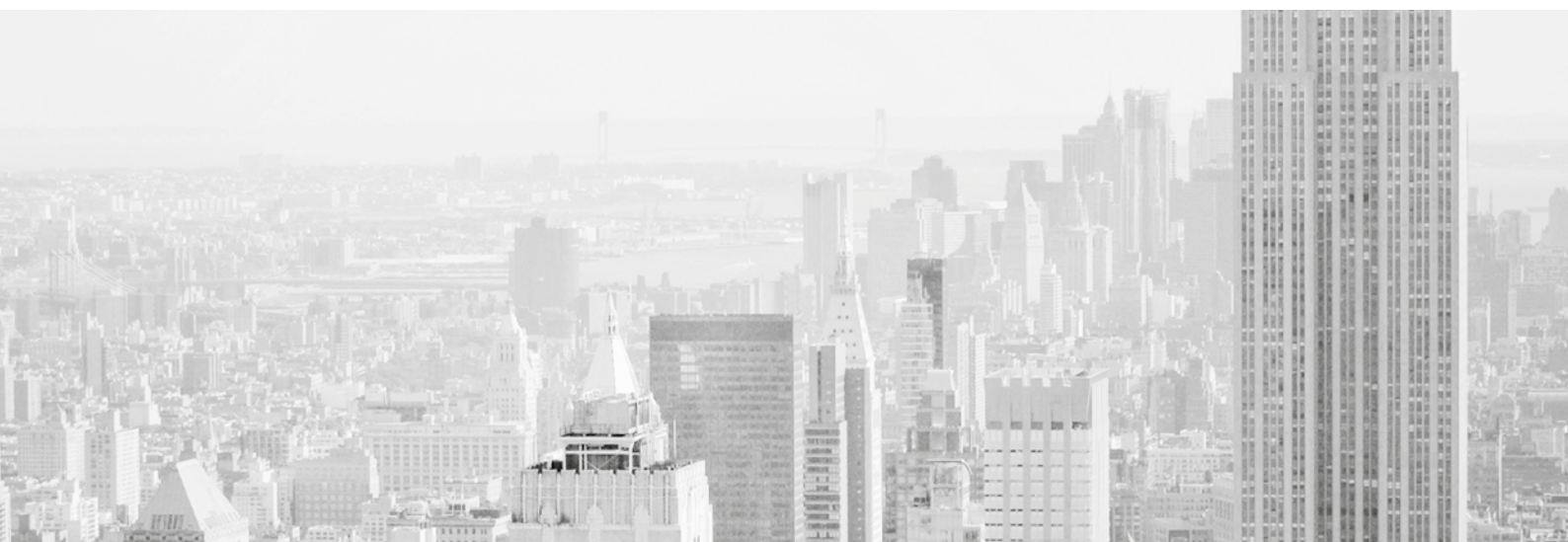


Movement by Perfection



The Royal League in ventilation, control and drive technology

General Terms and Conditions of Business

November 2019

Please note that this is an English translation of the original French version. Both language versions shall have the same legal effect. In case of any conflict, the original French version shall prevail.



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General Terms and Conditions of Business of ZIEHL-ABEGG France SARL

I. Validity of the conditions

1. These General Terms and Conditions of Sale and Services (hereinafter 'GTCS') automatically apply to all sales of products (hereinafter 'Products') and associated services (hereinafter 'Services') concluded by ZIEHL-ABEGG France, whose registered office is located at Rue de la Gare, 01800 Villieu-Loyes-Mollon, France (hereinafter 'ZIEHL-ABEGG') with any purchaser (hereinafter 'Customer'), who accepts them, declares that they have discussed and a full understanding of them and hence waives any rights it may have under Article 1171 of the French Civil Code. The GTCS constitute the entire rights and obligations of ZIEHL-ABEGG and Customer (hereinafter collectively the 'Parties'), no other conditions being admissible unless expressly agreed in writing by the Parties. The GTCS are also applicable to future contracts of sale (hereinafter 'Contracts') concluded between ZIEHL-ABEGG and its Customers and to all commercial relations, even if they are not explicitly re-acknowledged.
2. Should any side agreements be concluded, the burden of proof will lie the Party seeking to rely on them.
3. Any waiver on our part of one or several of these conditions does not affect the validity of the remaining provisions.

