

General Terms and Conditions of Purchase

1. General

- 1.1 These General Terms and Conditions of Purchase ("**T&C**") shall apply to all business relationships between a German company of Schneider Electric Group ("**SE**") and its business partners and suppliers ("**Supplier**"). The acceptance of an order by the Supplier implies the acceptance of these T&C, which form an integral part of the contract.
- 1.2 The T&C apply in particular to contracts regarding the sale and/or delivery of movable objects ("**Goods**") irrespective of whether the Supplier produces the Goods itself or purchases them from sub-suppliers (Secs. 433, 651 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*)). The T&C, in their respectively applicable version, shall apply as a framework agreement also to future contracts regarding the sale and/or delivery of movable objects with the same Supplier, without SE having to refer to them again in each individual case. SE shall immediately inform the Supplier of any changes to its T&C.
- 1.3 These T&C shall only apply if the Supplier is an entrepreneur (Sec. 14 BGB), a legal person under public law or a special fund under public law.
- 1.4 These T&C shall apply exclusively. Any diverging, contrary or complementary General Terms of Sale of the Supplier shall only become a part of the contract if and to the extent SE has expressly accepted their validity. This consent requirement shall apply in any case, e.g. also where SE makes a delivery without reservation to the Supplier even though SE is aware of the Supplier's General Terms of Sale.
- 1.5 Any references to the applicability of statutory provisions are made for clarification purposes only. The statutory provisions thus also apply without such clarification insofar as they are not directly changed or expressly excluded in these T&C.

2. Conclusion of Contract

Unless otherwise stipulated, a contract shall be concluded upon two corresponding declarations of intent. The Supplier shall inform SE of any obvious errors (e.g. typing and calculation errors) and incomplete information of our orders including order documents prior to the acceptance of the order to enable SE to correct and/or complete the order; otherwise, the contract shall be deemed as not concluded.

3. Delivery

- 3.1 The delivery time indicated by SE in the order shall be binding. The delivery date shall be the date indicated by the receiving agent of SE on the confirmation of receipt (or delivery).
- 3.2 The Supplier shall not be entitled to make early deliveries without SE's prior and written consent.
- 3.3 As far as the parties have agreed on an acceptance procedure for the Goods, such procedure shall be relevant with respect to the question of timely delivery.

4. Delivery Time and Default in Delivery

- 4.1 Should the Supplier not effect his performance at all or not within the agreed delivery time or should he be in default, SE's rights - in particular the right to rescind the contract and to claim damages - shall be determined by the statutory provisions. The provisions in clause 4.2 below shall remain unaffected.
- 4.2 If the Supplier is in default, SE shall be entitled to request a contractual penalty in the amount of 1% of the net price of the delayed delivered Goods per completed calendar week, however, not exceeding 5% of the net price of the delayed delivered Goods. SE shall be entitled to request the contractual penalty in addition to the fulfilment and as a minimum amount of compensation owed by the Supplier according to the statutory provisions; the assertion of further damage shall remain unaffected. If SE accepts the delayed performance, SE will assert the contractual penalty at the latest together with the final payment.

5. Modifications

To the extent that it is reasonable for the Supplier and taking into consideration the preconditions of clause 2., SE shall be entitled to change the scope and/or type of the Goods.

6. Delivery, Transfer of Risks

- 6.1 Delivery shall be made "free domicile" within Germany to the place indicated in the order. If no place of destination is indicated and nothing else has been agreed, delivery shall be made to SE's registered office. The respective place of destination shall also be the place of performance (*Bringschuld*).
- 6.2 The risk of accidental loss or accidental deterioration of the Goods shall pass to SE upon the handover of the Goods at the place of performance. Insofar as an acceptance has been agreed upon, this shall be decisive for the transfer of risks. Also in all other respects, the statutory provisions governing the provision of works and services shall apply respectively to an acceptance.

7. Packaging and Documentation

- 7.1 The Goods shall be delivered with the packaging required for their storage and due and proper safekeeping. At SE's request, the Supplier shall take back all packaging free of charge.
- 7.2 The Goods shall be delivered together with the documentation required for their use, maintenance and upkeep.

8. Shipping

- 8.1 A delivery note must be attached to all deliveries, quoting the date (issue date and date of shipment), content of the delivery (article number and quantity) as well as SE's order identification (date and number) and possible certificates of conformity and other required documents.
- 8.2 Upon dispatch, SE shall be sent a corresponding dispatch note with the same content separately from the delivery note.

