rittal. Required Transactions include 810 Invoice and 850 Purchase orders. Rittal Credentials below:

Company Information

Company Name Rittal North America, LLC.
 Street Address One Rittal Place
 Urbana, OH 43078
 Phone 800-477-4000
 937-399-0500
 EDI Contact Victor Romero
 Business Systems Analyst
 Phone: 937-629-2590
 Fax: 937-399-5599
 Email: romero.v@rittal.us

Network Information

Production Environment

| | | | |
|----------------------------|----------|----------------------------|----------------|
| <u>Value Added Network</u> | Opentext | <u>Value Added Network</u> | IDEA |
| Standard | ANSI x12 | Standard | ANSI X12 |
| Versions | 04010 | Versions | 04010 |
| ISA ID | LEV0201 | ISA ID | 022423537SIDXP |
| Qualifier | ZZ | Qualifier | ZZ |
| GS ID | LEV0201 | GS ID | RITTUSIDX |

Test Environment

| | | | |
|----------------------------|----------|----------------------------|----------------|
| <u>Value Added Network</u> | Opentext | <u>Value Added Network</u> | IDEA |
| ISA ID | LEV0201 | ISA ID | 022423537SIDXT |
| Qualifier | ZZ | Qualifier | ZZ |
| GS ID | LEV0201 | GS ID | RITTUSIDX |

Supported Transactions & Messages

| ANSI Set | EDIF ACT | Description | ANSI Set | Description |
|----------|----------|-------------------------------------|----------|---------------|
| 810 | INVOIC | Invoice | 867 | Point of Sale |
| 850 | ORDERS | Purchase Order | | |
| 855 | ORDSP | Order Response (PO Acknowledgement) | | |
| 856 | DESADV | Delivery Advice | | |
| 997 | CONTRL | Acknowledgement | | |

Delimiters

Data Element Separator: *
 Segment Terminator: ~
 Component Element Separator: >

7. Monthly POS and Inventory Reporting

Rittal believes distributor-provided point of sale and inventory data is critical to improving its understanding of the customer and the customer's needs. Therefore, the collection and analysis of Point of Sale (POS) and inventory data from Rittal's Channel Partners is a fundamental part of the Rittal Channel Program. NAED and NEDA formats are shown below:

NEDA:

| | | | |
|---------------------|-------------------|-----------------|-----------------------|
| Record Type | Record_Type | Text | Optional |
| Branch ID | Branch_ID | Text | Required |
| Ship to City | Ship2_City | Text | Optional |
| Ship to State | Ship2_State | Text | Optional |
| Ship to Zip Code | Ship2_Zip | Text | Required |
| Material Number | Part_Number | Text | Required |
| Quantity | Quantity | Text | Required |
| Invoice Number | Invoice_No | Text | Required |
| Invoice Date | Invoice_Date | Date MM/DD/YYYY | Required |
| Unit Cost | Unit_Cost | Number >0 | Required |
| Unit Sell Price | Unit_Price | Number >0 | Optional |
| Extended Sell Price | Extended_Price | Number >0 | Optional |
| End Customer ID | Customer_ID | Text | Required |
| End Customer Name | Customer_Name | Text | Required |
| Customer PO Number | Customer_PO_No | Text | Optional |
| Ship Date | Ship_Date | Date MM/DD/YYYY | Required |
| SPA or Quote Number | Ship_Debit_SPA_no | Text | Optional (for Rebate) |

NAED:

| | | | |
|-------------------|------------------------------|-----------------|----------|
| Dist_Order_Name | Distributor Name | Text | Optional |
| Brand_Bill_ID | Distributor Branch ID | Text | Required |
| Dis Ship Name | Distributor Ship Form | Text | Optional |
| Branch_Ship_ID | Distributor Branch Ship Form | Text | Optional |
| Customer_ID | End Customer ID | Text | Required |
| Customer Name | End Customer Name | Text | Required |
| Customer_City | End Customer City | Text | Optional |
| Customer St | End Customer State | Text | Required |
| Customer_Zip | End Customer Zip Code | Text | Required |
| Ship_Date | Ship Date | Date MM/DD/YYYY | Required |
| Invoice_Date | Invoice Date | Date MM/DD/YYYY | Required |
| Invoice Number | Invoice Number | Text | Required |
| Product_Group | Product Group | Text | Optional |
| Vendor Item | Vendor Material Number | Text | Required |
| Item_Description | Item Description | Text | Optional |
| Unit_Cost_Measure | Unit Cost Measure | Text | Optional |
| Unit_Cost | Unit Cost | Number | Required |
| Extended COGS | Extended Cost | Number | Required |
| Quantity | Quantity | Number | Required |

The POS reports must be submitted to Rittal by the 7th working day of the month.

Inventory

The general type of information Rittal Requires, and optional information, is as follows. The details are in the Rittal File Format Section.

- 1 Distributor Name.....Required
- 2 Stocking Branch ID.....Required
- 3 Stocking Branch Zip Code.....Required
- 4 Rittal Part Number.....Required
- 5 On Hand Quantity.....Required
- 6 Unit of Measure.....Required
- 7 Part URL on distributor website.....Optional — for use in the stock check tool

3. Rittal Channel Partner Program Benefits

1. Pricing/Discounts

Rittal Channel Partner pricing discounts are based on the specific Rittal Channel Partner program levels (Platinum, Gold, Silver, Catalog and Authorized), and they refer to the current Rittal list prices. Rittal list prices, channel program discounts, rebates and other financial rewards are all subject to change from time to time at Rittal's sole discretion. Rittal will use commercially reasonable efforts to provide Rittal Channel Partners a minimum of 30 days' notice prior to any change in list prices, channel program discounts or rebates.

Individual Rittal Channel Partner discount levels will be provided and updated through the use of Appendix A: Product Authorizations and Discount Level. The initial Rittal Channel Partner multipliers are as set forth below.