II. Taking of orders

1. Each purchase order, whether placed directly or via a representative or an agent, constitutes a firm and irrevocable offer to purchase the Products in question. A purchase order will be deemed to have been accepted by us upon our written confirmation, or our shipment to Customer of the Products ordered.
2. Cancellations or changes to pending orders can be effected only after forming the subject of a request in writing by Customer, and are conditional upon acceptance by ZIEHL-ABEGG under the same terms and conditions.
3. Illustrations, drawings, descriptions, brochures and miscellaneous facts relating to the Products and Services that are contained in the documents accompanying ZIEHL-ABEGG's offers are provided solely by way of information, unless otherwise specified by use, and are not contractually binding. ZIEHL-ABEGG retains, without restriction, all rights of ownership and copyrights to quotations, drawings, and other documents; these are not permitted to be made accessible to third parties. If the Contract is ultimately not concluded, the drawings and other documents accompanying ZIEHL-ABEGG's offers must be returned without undue delay.

4. Customer must, unless it refers to the indications in the catalogue when placing the purchase order, indicate the intended use of the Products ordered to ZIEHL-ABEGG, as well as the assembly type, operating conditions, and all other conditions to take into account.
5. Protection devices for users will not be provided by ZIEHL-ABEGG when delivering the Products or Services, unless this has been expressly agreed with Customer.
6. With respect to the RETROFITBLUE Services, each purchase order shall specify the level of Services required among the proposed options as defined case by case in the applicable offer.

III. Correspondence by email or fax

1. Messages sent electronically (electronic mail) will be deemed to have been received by the recipient when they have been received by the recipient's communication device.
2. A message will be deemed to have been received by the recipient if it is recorded in the place provided for this purpose in the sender's communication device and the recipient has accessed it.
3. The Contracting Parties acknowledge the validity of messages transmitted in accordance with Points 1 and 2.
4. If the correspondence between the Contracting Parties is sent by fax, the printout of the report confirming receipt by the recipient constitutes proof of the correspondence's successful transmission.

IV. Prices

1. For our standard Products and Services, the applicable prices are, unless otherwise stipulated, those in force on the day the purchase order is placed. For non-catalogue Products or Services, our prices are established upon confirmation of the orders depending on the specifications for the Products and Services, and are invoiced accordingly.
2. Our prices, expressed in euros, are exclusive of taxes and ex works (EXW: Incoterms ICC 2010). Value added tax will be added to the prices at the statutory rate applicable. Customer is responsible for paying all taxes, duties, fees or other charges relative to the application of the various regulations in force.

V. Reservation of title

1. The transfer of ownership of the Products is subject to payment in full of the price, interest, and any surcharges included by the due date agreed and shown on the invoice, in conformity with Section 2367 et seqq. of the French Civil Code. Customer consequently agrees to refrain from pledging or assigning ownership of the Products as a guarantee, and will ensure that the Products can always be identified until the price has been paid in full.

Payment is understood to mean the actual cashing of the sum due by ZIEHL-ABEGG. The remittance of a cheque or any other document creating an obligation to pay does not constitute a payment.

2. If payment is not received by the due date, ZIEHL-ABEGG reserves the right to lay claim to the Products sold and to obtain their return by seeking recourse, if necessary, to any judicial officer and the law enforcement authorities where appropriate. The incorporation of the Products into other goods will not be an obstacle to this claim to the extent that the Products can be separated without incurring any damage. In conformity with Section 2372 of the French Civil Code, ZIEHL-ABEGG's right of ownership is automatically carried over to Customer's receivable with respect to a sub-purchaser of the Products or to the indemnity under an insurance policy that is subrogated to the Products.
3. Customer undertakes to treat the Products with care during the period of reservation of title. It is particularly obliged, at its own expense, to insure the Products for their replacement value against all risks, particularly the risk of fire, water damage, and theft. At ZIEHL-ABEGG's request, Customer must provide proof of its insurance cover.
4. In the event of access by third parties to Products owned by ZIEHL-ABEGG or to receivables held by ZIEHL-ABEGG, and specifically in the event of seizures, Customer must provide the third party or judicial officer with proof of ZIEHL-ABEGG's ownership; Customer must additionally inform ZIEHL-ABEGG of these measures and assist it in preserving its rights in all circumstances.

