

## **Logistics Agreement**

for the Supply of Mechanical Fasteners

### **1 / Object**

The present document defines the terms of the “logistic” commitments of the Supplier with regard to products marketed by him. It forms the basis for the professional use of mechanical fastening products, for the purpose of resolving logistics-related problems.

It is intended to complement the “General Professional Conditions for the Supply of Mechanical Fasteners” (hereinafter “GPC”) and refers to professional standards and practices pertaining to quality (cf. Quality Agreement) and logistics for fastening products supplied by AFFIX.

Based on the provisions of the present document, these terms shall apply even if the GPC are not applicable. The Logistics Agreement is an independent document, which complements the GPC.

### **2 / Definitions**

Schedule Order: statement of requirements for Blanket Orders Final Order: finalisation of Schedule Orders (statement of final requirements for Blanket Orders) Blanket order: document, in which the Customer makes no firm commitment regarding quantities and delivery times, based on delivery requests Order: an order, which firmly states the relevant quantities, price and delivery time Non-conformity: discrepancy identified in relation to the agreed logistic terms

### **3 / Basis of the logistic commitment**

The logistic commitment of the Supplier is defined by his offer, including the logistic terms and particularly the Incoterms, in compliance with the GPC, Quality Agreement and the present Logistics Agreement.

Due to the wide range of customers with a large quantity of sites requiring supplies, the present Convention shall represent, in all cases, the reference framework for the logistic commitment of the Supplier, including the negotiated terms of transport.

Derogations may only be granted by express written agreement.

Whatever the circumstances, there shall be no tacit acceptance of any proposals from the Customer pertaining to the logistic terms. Only the present Agreement and the documents to which it refers shall be considered contractual documents.

### **4 / Order transmission methods**

Subject to the prior approval of the Supplier, orders may be transmitted by the Customer by the following means: EDI E-mail Fax Mail.

The Customer must ensure that orders have been properly received.

Due to the wide range of customers, the Supplier shall not be obliged to consult portals and other information tools in order to accept orders and monitor their progress.

## **5 / Statement of requirements**

### **5.1 –Schedule Orders and finalisation**

Schedule Orders are received on a weekly basis by the Supplier and cover a minimum period of three months.

The Customer must ensure that his statement of requirements is line with the manufacturing and supply capacities of the Supplier and shall ensure, if necessary, that the relevant transport is reserved, according to the agreed Incoterm.

For the above reasons, Schedule Orders must be finalised by the Customer and received by the Supplier no later than two calendar weeks before the date of shipment. The terms for the placing of orders are defined in the GPC.

Nevertheless, if the Supplier considers it possible, this period may be reduced, subject to prior written agreement. Whatever the circumstances, failing confirmation by the Customer, it is expressly agreed that the Supplier is under no obligation whatsoever to follow up or notify the Customer; consequently, the Supplier shall not assume any responsibility in this regard.

For the first four weeks, in the absence of any modifications duly received by the Supplier, in accordance with the conditions defined in this document, Schedule Orders shall be considered by the Supplier to represent commitments, which are acknowledged and accepted by the Customer. Nevertheless, in order to ensure flexibility, a variation of (+) or (-) 20% within the said provisional orders shall be accepted by the Supplier without any financial consequences for the Customer. On the other hand, if the quantities of the said Schedule Orders vary during the period by (+) or (-) 20%, the Supplier shall not be bound to deliver quantities in excess of (+) or (-) 20% of the tolerated variation.

At the same time, any modification including, for example, (i) delays, (ii) cancellations, (iii) additional one-off requirements with regard to the said deadlines, shall be subject to the prior written acceptance of the Supplier.

Any significant and long-term reduction or increase in relation to the Schedule Order shall require notification by the Customer.

Whatever the circumstances, the Customer, within the framework of his orders, must take into account the manufacturing lead time, which extends over several weeks.

### **5.2 - Minimum Orders and end of life**

Any modification, default or suspension of the contract, which does not permit the flow of stocks under the conditions of the contract, shall require re-negotiation of the initial economic conditions and compensation for the Supplier.

#### **Minimum order**

The minimum order quantity for the Customer must correspond to the minimum delivery indicated in the Supplier's offer, rounded up to the packaging unit (PU), unless by derogation agreement for specific packaging. In compliance with the GPC and Quality Agreement, any modification of the

contract that is liable to affect the logistic terms, such as the place of delivery, specific materials, etc. shall be subject to the express agreement of the Supplier.

### **Batch size**

All orders must respect the batch size specified in the offer.

### **Reduction of requirements and end of life**

Any stoppage, significant reduction of orders or end of life shall be subject to express and explicit notification subject to a minimum notice period of six calendar months. Failing that, he shall compensate the Supplier for any prejudice suffered, including any expenses incurred by the latter. The discontinuation of the requirements of the Customer must imperatively respect the batch size or supply deadline, and all consequences of deviations in this respect shall be borne by the Customer. Whatever the circumstances, any modification of the product that is not due to the fault of the Supplier shall require compensation for the Supplier, even if a notice period has been observed.

