

**ARTICLE 1 - GENERAL**

The purpose of these general terms and conditions is to define the general provisions applicable to all orders of material, equipment, products, or services of any kind made by DIEHL METERING SAS. When they are expressly accepted by the supplier, they form an integral part of the contracts and orders placed by DIEHL METERING SAS. The acceptance of our orders implies the acceptance hereof. They also apply if the supplier does not have its own GTCS. The parties may decide by mutual agreement to partially set aside the supplier's GTCS in order to apply these terms and conditions. In the event of contradiction(s) between the general terms and conditions of the parties, the latter will stipulate specific terms and conditions defined by mutual agreement in order to remedy the situation.

**ARTICLE 2 - ACCEPTANCE OF ORDERS**

Unless there are special exceptions, the orders as well as their modifications are only effective if they are written.

The supplier shall acknowledge receipt of the orders within 5 days from the day orders are sent. The acknowledgment of receipt of order is considered as a confirmation of order, which is the purchase contract. The acknowledgment of receipt contains the date, the stamp of the supplier and a confirmation number. Any contrary clause (in particular by reference to the general terms and conditions of sale) has no contractual value and is void against the purchaser, except if the purchaser loans under special conditions. After this period of five days, DIEHL METERING SAS has the choice between the possibility to cancel the orders or to consider our orders accepted as well as the special conditions concerning time limits and prices listed on the purchase order.

The supplier shall, within that period of 5 days, prevent DIEHL METERING SAS of any inadequacy of its order, regarding its supply capacities and/or more generally, the existence of possible technical and/or economical contraindication.

**ARTICLE 3 - DELIVERIES***3.1 - Deliveries terms*

Deliveries shall be made according to our binding instructions as regards the date and place indicated. The deadline indicated is mandatory and refers to delivered goods.

Unless there are special exceptions, the Incoterm is DDP, DIEHL METERING SAS, warehouse Trans'Hit, Rixheim and/or Saint-Louis.

The goods are always transported at the expense and risk of the supplier.

Unless provided for in specific terms and conditions of DIEHL METERING SAS, the products ordered will be transported with the wrapping and packaging defined by the supplier, depending on the mode of transport.

Consequently, any damaged goods will not be accepted by DIEHL METERING SAS.

All deliveries made either by the supplier itself or through a carrier shall be accompanied by a note specifying the number, DIEHL METERING SAS item number, name or symbol of the parts sent, and the number of our order form. All deliveries without note will be refused and returned to the supplier at its own expenses.

*3.2 - Leadtimes*

Time limits may not be forestalled unless we consented in writing. Our Company reserves the right to return to the supplier surpluses exceeding the maximum authorized at the risks and costs of the supplier. Any delay attributable to the supplier entitles us to cancel the order without penalty at the expenses of DIEHL METERING SAS, or to require express delivery at its own expenses. If so, any goods that would not be delivered by express delivery despite our wish may be refused. In addition, any delay attributable to the supplier shall be subject to a penalty representing one percent (1 %) of the order amount per calendar day, up to a maximum of fifteen percent (15%), with a minimum charge of one hundred euros (100€). This penalty is in discharge of potential damages. If the agreed delivery time is exceeded by more than a week, or earlier in the event of an emergency, we are entitled to terminate the order, procure replacement supplies elsewhere, and charge the supplier for the additional costs that we have incurred.

*3.3 - Compliance with the quantities ordered*

The quantities ordered must be strictly observed. Deliveries below or above the ordered quantities will only be permitted if we have expressly approved these. In the absence of such prior approval, delivery of lower quantities or the excess part of deliveries exceeding the quantity ordered may be refused.

*3.4 - Respect of the ordered quantities*

We leave it up to the supplier's discretion concerning the execution of quality controls (upon receipt, processing or exit of the goods).

**ARTICLE 4 - VERIFICATION**

We will accept a retention of title clause, by which the supplier retains ownership of a specific merchandise it has delivered until full payment for such merchandise.