VI. Payment methods – delayed payment

1. In the absence of a special condition to the contrary, ZIEHL-ABEGG's invoices are payable upon receipt and no later than thirty (30) days after the date on which the invoice was sent. Payment should be made in euros. No discounts are granted for early payment, unless the invoice contains a special condition to the contrary.
2. If a purchase order includes several deliveries, the invoices relating to each of these deliveries will be payable as and when they are issued.

3. The refusal of cover in respect of a particular Customer by ZIEHL-ABEGG's credit insurers will result in the amounts due from said Customer falling due for payment immediately. If Customer fails to pay the amounts due within a week, it must return the Products to ZIEHL-ABEGG without undue delay. Finally, until all invoices issued by ZIEHL-ABEGG have been paid in full, ZIEHL-ABEGG reserves the right to keep in its possession all Products ordered by Customer.
3. ZIEHL-ABEGG reserves the right to offset payments received from Customer against its previous debts, including against interest on arrears, provided that it sends Customer the details of the debts that have been discharged and those as yet unsettled.
4. Payment will be deemed to have been effected when ZIEHL-ABEGG has the sum in question in its possession. In the case of cheques, payment will be deemed to have been effected once they have been cashed.
5. Any delay in payment will automatically, and with no formal notice being necessary, trigger the payment of penalties for late payment calculated on the basis of three times the statutory interest rate, as well as the payment of a fixed-rate recovery fee in the amount of €40. This interest will be due from the due date shown on the invoice until the date on which the outstanding amount, including interest, is settled in full. Further, ZIEHL-ABEGG will be authorised, in the event of any delay in payment, to suspend all its pending orders and deliveries.
6. Likewise, where ZIEHL-ABEGG has consented to receive payment for a purchase order in stages, the failure to pay a single instalment by its due date will result in the totality of the amount owed by Customer to ZIEHL-ABEGG falling due for immediate payment automatically, with no formal notice being necessary.
7. In the event of any mutual claims and liabilities arising between the Parties, Customer cannot claim any right to set-off in the absence of a judgement that recognises ZIEHL-ABEGG as Customer's debtor and has become res judicata.

VII. Delivery

1. Compliance with our obligation to deliver and to perform is subject to Customer fulfilling its own obligations in a proper and timely manner.
2. The delivery times that ZIEHL-ABEGG strives to meet are provided for information only and never constitute a firm commitment to deliver by a fixed date. Customer cannot therefore rely on these to request that the sales contract be rescinded, claim damages or penalties, withhold



payments, or cancel pending purchase orders. Nevertheless, if the delivery is more than 30 days late, Customer has the right to rescind the Contract if, having granted ZIEHL-ABEGG an additional period of grace and having informed it of its willingness to refuse late delivery, ZIEHL-ABEGG is still unable to meet the delivery deadline.

3. ZIEHL-ABEGG cannot be held liable for losses or damage suffered by Customer as a result of events preventing it from executing the purchase orders that are beyond its control, including labour conflicts within the company and the default of its suppliers. However, ZIEHL-ABEGG undertakes to promptly inform Customer in writing of the occurrence of any such events.
4. With regard to production techniques, ZIEHL-ABEGG reserves the right to make deliveries of consumables and small parts deviating in terms of quantity by up to five per cent. No reimbursement will be made if the quantity delivered is lower than expected.
5. ZIEHL-ABEGG retains the option to make partial deliveries of its Products, unless Customer has expressly refused this.
6. Customer undertakes to compensate ZIEHL-ABEGG for any losses or damage resulting from the late acceptance of the Products or Services.
7. ZIEHL-ABEGG has an obligation of means with respect to the delivery of Services, including in the context of any of the options of Services elected by Customer with respect to the RETROFIT BLUE Services. In no circumstances, ZIEHL-ABEGG is in a position to guarantee the actual achievements of the indicative performance objectives in terms of energy savings or return on investment (ROI).

VIII. Delivery of software

1. Where software is delivered, a non-exclusive and non-transferable right to use the software and the accompanying documentation is granted to Customer so that it can use the Products. Customer may make only one backup copy. Any other reproduction is forbidden. The deletion of the information relating to copyright, serial numbers, and other elements allowing the software to be identified is forbidden.
2. Customer undertakes to take appropriate measures to ensure that no unauthorised third parties are able to access the software and accompanying documentation. It must keep the original data carriers delivered and the backup copy in a location that has been secured against all unauthorised access. Its employees must be expressly informed of the obligation to comply with this section.
3. If data is lost in connection with the use of software provided by ZIEHL-ABEGG, ZIEHL-ABEGG's liability is limited to the recovery of the data from the backups made by Customer.

