

# GENERAL TERMS OF SALE

## Placing an order with Master Lock means that the Buyer agrees the following terms and conditions:

### ARTICLE 1 – SCOPE

The purpose of the present General Terms of Sale is to detail the methods of fulfilment and terms in accordance with which sales are agreed between MASTER LOCK and its customers hereinafter named "customers". By mutual agreement between the two parties and unless expressly stated otherwise in writing consented by MASTER LOCK to its customers, our sales are always made in accordance with the terms described hereinafter. **Consequently, the present General Terms of Sale take precedence over any terms of purchase that may conflict with them.**

If MASTER LOCK does not at any given time enforce any one of the clauses herein it does not mean it waives the right to enforce those same clauses later. Our catalogues, prospectuses, advertising and price lists are only informative and indicative. More broadly, all products listed in particular in said catalogues, prospectuses, advertising and price lists cannot be considered as firm offers. MASTER LOCK reserves the right at all times to make any changes that it deems necessary to its products and to change models detailed in its catalogues, prospectuses, advertising and price lists. MASTER LOCK also reserves the right to cease manufacturing a product that it considers to be at the end of its life or not profitable. MASTER LOCK undertakes to supply products of merchantable quality in accordance with standards and usage current in the industry.

### ARTICLE 2 – ALLOCATION OF COMPETENCE

In the event of dispute, the parties will try to reach agreement within the month following the occurrence of said dispute. If agreement is not reached within that time, the parties agree by mutual consent, that any disputes resulting from the conclusion or performance of agreements between MASTER LOCK and its customers will be submitted to the **Nanterre Commercial Court** (France) by the party so minded, even in the event of multiple defendants or the introduction of third parties.

### ARTICLE 3 – APPLICABLE LAW – LANGUAGE – CURRENCY

**3.1 – Applicable law:** By mutual agreement between the parties, the law applicable to contractual relations between MASTER LOCK and its customers is **French law**, and the 1980 Vienna Convention on the International Sale of Goods is specifically excluded. Nonetheless, French law will apply to those relations only as concerns matters not covered by the present General Terms of Sale. Any reference to provisions or commercial terms must be considered as referring to the terms and provisions in the most recent Incoterms published by the International Chamber of Commerce.

**3.2 – Language:** The *Conditions Générales de Vente* (General Terms of Sale) written in French take precedence over any translation of them that may be made.

**3.3 – Currency:** The mode of payment, accounting currency and methods of settlement are subject to French law. It is formally agreed between the parties that the currency of payment and accounting currency can be either euro, GB Pounds, US dollars as set by MASTER LOCK at time of invoice.

### ARTICLE 4 – RESERVATION OF TITLE

**4.1 – Products sold by MASTER LOCK only become the customer's property after full payment of sums it owes, including those resulting from associated services and in particular to charges when they are due. Only actual receipt of funds shall be deemed payment.**

**4.2 – The customer undertakes to inform MASTER LOCK of any occurrence such as might compromise its right of ownership.**

**4.3 – The customer is authorised to sell or use products supplied by MASTER LOCK as part of the normal operation of its business. However, it loses this option in the event of insolvency or non payment of the price on the due date.**

**4.4 – Failure to pay all or part of the price, as described in Article 4.1, on the agreed due date will result in us suspending supplies and all other sums remaining due, in relation to that order or other orders supplied or being supplied, will immediately become due. All legal and other costs of recovery are payable exclusively by the customer, apart from legal interest.**

**4.5 – The recovery by MASTER LOCK of products claimed imposes on the customer the obligation to remedy harm resulting from depreciation and in all instances from non-availability of the products concerned. Consequently, the customer will pay MASTER LOCK, under the penalty clause, compensation set at 15% of the agreed price excluding tax of products not paid for. If termination of the contract results in MASTER LOCK owing a payment on account previously received from the customer, MASTER LOCK will be entitled to offset that debt against the receivable arising from application of the aforementioned penalty clause.**

### ARTICLE 5 – ORDER

**5.1 – Acceptance:** Any order placed means full, unconditional acceptance of the present General Terms of Sale by the customer unless there are special terms or conditions expressly agreed in writing by MASTER LOCK with the customer. Any order only becomes final after written confirmation in particular by fax or any other electronic means by MASTER LOCK to the customer.

**5.2 – Cancellation – Amendment:** As the contract is formed by MASTER LOCK sending confirmation of the order to its customer, in accordance with Article 5.1, any request by the customer to cancel the order and/or alter the composition and/or volume of the order will not be agreed.