Verification and recognition of purchased goods, weight, quantity, quality, are made by our factories whatever the delivery method chosen and the general terms and conditions of sale of the supplier. Any goods not ordered by an order from the supply or purchasing department shall be rigorously denied. Any goods not in accordance with our order or requirements specifications shall be removed by the supplier at its risks and costs within 10 days from the date of our notice, otherwise it will be returned to the supplier at its risks and costs. DIEHL METERING SAS reserves the right, when supplies are rejected by its Control Unit: a) either to cancel the current delivery of the rest of the contentious goods. Having retained all or part of the material deemed compliant does not constitute for DIEHL METERING SAS a waiver of its right of cancellation: b) or to require the supplier to replace the rejected goods, all subject to any other damages. We reserve the right to enter the supplier premises at all times, those in which goods are manufactured or stored. This right is also granted to customers of DIEHL METERING SAS. The exercise of this right of access does not affect the scope of liability of the supplier concerning the goods.

The exercise of this right of access will be done with 2 days prior notice.

**ARTICLE 5 - GOODS RECEPTION AND OWNERSHIP TRANSFER**

After having done control formalities set out in the previous article and made in DIEHL METERING SAS factories, the reception is announced or refused, or announced with reservations. The ownership transfer of supplies intervenes at delivery.

Any reservation of ownership clause is considered to be without effect by express agreement, and thus cannot be relied on against DIEHL METERING SAS.

**ARTICLE 6 - PRICE**

The prices agreed when ordering are firm and definitive. It is understood that all costs are included, in particular transport, packaging, unloading, insurance, as well as any other cost, risk or charge in connection with the execution of the order (such as taxes and charges)

Discounts or rebates are granted by suppliers based on quantities purchased; these discounts are defined for each order.

Prices are in Euro (€) excluding VAT.

**ARTICLE 7 - PRICE REVISION CLAUSE**

Any price adjustment clause is subject to DIEHL METERING SAS prior agreement.

**ARTICLE 8 - INVOICING**

An invoice shall be issued for each delivery and be addressed to DIEHL METERING SAS upon completion of the sale or the service. It shall include the order number and its date. The conditions of Article 6 below have to be applied. When the contract provides for deposit payments, each deposit can be paid only if a claim for progress payment (without tax) is made corresponding to the expected timing and any useful references.

In this case, the invoice focuses on the total value of goods with details of each deposit paid, without their amount being deducted from the total value. Invoices must be issued in accordance with Article L.441-9 of the Commercial Code.

**ARTICLE 9 - PAYMENTS**

Unless otherwise agreed, every payments are made within 45 days end-of-month date of invoice, either by cheque or by transfer. The assignment of receivables payable by us is only valid with our prior written consent.

**ARTICLE 10 - GUARANTEES***10.1 - Legal guarantees*

The Supplier guarantees that the products and services comply with the orders, and are able to fulfil the functions and use for which they are intended with regard to the specifications imposed on the supplier.

The supplier also guarantees DIEHL METERING SAS against any hidden defect, as provided for by the provisions of Articles 1641 et seq. of the Civil Code.

*10.2 - Contractual guarantee*

In addition to legal guarantees and except special condition derogating from this article, the supplier provides a commercial guarantee for the functioning and quality of parts/materials during a period of 1 year from the date of delivery. Complaints about visible or hidden defects can be made at any time, even after the reception of goods, and this even if machining operations have been already completed, if the parts or sets have been mounted on to our devices, or if invoices relating to defective goods have already been settled. The supplier undertakes as soon as possible to conduct the repair or free exchange of defective parts and to indemnify us for all damages suffered.

*10.3 - Implementation*

The supplier undertakes to repair or replace the parts concerned free of charge and as soon as possible (not exceeding the standard time limit), and to compensate DIEHL METERING SAS for any damage suffered.

In this regard, the supplier must bear all the costs and expenses necessary in connection with the performance of its warranty obligations, in particular transport costs, workers' travelling expenses, labour and material costs, sorting costs, costs related to the detection of defects and examination costs, expert fees, legal fees, the costs of an entry inspection in addition to the ordinary context, etc.

*10.4 - Guarantee against eviction*

The supplier guarantees to DIEHL METERING SAS that it has the entire property of goods and services which it sells and that it legally holds the rights which it transfers to DIEHL METERING SAS. Consequently, the supplier guarantees DIEHL METERING SAS against any disorders, disputes, claims and appeals which could be initiated against it by third parties concerning the goods sold as part of the contract. In case of potential disputes submitted by third parties against DIEHL METERING SAS rights, the latter undertakes to transmit immediately all information susceptible to defeat this right or dispute. The supplier undertakes to return to DIEHL METERING SAS immediately (48 hours), to assist him or to pay off him the legal fees and all other fees necessary for the protection of his interests.

