



**EGELHOF'S GENERAL CONDITIONS OF PURCHASE,**  
**SUBCONTRACTING AND SERVICE PROVISION**  
**Version in force on 01.05.2014**

**1. Field of application**

EGELHOF HOLDING is a simplified joint stock company with a capital of €500,000 whose head office is located at 15 rue du Stade – 67220 BREITENBACH, registered on the Commercial and Companies Register of COLMAR under the number 351 077 227.

EGELHOF is a simplified joint stock company with a capital of € 1,000,000 whose head office is located at rue du Moulin – 67220 BREITENBACH, registered on the Commercial and Companies Register of COLMAR under the number 318 164 423.

EGELHOF SENSORIC is a simplified joint stock company with a capital of € 1,700,000, whose head office is located at rue de l'Altenberg – 67220 NEUVE EGLISE, registered on the Commercial and Companies Register of COLMAR under the number 501 463 012.

These companies specialise in thermal control and develop and produce thermostatic valves and control elements.

Hereinafter, these companies will be collectively or separately referred to as "EGELHOF".

These General Conditions of Purchase (GCPs) shall apply to all orders for goods, work or services (hereinafter referred to as "SUPPLIES") by EGELHOF, between EGELHOF and its suppliers (hereinafter referred to as "SUPPLIER" or "SUPPLIERS").

The outcome of commercial negotiations between EGELHOF and the SUPPLIER shall lead to special conditions being established between the parties, if applicable.

**2. Effectiveness**

The acceptance by the SUPPLIER of EGELHOF's order shall constitute acceptance by the SUPPLIER of these GCPs.

If the SUPPLIER rejects the application of all or part of these GCPs, it must inform EGELHOF of this by recorded delivery letter with acknowledgement of receipt within a period of 8 (eight) days as from the date of EGELHOF's order.

The point(s) which is (are) the subject of the reservation(s) shall be discussed between the SUPPLIER and EGELHOF. If no agreement is reached between the parties, and unless EGELHOF explicitly waives its right to invoke the provision(s) of the GCPs concerned, EGELHOF's order shall be cancelled.

If EGELHOF is not made aware of any reservations by the SUPPLIER under the above-mentioned conditions, the GCPs shall be deemed to have been finally accepted by the SUPPLIER.

### **3. Duration of validity**

These GCPs were updated on 01.05.2014. This version shall cancel and replace previous versions (either in electronic or hardcopy format).

### **4. Order, order modification**

Any order for SUPPLIES shall be conditional on the acceptance of these GCPs by the SUPPLIER, as provided for above.

Only orders which are duly signed by persons authorised to represent EGELHOF shall legitimately commit EGELHOF with respect to the SUPPLIER.

No verbal order shall be final until it is confirmed in writing and duly signed by EGELHOF.

The acceptance of the order by the SUPPLIER must be made in writing at the latest within a period of 3 (three) days as from the date of the order. If this is not the case, EGELHOF can cancel its order.

No payment, even a partial one, shall be made by EGELHOF prior to receipt by EGELHOF of the written order acceptance from the SUPPLIER.

Any possible reservations that the SUPPLIER may have with regard to EGELHOF's order must be explicitly expressed in writing in the order acceptance and must concern specific points.

They shall require EGELHOF's written agreement. If no agreement is given, EGELHOF's order shall be cancelled.

The SUPPLIER must inform EGELHOF of the start date for the manufacturing the SUPPLIES.

Until this start date for manufacturing the SUPPLIES, EGELHOF can modify its order or require the SUPPLIER, as far as this is possible for the SUPPLIER, to make modifications to the design or production of the SUPPLIES.

In these cases, the prices shall be readjusted as a result, either lower or higher, along with the leadtimes, in joint agreement between EGELHOF and the SUPPLIER.

## **5. Intellectual property**

The related plans, diagrams, descriptions, samples and know-how which may be communicated to the SUPPLIER by EGELHOF (hereinafter referred to as the "DOCUMENTS") shall remain the exclusive property of EGELHOF.

The SUPPLIER undertakes not to reproduce them, exploit them or use them in any way whatsoever for a purpose other than the strict execution of EGELHOF's orders.

The SUPPLIER also undertakes not to communicate these DOCUMENTS to any third party without the prior written agreement of EGELHOF.

The SUPPLIER undertakes to ensure these obligations are adhered to by its employees, directors, subcontractors and all its associates and vouches for their compliance with this clause.

At EGELHOF's first request, and in any case at the latest on delivery, the SUPPLIER shall return all the DOCUMENTS to EGELHOF at its own expense.

The SUPPLIER shall be liable for any damage, loss, theft, total or partial destruction of the DOCUMENTS entrusted to it.

As a result, it shall take out the necessary insurance policies and must be able to provide evidence of the taking out of these insurance policies at any time at EGELHOF's simple request.

## **6. Place of delivery**

The delivery shall be carried out at EGELHOF's premises which are designated in the order, only at the following times: from Monday to Thursday, from 7 am to 12 pm and from 1 pm to 5 pm, on Friday from 7 am to 12 pm, or at any other place of delivery agreed between the parties.