Channel Discounting

| | Material Price Group | Platinum - PG | Gold - GG | Silver - SV | Authorized - AA |
|-------------|----------------------|---------------|-----------|-------------|-----------------|
| Advanced | 14 | 0.56 | 0.63 | 0.65 | 0.75 |
| Market | 11 | 0.40 | 0.42 | 0.42 | 0.75 |
| Spares | SP | 0.56 | 0.63 | 0.65 | 0.75 |
| IT Advanced | 24 | 0.75 | 0.75 | 0.75 | 0.80 |
| IT Market | 21 | 0.70 | 0.70 | 0.70 | 0.75 |

2. Early Payment Cash Discounts

Standard Payment Terms are based on Rittal Channel Partner program level:

Platinum:..... 2% 10 net 30 days

Gold & Catalog:..... 1% 10 net 30 days

Silver & Authorized: . net 30 days

- ACH/Wire Transfer is the preferred method of payment.
- If paying by check, the funds must be in Rittal's account by the invoice due date.

3. Annual Rebate

Rittal will provide an annual rebate based on net total product purchases during the calendar year. Only Platinum, Gold and Catalog Rittal Channel Partners are eligible for an annual rebate; Silver and Authorized Rittal Channel Partners are not eligible. The maximum rebate for eligible Rittal Channel Partners is based on performance against target net purchases, as follows:

- Platinum Channel Partner = 4% maximum rebate at 100% of target net purchases
- Gold Channel Partner = 2% maximum rebate at 100% of target net purchases

Rittal will establish at its sole discretion the target net purchases amount annually. Rebate amounts at performance of less than 100% of target net purchases will be as provided in Appendix D, Rittal Channel Partner Annual Rebate. For the avoidance of doubt, net purchases below a threshold will result in an annual rebate (if any) as shown in the next lower category.

Total net purchases will be total calendar year purchases less any SPA credits, product returns, freight charges and/or cash discounts.

Note: Failure to fully meet any of the Channel Partner requirements (apart from the consequences of being a breach) will be grounds for reducing or eliminating the annual rebate.

4. Discount Pricing (SPA and Project Quotes) and Rebates

Rittal, at its sole discretion, may offer Rittal Channel Partners additional discounts in the form of a Special Pricing Agreement (SPAs) or One-time Project Quotes. SPAs are designed to support market situational needs and grow business for long-term volume driven

accounts. One-time Project Quotes should be utilized for short-term projects where competitive price is necessary. These pricing benefits are designed to provide additional protection for Channel Partners performing key demand creation roles at the end user and/or OEM. These benefits are reserved for Channel Partners who are in good standing and have a current signed Channel Partner agreement.

a. Special Pricing Agreements (SPA)

SPA requests can be submitted and approved through the RiSource Center at <http://www.risourcechanneltools.com>. SPAs will not be provided for market category products unless otherwise approved by Executive Management. Contracts are reviewed by the Rittal Pricing Department every six months after the initial start date. Channel Partners are required to provide the necessary information below when requesting a SPA:

- Name, address, and email of the customer/end-user
- The reason why SPA is needed to support the customer
- Contract details: start/end date, projected SPA sales, competitive situation.
- Volume and target pricing for the item(s) requested
- Potential annual sales, market relevant information, and additional opportunities.

b. SPA Rebates

Rebates for SPA contracts are processed through Jigsaw. **The max time limit to claim rebates for products on SPA contracts is 90 days after shipment to customer.** After this period, all rebate claims will be denied unless Rittal makes an exception in writing and at its sole discretion.

c. One-time Project Quotes

Short-term project quotes can be submitted and approved through the Pricing Department. Quotes will be for standard product and the special pricing will expire within 30-60 days as agreed upon by Rittal in the final written quote. Requests can be sent to Pricing@rittal.us. When requesting a one-time project quote, please provide the information listed above in section 4A.

d. Nothing in this Section 4 shall be interpreted or construed as requiring Rittal to accept any request for a Special Pricing Agreement (SPA) or a One-time Project Quote.

5. Leads

Rittal develops leads from many sources such as direct sales resources, marketing campaigns, websites, trade shows, and trade press/publications. Rittal at its sole discretion will share leads with Platinum, Gold, Silver and Catalog Rittal Channel Partners. This benefit is not available for Authorized level Rittal Channel Partners.

6. Market Development Funds (MDF) / Co-operative Advertising (Coop)

Rittal recognizes and wants to support Channel Partner efforts to market Rittal brand products. Rittal budgets for Rittal Platinum, Gold and Catalog Channel Partners a portion of prior year's net purchases to support these cooperative marketing efforts. Authorized Rittal Channel Partners are not eligible for MDF. The MDF advertising budget levels are determined based on partner program status and the prior year's purchases. The MDF budget is not a guarantee of funding by Rittal. MDF funding requests require matching investments by the partner and Rittal's prior written approval. Total net purchases will be equal to total calendar year product purchases less any SPA credits, freight charges, cash discounts and product returns.

- Platinum Rittal Channel Partner MDF Budget** 0.50% of last year's net purchases
- Gold Rittal Channel Partner MDF Budget** 0.25% of last year's net purchases
- Catalog Rittal Channel Partner MDF Budget** 0.50% of last year's net purchases

7. Channel Manager Support

Rittal's Regional Channel Managers' primary mission is to provide reasonable assistance to our best partners in growing their Rittal business. As such channel manager support will be provided to Platinum, Gold, Silver and Catalog Rittal Channel Partners but not to Authorized Rittal Channel Partners.

8. Product Shipping Process

Each Channel Partner will be assigned a Primary Distribution Center. Rittal allows the system to determine routing of the product based on the correct shipping point and product availability. Exceptions are considered for the following reasons:

- If Rittal cannot fulfill the promised ship date, Rittal will ship from the closest alternate distribution center at Rittal's cost. This includes out of stock product(s) from the customer's primary distribution center. Rittal Channel Manager or Customer Engagement Manager approval required.
- If Rittal can meet the promised ship date but the customer requests to ship from an alternate distribution center, they must be willing to pay the freight charge.

