

GENERAL TERMS OF PURCHASE

1. General Provisions

The supplier's acceptance of an order shall signify its full acceptance of the terms of purchase herein, which shall take precedence in all circumstances over the terms of sale of our suppliers.

All waivers and special terms shall require that the prior written consent of our company be inserted in the order, and, unless otherwise stipulated, shall be valid solely for the order for which they were approved.

The provisions stated above shall constitute the fundamental, determinate terms and conditions governing all orders placed by our company.

2. Orders

An order is confirmed and/or validated when our department issues a request on a document prepared by us, bearing our corporate name and all legal information appertaining to our firm.

We reserve the right to refuse the delivery and invoicing of any merchandise not specified in a duly prepared order from our departments.

The order shall be prepared on the basis of the technical, commercial, and administrative specifications communicated by the supplier and known to our departments at the time the order is placed. In the event that reference is made to supplier's catalogues or instruction sheets, our departments cannot be blamed for having adhered to the provisions contained therein, namely regarding product description and features.

No change to the terms stipulated in the preceding paragraph may be invoked against our departments unless such change has been set forth in a written amendment, accepted by us.

3. Acknowledgement of Receipt

Supplier's acknowledgement of receipt must be sent to us within eight (8) days following each order placed by our departments.

Our orders shall be held accepted by the supplier for all the special terms contained therein and the present terms of purchase, provided that the supplier has voiced its reservations expressly and in writing in the acknowledgement of receipt. In all events, such reservations shall be applicable only if our company agrees to them expressly and in writing.

4. Price

Except for provisions to the contrary or a specific adjustment formula in the order or contract, the prices stated in the latter shall be firm and definitive, even in the event of split shipments.

5. Invoices

The invoice relating to each order shall cite the number of the relevant order(s) and delivery dates, and shall be sent to our departments in the number of copies specified by regulations and, in all circumstances, at minimum in duplicate.

6. Payment

Unless otherwise stipulated in the order, no deposit shall be made at the time the order is placed.

EUROPE Terms

All payment requests shall be made with an invoice prepared and sent in accordance with the provisions in Article 5 above.

Unless otherwise agreed, all payments shall be made within ninety (90) days.

Such payments shall be made via the mode of payment specified by the supplier and our company or, failing such an agreement, by any means our firm judges suitable.

Foreign suppliers shall pay in foreign currency or in the national currency used in our company's operations.

7. Delivery

The supplier shall guarantee that the merchandise as delivered meets the order specifications.

Each delivery must be accompanied by a comprehensive document (certification of conformity of the merchandise with the specifications entered on the order) indicating the order number and details-, in particular the type of merchandise delivered, quantity, weight of the packages shipped, volume, etc.

The shipping voucher shall either be conveyed directly by the carrier or inserted in a pouch glued to the exterior of the package. A duplicate that we initial and stamp shall be given to the carrier.

All unidentifiable deliveries are subject to refusal.

Any delivery made four weeks or more prior to the date stated in the order or in a quantity in excess of that cited therein may be returned to the supplier at the latter's expense and risk.

8. Deadlines

The delivery deadline and location indicated by our firm and formally or tacitly agreed to by the supplier are binding.

The delivery date shall be the date of arrival of the goods at the agreed destination or, in the case of shipments ex-factory, the date on which the goods are made available at the plant.

Our company reserves the right to change the agreed quantities and/or dates, or even cancel an order, partially or totally, if the delivery dates are not met, pursuant to the provisions in Article 13 below.

9. Delays

The supplier agrees to inform our company immediately of any unforeseen event that could entail delayed delivery of outstanding orders.

The supplier hereby promises to pursue, at its own expense, all possible avenues for remedying this delay. In all circumstances, any delay shall place the supplier, by right, in the position of incurring late penalties.

The amount of these penalties shall be equal to a percentage of the value of the late shipments. Unless otherwise stipulated, this percentage shall be 5% of the total amount of the order per week of delay during the first two (2) weeks. Beyond that time, the percentage shall increase to 10% per week. Additionally, our firm shall be entitled to seek from the supplier compensation for all losses it suffers in the event that the

amount of the injury should exceed the amount of the penalties applicable in accordance with the present paragraph.

Furthermore, any delay exceeding four (4) weeks may prompt us to enforce Article 15 below.

10. Packaging

Merchandise must be wrapped and packed in such a way that they remain intact during both shipping and the period of storage.

Unless otherwise indicated on the order form, the prices stipulated in Article 4 above, shall include packaging.

Supplier shall be liable for breakage, shortfalls, and damage caused by insufficient packaging.

11. Shipping

Unless otherwise stipulated on the order form, all company purchase orders are understood to be for goods packed in accordance with rules in practice and delivered to the requested destination location.

The goods shall be shipped at the expense and risk of the supplier or carrier until the arrival thereof at our factories or other sites as indicated.

12. Reception

Acceptance of shipments shall occur following a quantitative and qualitative inspection of the merchandise.

The release, which may be issued at the time of delivery, shall not discharge the supplier from liability in the event it is acknowledged (made at the time of subsequent verification or after use) that the quantities or quality of the merchandise received do not match the order specifications or delivery documentation or those that a user is entitled to expect from a product.