IX. Transfer of risk and receipt

1. Risk is transferred to Customer at the time of shipment of the delivery items, at the latest, regardless of whether the delivery is partial or whether ZIEHL-ABEGG has agreed to undertake other services such as the dispatch costs, transportation, or assembly.
2. If shipment is delayed due to circumstances for which Customer or a third party is responsible, risk will be transferred to Customer from the date on which it is notified that the Products are ready for shipment.

X. Product conformity – complaints

1. If the Products received do not conform to specifications in quantitative or qualitative terms, Customer will inform ZIEHL-ABEGG of this in writing within the week following their receipt. Complaints that fail to comply with these terms will not be taken into consideration by ZIEHL-ABEGG. Beyond this time period, the supplied Products will be deemed to be in compliance, in terms of quantity and quality, with Customer's purchase order and it will no longer be possible for Customer to formulate a complaint in this regard.
2. In the event of damage or short shipments, Customer must, upon receiving the Products, make all the necessary statements and reservations towards the transport operator in the forms and deadlines required, according to the means of transport chosen and taking account of the national or international character of the delivery.
3. Products may be returned only with the prior, written consent of ZIEHL-ABEGG when the Products do not comply with the purchase order placed and the appropriate reservations have been made by the recipient in the manner set out above. ZIEHL-ABEGG's consent to the return of the Products does not constitute an acknowledgement of the alleged non-compliance.
4. Where Products have been returned in accordance with the preceding provisions and ZIEHL-ABEGG has acknowledged their non-compliance, ZIEHL-ABEGG will, at its discretion, either replace said Products or bring them into compliance. All and any damages are excluded in this respect. The costs and risks involved in returning Products are always borne by Customer.
5. Customer is not entitled, under any circumstances, to refuse acceptance of a Product whose manufacturing defect(s) would not significantly impact its performance (according to the tolerances stated in the current catalogue) or its aesthetics.

XI - Warranty for hidden defects

1. ZIEHL-ABEGG's Products have a one-year warranty, from the date on which they roll out from its works, against all hidden construction defects rendering them unfit for use or considerably diminishing their use. To benefit from this warranty, Customer must notify ZIEHL-ABEGG in writing of the existence of the faults within ten days of their discovery.
2. This warranty does not apply in cases of (i) improper use of the Products (ii) specific use of the Products that has not been expressly allowed by ZIEHL-ABEGG (iii) use of the Products that is not in line with the guidance and, more generally, (iv) where the defect is caused by an act on the part of Customer, or where Customer has disassembled or modified the Products sold, or has arranged for a third party to perform said acts. This warranty is also excluded in the event of defects originating from materials supplied by Customer or as a result of specific design elements of the Products imposed by Customer.
3. The warranty is limited solely to the repair – or replacement, if the repair turns out to be impossible – of the items acknowledged to be defective by ZIEHL-ABEGG or by a third party chosen by us, to the exclusion of all damages. Customer must assist with the ascertainment of the defect, so that ZIEHL-ABEGG is able to rectify it.
4. Customer will be fully responsible for bearing the cost of repairing Products or items that have become defective as a result of abnormal usage, force majeure, wear and tear, poor maintenance, or the use of inappropriate cleaning products. Customer undertakes to compensate ZIEHL-ABEGG for all fees or expenses incurred as a consequence of a defect claim that is not justified.

XII. Liability

1. Besides the warranties expressly provided above legal guarantees, ZIEHL-ABEGG is not obliged to indemnify Customer or any third parties against any other loss or damage suffered.
2. ZIEHL-ABEGG may be held liable only in the event of a particularly serious violation of a material contractual provision.
3. In any event, the liability of ZIEHL-ABEGG towards Customer, regardless of the nature or origin of this liability (including liability that may result from a defective Product) is limited to the purchase price (excluding taxes and fees paid by Customer) of the Product or the Services in question.
4. If Customer re-sells the Products, Customer undertakes to receive and handle all complaints from sub-purchasers directly itself, without designating ZIEHL-ABEGG as the point of contact for these complaints.

5. ZIEHL-ABEGG cannot be held liable for indirect or consequential damages such as loss of profit or deterioration of reputation.
6. ZIEHL-ABEGG cannot be held liable if damage suffered by Customer is totally or partially due to a lack of cooperation from Customer in providing relevant information on or before the commissioning of Products or an incorrect use by Customer of the Products.

