

These general terms and conditions of purchase (hereinafter referred to as the “**General Terms and Conditions**”) apply to all orders concluded between LAPP France SARL (the “**Buyer**”) and professional suppliers (the “**Supplier**”).

The purpose of these General Terms and Conditions is to define the reciprocal rights and obligations of the Buyer and the Supplier as part of the purchases by the Buyer of (i) trading products (the “**Trading Products**”); and (ii) special products (the “**Special Products**”) both provided by the Supplier ( the “**Products**”).

The acceptance of any purchasing order issued by the Buyer implies the full acceptance of these General Terms and Conditions, which prevail any general or particular terms and conditions of sale from the Supplier. Upon the first delivery under these General Terms and Conditions, the Supplier recognizes the conditions of purchase stated therein as being exclusively legally binding for all further orders.

The provisions of the general terms and conditions of sales of the Supplier that diverge with the General Terms and Conditions are only applicable if they have been expressly notified and accepted in writing by the Buyer.

The fact that the Buyer does not specifically refer to the General Terms and Conditions, at any moment, cannot be interpreted as a waiver for the future.

**1 – A. ORDER PROCESS:** The Buyer sends to the Supplier its purchase order detailing the Products, the total price to be paid, the contemplated delivery date and the terms of delivery.

Orders or changes to orders are valid only if the Buyer submits or confirms them in writing or via the Buyer’s electronic ordering system (the “**Orders**”).

Orders become binding unless the Supplier rejects them within four (4) working days in writing or with the electronic ordering system. In the event of a unilateral modification by the Supplier of the essential elements of the Order, in particular the date of delivery, the sale shall not be considered as formed. The modification of the Order constitutes a new offer from the Supplier, subject to the acceptance of the Buyer.

The Supplier is under an information and concealing professional obligation. In this context, the acceptance of the Order implies that (i) the Order is complete and valid, and (ii) the Supplier is in position to provide the Buyer with the ordered Products. By contrary if the Order is not valid the Supplier shall inform the Buyer within three (3) working days in order to

allow the Buyer to modify or complete the Order.

Upon acceptance, the Order, together with these General Terms and Conditions, and any specifications, drawings, requirements of the Buyer’s or the Buyer customer, quality requirements, and other documents incorporated in the Order, including, without limitation, any scheduling agreements will constitute the binding contract between Buyer and Supplier (collectively, the “**Contract**”).

The Supplier may subcontract only with the prior agreement of the Buyer by written.

Orders, agreement, any modifications and additions, shall be made in writing (mail, fax, e-mail, electronic system, data transmission). Verbal, telephone or e-mail Orders are binding on the parties only after written confirmation from the other (numbered order form).

**1 – B. MODIFICATIONS:** For any Orders that have not yet been fully performed, the Buyer is entitled to demand modifications at any time on the following: (a) specifications, drawings and data incorporated in the Order regarding the Special Products; (b) quantity; (c) methods of delivery or packaging; (d) place of delivery; (e) time of delivery; or (f) any other matters affecting the order.

The Supplier shall make an equitable adjustment in the price, the delivery schedule, or both in writing within three (3) working days from the Supplier’s receipt of the change, subject to the acceptance of the Buyer.

**2 – A. PRICE:** The prices mentioned in the Order are firm.

**2 – B. PRICE ADJUSTMENT:** The Supplier shall make its best efforts to reduce the prices charged to the Buyer in case of any general price decrease announced by the Supplier or any decrease in Supplier’s costs in order to ensure high level of competitiveness of the two parties in the market.

**3 – DELIVERY:** The Supplier recognizes that the Buyer operates with “Just in Time” scheduling and the Supplier accepts to deliver the Products on the exact date and time specified on the Contract. The respect of the delivery times constitutes thus an essential condition of the Contract.

Any change in delivery time shall be agreed in advance by the Buyer.

