

# TERMS OF BUSINESS

## **I- APPLICATION AND ENFORCEABILITY OF THE TERMS OF BUSINESS**

These Terms of Business are enforceable on natural persons and corporate entities undertaking any business activities, provided that they are acting in the carrying out of their business activities.

These Terms of Business are automatically sent or handed to every purchaser to make it possible to place an order.

As a result, the act of placing an order implies full and unreserved acceptance by the purchaser of these Terms of Business, excluding any other documents which shall be for information only.

These Terms of Business are applicable to ongoing commercial relations.

This means that once the customer has been made aware of these Terms of Business in the context of an order confirmed by LAPP MULLER, they are thereafter applicable for all subsequent orders.

No special conditions shall prevail over these Terms of Business unless formally agreed in writing by LAPP MULLER.

Any conditions of purchase to the contrary on the part of the customer shall not therefore, unless formally agreed in writing by LAPP MULLER, be enforceable on LAPP MULLER, regardless of when brought to its attention.

The fact that LAPP MULLER does not enforce any of the conditions of these Terms of Business at any moment shall not be interpreted as being an abandoning of the future enforcement of any of these conditions.

If any provisions of these Terms of Business are held to be void or not applicable, all other provisions shall remain enforceable.

## **II- CONCLUDING THE CONTRACT (ORDER AND ACCEPTANCE OF THE ORDER)**

**II-1.** The information contained in our catalogues, notices and price lists is provided for the purposes of information only and is not binding on LAPP MULLER.

**II-2.** LAPP MULLER shall only be bound by orders taken by its representatives or employees if these are confirmed in writing and signed.

Quotes are only valid within the quote option time limit, which is, unless stated otherwise, fifteen days.

Any additional order (additional product or service) must be the subject of a new quote issued by the seller.

Orders placed by a customer with LAPP MULLER are only definitive if they have been confirmed in writing by LAPP MULLER.

## **III- DELIVERED QUANTITY TOLERANCES - SHIPPING PACKAGING**

In terms of the specificities of the products sold by LAPP MULLER, the customer unreservedly accepts that:

- Firstly, the invoiced quantities are those actually delivered and that these quantities can vary by 5% from the ordered quantities with a minimum of 5 metres and can be delivered in a single length or in several pieces, and
- Further, the tolerance associated with the measuring devices of LAPP MULLER relative to the delivered quantity is 0.4% and that such differences cannot be used as grounds by the customer for any complaint whatsoever.

Unless there are special conditions in the quote, the customer accepts that the quantity order by it can be shipped in several lengths based on the production constraints on LAPP MULLER.

## **IV- RESERVATION OF OWNERSHIP**

LAPP MULLER retains ownership of all sold goods until the full payment of the price, the main sum and ancillary costs.

If the customer is subject to court ordered administration or winding-up proceedings, LAPP MULLER reserves the right to resell, in the context of the collective insolvency proceedings, any goods for which full payment has not been received.

It is however agreed that the simple issuing of a security creating a debt obligation, bill or other obligation, does not constitute a payment within the meaning of this Clause, that the original claim of LAPP MULLER against the customer subsists with all associated guarantees, including the retention of title until the commercial paper has effectively been settled.

The above provisions shall not prevent the transfer of the risks of loss or deterioration to the goods as of the delivery of the goods to the customer subject to the reservation of ownership as well as any damages that may arise.

The purchaser must purchase an insurance policy that covers the risks as of delivery of the goods.

In the event of the seizure or any other action by a third party against the goods, the customer must immediately notify LAPP MULLER by recorded delivery letter with acknowledgement of receipt, so as to enable it to oppose or ensure the preservation of its rights.

The cost of any intervention that may arise shall be at all times paid by the customer, if these are not paid by the third party.

The purchaser is prohibited from pledging or transferring ownership in the goods as a guarantee.

The customer is authorised, in the normal course of its business, to resell the goods.

It is however required, in the event of a resale, to either immediately pay any outstanding balance of the price to LAPP MULLER or to agree a reservation of ownership subject to the above provisions with its customer, or if LAPP MULLER expressly agrees in writing to inform the sub-purchaser that the goods are subject to a reservation of ownership and to inform LAPP MULLER of this transfer by forwarding all information or documents to enable it to protect its rights, and as appropriate, to exercise any claims on the selling price with regard to the sub-purchaser.

The purchaser is authorised, in the normal course of its business, to resell the goods.

In the event of any conversion or modification, the purchaser agrees to immediately pay any outstanding price to LAPP MULLER, unless with the express written agreement of LAPP MULLER it has transferred the ownership of the goods resulting from the conversion as a guarantee of the original debt-claim of LAPP MULLER.