**It is expressly agreed between the parties that cancellation or amendment of an order once the manufacturing or procurement process has begun results in full payment for that order by the customer.**

**5.3 – Minimum order – Packaging:** MASTER LOCK reserves the right to only accept orders placed in line with the pre-set minimum order value.

MASTER LOCK reserves the right to amend the minimum volume of the order in accordance in particular with commercial requirements. MASTER LOCK has packaging units for certain products. The customer must take these packaging units into account when ordering; which failing, any difference will automatically be adjusted to the nearest packaging unit.

**5.4 – Transfer:** The benefit of the order is personal to the customer and must not be transferred without MASTER LOCK's consent.

**5.5 – Quotations:** Quotations are only valid for a 60 day period from the date stated therein.

### ARTICLE 6 – DELIVERY – SUPPLY

**6.1 – Delivery will be deemed to occur either by direct handover to the customer of products ordered, or by simple notice of readiness, or by delivery to a shipper or carrier, or by any other means as decided with the customer. In all instances, all storage costs are payable by the buyer. MASTER LOCK may supply orders in full or as part lots.**

**6.2 – Supply times are given for information only and are indicative, they depend in particular on the availability of shippers and the sequence of arrival of orders.**

**6.3 – However, MASTER LOCK will endeavour to comply with times stated on acceptance of the order. Any overrun of those supply times shall not result in payment by MASTER LOCK to the customer concerned of penalties, compensation or refusal of goods, cancellation of orders in hand or refusal of payments due. So it is agreed in particular that any advertising or promotional costs incurred by a customer will not under any circumstances be refunded by MASTER LOCK in the event of late supply for any reason whatsoever.**

**6.4 – It is recalled that supply times are suspended in cases stated in Article 13 below.**

### ARTICLE 7 – TRANSFER OF RISK

Products are supplied entirely at the buyer's risk and peril:

- For products that MASTER LOCK is responsible for shipping, unless agreed otherwise, the transfer of risks occurs on loading at its premises onto the mode of transport chosen on the buyer's behalf.

- For products shipped outside France, the transfer of risks occurs in accordance with Incoterm EXW.

Consequently it is the buyer's responsibility, in the event of loss, damage or missing goods, to state all due reservations or seek any remedy against shippers.

### ARTICLE 8 – TRANSPORT

**8.1 – Reservations:** In accordance with Article L 133-3 of France's *Code de Commerce* (commercial law), in the event of damage and/or missing goods delivered by a shipper, the customer must state all due reservations to the shipper, and so confirm by registered letter with proof of delivery or by *acte extrajudiciaire* (official procedure in furtherance of justice) to the shipper within (3) days from receipt.

**8.2 – Cost:** It is expressly agreed between the parties that all prices are exclusive of transportation costs. Customers will be invoiced for the transport costs of products for any order, unless otherwise agreed with MASTER LOCK

### ARTICLE 9 – RECEIPT OF PRODUCTS

**9.1 – Without prejudice to arrangements to be made by the customer as regards the shipper as described in Article 8.1, in the event of apparent defects or missing goods, any claim of any kind whatsoever relating to products supplied will only be agreed by MASTER LOCK if made in writing. As regards non-compliant products and being in mind the nature of products for which checking compliance is easy, the claim must be made within eight (8) working days from receipt of products by the customer.**

**9.2 – It is the customer's responsibility to provide any proof as to the reality of defective or missing goods.**

**9.3 – The customer must allow MASTER LOCK every opportunity to make any checks or have any checks made that it may consider necessary. Only MASTER LOCK or any person duly appointed by it may make those checks and confirmations.**

**9.4 – No products may be returned by the customer without MASTER LOCK's express prior written agreement obtained in particular by fax.**

**9.5 – The cost of returning products will be payable by MASTER LOCK only in cases where it or its representative actually finds an apparent defect and conditional on the information given in 9.2.**

**9.6 – It is essential, in the event of products being returned, that a return document is produced by the customer stating the following information: the reason, the dates and numbers of the order and supply and the name of the person who agreed the return. In addition, the goods return authorisation number must be clearly stated on all returned goods. No returns will be accepted in packaging other than the original packaging. Only the shipper chosen by MASTER LOCK is authorised to return the products concerned.**