The Supplier shall furnish sufficient labor and management forces, plant, and equipment and shall work such hours (including night shift, overtime, weekend and holiday work without a premium) as may be required to assure timely delivery. Unless otherwise stipulated on the Order and without prejudice to the Buyer’s other rights and remedies provided by law or under the Contract any

delay in the delivery of the Products (including the late submission of any relating documentation) shall entitle Buyer to apply penalties to the Supplier at a rate of 0,3% per working day, subject to an aggregate cap of penalties equal to five per cent (5%) of the total purchase order value. If there are changes in the extent of penalties this has to be fixed in advance in the Order.

Unless otherwise stated on the Order, delivery shall be done in accordance with DDP Incoterms 2020. Packaging costs, haulage and warehouse charges and all incidental shipping cost are borne by the Supplier. The Supplier shall bear the potential costs due with regard to incident or accident during loading and transportation of the Products.

In any case, the Supplier shall ensure the supply of the ordered Products to the Buyer and comply with (i) the agreed quantity as listed in the Order, subject to flexibility acceptance up to 10% (ten per cent) regarding the lengths of the Products ordered per piece and up to 15% (fifteen percent) regarding the lengths of the Products ordered by meter, as determined in each Order, (ii) the lead times, (iii) the agreed delivery date, and (iv) the proper packaging of the Products.**4 – QUALITY REQUIREMENTS:**

The Supplier ensures that the Products comply with the requirements stated in the Contract, and in particular with the related technical datasheets.

The Supplier shall carry out a quality process that is suitable in terms of its nature and scope, and in line with the latest technical developments. Regarding quality requirements, the Supplier is bound by an obligation of result.

The Supplier has to ensure that the Products to be delivered always state the art in terms of quality. The Supplier shall inform the Buyer of (i) any possible improvements or technical modifications, (ii) any change in the manufacturing process, or (iii) any change in the manufacturing location. Any subsequent modification may be carried out only with the Buyer express prior consent by written.

The Supplier is also liable for any damage resulting from inadequate packaging.

#### **5 – QUALITY PROCESS:**

##### **A – QUALITY MANAGEMENT SYSTEM:**

The Supplier shall obtain and maintain a quality certified management system (at least DIN EN ISO 9001 and DIN EN ISO 14001) during the execution of the Contract.

##### **B – SUPPLIER’S EXAMINATION OBLIGATION:**

The Supplier shall in any event examine the Products during the production process and before supplying them to the Buyer, to ensure that the Products to be delivered comply with (i) the quality requirements, (ii) the issued technical datasheet, and (iii) the technical specifications of the samples as agreed with the Buyer.

The Buyer is entitled to require documents and reports to be issued by the Supplier in accordance with DIN EN 10204, within twenty-four (24) hours after the request.

For each Product to be fully manufactured or developed, the Supplier shall provide the sample with an ISIR form within twenty-four (24) hours after the Buyer's request and prior to any delivery.

#### C - PRODUCT IDENTIFICATION AND TRACEABILITY:

The Supplier shall guarantee the Product identification and traceability. For this purpose the Supplier shall ensure a suitable identification of the quality requirements and/or of their repackaging (manufacturer labels, production date, and place of production) through the technical datasheet.

The Supplier shall ensure an effective traceability of the Products in order to easily identify a potential defective product. The Supplier shall keep the Buyer updated, so that the Buyer may identify such defects upon receipt.

#### D - ARCHIVING AND SAFEKEEPING PERIODS:

The Supplier shall prepare records on the performance of his quality assurance measures – especially on measuring values and test results – and keep these records and potential samples available, during the periods as specified below:

- technical datasheet including all specification documents (production papers, work and procedure instructions etc.): 10 years (after the last delivered Products);
- records (process parameters, hiring reports, shift protocols, examination results, examination documents etc.): 12 years (after the last delivered Products);
- approval documents (product approvals, initial sample examination reports, special approvals etc.): 12 years (after the last delivered Products)
- accounting records including Orders: 10 years (after the last delivered Products); and
- for all products belonging to the "renewable energies" segment : 30 years (after the last delivered

#### Products)

The Supplier shall allow the Buyer, at the latter's request, to fully inspect his records, and provide the Buyer with all requested documentation. The Supplier shall grant to the Buyer's agents, access to its business premises and facilities, provided that this is required for verifying the existence and functioning of the Supplier's quality management system. The Buyer's agents shall be either an employee or a mutually appointed independent third party. The Buyer shall announce his agent's visit in due time, but no less than three (3) working days in advance and shall agree on a time with the Supplier.