9. Invoicing

- 9.1 Any invoices of the Supplier shall be forwarded separately from the delivery to SE as single copies and indicating the order number. The wording of the invoice must be identical to the order and the invoice must include all relevant data and the number of the respective delivery note. Value added tax is to be quoted separately as a percentage and currency amount.
- 9.2 SE shall be entitled to refuse payment of any invoice which does not correspond to the statutory provisions and/or the aforementioned requirements.

10. Prices and Terms of Payment

- 10.1 The prices stated in the order shall be binding. All prices include statutory VAT, unless it is quoted separately. Unless agreed otherwise in the individual case, the price shall include all services and ancillary services of the Supplier (e.g. assembly, installation) as well as all additional costs (e.g. appropriate packaging, costs of transport including any potential transport and liability insurances).
- 10.2 Unless agreed otherwise in the individual case, payments shall be effected as net payments via bank transfer within forty-five (45) calendar days from the complete delivery and performance (including a possibly agreed acceptance).
- 10.3 SE shall be entitled to effect payment to the Supplier either personally or by Boissière Finance, the company responsible for centralised management of the cash of Schneider Electric Group, which has been authorised by SE to pay its suppliers. Under no circumstances may payments made by Boissière Finance cause it to assume the contractual rights and obligations of SE vis-à-vis the Supplier; as a result, the Supplier is not entitled to raise any claim or institute proceedings against Boissière Finance concerning the contract, its performance or the resulting consequences.
- 10.4 SE shall be entitled to offsetting and retention rights as well as to the defence by reason of non-fulfilment of the contract to the extent stipulated by statutory law. In particular, SE shall be entitled to retain due payments as long as SE has claims against the Supplier due to incomplete or deficient performance.
- 10.5 The Supplier shall only be entitled to any set-off or retention in case of claims which are res judicata or uncontested.

11. Subrogation of Claims, Assignment

- 11.1 The Supplier shall not be entitled to assign, wholly or in part, its payment claims under the underlying contract to any third party, unless it has duly informed SE's Supplier Accounts Department in writing at least fifteen (15) business days beforehand. This prior information procedure applies respectively to any agreement (including its termination, modification, etc.) relating to a factoring operation. Should the Supplier have signed a factoring contract and has duly notified SE thereof in advance, all payments by SE shall be effected to the factoring company with a discharging effect.
- 11.2 In all other respects, the Supplier shall not be entitled to fully or partly assign or transfer the rights and/or obligations under the contract to third parties without SE's prior written consent.

12. Materials, Tools, Testing Instruments (hereinafter "Equipment")

- 12.1 Any Equipment manufactured directly in the context of performing the contract becomes the exclusive property of SE and may only be used by the Supplier for the purpose of fulfilling the contract. To the extent that the Equipment is kept at the Supplier's premises, the Supplier shall be obliged to mark the Equipment separately clearly indicating that it is SE's property and to return it to SE in a good condition and working order immediately upon written request.
- 12.2 The Supplier shall be responsible for carrying out required maintenance and repair work to the Equipment at its own expense. At its own risk, the Supplier shall be responsible for the safekeeping of the Equipment and has to appropriately insure it against destruction and loss.