9. Minimum Order

The minimum order amount is \$200, however, there can be exceptions for orders under \$200. In these special cases, the Channel Partner must request expedited shipping at their cost and the \$200 minimum will be waived. Same day pickup is not a guarantee and some products might not be able to ship via expedited parcel. Please call customer service to confirm that your shipment will qualify and meet your delivery expectations.

10. Free Freight – Freight Accumulation policy

Rittal will provide a free freight accumulation shipment to approved Platinum, Gold and Catalog Rittal Channel Partner stocking locations once per week. These Channel Partners will be given a scheduled ship day and all Channel Partner orders since the most recent accumulation shipment will be loaded for delivery. All accumulation shipments will be on a carrier of Rittal's choosing and will be F.O.B. from Rittal's warehouse.

Volume Shipment

A volume carrier will be used if the freight is considered a volume LTL shipment.

- Volume LTL Shipment is defined as: greater than 5,000 lbs, 6 pallets or more, and takes up 12-32 linear feet of trailer space.
- Volume LTL, unlike regular LTL, does not have standard transit times. Rittal will issue an estimated delivery date but due to the nature of volume LTL shipments, they may sit at a terminal for a day or two awaiting a trailer with available capacity to finish the delivery.

Expedited Freight

- Please call Customer Service before submitting an expedited freight order to confirm that the desired material can ship via your desired shipping method.
- Not all Rittal product can be shipped through UPS Red or FedEx Priority.
- Same Day Pickup by the Carrier is not guaranteed.

Drop-shipments are available with a \$2,500 order but are not to exceed 15% of the Channel Partner's total annual purchases.

Drop Ships

In general, Rittal expects products to ship directly to approved Channel Partner stocking locations. However, Rittal will provide shipments for Platinum, Gold, and Silver Rittal Channel Partners within their assigned APR under two circumstances:

- Channel Partner wishes to pay the freight charges; or
- Free freight drop shipment when the individual order/shipment is equal to or greater than \$2,500

Drop shipments outside Channel Partner's assigned APR are generally forbidden and may only be permitted in very rare situations

with prior approval from the Senior Sales Management. This benefit is intended for urgent customer needs therefore, if the Channel Partner abuses this benefit (i.e. greater than 10%-15% of volume shipped is outside of standard weekly shipments) Rittal reserves the right to deny this benefit.

11. Shipping Charges

If the shipment is not prepaid, collect, third party billed or not consolidated, the shipping charges are as follows:

- \$155.00 or 10% of the order value, whichever amount is greater.
- If the order is over \$1500 and able to ship parcel, \$155 freight will be charged and the 10% will not apply.

12. Authorized Channel Partner Shipping:

Channel Partners at the Authorized level are not eligible to receive prepaid freight or consolidated shipments. The shipping charges are as follows:

- \$155.00 or 10% of the order value, whichever amount is greater.

13. Prepay & Add:

This means the shipper, or supplier, will prepay the freight and add the shipping cost to the quote, or purchase order from the customer. Should the customer approve these terms, a purchase order will be issued and approved without advance notice of exact shipping charges.

14. Channel Partner Requested Returns:

- The minimum allowed Channel Partner Requested Return outside of damage, warranty, or stock rotations (if applicable) will have a value greater than \$250.00 and incur a 20% restocking fee
- To avoid the minimum and restock fee take advantage of the Rittal provided Stock Rotation.

15. Freight Damage

We want to ensure product arrives meeting expectations. Please inspect the packaging immediately before signing the 'proof of delivery'

- Look for any holes, punctures, crushed areas, and dents.
- If you see any signs of damage, please inspect the contents.
 - **Make sure you note any damage to the packaging/product on the delivery receipt before signing.**
- Please report any product damage to Rittal RiSource Center Support Tools (Submit a Return Request) or Returns@Rittal.us; if it is an emergency please call Customer Service at (800) 477-4001
- Freight claims need to be filed no later than 7 days after receipt of shipment.
- Pictures of the packaging must be provided when reporting the freight claim.

Freight claims are determined by who paid for the initial shipping charge. If Rittal paid for shipping, Rittal will file the claim. If the customer paid for shipping, the customer will need to file the claim.

16. Warranty Returns

Please send an email to returns@rittal.us that include the following information:

- PO Number or Rittal Order Number
- Reason for Return
- Part Numbers & Quantity
- Your Contact Information

Rittal will review the request and, if approved, will issue an RMA. Please be sure to follow the shipping instructions provided in the RMA/Return document to ship product back to Rittal.

17. Stock Rotations

Rittal Channel Partners will be permitted scheduled stock rotations during the calendar year – with no restocking fees, as long as the product is in saleable condition. Stock rotation returns are limited to a maximum percentage of the prior six months' of purchases and may include only standard stock products (as defined on the price list) which are in saleable condition and in original packaging.

Platinum, Gold and Catalog Rittal Channel Partner stock rotation returns will be scheduled for the same months each year and the months will be assigned by Rittal. Absolutely no stock rotation returns will be accepted during the month of December. All returns require prior written approval in the form of a Return Material Authorization (RMA) and for stock replacement returns a replacement order of equal value is also required. (See Rittal General Terms and Conditions of Sale for additional requirements with regard to returns.) Contact your Channel Manager with any questions related to stock rotations. *Excluding Climate Product which will be 12 months for each tier.

| Stock Rotations | Percentage of prior 6 Months' Purchases | Product Purchased Within | Frequency |
|--------------------------------|--|---------------------------------|-------------------|
| Platinum | 10% | 18 Months | 2 per year |
| Gold | 7.5% | 15 Months | 2 per year |
| Silver | 5% | 12 Months | 1 per year |
| Not providing Inventory | 2.5% | per tier | per tier |

18. Enclosure Modification Support

Rittal will provide reasonable assistance to Rittal Channel Partners to customize support for establishment and growth of local enclosure modification capabilities.

Optimize Your Marketing Development Funds

- 1.) Plan activities by quarter, get with your Regional Channel Manager & for a planning session.
- 2.) Tie those marketing activities together so they align with Rittal's marketing campaigns, product launches, and customer interests.
- 3.) Share information on how your company goes to market. We are interested in how we can share costs with you to promote your business and Rittal's products and services.