It is hereby agreed that in the event of a failure to pay any instalment, the full price will become immediately payable and may result in the immediate recovery of the goods.

If LAPP MULLER, in application of the provisions defined in these terms and conditions, enforces its right of ownership by recovering the goods subject to reservation, it has the right to sell the goods as it decides.

All rights with regard to any other claims, in particular for damages for loss of earnings, are retained.

## **V- CONDITIONS OF DELIVERY**

The goods are sold, collected and approved in the factories or warehouses of the Company, even if Carriage Paid is agreed. If the shipping is delayed at the request of the Purchaser and agreed by the seller, the goods are stored and handled at the cost and risks of the Purchaser without liability for the Seller. These provisions do not in any way alter the obligation to pay for the goods and do not constitute a substitute for the contract of sale. The goods are always shipped at the risks of the Purchaser, allowing for recourse against the carrier, and it is therefore the responsibility of the Purchaser, when it is the addressee of the shipment on the property of a third party, not to give the carrier dated discharge for the goods unless the goods are delivered to it within normal time limits and undamaged. In the event of damaged or missing goods, the addressee must complete all legal formalities (namely reservations stated in a recorded delivery letter with acknowledgement of receipt sent within 3 days to the carrier). The choice of carrier by the Seller does not modify the obligations on the Purchaser. Unless the Purchaser wishes to select the carrier or to define the conditions for the shipping, the shipments take place at the choice of the Seller, by any means of transport, at the least expensive price. If the Purchaser requires a specific carrier or conditions of transport, the Seller has the right to invoice any additional shipping costs it might incur as a result.

Unless stated otherwise, the prices are carriage paid for goods costing 1,100 Euros or more. Shipments of goods of less than 1,100 Euros are carriage to pay.

The delivery lead times are dependent on compliance by the customer with the payments terms as defined below.

LAPP MULLER can defer this lead time if payments are not made on time.

The following are deemed to be Force Majeure events that release LAPP MULLER from its obligation to deliver: War, riots, fire, strikes, accidents or breakdowns, total or partial stoppage of transports, shortages of raw materials, epidemics, its impossibility to obtain supplies. LAPP MULLER will keep the purchaser informed in good time of the occurrence of any of the above incidents.

In any case, delivery within the lead times can only take place if the purchaser has settled all its obligations with regard to LAPP MULLER, in particular the payment of all due invoices of any nature.

The delivery lead times only start on receipt of all necessary documents required for the completion of the order by LAPP MULLER, receipt of deposits and any materials required being made available in good time, as agreed.

It is hereby agreed by the Parties that unless agreed otherwise all delivery lead times are given for information only, and that therefore if these are exceeded this cannot be grounds for the cancellation of the order or for the payment of any compensation to the purchaser.

In the event that the shipment of the ordered products is postponed at the request of the customer or for reasons attributable to it, LAPP MULLER shall have the right to invoice warehousing costs in the amount of 0.5% of the price per month. It being agreed that full payment is due for any month started.

The Parties hereby agree that this warehousing cost cannot exceed 5% of the total price, unless LAPP MULLER can provide evidence that the warehousing costs borne by it have exceeded this threshold.

The Parties agree that a delivery can be of the entire order or part thereof without the customer having any right to claim any compensation or damages.

For deliveries within the European Community, the customer must supply LAPP MULLER with its intra-community VAT number as well as any documentation required to verify whether or not any tax exemptions apply.

If not, the order will be subject to VAT and any other duties that may be applicable.

## **VI- PRICES**

The products are supplied at the stated prices as of the moment of placing the order. These are stated in the quote issued by LAPP MULLER and are valid for fifteen days unless stated otherwise in this quote.

In the light of current economic conditions, these can be amended by LAPP MULLER prior to acceptance by the purchaser.

These can be revised for variations in the costs of the components in the context of applicable legislation.

Currency variations cannot, under any circumstances, be grounds for the cancellation of an order.

All taxes, duties, packaging costs or other services payable in application of French regulations or those of importing countries or transit countries are the responsibility of the purchaser, unless agreed otherwise by the Parties.

For any new order (follow-on order), LAPP MULLER is not bound by any previously agreed price.

## **VII- PACKAGING**

The cost of standard packaging (for reels or rings) is included in the price.

The packaging becomes the property of the Purchaser and does not oblige it to any cost of removal or return, except in specific cases (special large sized packaging).

LAPP MULLER cannot be held liable if the products are not packaged if there was no specific commitment on its part in this regard in the quote it submitted.

Unless stated otherwise in writing, LAPP MULLER is free to choose the packing and/or packaging, the type of shipment and the means of shipping.