13. Defective Delivery

- 13.1 SE's rights in the event of material or legal defects of the Goods (including wrong or short deliveries as well as incorrect assembly or defective instructions for assembly, operation or use) or other breaches of duties of the Supplier shall be subject to the statutory provisions unless agreed otherwise in the following.
- 13.2 Pursuant to the statutory provisions, the Supplier can be held liable in particular if the Goods are not of the agreed quality at the time the risk passes to SE. In any case, the respective product descriptions which - in particular through indication or reference in SE's order - have become part of the respective contract or which were made a part of the contract in the same way as these T&C shall be considered an agreement regarding the quality of the Goods. It shall be irrelevant in this context whether the product description was provided by SE, the Supplier or the manufacturer.
- 13.3 With respect to the business person's duty to inspect and to report defects, the statutory provisions (Secs. 377, 381 of the German Commercial Code (*Handelsgesetzbuch, HGB*)) shall apply with the following provision: SE's duty to inspect shall be limited to apparent defects which can be visually identified at the incoming goods inspection including shipping documents as well as SE's quality inspection by random samples (e.g. transport damage, wrong or short deliveries). An inspection is not required if acceptance has been agreed upon. In all other cases, it depends on whether an examination is feasible in the ordinary course of business, taking into account the circumstances of the individual case. This shall not affect SE's duty to report defects discovered at a later stage. In all cases, SE's complaint (notification of defects) shall be deemed provided without undue delay and in time if it is received by the Supplier within ten (10) business days.
- 13.4 The expenses incurred by the Supplier for the purpose of examination and subsequent improvement (including any potential costs of de- and reinstallation) shall be borne by the Supplier even if it turns out that there was actually no defect. SE's liability for damages in case of unjustified requests for the rectification of defects shall remain unaffected; however, SE can only be held liable in this respect if SE was aware or due to gross negligence was unaware that there was no defect.
- 13.5 Should the Supplier fail to fulfil its duty to provide subsequent performance - at SE's choice either by remedying the defect (subsequent improvement) or by delivering a defect-free item (replacement delivery) - within an appropriate deadline set by SE, SE shall be entitled to remedy the defect itself and to demand compensation from the Supplier for the expenses required in this context and/or to demand a corresponding advance payment. If the subsequent performance by the Supplier has failed or is, due to urgency, unreasonable for SE, there shall be no requirement to set a deadline. An urgent reason within the meaning of the aforementioned sentence shall in particular be deemed where as cause of the urgency, e.g. due to operational safety issues or where there is an imminent danger of disproportionate losses, the notification to the Supplier about the defect and imminent danger of loss is not possible or where the setting of a - even short- deadline to remedy the defect is not possible, SE shall inform the Supplier of such circumstances immediately, if possible in advance.
- 13.6 In all other respects, SE shall be entitled to reduce the purchase price or to rescind the contract pursuant to the statutory provisions in case of a material or legal defect. In addition, SE shall be entitled to damages and reimbursement of expenses pursuant to the statutory provisions.

- 14. Supply of Spare Parts**
The Supplier shall have required spare parts available for a period of ten (10) years as from delivery/acceptance of the Goods.
- 15. Liability**
The Supplier shall be liable vis-à-vis SE to the statutory extent.
- 16. Limitation of Claims**
The mutual claims of the parties shall expire by limitation pursuant to the statutory provisions.
- 17. Intellectual Property, Software**
- 17.1 SE shall exclusively have any rights in developments (including their results and physical elements such as drawings, diagrams, models, prototypes, etc.) which were created by or for the Supplier in connection with the contract ("**Work Results**"). The Supplier undertakes not to use and exploit the Work Results for other purposes than the fulfilment of the contract.
- 17.2 If the delivery or installation of software is the subject-matter of the contract, the Supplier shall transfer to SE, upon acceptance of the order, the irrevocable and exclusive rights of use in the software, without restrictions as to time and place, for all known and unknown types of use.
- 17.3 The above-mentioned granting of rights also refers to the source and object code on which the software is based. Furthermore, the Supplier undertakes to provide SE with the source and object code including the associated user documentation.
- 17.4 Upon first demand, the Supplier shall indemnify SE against any claims and other demands of third parties (including any costs associated with such claims and demands such as appropriate lawyer's and court fees) which assert such claims and demands vis-à-vis SE due to the above-mentioned granting of rights or delivery of the software, respectively.
- 18. Confidentiality and Retention of Title**
- 18.1 Any information, regardless of its nature (technical or commercial) and regardless of the medium in which it is contained, exchanged between the parties, or to which the parties may have access in the context of the contract, shall be treated by the receiving party as being strictly confidential and shall exclusively be used for the purpose of performing the contract. Furthermore, the Supplier must not disclose the existence of the business relationship with SE or Goods which the Supplier has delivered to SE based on technical requirements or specifications by SE to any third party without SE's prior consent.
- 18.2 Title to the Goods shall be transferred to SE without reservation and irrespective of the purchase price. If in individual cases, however, SE accepts an offer by the Supplier to transfer title subject to payment of the purchase price, the Supplier's retention of title shall expire at the latest upon payment of the purchase price for the delivered Goods. SE remains entitled to resell the Goods in the ordinary course of business also before payment of the purchase price, in which case SE shall assign the claims resulting from such sale in advance (alternatively, the simple retention of title as well as the retention of title extended to the resale shall apply). All other types of title retention shall thereby be excluded in any case, in particular the expanded and the transferred retention of title as well as the retention of title which extends to the further processing.
- 19. Insurance**
- 19.1 At SE's request, at the latest, however, within ten (10) business days from acceptance of the order, the Supplier shall be obliged to provide SE with a copy of its commercial third party and product liability insurance.
- 19.2 Moreover, the Supplier undertakes to take out an additional insurance cover to the extent that this is required and appropriate in light of the risks in connection with the performance of the contract.
- 20. Choice of Law - Applicable Law**
- 20.1 These Terms and Conditions of Purchase and all legal relationships between SE and the Supplier shall be governed by the laws of the Federal Republic of Germany under exclusion of international uniform law, in particular of the UN Convention on Contracts for the International Sale of Goods.
- 20.2 If the Supplier is a merchant within the meaning of the HGB, a legal person under public law or a special fund under public law, exclusive - and also international - place of jurisdiction for all disputes arising from the contractual relationship shall be the seat of SE. However, SE shall also be entitled to file an action at the Supplier's registered office.
- 21. Sustainable Development**
- 21.1 The Supplier undertakes to comply with the following provisions:
- The OECD's guidelines on sustainable development.
 - The UN Global Compact's ten principles in the area of human rights, labour standards, the environment and anti-corruption, which may be consulted on the following website:
<http://www.unglobalcompact.org/Languages/french/index.html>
 - The rules defined in the ISO 14001 standard.
- 21.2 Furthermore, the Supplier is informed that energy efficiency of the Goods has been considered as part of the selection criteria used by SE (ISO 50001 standard).
- 21.3 In order to enable use of the Goods in total safety, the Supplier undertakes to:
- comply with all laws and provisions applicable at the delivery address specified in the order;
 - ensure that none of the Goods contain one or more of the hazardous substances referred to in the European Directive 2011/65/EU of the European Parliament and Council of 08 June 2011 in its annex II;
 - comply with all the obligations concerning substances which are restricted and/or banned in the European Union and, in particular, those listed in the REACH Regulation (EC 1907/2006) and in the texts of its resulting amendments, the annex XIV and XVII;
 - comply with the legislation and regulations relating to the ban on, or restriction of, the use of certain products or substances which are effective when the order is placed and delivery is effected, both within the European Union and in the countries stated in the order.
- 21.4 Within forty-five (45) calendar days of receipt of a respective request from SE, the Supplier undertakes to inform SE about whether the Goods contain any of the above-mentioned substances. At SE's request, the Supplier shall also provide all supporting documents within the statutory period of retention.
- 21.5 In case of any culpable violation of this clause 21 by the Supplier, the Supplier shall indemnify SE against any claims and other demands of third parties (including any costs associated with such claims and demands such as appropriate lawyer's and court fees) upon first demand.
- 21.6 Should the Supplier decide to change the composition of the Goods, it shall advise SE thereof in writing at least nine (9) months in advance.