Your One-stop Shop for Marketing Resources

Our Distributor Marketing Central site gives you everything you need to craft strategic, multi-channel marketing campaigns to promote Rittal products on your website and beyond. By working together, our brands have the potential to realize a higher level of success which may not have been previously obtained through individual efforts. Supporting each other's brand and marketing efforts can accomplish improved results in visibility, reach, lead volume, and more importantly, sales growth.

To access the Rittal Distributor Marketing Central, please visit info.rittal.us/dmc

Entering and Managing Requests for MDF



All Rittal MDF funded activities have to promote Rittal products and services.

Manage your requests on the MDF portal at www.risourcecenter.com. If you are authorized by your company as an MDF Administrator, you will be able to request funds for various activities, cancel requests, manage the request by checking its status, and check your available funds balance.

Visit us at www.risourcecenter.com, log-in to start. Need access? Reach out to your Regional Channel Manager.

Important Note for Entering MDF Requests

Please include a description of your request in the MDF portal. It is important to be very specific about the details of your activity. Be sure to include the goal and objective of the activity, the message it will communicate to your audience, and the ROI you anticipate.



MDF Guidelines



Rules for MDF

Claims will be reviewed to ensure sufficient marketing funds are available, that the activity adheres to Rittal's guidelines; that requested documentation and statements have been submitted, and that prior approval has been obtained.

All MDF requests must be pre-approved by your Regional Channel Manager (RCM) and Channel Marketing Specialist. At the beginning of the year, plan a discussion to map out your MDF activities for the year.

Rittal Marketing has final approval of all MDF request ensuring alignment with MDF guidelines.

Reimbursement is completed in the form of a credit issued to your company's SAP account.

All activities must be paid for in advance by the co-op user and a claim must be submitted for reimbursement.

Provide proof of success from cooperative marketing efforts. (ROI, # of leads generated, and generated revenue) - send these documents to your Channel Marketing Specialist.

Rittal brand guidelines must be followed completely when displaying the Rittal logo or claim.

Rittal will not approve the use of co-op for activities that feature products from Rittal competitors.

MDF funds are not transferable from one Channel Partner to another.

Funds cannot be used to purchase Rittal products for resale.

Rittal has no liability for any payments of a Channel Partner or suppliers bill or invoice, or any amount above program allowance.

Timelines to Note

An activity claim must be submitted within a month of its completion, or end of year for December activities.

Funds must be used within the calendar year. Any remaining balance will not be transferred into the following year.

All MDF requests must be submitted no later than the **2nd Friday in November** of each calendar year.

All supporting documents for each MDF request must be submitted no later than the **2nd Friday in December** of each calendar year in order to receive credit.

MDF Budget Breakdown

Platinum Partners

Platinum partners with an MDF budget of \$15,000 and above will be given 50% of their funds to spend in Q1-Q2 and receive the remaining 50% to spend in Q3-Q4. You may apply to use your Q3-Q4 funds in Q1-Q2 or you may apply your Q1-Q2 funds to spend in Q3-Q4.

To apply Q3-Q4 funds to Q1-Q2 you **MUST** submit a request by the **2nd Friday in March**. This request must include a proposal turned in to Rittal for what the funds will be used for. All supporting documents for the request must be submitted by the **2nd Friday in April** in order to receive credit.

To apply your Q1-Q2 funds to spend in Q3-Q4 if you **MUST** submit a request by the **2nd Friday in May**. This request must include a proposal turned in for what the funds will be used for. All supporting documents must be submitted by the 2nd Friday in June in order to receive credit.

Rittal will determine approval on a case by case basis.

If no application is received to rollover funds from Q1-Q2 into Q3-Q4 by the **2nd Friday in May**, those funds will be gone at the start of Q3.

Gold & Platinum Partners

MDF budgets will be determined based on prior year sales with minimum MDF budget per year.

Gold \$1,500 min or .025% of previous year's sales.

Platinum \$7,500 min or .050% of previous year's sales.

Disclaimer: Rittal reserves the right to change these terms and conditions at any time. Changes are effective as of the date of its occurrence.

List of Qualifying Activities

| Activity | Description | Requirements and Limitations | % Allowance |
|---|--|--|-----------------------------------|
| Promotional Activity | Reference the Rittal Digital Marketing Asset Guide for examples | Receipt of PO (if supported by an outside agency) | Up to 100% |
| RAS Investment | Invest in RAS to further support Rittal in promoting standard product | Rittal PO | Up to 100% |
| Tradeshows & Events | Tradeshows, conferences, customer trainings, and event support that will showcase Rittal | Rittal will still reserve the right to deny an event request if we feel it does not represent a best practice in promoting our brand. We require you to submit all supporting documents - associated receipts and description of the event. | Up to 50% |
| Rittal Training | Distributors may use their funds to attend our Rittal product training | These trainings are only specific to the classes offered at our Urbana and Houston facilities. We require you to submit your receipt(s) documenting attendance or expenses. | Up to 50% |
| SPIF (Sales Performance Incentive Fund) | In-house sales incentives designed to increase Rittal product sales | Not to exceed (2) SPIF program activities per year. Must include receipt and provide metrics once the SPIF has completed. | Up to 25% |
| Display Product | Distributors may use their funds for display product to promote Rittal in their showroom or out in the field | Special exceptions to increasing the percentage of this activity might be considered. We require you to submit a Rittal PO | Up to 10% |
| Merchandise | You may use your funds to purchase Rittal branded merchandise from our brand store (availability is subject to change) | An explanation of how they intend to use their purchased merchandise (ie, customer event, tradeshow, sales incentive, etc). Receipt will also be required. | Up to 10% (not to exceed \$5,000) |

General Documentation Required – All Activities

Receipts, invoices, attendee lists and/or target markets, copy of any applicable contracts, all marketing communications. All documentation must be original and official.