#### D – NOTIFICATION:

The Buyer shall notify the Supplier in writing in due time of any change of the quality requirements of the Products to be provided.

The Supplier shall notify the Buyer of any change to the agreed system or to the quality assurance process, or change to materials, vendor parts and production facilities. Notification of any change to technical datasheets, other documents and production procedures must only be made if the Supplier cannot exclude that such change will have a detrimental effect on the properties and reliability of the quality requirements. Notification must be given in such due time and complete form as to ensure that the Buyer can be aware of such changes. In the absence of a reply by the Buyer after two (2) reminders sent in writing, the change will be deemed approved. In any case, the Supplier shall be solely liable for the properties and reliability of the quality requirements.

If the Supplier during examination identify any detrimental difference between the Products and the quality requirements expected, he shall promptly notify the Buyer in writing of correctional measures contemplated. The Buyer may request special measures for a reasonable period of time, prior it takes effect. Any extra costs incurred as a result of the modification of the process, shall be borne by the Supplier.

#### 6 - RECEIPT AND CONFORMITY:

##### A – RECEIPT:

The Buyer reserves the right to refuse, all or part of the Products (without prejudice to all rights and penalties), if the reception control point that the Products do not correspond to the Order, the specifications provided in the Contract in whole or in part.

##### B – PRODUCTS CONFORMITY AND COMPLIANCE:

Upon receipt, each Product is subject to a quality and conformity control process carried out by the Buyer.

The Buyer shall file a specific complaint report (the "8D Report") to the Supplier for each Product that do not comply with the quality requirements or technical datasheet.

The 8D Report of non-compliance mentioning the rejection of Products is sent by the Buyer within two (2) working days after the receipt, for the Products not satisfying the requirements.

The Supplier shall propose a first statement with likely unrequested measures after a two (2) working days period following the receipt of the 8D Report, to

After a five (5) working days after return of the non-complying Products, the Supplier could send a second statement indicating the causes and related remedies of such defect.

Within five (5) working days of receipt of the 8D Report, the Supplier can notice the state of the Products. At the end of this period, the said Products must be removed immediately by the Supplier, otherwise the Products will be returned to him at his own expense and risk.

In the absence of objection from the Supplier during a period of five (5) working days from receipt of the 8D Report, a debit note corresponding to the price at the purchase value of the returned Products and the return costs shall be established. In any case, a deduction by the Buyer for subsequent payments could be carried out.

The Supplier shall confirm within twenty (20) working days after return of the non-complying Products that the appropriate measures treatment have been implemented.

For three to six (3 to 6) months after receipt of the 8D Report, the Supplier shall perform regular controls of the efficiency of the implemented measures.

#### C – SAMPLES CONFORMITY AND COMPLIANCE:

The Buyer's control of the sample provided by the Supplier shall be carried out in accordance with the characteristics stated in the initial inspection certificate issued by the Supplier (ISIR).

**7 – DEFECTIVE PRODUCT:** In case of defective products delivery, the Buyer is entitled to request (i) the elimination of the default free of charge within a reasonable period of time, or (ii) if the repair should be impossible or disproportionate, the exchange and replacement by another similar Product.

If the subsequent performance is unsuccessful or unreasonable, the Buyer may withdraw the

Contract or reduce the purchase price and claim for damages instead of the related performance. The Supplier will bear (i) the costs and risk for the return of the Products, (ii) the replacement or the rectification work; and (ii) the liability after the replacement or rectification work, at the same extent that the initial guarantee period.