22. Product Management, Process Changes

- 22.1 The Supplier shall inform SE in writing of any decision to stop marketing the Goods or any major changes made to the Goods or to the underlying manufacturing process and, in particular, any changes affecting the processes, including any material changes in the Supplier's or its sub-contractors' IT processes, the procurement of critical components, the design of the Goods, the location of the plant(s), provided such changes impact or may impact the technical specifications, compliance with standards, life cycle, reliability or quality of the Goods.
- 22.2 The Supplier shall inform SE in writing nine (9) months prior to the marketing end date or the date scheduled for the implementation of any major change. SE reserves the right to refuse any major change. All major changes remain under the full responsibility of the Supplier.
- 22.3 The Supplier shall refund SE all costs incurred by SE during, or in the context of, the reclassification of the Goods and/or respective components affected by the major change.

23. Export Control

The Supplier confirms and agrees that it (including its senior executives, employees, agents and authorised representatives) shall be responsible for the compliance with all applicable national and international export and re-export control laws and regulations and that it has to obtain any possible licences required for the export, re-export or import of any Goods.

24. Bribes and Incentives

- 24.1 SE confirms that neither SE nor any of its senior executives, employees, agents or authorised representatives has offered or given, or will offer or give any bribe or incentive to any of the Supplier's employees, agents or authorised representatives or to any third parties.
- 24.2 The Supplier warrants that its authorised representatives, senior executives, employees, agents and any other persons who perform services for it or on its behalf have not offered or given, or will not offer or give any bribe or incentive to any of SE's senior executives, employees, agents or authorised representatives or to any third parties and that it will not commit any act or omission which has caused or could cause it or SE to breach or commit an offence under any anti-bribery or anti-corruption laws.

25. Data Protection

- 25.1 SE reserves the right to store and process the Supplier's data for its own purposes in compliance with applicable data protection laws.
- 25.2 The Supplier, its senior executives, employees, agents and authorised representatives will keep all information and data relating to SE and the supply contract safe and secure.