Under all circumstances and even for Carriage Paid deliveries, all risks are transferred to the purchaser the moment the goods leave the premises of LAPP MULLER.

If the shipment is delayed because of the customer, the transfer of risks takes place the moment notification that the goods are ready is sent.

## **VIII- CONDITIONS OF PAYMENT**

Payments, net and without discount, are made as per the instructions given by LAPP MULLER in the invoice issued by it.

If the customer's credit rating is downgraded, it can be required to provide guarantees, cash payments or the payment of an advance deposit before work starts.

The customer must comply with the payment due date as stated in the invoice and this regardless of the details of the delivery. In the event of partial deliveries, payment for the corresponding goods becomes due on the date as stated in the invoice and not on delivery of the remainder of the order.

Any sum stated on the invoice due and unpaid is liable to the imposition of penalties at the legal rate increased by 5 points, unless LAPP MULLER can produce evidence of higher interest costs.

These penalties are due on the simple request from LAPP MULLER.

In the event of multiple orders, if the customer fails to pay one invoice by its due date, this will automatically cause all other payments to become due and all sales that have not been completed and paid for shall be lawfully cancelled if LAPP MULLER so decides.

LAPP MULLER shall be entitled to recover or have recovered at the charge of the customer all products for which the sale has been lawfully cancelled.

In application of the above, payments made will be allocated as a priority against the legally defined goods.

For any subsequent orders, LAPP MULLER shall have the right to require payment in advance prior to shipping.

Any change in the situation of the Purchaser, such as namely the sale or contribution of all or part of its business, the death, incapacity, payment problems or suspension of payments, court ordered receivership, liquidation of assets, bankruptcy, temporary suspension of proceedings, winding up and without this list being limiting, including after the partial execution of any contracts or orders, shall result in the application of the same provisions as those applicable in the event of the non-payment of invoices.

## **IX- TERMINATION**

**IX-1.** If the purchaser wishes to cancel an order, LAPP MULLER has the right among others to a reimbursement of the costs incurred in the manufacture of the product as well as all costs arising from the cancellation with regard to its contracts with its suppliers or sub-contractors.

**IX-2.** LAPP MULLER reserves the right to cancel without notice any signed contract and any orders made subsequent to communication of these terms and conditions if the customer fails to make any agreed payments or is the subject of collective legal proceedings.

## **X- WARRANTY**

Unless stated otherwise, orders are executed by LAPP MULLER in compliance with all applicable standards where these exist and with the specifications as defined in the duly validated order.

The customer, on receipt of its order, must check the quantity, weight, dimensions and quality of the products received.

LAPP MULLER guarantees its products against material defects, manufacturing and design faults for one year as of the date of reception on the premises of the customer or from the date of making available if the goods are collected directly by the customer from the premises of LAPP MULLER.

If the customer believes the delivered goods contain material defects or manufacturing faults, it must inform LAPP MULLER of these within eight days as of the discovery of the claimed defect or fault by recorded delivery letter with acknowledgement of receipt describing the defect in the goods and supplying any supporting evidence of the claimed defect or fault.

The customer must allow LAPP MULLER to carry out an inspection of the claimed defects or faults, it being agreed that LAPP MULLER will only accept responsibility for these under the guarantee if they have been inspected and established by it.

If the products are proven to be defective, LAPP MULLER agrees to replace these free of charge.

The guarantee by LAPP MULLER is strictly limited to this obligation to replace and it is hereby agreed that LAPP MULLER will not be liable for any compensation to the customer for any loss of any nature and that no costs, penalties or compensation will be paid as a consequence of defects or faults detected in the delivered goods.

The guarantee excludes any defects resulting from the storage, assembling or use of the products under abnormal conditions that do not comply with the rules of the trade or the agreed specifications.

The customer further agrees not to, without the prior written agreement of LAPP MULLER, carry out or have carried out by any third party, any repairs whatever to the claimed defective products.

Any breach of this provision will ipso facto render the guarantee null and void.

Finally, it is hereby agreed that LAPP MULLER cannot be the subject of recourse or a third-party claim and in particular that it cannot be held liable for any damages in the event of a dispute between the customer and its own customers.

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## **XI – PROTECTION OF PERSONAL DATA**

The Seller and the Client undertake, as data controllers for their respective activities, to comply with all the obligations incumbent on them under the regulations on personal data, in particular European Regulation No. 2016-679, and the French Data Protection Act in its new version.

In this regard, the Seller, in its capacity as data controller, may store, process and use the personal data of the Client or the natural persons representing the Client (e.g. name, contact details, bank details) for the purposes of the contract and in particular for the purposes of order management.