Disclaimer: Rittal reserves the right to change these terms and conditions at any time. Changes are effective as of the date of its occurrence.

| Activity | Description | Best Practices |
|-----------------------------------|---|---|
| Landing Page | A landing page is a comprehensive informational page that focuses on a product solution that is relevant to your customers' challenges and goals. | Landing pages should be used in certain marketing communications, such as social media and email blasts. |
| Social Ads/PPC | Social media advertising, or pay per click (PPC) advertising, is a digital ad that is used to drive traffic to your website. | Create PPC campaigns on your social media profiles and in Google ads. |
| Video Marketing | Generates traffic and maximizes search on search engines such as YouTube. | Place videos on your website, landing pages, and YouTube channels while also promoting them via marketing communications. |
| Co-branded Paid Media Sponsorship | Partner with Rittal on a paid media activity such as webinars, eBlasts, or advertising. | Paid media is an essential component of revenue growth and brand awareness. |
| Success Stories/Case Studies | Showcase the solutions that Rittal provided to your end-user in a written piece that promotes our businesses. | Case studies show potential buyers how your organization has solved problems for your ideal customers in the past. |
| Social Media | Share Rittal solution success stories on social media to further support product promotions. | Promotion on social media is highly effective and cost-free! |

Rittal Branding Guidelines

Rules for Advertising

All marketing assets such as product literature, newsletters, brochures, and catalogs that promote Rittal must prominently display the appropriate logo, product names, and descriptive copy about Rittal's products & solutions.

All items should prominently display the Rittal brand and use of its trademarks, and all branding must comply with Rittal's brand guidelines.

Any use of art or logos provided by Rittal must be reviewed and approved by Rittal's Marketing Department prior to its release or production.

Advertisements must contain official Rittal logos, product illustrations, product descriptions, and comply with Rittal's guidelines.

All direct marketing items must prominently display Rittal's official logos, products, and follow Rittal's branding guidelines for all print and online use.

For events - booths or tabletops must prominently display the Rittal brand.

Level of Engagement: Dominant Partner/Sponsor

If Rittal is the lead partner or sponsor, the Rittal logo should be dominant and visibly larger in size than the other brands.



Partner Logo

Partner Logo

Level of Engagement: Equal Partner/Sponsor

Rittal logo must not be smaller than any other logo it appears with.



Partner Logo

Level of Engagement: Supporting Partner/Sponsor

Rittal logo should be positioned as a supporting brand and be equal size as other logos visible as a supporting position.

Partner Logo



Appendix A: Product Authorizations and Discount Level



APPENDIX A: PRODUCT AUTHORIZATION AND DISCOUNT LEVEL

DISTRIBUTOR: _____

PRODUCT AUTHORIZATIONS: As shown in price list provided to Rittal Distributor from time to time

| APR #1 | Material Pricing Groups | Platinum | Gold | Silver | Catalog | Authorized | Not Authorized |
|--------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Industrial Advanced | <input type="checkbox"/> |
| | Industrial Market | <input type="checkbox"/> |
| | Spare Parts | <input type="checkbox"/> |
| | IT Advanced | <input type="checkbox"/> |
| | IT Market | <input type="checkbox"/> |
| APR #2 | Material Pricing Groups | Platinum | Gold | Silver | Catalog | Authorized | Not Authorized |
| | Industrial Advanced | <input type="checkbox"/> |
| | Industrial Market | <input type="checkbox"/> |
| | Spare Parts | <input type="checkbox"/> |
| | IT Advanced | <input type="checkbox"/> |
| | IT Market | <input type="checkbox"/> |
| APR #3 | Material Pricing Groups | Platinum | Gold | Silver | Catalog | Authorized | Not Authorized |
| | Industrial Advanced | <input type="checkbox"/> |
| | Industrial Market | <input type="checkbox"/> |
| | Spare Parts | <input type="checkbox"/> |
| | IT Advanced | <input type="checkbox"/> |
| | IT Market | <input type="checkbox"/> |
| APR #4 | Material Pricing Groups | Platinum | Gold | Silver | Catalog | Authorized | Not Authorized |
| | Industrial Advanced | <input type="checkbox"/> |
| | Industrial Market | <input type="checkbox"/> |
| | Spare Parts | <input type="checkbox"/> |
| | IT Advanced | <input type="checkbox"/> |
| | IT Market | <input type="checkbox"/> |
| APR #5 | Material Pricing Groups | Platinum | Gold | Silver | Catalog | Authorized | Not Authorized |
| | Industrial Advanced | <input type="checkbox"/> |
| | Industrial Market | <input type="checkbox"/> |
| | Spare Parts | <input type="checkbox"/> |
| | IT Advanced | <input type="checkbox"/> |
| | IT Market | <input type="checkbox"/> |

Distributor Principle Name _____

Distributor Principle Signature _____

Date _____

Rittal Principle Name _____

Rittal Principle Title _____

Rittal VP Channel Signature _____

Date _____

Appendix B: Area of Primary Responsibility (APR)

APPENDIX B: AREA OF PRIMARY RESPONSIBILITY (APR) DEFINITION

DISTRIBUTOR: _____



| APR #1 | State | Whole State - Yes or No? | If No - list authorized 3 Digit Zip Codes |
|--------|-------|--------------------------|---|
| i | | | |
| ii | | | |
| iii | | | |
| iv | | | |

Authorized branch locations within APR

| Branch | Account | Name | Street, City, State | Zip |
|--------|---------|------|---------------------|-----|
| a. | | | | |
| b. | | | | |
| c. | | | | |
| d. | | | | |
| e. | | | | |

| APR #2 | State | Whole State - Yes or No? | If No - list authorized 3 Digit Zip Codes |
|--------|-------|--------------------------|---|
| i | | | |
| ii | | | |
| iii | | | |
| iv | | | |

Authorized branch locations within APR

| Branch | Account | Name | Street, City, State | Zip |
|--------|---------|------|---------------------|-----|
| a. | | | | |
| b. | | | | |
| c. | | | | |
| d. | | | | |
| e. | | | | |

