

## Purchase Terms & Conditions

### 1. GENERAL SCOPE OF APPLICABILITY

1.1 These purchase terms are applicable to all offers from suppliers and purchases of goods and services made by Filtration Group SAS domiciled in Orange , FRANCE ('we' or 'us'). By accepting receipt of these purchase terms without objection, or by fulfilling our order without objection, the supplier declares its agreement to their exclusive applicability with respect to all supplies and services. Deviations from these purchase terms must be agreed in writing. We do not accept conflicting or deviating terms of the supplier, unless we have expressly agreed in writing to their applicability. Our acceptance of the goods or services under our orders without objecting to any supplemental or conflicting terms of the seller does not constitute our acceptance of the seller's terms and shall not be construed as a waiver of any objection to such terms.

1.2 All our agreements with the supplier must be documented in writing. Oral agreements are only valid if they are confirmed by us in writing.

1.3 These purchase terms also apply to all future transactions with the supplier, unless updated purchase terms are applicable.

### 2. OFFER, ORDER DOCUMENTATION

2.1 If an offer request from us is followed by an offer from the supplier, such offer does not bind us and shall be free of charge. Offers are unconditional and irrevocable, unless stated otherwise in the offer.

2.2 An agreement will be concluded when we have placed an order and have received an order confirmation from the supplier.

2.3 The supplier shall confirm our order within 5 working days. Our order shall not be assigned to any third party. Supplements, reductions or other deviations from the order require our prior written consent.

2.4 The supplier shall treat our order and the conclusion of the contract and its terms as confidential. It may only mention our order as a reference or for advertising purposes with our express prior written consent.

2.5 Our consent with respect to drawings, calculations and other documents used by the supplier does not affect the supplier's sole responsibility for the item to be delivered. This also applies to proposals, recommendations and other involvement on our part. It is the supplier responsibility to use the last version of drawings and to destroy the old ones, if any.

2.6 We are entitled, in consultation with the Supplier, to change the scope, quantity and/or the quality of the products/ services to be delivered. Changes must be agreed upon in writing or – if the changes have been agreed orally – they have to be confirmed in writing by us.

2.7 If, in the opinion of the Supplier, a requested change has consequences for the agreed price and/or delivery time, it will inform us in writing as soon as possible but no later than eight days after the notification of the requested change. If, in our opinion, these consequences for the price and/or the delivery time are unreasonable in relation to the nature and the scope of the change, we are entitled to terminate the agreement by written notice. Termination on the basis of this Section 2.7 does not entitle either party to compensation for any damage.

### **3. PRICES, PAYMENT CONDITIONS, SET-OFF, ASSIGNMENT**

3.1 The price shown in the order is binding. The price does not include the applicable statutory value added tax. Unless otherwise agreed in writing the price shall be Delivered Duty Paid (DDP, Incoterms 2010) and shall include standard trade packaging. We are free to select the carrier. If terms of delivery are agreed where we pay for the transportation, the goods shall be transported by a forwarding agent approved by us. All costs incurred until provision of the delivery item to the carrier, including loading fees and the charge for the transfer of goods to and from a railway depot, are borne by the supplier.

3.2 Invoices can only be processed if they state the order number given in our order in accordance with the instructions set forth in the order.

3.3 Unless otherwise agreed in writing we effect payment within 60 days.

3.4 Our payments are made subject to the reservation of the examination of the invoice and the reservation of our rights on the basis of deficient supplies or services. To the extent defects are already known when payment is due, we are entitled to retain payments in a reasonable amount.

3.5 We have the right of suspension (*opschorting*) and set-off (*verrekening*) as permitted by law.

3.6 Claims directed against us can only be assigned with our prior written consent.

3.7 Disputes over the amount of the remuneration do not entitle the supplier to wholly or partially suspend its services.

### **4. DELIVERY PERIOD, DELAY, FORCE MAJEURE**

4.1 The delivery period stipulated in the order is binding. Early deliveries, deliveries of excessive or insufficient volumes, as well as partial deliveries are only permissible if and in- so far as we have expressly consented thereto in writing.

4.2 The supplier is obliged to inform us promptly if circumstances arise or become known to him which will make it unlikely or impossible for the agreed delivery period or specifications to be met.