The supplier undertakes, either to negotiate with the third party the right to keep the good and/or to modify it, or the refund of the price paid, or the replacement of the good by an identical or similar product.

#### **ARTICLE 11 - RESPONSIBILITY**

The supplier undertakes to indemnify DIEHL METERING SAS for any material, bodily or immaterial damage, consequential or non-consequential, direct or indirect, caused by its activities or its products.

The supplier is also required to guarantee DIEHL METERING SAS against any third party claim for faults, defects, or non-conformity of the products, insofar as the fault or its causes already existed when the parts were delivered in the first place.

#### **ARTICLE 12 - INSURANCE**

The supplier undertakes to compensate DIEHL METERING SAS and to have a civil liability insurance for any material, physical or immaterial damage, consecutive and non-consecutive, direct or indirect, caused by its activities or its products.

The supplier undertakes to provide to DIEHL METERING SAS a civil liability insurance certificate, following the first request.

The indication of the amounts covered by the insurance policy does not in any way constitute a waiver by DIEHL METERING SAS for any claim against the supplier in excess of said amounts, nor any limitation of liability.

The supplier undertakes to insure the tools which are transferred to it against any material, physical or immaterial damage throughout the duration of the contract. The supplier undertakes to provide a damage insurance certificate to DIEHL METERING SAS. In case of provision of a tooling, the supplier undertakes also to be insured for the transport towards or from a third party. The supplier undertakes to provide a transport insurance certificate to DIEHL METERING SAS.

#### **ARTICLE 13 - SELLER'S DUTY OF INFORMATION**

The supplier undertakes to attach all useful documents or instructions for use relating to the equipment sold.

#### **ARTICLE 14 - CONFIDENTIALITY – INTELLECTUAL PROPERTY**

The supplier shall keep strictly confidential all information and documents provided by DIEHL METERING SAS as part of an order or offer or execution of a contract. This obligation of confidentiality shall apply for a period of 10 years from the date of communication of that confidential information or document. The supplier will take all measures to ensure that the specifications, formulas, drawings, details or trade secrets or document relating to the orders or contracts of DIEHL METERING SAS, which stay the intellectual property of DIEHL METERING SAS, are scrupulously respected, not communicated or disclosed to third parties, either by itself or by its employees, suppliers or subcontractors, except express authorization of DIEHL METERING SAS. The dimensions and specifications of our designs shall be scrupulously respected. Their non-compliance may result in cancellation of the order. Similarly, tooling and manufacturing subject of patents or registered designs by DIEHL METERING SAS are its exclusive ownership. Their use by unauthorized third parties constitutes a patent infringement and will be liable to prosecution. In any event, materials/parts/products/systems that have been manufactured on the basis of documents designed by DIEHL METERING SAS, drawings, models and similar, or by means of confidential information provided by us, or by the use of our tools or copies of these tools, must not be used by the supplier for its own purposes, be manufactured, offered or delivered to a third party, or be used for other purposes by the supplier or by a third party. For any specific order based on communicated specifications from DIEHL METERING SAS, the supplier undertakes to give up without any cost, for all intellectual property rights corresponding, all the rights associated to the manufacture of product.

#### **ARTICLE 15 - TOOLS**

The tools manufactured by the supplier or its subcontractors on behalf of DIEHL METERING SAS at the expenses of the supplier or made available by DIEHL METERING SAS remain DIEHL METERING SAS property. They shall be returned on first request. They shall only be used for the manufacture of parts and sets ordered by DIEHL METERING SAS. They shall not be destroyed without DIEHL METERING SAS consent. Custody, insurance, maintenance and potential replacement of these tools will be provided at the risks and costs of the supplier.

The supplier undertakes to identify the equipment as being the property of DIEHL METERING SAS in its premises so that any claim and/or appropriation cannot be made by a third party.