In the event that our departments refuse defective or non-conforming merchandise, these products shall be returned to supplier at the latter's expense with explanation of the reasons for refusal.

Supplier must imperatively replace the rejected items within a short time period.

13. Transfer of Ownership

Ownership shall be transferred as soon as the merchandise has been delivered and judged to be in conformity with the quantities and properties of the products as ordered.

No clause specifying retention of ownership may be invoked against us.

14. Changes

We reserve the right to change at any time, by registered letter with acknowledgement of receipt or by fax, one or multiple aspects of the order (type, quantity, deadlines, packaging, etc.).

All claims from the supplier and based on the provisions in the preceding paragraph and seeking to modify the price originally quoted must reach us in writing within eight (8) days following the date of receipt of the notice modification from our company.

Beyond this deadline, all claims shall be held null and void.

15. Cancellation

Orders shall be cancelled in full or in part by right in the event of the supplier does not fulfill its commitments, and in particular:

- In the case of non-observance of the contractual delivery dates;
- When the goods delivered pursuant to the order prove not to conform to the specifications of said order or have latent defects, flaws or display poor workmanship;
- In the event of fraud involving the nature, origin, or quality of the goods;
- In the event of the use of bad faith regarding patents, licenses, drawings, models, or trademarks protected by an official copyright.

The cancellation notice shall be sent by us to the supplier by registered letter with acknowledgement of receipt and shall not entail any indemnification made to the supplier.

The present article shall not bar us from taking actions entitled to us pursuant to statute.

16. Guarantees

Supplier shall be liable for the suitability of the goods delivered for the use assigned to them.

Supplier shall repair or replace, as our company chooses, any defective or non-conforming product. It shall also remedy the consequences which the defect or non-conformity may have caused to our firm or to a third party.

The goods ordered shall match in all aspects the legal and statutory requirements in effect, in particular as regards:

- Safety standards,
- Quality, composition, presentation, and labeling of the items,
- Labor law and employment,
- The provisions in the United Nations International Convention on the Rights of the Child of 11/20/1989, which prohibit labor by children under fifteen years of age.

When first requested to do so or during technical development of the product, supplier promises to transmit any report, certification, or proof of conformity of this product to the standards, regulations or laws in effect.

We reserve the right to invoke supplier liability in the event that legal action should be instituted against us for physical or bodily harm which could arise from a defect in the material, design, or manufacture of the merchandise as delivered, whether such goods are resold as is or are incorporated into a unit.

All special clauses guaranteeing proper performance shall be cited in a specific contract.

17. Intellectual Property

The supplier shall warrant that the goods as offered are manufactured and/or sold on a non-restricted basis; that is, that they are unencumbered by any commercial, industrial, literary, or artistic title of ownership belonging to a third party.

The parties expressly agree that, in the event that, when the supplier furnishes goods, our company should be the target of claims of any kind filed on any basis and in any country whatsoever and relating to an intellectual or industrial property title, and/or should be sued for a patent, trademark, or model infringement, or for unfair competition (this list not being exhaustive), the supplier promises to cover fully our firm from all financial and economic repercussions thus arising, including court and defense costs that may result from these claims.

The supplier is bound to inform our company expressly, in writing and immediately, of any prohibition or obstacle of any kind or account that could affect the manufacture or sale of the products cited in our orders.

18. Tooling, Documents, and Goods Deposited With or Loaned to the Supplier

Tooling produced or purchased at our company's expense and required for the manufacture or inspection of parts or products specific to our company, as well as all documents or media that we make available to the supplier, shall remain our property.

During the entire loan, availability, or deposit period, the supplier agrees to use the tooling exclusively for the manufacture of our company's products and to maintain this equipment in perfect working order and to insure it against any risk of loss or deterioration.

In the event of an accident, the supplier agrees either to replace it with identical equipment or, after our prior express consent, to indemnify our company for the value of the damaged or destroyed property.

All equipment owned by our company must be returned to it in proper working order upon written request on its part after inspection by both parties. In the event of contract termination for non-fulfillment by the supplier of any of its obligations, the costs and risks of disassembly and transport to any location specified by our company nationwide shall be borne by the supplier.

19. Supplier Code of Conduct and Compliance Certificate

By accepting this purchase order Seller agrees to abide by Buyer's *Supplier Code of Conduct* and *Compliance Certificate* located at the URL address: <http://www.kohler.com/corporate/supplier/conducting-business.html>

20. Confidentiality

The supplier agrees to keep confidential all information of all kinds in particular technical, financial, and business information, to which it has access while executing orders.

It promises to extend this obligation to include the entirety of its executives, employees, authorized agents, subcontractors, and representatives.

21. Law

The present agreement shall be governed by French law.

22. Legal Disputes and Assignment of Jurisdiction

The parties hereby agree to attempt to settle amicably any dispute that may arise between them.

Failing that, the dispute shall be brought before the Paris Commercial Court, and no other jurisdiction even in the event of multiple defendants or third-party proceedings.