4.3 In case of a delay we are entitled to demand lump sum default damages in the amount of 1% of the order price per completed week, however not exceeding an aggregate amount of 15%, or, after the expiry of a subsequent deadline set by us, to have the performance owed by the supplier rendered by a third party at the supplier's costs. We reserve the right to assert further-reaching statutory claims. In particular, after the unsuccessful expiry of a reasonable subsequent deadline, we are entitled to demand damages instead of or in addition to performance, offsetting the paid contractual penalty against these damages.

4.4 Subject to proof to the contrary, the values determined by us during the incoming goods inspections are authoritative as far as the number of units, weights and measurements are concerned.

4.5 If labour disputes, operational disruptions beyond our control, unrest, official measures or other events beyond our control (force majeure) are of more than minimal duration and lead to a considerable decrease of our demand, then irrespective of our other rights we are entitled to wholly or partially terminate the contract without observing a notice period.

4.6 For each case of:

- (i) deviation from delivery and packaging specifications,
- (ii) premature delivery, or
- (iii) overdelivery,

we will be entitled to assert a claim for our additional expenses for logistics in the form of a lump sum compensation of EUR 100 (notwithstanding the right to claim compensation of actually suffered damage).

## 5. INSPECTIONS

5.1 Inspection and/or testing by us or our designee may take place prior to, during or after delivery at all times during regular business hours and upon reasonable notice.

5.2 The Supplier shall grant access to the locations where the products are produced or stored, shall cooperate with the desired inspections and shall provide all necessary documentation and information.

## 6. PRODUCTION; PACKAGING; SHIPPING DOCUMENTS

6.1 The supplier shall ensure that its production facilities are in compliance with all applicable health, safety and environmental regulations.

6.2 The supplier shall actively pursue a reduced environmental burden of its products, packaging and raw materials.

6.3 The supplier shall comply with all applicable regulations on packaging.

6.4 The supplier shall take back used, empty packaging free of charge. If this is not possible, the supplier shall pay the corresponding, reasonable disposal costs incurred by us.

6.5 The supplier shall state the order number on all shipping documents and delivery notes. Should it fail to do so, we are not responsible for delays and/or losses caused thereby and the supplier shall indemnify us accordingly.

## **7. WARRANTY, RECOURSE**

7.1 The supplier warrants that its goods and services conform to acknowledged state-of-the-art standards, comply with all applicable laws and regulations (including safety regulations) and have the contractually agreed qualities, and that they are free from defects.

7.2 Our acceptance of a supply or service is always subject to the reservation of all rights, in particular rights arising from deficient or delayed supply. If the acceptance of a supply or service is hindered as a consequence of circumstances beyond our control, we are entitled to postpone the acceptance of the supply or service for as long as this situation lasts. If this situation continues for a period of more than four weeks, then the supplier is entitled to terminate the contract; further-reaching claims on the part of the supplier are excluded.

7.3 We are not obliged to inspect the goods upon delivery.

7.4 Our rights with respect to defects are reserved to the full extent permitted by law. Without prejudice thereto, we are entitled to demand from the supplier at our discretion either the remedying of the defect or a substitute delivery.

7.5 If the supplier does not remedy the defect without undue delay upon our demand, we are entitled to take the necessary actions ourselves or to have these actions taken by a third party, at the supplier's expense.

7.6 The supplier indemnifies us against any claims of third parties resulting from delivery of any good or service which is not in compliance with the law or infringes a third party right.

7.7 If, as a result of a deficient supply or service, we incur transport costs, infrastructure costs, labour and material costs or costs for incoming goods checks, then these shall be reimbursed by the supplier. The same applies to all expenses which we bear vis-à-vis our customer.

7.8 If we take back goods manufactured and/or sold by us due to the deficiency of the supply or service on the part of the supplier or if the purchase price demanded by us is reduced as a result thereof, or if we are faced with other claims as a result thereof, the supplier shall indemnify us upon first demand.

7.9 If, within 6 months of the transfer of risk, a material defect arises, then it is presumed, subject to proof to the contrary, that this already existed at the time of the transfer of risk.