**9.7 – Return risks are borne by the customer.**

**9.8 – When after checking as described in Article 9.3 hereof, an apparent defect or shortage is actually ascertained by MASTER LOCK or its representative, the customer may only ask MASTER LOCK to replace non-compliant products and/or supply additional products to make up shortages at its expense, but the customer will not claim any compensation or seek to terminate the order.**

**9.9 – The unconditional acceptance of products ordered by the customer releases MASTER LOCK from its obligation to supply as described in Article 6.1. concerning shortages. Claims related to any non-compliant products must be made in accordance with Article 9.1.**

**9.10 – Any claim made by the customer in accordance with the terms and methods described in the present article does not suspend payment by the customer for products supplied that are not subject to an apparent defect duly ascertained by MASTER LOCK, in accordance with Article 9.3.**

### ARTICLE 10 – HIDDEN DEFECTS WARRANTY

**10.1 – MASTER LOCK warrants its products in accordance with Articles 1641 et seq. of France's Civil Code for two (2) years from the date of delivery as detailed in Article 6. Defects from damage to products supplied occurring subsequent to abnormal use not in accordance with their intended purpose, an accident or modification of the product by the buyer, are not covered under the legal warranty given by the seller.**

**10.2 – The warranty does not apply in the event of an apparent defect in products supplied for which the warranty is detailed in Article 9.**

**10.3 – Under the warranty covering hidden defects, the seller is only bound to replace the products in question free of charge and the customer will not claim any damages from MASTER LOCK.**

**10.4 – Defects in and damage to products supplied subsequent to products being stored abnormally by the customer are not covered by MASTER LOCK's warranty against hidden defects. The customer undertakes to store products supplied in a suitable place and in their original packaging.**

### ARTICLE 11 – PRICES

**11.1 – Prices of products sold by MASTER LOCK are those stated on the price list current on the date of the order. Prices stated are prices excluding tax, ex MASTER LOCK's warehouses. Any duty, tax, charge or other amount to be paid in application of French law, that of an importing country or transit country, are payable by the customer.**

**11.2 – Prices stated on price lists, notices and catalogues or any other business documents are indicative and may be changed by MASTER LOCK.**

**11.3 – MASTER LOCK thus reserves the right to review its prices, in particular if the cost of raw materials or terms of transport alter.**

**11.4 – Prices per quantity in our offers are only applicable if the number of corresponding products is supplied on a single occasion. In the event of an increase or reduction in quantities, prices may consequently be revised. Design and production costs mentioned in offers for special orders are indicative and may be readjusted within a range of + 20% in accordance with actual costs. Tooling, production, design and scheduling costs will be invoiced in addition as a contribution but remain entirely owned by MASTER LOCK.**

**11.5 – No reduction in price constitutes a right acquired for the buyer so long as the methods of acquisition of said reduction in price are not fulfilled.**

### ARTICLE 12 – PAYMENT METHODS

**12.1 – Unless agreed otherwise in writing between the customer and MASTER LOCK, products are paid for at MASTER LOCK's registered office, in accordance with the following methods:**

- For the first transaction (before an account is opened): Payment by Wire Transfer.

- Then, on approval of your application: Payment by cheque, transfer or bill of exchange accepted at thirty (30) days, date of invoice.

In the case of a documentary credit: the customer must, on first request by MASTER LOCK, at the time of receipt of the order, arrange that an irrevocable documentary credit issued by a reputable bank calculated in favour of MASTER LOCK in accordance with the uniform rules and practices relative to documentary credits published by the International Chamber of Commerce.

**12.2 – Suspension:** In the event of non payment in full of an invoice that is due, after service of formal notice remaining without effect, MASTER LOCK reserves the right to suspend any supply in progress and/or to come.

**12.3 – Advance payment:** In instances where business information obtained by MASTER LOCK raises questions as to the customer's solvency and/or the customer provides MASTER LOCK with false information concerning in particular its reputation, solvency or legal and/or commercial structure, MASTER LOCK reserves the right to ask the customer for a payment on account for all orders placed by the customer unless the customer provides adequate guarantees such as a bank guarantee. In the event of the customer refusing to make such payment and if it does not offer MASTER LOCK any adequate guarantee, MASTER LOCK may refuse to honour orders placed and to supply the products concerned and the customer shall not claim any compensation whatsoever.

**12.4 – Refusal of order:** In instances where a customer places an order with MASTER LOCK, without complying with the agreed payment date or dates for previous orders, MASTER LOCK may refuse to honour the order and to supply the products concerned and the customer shall not claim any compensation whatsoever.