## **7. Leadtime**

The SUPPLIER shall be obliged to adhere to the leadtime which it indicated to EGELHOF.

The leadtime shall run as from the date of acceptance of the order.

Unless otherwise stipulated, no partial delivery shall be permitted. If this is the case, the delivery shall be deemed to be completed once the whole order has been delivered.

In the event of force majeure as defined by jurisprudence within French jurisdiction, duly established by the SUPPLIER, the SUPPLIER shall indicate by recorded delivery letter to EGELHOF with acknowledgement of receipt, within a maximum period of 7 (seven) days as from the date of the occurrence of the case of force majeure, its foreseeable duration and its consequences. EGELHOF shall reserve the right to accept the suspension of the leadtimes or to cancel its order in full or in part.

No delay in delivery or refusal to deliver may be justified by non-payment of an invoice or a disputed invoice.

## **8. Delivery costs and risks**

Unless otherwise indicated by EGELHOF, the delivery shall take place in accordance with the "Delivered Duty Paid" (DDP) Incoterm, with it being specified that the unloading costs are to be borne by the SUPPLIER.

## **9. Transfer of ownership**

The delivery of the SUPPLIES shall result in the transfer of ownership as of right, whatever the effective payment date may be, and notwithstanding any retention of title clause that the SUPPLIER may have.

## **10. Obvious defects - Non-conformities**

The SUPPLIES delivered must be in compliance with the order, the technical description, the specifications, the manufacturing documents which may have been sent by EGELHOF and any other contractual document, as well as any possible samples from the SUPPLIER, accepted by EGELHOF.

**10.1.** EGELHOF's claims concerning obvious defects, missing items or non-conformity of the SUPPLIES delivered with respect to the order or the delivery note shall not be subject to any formalities, nor to any timescale whatsoever for making a claim (other than the legal provisions).

**10.2.** EGELHOF shall inform the SUPPLIER by a simple letter, fax or email of the existence of a defect of this kind, whatever the date of its discovery.

The SUPPLIES which are the subject of these claims shall be kept available for the SUPPLIER and shall be returned to it at its request and at its own expense and risks.

All the harmful consequences of such obvious defects or non-conformities shall be the responsibility of the SUPPLIER, in particular the costs of analysis, inspection and research, compensations, penalties deducted by EGELHOF's customers, loss of income, expenses, losses, etc. and in general all bodily injuries, material or

consequential damage, whether direct or indirect, suffered by EGELHOF or which are attributed to it by its own customers, without prejudice to EGELHOF's right to demand the replacement of the SUPPLIES under dispute or the cancellation of the contract.

If payment is made before the discovery of any kind of defect, this cannot under any circumstances constitute recognition on the part of EGELHOF of the quality and conformity of the SUPPLIES.

## **11. Guarantee**

The SUPPLIER shall be obliged to carry out all the necessary inspections of the SUPPLIES, independently of any inspection that may be carried out by EGELHOF on receipt, with it being specified that an inspection of this kind carried out by EGELHOF shall not in any way release the SUPPLIER from its liability.

### **11.1. SUPPLIER's quality commitment**

The SUPPLIER undertakes to comply with safety regulations and the technical data which it has accepted.

If EGELHOF requires samples, series production may not be started until EGELHOF has approved the sampling.

The SUPPLIER undertakes to regularly check the quality of the SUPPLIES and to have installations at its disposal which serve to guarantee this quality, and in particular to ensure that these installations conform to the ISO 9000, 9004, ISO TS 16949 and ISO EN 14001 standards.

The SUPPLIER undertakes to submit any suggestion of improvement in terms of quality that would be of interest to EGELHOF.

### **11.2. Legal guarantee**

The SUPPLIER shall be liable for the hidden defects of the SUPPLIES, without any limitation whatsoever, in accordance with articles 1641 and 1645 of the Civil Code.

EGELHOF reserves the option:

- either of returning the SUPPLIES affected by the hidden defects at the SUPPLIER's expense and risks, in return for the reimbursement of the price
- or of demanding a price reduction, in accordance with article 1644 of the Civil Code,

all this being without prejudice to any damages, costs, loss of income, expenditure, etc., with regard to all the bodily injuries and material and consequential damage, whether direct or indirect, that EGELHOF might claim from the SUPPLIER.

In the event of resale of the SUPPLIES to a third party, the SUPPLIER shall be obliged to indemnify EGELHOF against any claim made by a third party purchaser.

### **11.3. Contractual guarantee**

Unless there is a more advantageous stipulation by the SUPPLIER or a specific different provision agreed between the parties, the complete guarantee for design, construction, function, etc., regarding the SUPPLIES shall be 24 (twenty-four) months as from the delivery.

During this period, the contractual guarantee shall be unlimited in terms of the defects, parts and labour, travel, etc., and in general all the costs, damages, etc., relating to the implementation of the guarantee.