## **8. PRODUCT LIABILITY, RECALL, INDEMNIFICATION, INSURANCE COVER**

8.1 If product liability claims or any other claims resulting from the seller's breach of warranties according to Section 7.1 or 9.1 are asserted against us, the supplier shall indemnify us against them upon first demand.

8.2 In the cases described in Section 8.1 the supplier shall assume all costs incurred by us, including the costs of our legal defence and any recall actions. We will notify the supplier, to the extent possible and reasonable, of the content and scope of such recall actions. We reserve our right to assert further-reaching statutory claims.

8.3 The supplier shall adequately insure itself against the risks covered by Section 8.1, including recall actions, and shall provide proof of such insurance coverage upon first demand.

## **9. INTELLECTUAL PROPERTY**

9.1 The supplier warrants that no rights of third parties are infringed in connection with its supplies and services. If a third party takes action against us on this basis, the supplier shall indemnify us against such claims upon our first written demand.

9.2 In the event of infringement of a patent, trademark, copyright or other intellectual or proprietary right by reason of the manufacture, delivery, license, use, processing or sale of the supplier's goods and services, without prejudice to our further rights, the supplier shall, at its own cost, obtain for us a perpetual, royalty-free license with respect to such item, or shall replace or modify the item in a manner satisfactory to us, so as to avoid the infringement without any degradation in performance. Supplier's obligations shall also apply when we furnish any portion of the design or materials or manufacturing processes used by the supplier.

## **10. PROVISION OF MATERIALS**

10.1 Materials, parts, models, containers, special packaging tools, molds, data, drawings, designs, software and other items provided by us or (wholly or partly) purchased or manufactured by the supplier at our expense and that are associated with the manufacture of the goods or used for that purpose shall remain or become our sole property; all our intellectual property rights thereto are reserved. The supplier expressly agrees that without our prior written consent such items (i) shall only be made accessible to those of the supplier's employees who need to know them for the performance of the contract; (ii) shall not be used for the manufacture or construction of goods for third-party

customers; (iii) shall not be made accessible to third parties; and (iv) shall be returned to us without our having to demand them once our order has been dealt with.

10.2 In case of processing of materials or the assembly of parts on our behalf, we are co-owners pro rata the value of the materials provided vis-à-vis the value of the overall product produced therewith; the supplier keeps custody of such shared property on our behalf, free of charge. If the processing or assembly is carried out in such a way that the supplier's items may be considered the main item, the supplier shall assign proportional joint ownership to us. At our first request the supplier shall grant us a first ranking right of pledge (*pandrecht*) or other security right (at our choice) over the supplier's items.

10.3 The items listed in Sections 10.1 and 10.2 shall be marked as our personal property and shall be separately stored and insured by the supplier. The supplier shall execute all documents and take all actions reasonably required to assign ownership to us. The supplier assumes all risk of loss and liability related to such items until they are returned to us. The items shall be used by the supplier only for performing its obligations under our agreement and are subject to immediate return upon our written request.

10.4 The supplier shall provide us with all information and documents (including any safety data sheets) that the supplier develops in relation to the work or service performed under this contract. Copyright in designs, models and soft-ware and other intellectual property rights that the supplier develops in conjunction with its work for us shall be our property and the supplier shall execute all documents and take all actions reasonably required to assign such intellectual property rights to us.

## 11. TERMINATION

11.1 Without prejudice to our other termination rights under these purchase terms or by law, we may terminate any agreement with the supplier by written notice with immediate effect if the supplier (i) becomes insolvent, is declared bankrupt, is subject to similar proceedings or discontinues its business; or (ii) is in breach of any of its obligations under this Agreement and fails to remedy such breach within fifteen (15) days after having received written notice of such breach.

## 12. PLACE OF JURISDICTION, CHOICE OF LAW

12.1 These purchase terms (including this Section 12) and all our agreements with the supplier are exclusively governed by the laws of FRANCE; the applicability of the UN Convention on the International Sale of Goods (CISG) is excluded.

12.2 All disputes shall be submitted to the competent court in AVIGNON, FRANCE. However, we are also entitled to bring a legal action against the supplier before the competent court at its place of domicile.