**12.5 – Non payment – Penalties:** Non payment, under the present General Terms of Sale, means any sum not received on the due date as provided in Article 12.1. Any sum not paid by the due date will result as of right in payment by the customer of penalties, in accordance with Article L 441-6 of France's *Code de Commerce* after service of formal notice by MASTER LOCK by registered letter with proof of delivery remains without effect. Any delay in payment shall be subject to the application of interest equal to 3 times the legal interest rate. An amount equal to 15% of the amount due, which shall in any event be less than the amount of the allowance for collection costs prescribed by law n° 2012-387 of 22 March 2012 with effect from 1 January 2013 will be payable to the Supplier. In addition, MASTER LOCK reserves the right to apply to the judge presiding in the Commercial Court for Nanterre (France) to enforce compliance with the terms of payment, with a daily penalty for non compliance. In the event of a dispute between MASTER LOCK and the customer on one or more lines on the invoice received by the customer, the customer must pay all undisputed sums due in full. If it does not, the penalties stated in the present article will be applied automatically. All legal and other costs necessary for the application of those penalties are payable exclusively by the customer. Any offsetting or deductions made unilaterally by customers will be considered as failure to pay and will result in application of penalties as stated above.

### ARTICLE 13 – FORCE MAJEURE

The following in particular are deemed cases of force majeure releasing the seller from its obligation to supply within the deadlines initially set: strikes by all or some of MASTER LOCK's personnel or of its usual shippers' personnel, fire, flood, war, halts in production, the inability to obtain supplies of raw materials, stock-outs, etc. Under such conditions, MASTER LOCK will so advise the customer in writing, in particular by fax, within seven (7) working days from the date of occurrence of events, the contract binding MASTER LOCK and the customer being then suspended as of right without compensation as from the date of occurrence of the event. If the event lasts for more than sixty (60) days as from the date of its occurrence, the contract of sale between MASTER LOCK and its customer may be terminated by registered letter with proof of delivery by the party so minded and neither of the parties shall seek any damages. Termination will take effect on the date of first presentation of the registered letter with proof of delivery ending said contract.

### ARTICLE 14 – INDUSTRIAL AND/OR INTELLECTUAL PROPERTY

In general, no licence, no patent and similarly no information as to industrial and/or intellectual property is either granted or promised to be granted or supposed to be so by any of the parties to the agreement. In addition, the customer must ensure that it holds full ownership of industrial and/or intellectual property rights on special orders assigned. In all instances, MASTER LOCK's liability shall not be incurred in that respect.

### ARTICLE 15 – MATERIALS

Variations in quality and colour according to the quality of the raw materials used or processes employed shall not, under any circumstances, incur MASTER LOCK's liability and/or justify the amendment or cancellation of an order or any reduction in price or refusal of goods.

### ARTICLE 16 – RETENTION PERIOD FOR DOCUMENTS AND PROGRAMMES

MASTER LOCK will keep all elements necessary for producing special orders for a one (1) year period as from its last supply; after that time, MASTER LOCK may destroy such documents.

### ARTICLE 17 – CONFIDENTIALITY

Confidential information includes, for example, descriptions, documents, innovations and accessories relating to sale of the product. The customer undertakes to comply with the following rules as concerns confidential information:

- the customer undertakes not to use confidential information for its own purposes and will not help any other individual or legal entity to use said information for its benefit.

- the customer will not copy confidential information for its own ends and will allow nobody else to do so.

### ARTICLE 18 – ELECTION OF DOMICILE

MASTER LOCK elects domicile at its registered office: 10, avenue de l'Arche, 92 400 Courbevoie – La Défense, France.

### ARTICLE 19 – INDIVISIBILITY – EXPIRY

The invalidity of any clause whatsoever in the present General Terms of Sale will not affect the validity of other clauses. The disappearance of any component whatsoever from the object of the present General Terms of Sale shall not result in their expiry.

### ARTICLE 20 – REVISION OF THE GENERAL TERMS OF SALE

MASTER LOCK reserves the right to amend or add to the present General Terms of Sale at any time. That right will be exercised in particular in instances where essential legal provisions or economic constraints make such amendments necessary. Amendments made to the present General Terms of Sale are notified by fax or by any other electronic means by MASTER LOCK to the customer. The General Terms of Sale applicable are those current on the date of the order.