Distributor Principle Name _____

Distributor Principle Signature _____

Date _____

Rittal VP Channel Name _____

Rittal VP Channel Signature _____

Date _____

Rittal North America LLC General Terms and Conditions of Sale

Rittal and its associated and independent brands

(Revised February 2018)

- I. **Selling Entity.** The selling entity is Rittal North America LLC, a Delaware corporation (the “**Company**”)
- II. Agreement**
- 2.1 The following terms and conditions of sale, together with the terms and conditions of any written agreement signed by an authorized representative of the Company and of the ordering entity or person (“**Buyer**”) covering the subject matter hereof (collectively this “**Agreement**”), shall apply to sales resulting from Company’s acceptance of Buyer’s order for the products, goods, articles, materials, supplies, components, drawings, data or other property described herein (the “**Products**”). Offers to purchase can be accepted only by an authorized representative of Company and offers to purchase are not effective or binding until approved in writing by such authorized representative. Any different or additional terms and conditions proposed by Buyer in its purchase order or otherwise are hereby rejected by Company and shall not be incorporated into this Agreement. Buyer’s assent to the terms and conditions of sale set forth herein shall be conclusively presumed from Buyer’s failure to object thereto in writing as well as from Buyer’s acceptance of all or part of the Products.
- 2.2 Where this Agreement is found to be an acknowledgement, if such acknowledgement constitutes an acceptance of an offer, such acceptance is expressly made conditional upon Buyer’s assent solely to the terms and conditions hereof, and acceptance of any part of the Products delivered by Company shall be deemed to constitute such assent by Buyer. If this Agreement constitutes an offer, Buyer’s acceptance of such offer is expressly limited solely to the terms and conditions hereof.
- III. Prices.** Prices are as established by Company from time to time, with shipments to be billed at such prices as in effect on the date of shipment. Such prices are in U.S. dollars unless stated otherwise (Canadian prices are in Canadian dollars unless stated otherwise), and are subject to any price adjustment necessitated by Company’s compliance with any act of government, laws or regulations. Any tax, duty, tariff or other governmental charge upon the production, sale, shipment or use of the Products which Company is required to pay or collect from Buyer shall be paid by Buyer to Company unless Buyer has furnished Company with a tax exemption certificate acceptable to the appropriate taxing authority. All prices are net of all discounts, excluding applicable taxes and freight charges.
- IV. Payment.**
- 4.1 **Payment** for the Products and any credit terms shall be according to payment and credit terms as Company may establish in its discretion. Company may in its discretion make available to Buyer prompt payment discounts. Any prompt payment discounts shall be allowed on the Products only and shall exclude freight charges. Absent any contrary agreement, payment terms shall be net 30 days from the invoice date.
- 4.2 Late payments shall bear interest at the rate of 1-1/2% per month (18% per annum), both before and after judgment until payment in full; provided, however, that in no event shall Company charge interest higher than the maximum rate allowed by applicable law. Buyer shall pay Company for all expenses (including reasonable attorneys’ fees) incurred by Company in collecting any amounts due by Buyer to Company. If Buyer has any past due accounts, all Buyer’s accounts may, at Company’s option, be declared due and payable immediately
- V. Terms of Shipment.** The shipment of the Products to Buyer shall be F.O.B. Company’s location of shipment [(if outside the U.S., INCOTERMS 2010: Ex works)], and Company may in its discretion ship from any of its locations. At the time and location of such shipment, Buyer takes title to the Products shipped and assumes all risk of and responsibility for any loss, damage or destruction with respect to such Products. No allowances shall be made for pickups by Buyer or its customers at Company locations. If Seller’s preferred carriers are used, freight charges will be prepaid and added to Buyer’s invoice. If Buyer chooses non-preferred carriers, freight charges will be collect or third party billing only. Alaska, Hawaii, Puerto Rico and export shipments are F.A.S. Port of Embarkation with all export charges to Buyer’s account. The Products shall be packed and packaged in accordance with reasonable commercial practices for one-way shipment. Additional packing expressly required by Buyer shall be charged separately. If the carrier delivers all material shown on the freight bill, but Buyer subsequently discovers shorted material, any claim must be filed directly with Company within ten (10) days after delivery. Claims filed later than ten (10) days after delivery will not be honored. When such shortage is verified by Company, credit will be issued to Buyer’s account within ninety (90) days of such verification. Company may in its discretion ship either in lots or in a single shipment.
- VI. Date of Shipment.** Shipping dates are approximate and are based upon conditions existing upon Company’s receipt of Buyer’s order. Company will, in good faith, endeavor to ship by the estimated shipping date but shall incur no liability for any delay or any damage arising therefrom.
- VII. Cancellation of Order by Buyer.** Orders shall not be subject to cancellation or modification by Buyer either in whole or in part without Company’s written consent and then may be subject to payment of a reasonable cancellation or modification charge that will reimburse Company for applicable costs incurred by virtue of the order (including costs of purchased materials and engineering costs) and provide Company with a reasonable allowance for profit, both in accordance with Company’s policy in effect on the date of cancellation or modification. Orders for Special Products (as defined in Section 11.1 below) and product identified as Rittal Non-Stock at time of purchase shall not be subject to cancellation or modification by Buyer under any circumstances.
- VIII. Force Majeure.** Company shall not be liable for any failure to perform its obligations under this Agreement resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer, embargoes, governmental actions, fires, accidents, floods, epidemics, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond the reasonable control of Company.
- IX. Limited Product Warranty.**
- 9.1 THE FOLLOWING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**
- Company warrants to Buyer that the Products are, at the time of delivery to Buyer, free of material and workmanship defects, provided that no warranty is made with respect to (a) any Product which has, in Company’s judgment, been subject to negligence, misuse, abuse, accident or improper storage, or (b) any Product which has not, in Company’s judgment, been installed, operated or maintained in accordance with normal practice and in conformity with recommendations and published specifications of Company. Repairs to, alteration of, or work done on the Products without Company’s prior written authorization shall void Company’s warranty on the Products.
- 9.2 At its option, Company shall repair, provide replacement Products for, or refund the purchase price of any Products, except climate products, that breach the foregoing warranty for twelve (12) months starting from the date of shipment of the Products to Buyer; and such obligation shall be Company’s exclusive obligation and the full extent of its liability, and Buyer’s exclusive remedy, for breach of warranty. The obligation above shall be extended to twenty four (24) months from the date of manufacturer for Rittal Climate products. Company makes no warranty with respect to any software or firmware that are a part of the Products, and Company makes no warranty with respect to Products that are manufactured by and carry the brand of a third party that is not an affiliate of Rittal North America LLC.
- Upon discovery of an alleged defect, Buyer shall notify Company in writing within ten (10) days of such discovery of any claim whatsoever that Buyer may have with respect to the Products, and failure to give such notice within the specified time shall constitute an unqualified acceptance and waiver of all claims with respect to the Products. Upon receipt of notice from Buyer claiming defective Products, Company may inspect such Products at Buyer’s location or require that they be returned to Company on a freight collect basis for inspection. All warranty claims must be supported by a dated proof of purchase and appropriate Product identification information, where applicable. Product can be returned to Company only when it has issued proper return authorization. Company retains the right to be the sole judge of what constitutes a defect in performance or manufacturing in regard to this warranty.
- 9.3 This warranty excludes labor costs associated with the replacement of defective Product.
- 9.4 Acceptance shall occur, if not before, when Buyer fails to reject in writing within ten (10) days after delivery of the Products to Buyer. Buyer may rightfully reject only where a reasonable inspection shows that the Products fail to substantially conform to the applicable Product specifications. Rejection shall not affect transfer of title and risk of loss under Section V. Buyer waives its right to revoke acceptance, it being the intent of the parties that Buyer’s remedies for any nonconformity detected after acceptance be limited to those expressly provided herein for breach of warranty. After acceptance, the Products may not be returned to Company except to the extent expressly provided herein upon a breach of warranty, or otherwise in accordance with Company’s returns policy as Company may establish in its discretion
- X. Limitations of Liability. IN NO EVENT SHALL COMPANY BE LIABLE (REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, INCLUDING NEGLIGENCE) FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES BY WHOMEVER INCURRED OF WHATEVER NATURE, INCLUDING DAMAGES FOR LOST PROFITS, DATA, TIME, REVENUES OR THE LIKE, EVEN IF COMPANY IS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, EXCEPT FOR COMPANY’S PATENT INDEMNITY OBLIGATIONS UNDER SECTION 11.2 BELOW, IN NO EVENT SHALL COMPANY’S TOTAL LIABILITY (REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, INCLUDING NEGLIGENCE) FOR ANY CLAIMS OR DAMAGES ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT OR THE MANUFACTURE, SALE, DELIVERY OR USE OF THE PRODUCTS EXCEED THE PURCHASE PRICE OF THE PRODUCTS**