No clause limiting or excluding the guarantee shall be permitted, except for the cases of force majeure defined in accordance with jurisprudence within French jurisdiction.

The SUPPLIER undertakes to carry out the obligations arising from this guarantee at EGELHOF's first request, and the latter reserves the right to demand:

- either the replacement or repair of the SUPPLIES,
- or the raising of a credit note.

In both these cases, the SUPPLIER shall assume liability for all the consequences of the defects, under the same conditions as with the obvious defects, non-conformities and the legal guarantee.

In the event of repair or replacement of the SUPPLIES requested by EGELHOF, the SUPPLIER shall take all the measures required to reduce the period of unavailability of the SUPPLIES to a minimum. Any replacement SUPPLIES and any repair shall be covered by a new guarantee which is identical to the one presented in this paragraph.

### **12. Insurance**

The SUPPLIER undertakes to indemnify the financial consequences of bodily injuries and material and consequential damage, whether direct or indirect, caused to EGELHOF, to its customers and to third parties as a result of the SUPPLIES and its advice.

It undertakes to have this guarantee covered, whatever the cause of the defect, through insurance companies which are known to be solvent, and to provide evidence of this immediately when requested.

In the event of the SUPPLIER having itself replaced by a third party for the execution of all or part of the order, it shall remain solely and fully bound with regard to EGELHOF and to its customers in terms of the obligations of this clause.

The SUPPLIER undertakes to obtain from the insurance companies covering all the risks stipulated in these GCPs their waiver with regard to any recourse that they might possibly claim as the subrogee of the SUPPLIER's rights against EGELHOF, its directors, employees, etc.

### **13. Cancellation**

13.1. In the event of total or partial failure on the part of the SUPPLIER to fulfil its obligations, EGELHOF's order shall be automatically cancelled as of right, 8 (eight) days after notice has been given to the SUPPLIER by recorded delivery letter with acknowledgement of receipt, giving it formal notice to fulfil its obligations, with this having not been dealt with.

13.2. In the event of cancellation by EGELHOF's customer of all or part of the contract with EGELHOF, which had been the reason for EGELHOF's order with the SUPPLIER, for a reason that cannot be attributed to a wrongful failure to perform by EGELHOF, EGELHOF can cancel its order with the SUPPLIER under the following conditions.

The cancellation of the order by EGELHOF must occur before delivery of the SUPPLIES, by recorded delivery letter sent to the SUPPLIER with acknowledgement of receipt.

In the context of an order which is said to be "open" (that is in the case of a framework contract between EGELHOF and the SUPPLIER which is limited to determining the technical characteristics of the SUPPLIES, mentioning the price elements, the quantity of SUPPLIES or the schedule, with these not being determined or not being able to be determined at the time the said contract was concluded), the cancellation of the order by EGELHOF must occur before the delivery by the SUPPLIER of the SUPPLIES under the terms of the order involved in the cancellation by recorded delivery letter sent to the SUPPLIER with acknowledgement of receipt.

EGELHOF must compensate the SUPPLIER for any loss suffered as a result of this cancellation, and in particular for any expenses incurred in order to execute EGELHOF's order, subject to the SUPPLIER providing evidence of their existence and their amount.

### **14. Price**

The price due shall be the one agreed on the day of acceptance of the order by the SUPPLIER in accordance with the terms provided for in these GCPs; there can be no variation which is not explicitly accepted at a later stage.

## **15. Invoices - Payment**

### **15.1. Invoices**

The SUPPLIER will provide EGELHOF with an invoice as soon as the SUPPLIES are delivered, in accordance with the applicable legal and statutory provisions, and in particular article L 441-3 of the Commercial Code.

### **15.2. Payment**

The terms of payment by EGELHOF cannot exceed forty-five days as from the end of the month or sixty days as from the issue of the invoice.

The payment may be made by SEPA bank transfer or cheque.

## **16. REACH**

The SUPPLIER shall be bound to comply with the REACH regulations (that is Regulation (EC) No. 1907/2006 of the European Parliament and Council of 18 December 2006 regarding the registration, evaluation and authorisation of chemicals, along with the restrictions applicable to these substances, and the subsequent riders to this Regulation), and must inform EGELHOF of any modification to the composition of the SUPPLIES delivered.

## **17. Applicable law and competence**

By explicit agreement between the parties, these GCPs and the purchasing and sales operations which arise from them shall be governed by French law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (1980) (CISG).

ALL DISPUTES WHICH THESE GCPS AND THE PURCHASING AND SALES OPERATIONS ARISING FROM THEM MIGHT RESULT IN, WHETHER CONCERNING THEIR VALIDITY, THEIR INTERPRETATION, THEIR EXECUTION, THEIR CANCELLATION, THEIR CONSEQUENCES OR THEIR RESULTS, SHALL BE SUBJECT TO THE JURISDICTION OF THE STRASBOURG COURTS.

## **18. Language**

These GCPs were written in French and translated into German and English. In the event of any discrepancy between the different versions, only the French version of these GCPs shall be valid.