This processing is based on the contract between the Parties. This data may be communicated or made accessible by the Seller internally, in particular within the commercial, technical and administrative teams and, upon request, to the competent judicial and administrative authorities.

The data of the Client or its representatives may also be transferred or made accessible to any external service providers/subcontractors that the Seller may use, in particular in the context of IT or logistics services.

All potential recipients of personal data act in accordance with the Seller's instructions and are obliged to implement appropriate measures to protect such data. The Customer's data is not transferred outside the European Union by the Seller.

However, insofar as the recipients of the Customer's personal data or their subcontractors or recipients, as listed above, have their registered office in a State located outside the European Economic Area (EEA), the Seller undertakes to ensure that such transfers are carried out in a secure manner and in compliance with the regulations in force relating to data protection (in particular European Regulation No. 2016-679).

The data will be kept for the duration of the relationship with the Client, increased by the applicable limitation periods.

In accordance with the applicable regulations on the protection of personal data, the Client and its natural person representatives, if applicable, have the following rights:

- a right of access, rectification and portability of information concerning them;
- a right to limit, erase and object to the processing of their data;
- the possibility of sending the Seller instructions in order to organise the fate of the data concerning them (retention, erasure, communication to a third party, etc.) in the event of death.

These rights can be exercised by writing to the Seller by email – [isabelle.cauvin@lapp.com](mailto:isabelle.cauvin@lapp.com) –

by attaching a copy of the identity document of the person concerned.

The Client and its representatives, who are natural persons, if applicable, also have the right to lodge a complaint with a national supervisory authority such as the CNIL in the event of a violation of the applicable regulations on the protection of personal data, and in particular European Regulation No. 2016-679. The Client undertakes to inform its partners, representatives, employees and any employees of the rights they have under this clause.

## **XII . NO RE-EXPORT TO RUSSIAN FEDERATION**

1. The [Importer/Buyer] shall not sell, export or re-export, directly or indirectly, to the Russian Federation or for use in the Russian Federation any goods supplied under or in connection with this Agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014.

2. The [Importer/Buyer] shall undertake its best efforts to ensure that the purpose of paragraph (1) is not frustrated by any third parties further down the commercial chain, including by possible resellers.

3. The [Importer/Buyer] shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of paragraph (1).

4. Any culpable violation of paragraphs (1), (2) or (3) shall constitute a material breach of an essential element of this Agreement, and the [Exporter/Seller] shall be entitled to seek appropriate remedies, including, but not limited to:

immediate termination of this Agreement for just cause; and  
a penalty of 10 % of the total value of the net value of the respective order whereas the [Importer/Buyer] is expressly permitted to prove that a damage has either not occurred or is substantially less than the penalty.

5. The [Importer/Buyer] shall immediately inform the [Exporter/Seller] about any problems in applying paragraphs (1), (2) or (3), including any relevant activities by third parties that could frustrate the purpose of paragraph (1). The [Importer/Buyer] shall make available to the [Exporter/Seller] information concerning compliance with the obligations under paragraph (1), (2) and (3) within two weeks of the simple request of such information.

## **XIII RIGHTS AND PROTECTION**

LAPP MULLER reserves full ownership in the copyrights of the quotes, drawings and other documents compiled by it.

It is hereby agreed by the Parties that these must not be disclosed to any third party without the written agreement of LAPP MULLER

Changes can be made by LAPP MULLER to the creation, design and manufacture of the products in order to improve the products manufactured by LAPP MULLER.

## **XIV EXPORTS BY THE CUSTOMER OF PRODUCTS MANUFACTURED BY LAPP MULLER**

A customer in France wishing to supply and sell products manufactured by LAPP MULLER in another country shall have sole responsibility for checking any restrictions there may be on imports of LAPP MULLER products and release LAPP MULLER from any recourse.

## **XV GOVERNING LAW AND JURISDICTION**

These Terms of Business for international and Community sales are governed by the laws of France that govern all sales made by LAPP MULLER.

The Tribunal de Commerce de FREJUS shall have exclusive jurisdiction for any disputes or other proceedings relating to the drawing-up, execution or interpretation of these Terms of Business and all sales operations for LAPP MULLER products.

It is hereby agreed by the Parties, LAPP MULLER and the customer, that the United Nations Convention on Contracts for the International Sale of Goods (CISG), does not apply to this agreement.

This Clause allocating jurisdiction shall apply in cases of summary procedure, interlocutory application, multiple defendants or introduction of third parties and regardless of the means and details of payment and no clauses in other documents of the purchaser allocating jurisdiction can inhibit the application of this Clause in this contract.