GIVING RISE TO SUCH CLAIMS OR DAMAGES. THIS SECTION X SHALL SURVIVE FAILURE OF AN EXCLUSIVE REMEDY.

XI. Special Products; Patent Indemnity.

- 11.1 "Special Products" are those Products manufactured or furnished by Company in accordance with drawings, samples, or manufacturing specifications designated by Buyer or its customers. All Special Products must be accepted by Buyer within thirty (30) days of manufacture; after thirty (30) days, Company may invoke a storage charge of 1% per month (12% per annum) on their purchase price. Company may retain as its own property any special molds, tools, dies or fixtures utilized in manufacturing Special Products. Buyer shall defend, indemnify and hold harmless Company and its affiliates from and against any and all claims and demands, and related liabilities, damages and expenses (including reasonable attorneys' fees), arising from or related to the design, distribution, manufacture or use of any Special Product, including such claims and demands asserting infringement of any U.S. or foreign patent, trademark, copyright, or other intellectual property right.
- 11.2 In the event any Product is designed by Company, is not a Special Product and has not been modified by Buyer, its customers or other third parties, Company shall hold Buyer harmless against any damage awarded by a court of final jurisdiction in connection with any claim of infringement of any U.S. or foreign patent by reason of the sale or use of such Product, provided that Company is notified promptly in writing of any such claim, is permitted to assume the full direction and control of the defense against such claim and is given authority, information and assistance by Buyer (at Company's expense) for such defense and authority to settle. In case any judgment rendered in connection with such claim shall become final (beyond right of appeal), and where Buyer has complied with the foregoing provisions of this Section 11.2 to Company's satisfaction, Company agrees to pay all damages and costs thereby awarded against Buyer. If, subject to the above limitations, such Product or any part thereof should be finally held in connection with such claim to constitute an infringement or in Company's discretion is likely to be so held to constitute an infringement, Company shall have the right at its option either to (a) procure for Buyer the right to use such Product, (b) modify or replace such Product with a non-infringing Product accomplishing substantially the same purpose as the replaced Product, or (c) require the return of such Product and refund to Buyer the purchase price thereof. Buyer's remedies for damages resulting from the infringement or claimed infringement of any U.S. or foreign patent by the Products (regardless of the form of action) are exclusively limited to the provisions of this Section 11.2

XII. Changes in Products; Returns. Company shall have the right in its discretion, without incurring any liability, to discontinue or limit its production or deliveries of any Product and alter the design, materials or construction of any Product. Rittal permits returns of standard stock products in accordance with the published return policy on the Rittal website and subject to but not limited to the following conditions:

- 12.1 All returns require a Return Authorization Number from Rittal Customer Service. Material sent without a proper return authorization number may be returned to sender.
- 12.2 All products returned must be in saleable condition and without alterations in original Rittal packaging. No credit will be given for product that requires major repair or rework. Products not in original "as shipped" Rittal packaging shall be subject to repackaging fee up to 100%.
- 12.3 Specials and Rittal Non-Stock product may not be returned unless covered under Section 9.1 Warranty, and all standard stock products in saleable condition are subject to a 20% restocking fee.
- 12.4 All products must be returned to the location stated on the Return Authorization, and those products must be within 1 year of purchase date.
- 12.5 All products return are to be packaged and palletized (upright and banded) to prevent damage in accordance with Rittal product shipping instructions on the Rittal website.
- 12.6 The buyer is responsible for all freight charges on returns unless Company has accepted responsibility for the return in writing. When the company accepts responsibility for the return the Buyer is required to use the carrier stated on the Return Authorization.
- 12.7 Buyer may not take a deduction or credit without written permission from Rittal.