If the defective product creates a potential risk to legally protected third-party interests, or should an authority has ordered the recall of a Product, the Supplier must bear the costs of such recall. In case of a product recall, the Supplier must compensate the Buyer or any third-party of any costs incurred.

**8 – PAYMENT TERMS:** Payments will be made after the receipt of the Products in conformity with (i) the Order, (ii) the related technical documentation, and (iii) the proper and final invoice. Unless a special arrangement has been reached, payment term shall not exceed forty five (45) working days end of month in accordance with article L441-6 of the French commercial code. This payment period shall begin to run upon the issue date of the invoice.

The issue date of the invoice cannot be earlier than the actual receipt of the Products by the Buyer. For any delivery in advance of the delivery date stipulated in the Order, the due date of the invoice will be calculated from the delivery date initially mentioned in the Order.

Off set can be made between the claims held by the Buyer. The offset will take place in respect of the deadlines of receivables and reciprocal claims of the parties and will be fully discharging.

**9 – OWNERSHIP AND RISK TRANSFER:** The transfer of ownership and risks shall be effective upon the quantitative, qualitative and normative reception of the Products delivered to the recipient. .

**10 – FORCE MAJEURE:** In the event of failure either by the Buyer or the Supplier, to perform any of its obligations herein described, the related party will not be deemed as defaulting nor liable if the contractual failure is due to a force majeure event considered as an unforeseeable event during the conclusion of the Contract, that the Buyer or the Supplier could neither avoid or overcome at the time of its occurrence, and making impossible the total or partial execution of its obligations.

A force majeure in contractual matters occurs when an event beyond the control of a party, which could not reasonably have been foreseen at the time the Contract was concluded and whose effects cannot be avoided by appropriate measures, prevents the party from performing its obligation.

In the event of temporary impediment, the performance of the obligation shall be suspended unless the consequent delay justifies the termination of the Contract. In case of definitive impediment, the Contract shall be automatically terminated and the parties shall be released from their obligations under the conditions provided for in articles 1351 and 1351-1 of the French civil code.

The Buyer or the Supplier victim of such event shall immediately inform the other one in writing.

The Contract will be suspended during the event of force majeure, without any compensation or liability.

The Buyer and the Supplier shall meet and find an amicable settlement to this extraordinary circumstances.

Failing such settlement within thirty (30) working days after the occurrence of the force majeure event, the most diligent party could terminate the Contract by registered letter without any compensation nor notice period.

**11 – WARRANTY:** By accepting the Order, the Supplier warrants that the Products provided will be free from defects in materials and workmanship, merchantable and in full conformity with the Buyer's specifications, drawings and data, and the Supplier's descriptions, promises or samples.

The delivered Products shall comply with the Buyer's intended use.

Notwithstanding articles 1641 and seq. of the French civil code, and in so far as the Product has been used for its purpose, for any material and manufacturing defect or conception error appearing after the receipt of the Products and making the delivered Products unsuitable, the Supplier commits to replace the Product within sixty (60) months from the delivery date.

The Supplier commits to indemnify the Buyer against any claim or demand whether arising in tort, contract, or otherwise for direct or indirect, material or immaterial injuries or damages of any kind caused to person or property.

This indemnification obligation shall be supported by adequate liability insurance coverage as required by these General Terms and Conditions and shall apply without regard to cause or causes, including without limitation, the negligence of the Buyer, and under any theory whether sole, concurrent, gross, active or passive.

In addition, the Supplier shall, to the extent of its own negligence only, be liable to Buyer for any indirect, special or consequential damages arising out of or related to the Contract, including lost profits, lost production,

down time, reservoir loss/damage or environmental/pollution damage. The Buyer shall disclaim in advance any liability to the Supplier for any of these indirect, special or consequential damages arising out of or related to the Contract.