XIII. Obligations of Customer

1. Customer will not make any safety-related changes to the Product and will refrain, in particular, from suppressing warnings relating to the dangers connected with improper use.

In the event that this obligation is violated, Customer will indemnify ZIEHL-ABEGG against and hold it harmless from all proceedings instituted by third parties in connection with this violation.

2. If, in the event of a Product defect, ZIEHL-ABEGG is obliged to recall the Products or to issue a warning, Customer will do everything in its power to implement the measures recommended by ZIEHL-ABEGG. Customer undertakes to assume the costs of returning the Products or of the warning if it is responsible for the defect and for the resulting damage.
3. Customer will immediately inform ZIEHL-ABEGG of any risks that it has identified when using the Products and of any possible defects in the Products.
4. Customer undertakes to respect all directives pertaining to export control and export restrictions, in particular, the directives of the European Union, France, and the United States. In the event that the supplied Products are re-sold/transferred, Customer undertakes to inform their purchaser of the legal export control conditions and to communicate the resulting obligations to said purchaser.
5. Customer undertakes in particular to refrain from assigning to the Products a use that is directly or indirectly linked in any form whatsoever to nuclear, biological, or chemical weapons or their carrier systems. It furthermore undertakes to refrain from sending these Products for military use directly or indirectly in a country under an arms embargo. Customer undertakes to refrain from selling, exporting, re-exporting, delivering, transferring or otherwise making the supplied Products directly or indirectly accessible to persons, companies, structures, organisations or countries if this violates the applicable laws for the control of exports in the European Union, France, or another country, for example export/re-export conditions for the United States.
6. Upon request, Customer will furnish the Product's documents of final possession to proof of its end destination and intended use for the purposes of an export licence request.



7. Customer will be fully liable in the event of losses or damage suffered by ZIEHL-ABEGG as a consequence of Customer's failure to comply with export control directives or export/re-export conditions applicable in the United States.
 8. The fulfilment of this Contract and its obligations is conditional upon the prior presentation of any export licenses, transport permits or other authorisations required by the foreign trade laws or the competent authorities and subject to the absence of any other legal restrictions opposing this by reason of the export control laws.
 9. Customer will bear the taxes, levies and customs fees connected with these services outside France.
 10. Customer undertakes to fully cooperate with ZIEHL-ABEGG and provide full access to the relevant facilities to facilitate, as the case may be, the on-site performance measures to be conducted by ZIEHL-ABEGG, the commissioning of Products or the performance measures after commissioning. Should there be any extra costs endured by ZIEHL-ABEGG due to Customer failing to procure full access to the relevant facilities on due time, Customer shall refund these extra costs to ZIEHL-ABEGG no later than 15 days after receipt of an invoice.
3. The sole competent jurisdiction in the event of disputes arising from the commercial relationship between the Contracting Parties is the competent court of Lyon (France). ZIEHL-ABEGG reserves the right to initiate legal proceedings at the location of Customer's registered office and before any competent court.
 4. Should one of these provisions be in conflict with a provision of compulsory domestic or international law, this will not invalidate the provisions as a whole. The Parties will endeavour to most closely approximate the effects of the null and void provision as well as the equilibrium of these GTCS.

XIV. Confidentiality

1. The Contracting Parties undertake to treat as confidential all information to which they have had access, such information being defined as confidential or identifiable as a trade or commercial secret, and the Parties undertake to refrain from recording, transmitting, or utilising this information. The Contracting Parties will conclude the appropriate contractual agreements with their employees and agents prohibiting them for an unlimited period from using, transferring or recording any such commercial or trade secrets without authorisation.

XV. Final provisions

1. Customer's rights and obligations may be assigned to a third party only with ZIEHL-ABEGG's written consent.
2. The legal relations between the Contracting Parties are governed by the laws of France, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

ZIEHL-ABEGG France SARL 719, Rue de la Gare - BP 8 - F 01800 VILLIEU - France - Tel : + 33 (0) 474 460 620 - Fax : + 33 (0) 474 611 958 - E-mail : societe@ziehl-abegg.fr - Web : www.ziehl-abegg.fr - N° TVA : FR 51 320 527 492 - RCS BOURG EN BRESSE B 320 527 492 - S.A.R.L. au Capital de 1 479 660 €

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