XIII. Governing Law; Venue; Limitation of Actions.

- 13.1 This Agreement shall be governed by the laws of the domicile country of the selling entity. In the United States, this Agreement shall be governed by the laws of the State of Delaware in the United States of America. In Canada, this Agreement shall be governed by the laws of the Province of Ontario. The parties agree that the United Nations Convention on the International Sale of Goods shall not apply to this Agreement or to any goods sold or purchased among them.
- 13.2 Any Suit action, or proceeding against Company concerning this Agreement shall be brought in the courts of the jurisdiction of the State of Delaware, or another U.S. State of Company's choice, and Buyer hereby irrevocably submits to the exclusive jurisdiction of such state.
- 13.3 Buyer irrevocably consents to service of all writs, process, and summons in any suit, action or proceeding filed or initiated by Company to be made upon Buyer by any of the following methods at Company's sole election
- (a) Service upon Buyer at its address by registered mail or certified mail postage prepaid (or the equivalent in Buyer's jurisdiction), or

(b) Service in any other manner permitted by applicable law. Such information without accounting to to Buyer therefor, notices on Buyer's drawings, proposals, specifications and other documents to the contrary notwithstanding.

XIV. Indemnity. Buy shall defend, indemnify and hold harmless Company and its affiliates from and against any and all claims and demands, and related liabilities, damages and expenses (including reasonable attorneys' fees), for or in connection with any property damage, any injury to or illness or death of any person or any other damage (including loss of income, profits, sales or "down time") arising from or related to the Products, including such claims and demands brought by any employee, agent or subcontractor of Buyer for Buyer's failure to comply with Company's published instructions and specifications concerning the operation, use and maintenance of the Products, except any claim, demand, liability, damage or expense proven to be the result of the negligence of Company and not contributed to by the negligence of Buyer, its agents, employees, officers or directors or other third parties.

XV. Compliance with Laws By placing an order with Company, Buyer represents, warrants and covenants that:

- 16.1 Buyer will comply with all applicable laws and regulations of the United States, Canada, Mexico and all other jurisdictions governing the marketing, sale, export and distribution of the Products, including, but not limited to, the U.S. export control laws, the Export Administration Regulations (the "EAR") and the Foreign Corrupt Practices Act of 1977 (the "FCPA"). Diversion via export or re-export contrary to U.S. law is prohibited
- 16.2 Buyer has not paid, offered to pay, agreed to pay, or authorized or caused to be paid, directly or indirectly, any money or anything of value to any foreign official (as defined in the FCPA) to induce such official to use their influence to obtain an improper business advantage in connection with the purchase and resale of the Products, nor will Buyer do so at any time in the future.

XVII .General

- 17.1 Products (other than Special Products) ordered must be in standard packaging. Minimum acceptable order is US\$200.00.
- 17.2 All clerical, stenographic, and typing errors are subject to corrections.
- 17.3 This Agreement is not assignable by the Buyer without the prior written consent of Company. Any attempt to assign any of the rights, duties, or obligations of this Agreement without such consent shall be void.
- 17.4 This Agreement does not create an agency or joint venture relationship between Company and Buyer, whose relationship will be that of independent contractors.
- 17.5 This Agreement does not constitute a license or authorization of any kind for Buyer to use any of the trademarks or trade names owned by Company in connection with the Products.
- 17.6 If any provision or provisions of this Agreement, or parts thereof, shall be held to be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 17.7 References in this Agreement to "including" shall be deemed to mean "including without limitation"; references in this Agreement to "in Company's/its discretion" shall be deemed to mean "in Company's/its sole discretion"; and references in this Agreement to a "claim" or "claims" shall be deemed to mean such a claim or claims whether or not in the form of a lawsuit. The captions in this Agreement are for ease of reference only and shall not in any way affect the meaning or interpretation of this Agreement.
- 17.8 Buyer agrees further that this Agreement is the entire agreement between Company and Buyer concerning the subject matter hereof, and any proposals, negotiations or representations made prior to or contemporaneously with this Agreement, whether verbal or written, are excluded. Any amendment or modification of this Agreement must be in a writing clearly identifying itself as an amendment to this Agreement and signed by Company's authorized representative.
- 17.9 The official language of this Agreement shall be English, except where applicable law requires otherwise. Specifically, the official language for sales made in the Province of Quebec, Canada shall be French.

DAYTON/661596v.1

Rittal – The System.

Faster – better – everywhere.

- Enclosures
- Power Distribution
- Climate Control
- IT Infrastructure
- Software & Services

Rittal North America LLC

Woodfield Corporate Center
425 North Martingale Road, Suite 400 • Schaumburg, Illinois 60173 • USA
Phone: 937-399-0500 • Toll-free: 800-477-4000
Email: rittal@rittal.us • Online: www.rittal.us

Rittal Systems Ltd.

6485 Ordan Drive • Mississauga, Ontario L5T 1X2 • Canada
Phone: 905-795-0777 • Toll-free: 800-399-0748
E-Mail: marketing@rittal.ca • Online: www.rittal.ca

Rittal Mexico

Dr. Roberto Gayol 1219-1B • Col. Del Valle Sur, 03100 • Mexico, D.F.
Phone: (+52) (55) 5559-5369 • Toll-free: 01 800 8 Rittal (748.825)
E-Mail: info@rittal.com.mx • Website: www.rittal.com.mx

ENCLOSURES

POWER DISTRIBUTION

CLIMATE CONTROL

IT INFRASTRUCTURE

SOFTWARE & SERVICES

FRIEDHELM LOH GROUP



May 2021