**12 – RETENTION OF TITLE:** Any clause of retention of title not expressly accepted in writing by the Buyer for its Order is deemed unwritten.

**13 – NON DISCLOSURES:** For the entire duration of the Contract and for a period of five (5) years after the last executed delivery of Products, the Supplier commits to not use or disclose directly or indirectly without the Buyer's written consent any research, development, technical, information, knowledge or know-how of the Buyer, unless as may be necessary for the proper performance of the Contract, and or it has fallen into the public domain or its disclosure is made necessary by virtue of a specific regulation or an administrative or judicial order.

**14 – INTELLECTUAL PROPERTY:** All special dies, molds, patterns, jigs, fixtures, component parts and any other item being Buyer's property and furnished to the Supplier for the performance of the Contract, shall be and remain the Buyer's property. The items shall be subject to removal upon the Buyer's instruction, shall be for Buyer's exclusive use.

During the period of use by the Supplier, the items shall be held at the Supplier's risk, and shall be insured by the Supplier.

The Supplier is not entitled to create or allow any pledge, lien or encumbrance to third party against those items furnished and owned to the Buyer.

Any samples provided by the Buyer to the Supplier or develop by the Supplier for the Buyer, shall be destroyed at first request from the Buyer. Within eight (8) working days upon receipt of the request, the Supplier shall confirm in writing, the due destruction of the relevant samples.

**15 – TERMINATION:** If the Supplier fails to perform or imperfectly executes its obligations hereunder, the Contract shall be terminated by the Buyer after sending a registered letter as a formal notice remained unsuccessful, in particular regarding:

- Failure to comply with the agreed delivery date in accordance with article 3 of these General Terms and Conditions; and

- Failure to comply with quality requirements, especially in accordance with article 1 of these General Terms and Conditions;

- Failure to repair or replace defective products.

The Buyer's right regarding the termination under the Contract shall not be exclusive and are in addition to any other rights and remedies provided by law or under these General Terms and Conditions.

**16 – COMPLIANCE:** The Supplier warrants it complies with the applicable laws and European regulations regarding the labor law, and environmental protection, health and safety.

The Supplier further declares, represents and agrees that he or any of its potential subcontractor shall not use forced or compulsory labor in violation of the OECD Guidelines for Multinational Enterprises, including ILO Conventions on child labor and forced labor (OECD is the Organization for Economic Cooperation and Development and ILO is the International Labor Organization (UN)). The Supplier shall also comply with the principles of the UN's Global Compact Initiative, regarding the protection of international human rights, forced and child labor, discrimination and environment.

**17 – PROHIBITION OF SUBSTANCES:** Supplied Products must comply with the following guidelines and requirements, in particular:

A - RoHS Directives 2002/95/EC and 2011/65/EU

Regardless of the scope of the RoHS Directive, none of the products' homogeneous materials are permitted to contain any of the substances listed in Annex II of European Directive 2011/65/EU (RoHS) in excess of the maximum concentration values listed therein. Exceptions are permitted if they fall under the applications listed in Annexes III and IV (RoHS).

B - REACH Regulation (EC) No. 1907/2006

No Products are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate Ust pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH).

In addition, none of the products' homogeneous materials are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate List pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH).

**18 – ETHIC:** The Buyer expects the Supplier to be ethical and to be honest and loyal to all people with whom they are in contact and especially by not employing child labor.

The Supplier shall scrupulously respect the applicable anti-corruption legislation. Also, in order to avoid any conflict of interest, it is forbidden for the Buyer's employee to receive gifts, remunerations or advances from a legal or physical person.

**19 – APPLICABLE LAWS:** The applicable law is French law. The Convention on Contracts for the International Sale of Goods (Wien, 11th April 1980) does not apply to the Contract.

**20– JURISDICTION:** Any claim, demand, request or litigation arising or in connection with the Contract or these General Terms and Conditions shall be submitted to the appropriate and exclusive competence of the courts having jurisdiction in the place of the registered office of the Buyer.