Discontinuation of requirements: in the event of no demand or lack of significant demand for one year on the part of the Customer, the Supplier shall be entitled to consider the Blanket Order to be terminated.

## **6 / Packaging**

Packaging is specified in the offer.

All products are delivered in the standard packaging of the Supplier. The packaging shall comply with the applicable environmental regulations for the product destination, provided the Customer has informed the Supplier in writing of these regulations before submitting his offer. In the event of a delivery request for a variety of products, the Customer shall order a sufficient quantity of products with packaging of the same dimensions in order to ensure an even layer of pallets for the purpose of secure transport and packaging

## **7 / Labelling**

Labelling shall be conducted according to the standards in force on the date when the offer was sent. Any other requests are subject to the express agreement of the Supplier. Any non-conformity in this respect will be taken into account, in compliance with Article 7 of the Quality Agreement.

## **8 / Delivery – Transport**

The terms of delivery are defined in the offer, with reference to the applicable Incoterms. If the Customer is responsible for transport, he shall ensure that the carrier respects the internal regulations of the Supplier and the legislation currently in force. The Customer shall also take the necessary steps to ensure the correct shipment of goods; for example, he shall ensure that the carrier is in possession of the collection note, which identifies the goods to be collected and the address of the Customer and Consignee. The Supplier shall provide the carrier with a collection

note and waybill, which shall exclude all logistic documentation. All other terms are defined in Article 7 of the GPC and Article 6 of the Quality Agreement provided.

Unless agreed by the Supplier, the pallets not stackable. In the case of an 'ex works' sale at the agreed location, the applicable law shall be that, which applies to the relevant form of transport (road, river, etc.).

Due to variations specific to the product itself and technical tolerances for counting, measurement and/or weighing equipment, the number of products placed inside each packaging unit (PU) may vary upwards or downwards compared to the anticipated nominal quantity. Consequently, variations of quantities by (+) or (-) 5 % compared to the packaging unit (PU) are considered acceptable within the sector. Therefore, despite such variations, the Supplier shall be considered to have fulfilled his obligations in terms of fulfilling the order and therefore, in this regard, no complaints will be accepted.

### **9 / Delivery period**

The Customer shall endeavour to place orders so that the preparation and shipment period may be taken into account. The delivery period takes account of the terms of the offer.

Any derogation of the delivery period indicated on the acknowledgement of receipt of the order shall be subject to a request submitted to the Supplier, who must give his express agreement.

In the case of delivery of items at the premises of the Supplier, the Customer, after a period of 48 calendar hours, may be subject to invoicing for capital and storage costs.

### **10 / Safety stock**

As a matter of principle, the Supplier shall not set aside safety stock, unless expressly agreed by the Parties End of life: conditions for the management of residual stock shall be specified by agreement between the Parties. The Parties shall negotiate the appropriate financial and logistic terms.

In order to avoid any break in his logistic chain that may lead to a production line stoppage, it is incumbent upon the Customer to take advantage of opportunities to set aside an appropriate safety stock.

### **11 / Storage conditions**

The storage conditions will be defined according to the terms of the Quality Agreement. In addition, the Customer must respect FIFO stock management. The Customer must also respect any specific recommendations for the product, such as: The conditions and maximum shelf life before use,

-The conditions for handling and use by the Customer

### **12 / Costs and consequences of nonconformity**

The conditions for the delivery, transport and receipt of products are defined in Article 6 of the Quality Agreement and Article 7 of the GPC. In the event of accident, damage or delays during

transport, the responsibility of the Supplier is limited to that of a forwarding agent / actual carrier in accordance with the Incoterms, with the proviso that the consignee must respect transport legislation; for example, when formulating (according to French law) provisions according to the legal forms, which must be confirmed by registered letter with acknowledgement of receipt within three days of delivery. This shall also include notification of the Supplier. In addition, for any cause of proven non-conformity, the responsibility of the Supplier shall be limited to its direct, immediate and exclusive consequences.

Under no circumstances shall the Supplier be bound to compensate for:

Administrative and handling costs,

The consequences of non-conformity for products already fitted, Indirect and direct damage, such as operating losses, loss of earnings, opportunities, loss of business and profits, etc.

If compensation has been granted, the Supplier shall be entitled to request that the Customer provide detailed evidence for the amounts claimed.

In addition, this compensation shall be considered a final settlement and exclusive of any other sanction or compensation.

The Customer shall refrain from any illicit debiting or crediting of amounts of his own motion and from invoicing the Supplier for any sum that has not been expressly acknowledged by the latter by virtue of his responsibility.

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