#### **ARTICLE 16 - COMPLIANCE**

##### *16.1 - Product conformity*

The supplier guarantees that the parts/materials supplied to DIEHL METERING SAS comply with European and French legislation on the composition, processing and storage of parts/materials, as well as with the specific standards appearing on the technical sheets of the parts/materials (e.g. ACS, WRAS, REACH).

In addition, the general terms and conditions of compliance of the products that we supply form an integral part of these General Terms and Conditions of Purchase, and therefore of the corresponding supply contract. The supplier is obliged to comply with the requirements and obligations of the general terms and conditions of compliance of the product for each individual product, and in all respects. These terms and conditions can also be viewed at any time on our website at the following address:

<https://www.diehl.com/metering/en/support-center/terms-conditions/#diehl-metering-sas>

##### *16.2 - Corporate compliance*

The supplier undertakes that its employees and other persons employed by it / engaged by it within the context of the commercial relationship with DIEHL METERING SAS will refrain from any act likely to result in the criminal liability of these employees/persons for fraud or embezzlement, bribery or other corruption offences, or offences against free competition, and in all respects encourages law-abiding behaviour of its employees / other persons engaged.

In the event of a breach of the aforementioned obligation, we are entitled, after notifying the supplier and after the unsuccessful expiration of a reasonable period of time to remedy the situation, and within 2 weeks of the unsuccessful expiration of this period, to exceptionally terminate some or all of the commercial transactions with the supplier, and to break off some or all negotiations. The prior notification and the granting of a delay may be waived in specific circumstances which, weighing the mutual interests of the parties, justify immediate termination; in this case, the extraordinary termination can be declared by us within 2 weeks from the time that we became aware of the breach. Notwithstanding the foregoing, the supplier is obliged to comply with all laws, and official and other regulations applicable to it and to the business relationship with us, as well as the general business principles of the Diehl group, which are published on the website [www.diehl.com](http://www.diehl.com) under 'Corporate Compliance', and which are available separately in printed form on request.

#### **ARTICLE 17 - FORCE MAJEURE**

Force majeure events as defined in Article 1218 of the Civil Code are events which could not be reasonably foreseeable at the time of entering into the contract and which are irresistible, thereby preventing one of the parties from performing its obligations. In case of force majeure, the obligations of one or the other party affected by such a force majeure event will be suspended. The affected party must immediately inform the other party of the force majeure event and its probable duration; it will be required to make every effort to minimise the effects arising from this situation. If the force majeure event persists beyond one month without the possibility of remedying this, the other party will have the possibility of terminating the order, without any damages being due from either side.

#### **ARTICLE 18 - CIRCULATION OF THE CONTRACT**

While the supplier must in principle assume sole responsibility for the proper execution of orders, it may nevertheless entrust all or part of the execution of the order to third parties, subject to the prior written agreement of DIEHL METERING SAS.

Any supplier who uses subcontractors nevertheless does so under its full liability.

DIEHL METERING may freely transfer all or part of its rights and obligations resulting from the order to a third party or to a subsidiary, within the meaning of Article L233-3 of the Commercial Code.

#### **ARTICLE 19 - MISCELLANEOUS PROVISIONS**

##### *19.1 - Economic dependence*

The supplier is required to immediately inform DIEHL METERING SAS of any risk of economic dependence in order to allow the parties to maintain balanced relations.

##### *19.2 - Nullity of a clause*

The invalidity of a clause does not entail the invalidity of all of these General Terms and Conditions. If a clause should be declared null and void, the parties will endeavour to replace it with a valid clause with equivalent economic effect.

##### *19.3 - Waiver*

The fact that DIEHL METERING does not avail itself of a clause hereof at a given time cannot be interpreted as a waiver to avail itself of said clause at a later date.

##### *19.4 - Independence*

Each party is an independent entity, both legally and financially. It acts in its own name and under its sole responsibility.

The supplier acknowledges that it carries out its activity as an independent service provider, without the existence of any relationship of subordination with regard to DIEHL METERING SAS.

#### **ARTICLE 20 - JURISDICTION AND APPLICABLE LAW**

Any dispute between DIEHL METERING SAS and the supplier shall be within the exclusive jurisdiction of the Courts of Mulhouse (France), even in case of interim orders, recourse in warranty or multiple defendants.

The relationship between the parties is governed by French law, with the exclusion of the Vienna Convention on contracts for the international sale of goods.