



## **Logistics Agreement**

For the supply of mechanical fasteners

### **1 / Purpose**

This document defines the modalities of the “logistical” commitments of the Supplier with regard to the products marketed by it and it represents the basis of the trade customs for mechanical fastening products, with regard to the issue of logistic questions.

It has been drawn up in addition to the “Professional General Terms and Conditions for the supply of mechanical fasteners” (**PGTC**) and is based on the trade customs with regard to quality (cf. Quality Agreement) and logistics for fasteners, available from the AFFIX.

Given the specificities of this document, these modalities apply even if the PGTC were not applicable. The Logistic Agreement is an autonomous agreement which completes the PGTC.

### **2 / Definitions**

- Estimated Programme: expression of the needs of the open order
- Confirmed Programme: confirmation of Estimated programmes (expression of the confirmed needs of the open order)
- Open Order: document in which the Client makes no fixed commitment on the quantity and the schedule, and which is subject to calls for delivery
- Order: confirmed order indicating the quantities, prices and delay
- Logistical non-compliance: a discrepancy as compared to the agreed logistical modalities

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

The logistical commitment of the Supplier is defined by its offer which includes the logistical conditions and in particular the Incoterm, pursuant to the PGTC, the Quality Agreement and this Logistics Agreement.

Given the multiplicity of clients with a considerable number of sites to be supplied, this Agreement shall be, in all cases, the frame of reference with regard to the logistical commitment of the Supplier, including the negotiated transport modalities.

Derogations must always be made by express written agreement.

In any event, there shall be no tacit acceptance of a Client proposal with regard to logistic modalities.

Only this Agreement and the documents to which they refer are deemed contractual documents.

#### **4 / Forms of order transmission**

Subject to prior validation by the Supplier, the transmission of orders must be carried out by the Client in the form of:

- EDI
- Emails
- Fax
- Letter

The Client must ensure the proper receipt of the order.

Portals or any other tool which the Suppliers would use to look for orders are not, in principal, used by the profession due to the multiplicity of Clients.

Due to the multiplicity of clients, the Supplier is not obliged to consult the portals and other IT tools to handle orders and their evolutions.

#### **5 / Expression of needs**

##### **5.1 – Estimated and Confirmed Programme**

The order Estimated Programmes are received on a weekly basis by the Supplier and are expressed over a minimum three-month period.

The Client must ensure that the expression of its needs corresponds to the fabrication and supply capacity of the Supplier and must, where necessary, ensure the reservation of the means of transport, according to the agreed Incoterm.

For these reasons, the Estimated Programmes must be confirmed by the Client and received by the Supplier at the latest two calendar weeks before the dispatch date. The modalities for placing orders are defined in the PGTC.

Nevertheless, if the Supplier esteems that it is possible, such delay may be reduced subject to prior written consent. In any event, in the absence of confirmation by the Client, it is expressly agreed that the Supplier has no obligation to remind or to alert the Client; the liability of the Supplier consequently cannot be engaged in this respect.

The first four weeks of the Estimated Programmes, in the absence of modifications duly received by the Supplier in the conditions set forth herein, are considered as commitments by the Supplier, which the Client acknowledges and accepts. Nevertheless, for the sake of flexibility, a variation of (+) or (-) 20% with regard to such estimated orders shall be accepted by the Supplier with no financial consequence to the Client. On the other hand, when the quantities of such estimated orders vary across the period by more that (+) or (-) 20%, the Supplier shall not be committed to the supply of quantities which exceed the tolerated variation of (+) or (-) 20%.

In addition, all modifications including in particular (i) postponements, (ii) cancellations or (iii) one-off additional requirements with regard to such schedules are subject to the prior written consent of the Supplier.

Any substantial or long-term reduction or increase in orders as compared to the estimated order must be indicated by the Client.

In any event, the Client, when placing orders, must take into account the manufacturing lead time

which is several weeks.

## **5.2 – Order minimum and end of life**

Any modification, non performance or suspension of the agreement which prevents the flow of stocks as provided in the agreement shall give rise to a renegotiation of the initial economic conditions enabling in particular the indemnification of the Supplier.

### **Order minimum**

The minimum quantity of the Client's order must correspond to the delivery minimum indicated in the supplier's offer rounded to the nearest packaging unit unless exceptionally agreed otherwise for a specific packaging.

The variation in quantities of (+) or (-) 5 % with regard to the packaging unit is standard practice in the profession and, in this respect, no claims shall be accepted. Pursuant to the PGTC and to the Quality Agreement, all modifications to the agreement of a nature to affect the logistical conditions, in particular the delivery place, the specific matter,... is subject to the express prior acceptance of the Supplier.

### **Manufacture lot size**

All orders must comply with the lot size specified in the offer.

### **Reduction of needs and end of life**

Any stoppage, substantial reduction in the order or end of life is subject to an express, explicit and written notice period of 6 calendar months.

In the absence of such, it shall indemnify the Supplier for any prejudice suffered and in particular for the costs incurred by it.

The end of the Client's needs must comply with the size of the lot or supply delay; any consequences arising from the non respect of the foregoing shall be assumed by the Client. In any event, any modification in the product and for which the Supplier is not responsible shall give rise to the indemnification of the Supplier even where a notice period has been observed.

End of needs: in the event of the non demand or absence of a substantial demand from the Client during one year, the Supplier shall have the right to consider that the Open Order has expired.

## **6 / Packaging**

The packaging is specified in the offer.

All products are delivered in the Supplier's standard format packaging.

The packaging complies with the environment regulations applicable according to the destination of the products subject to the Client being informed in writing by the Supplier of this regulation before remitting its offer.

In the event of a delivery call of the same type of products, the Client ensure to order a sufficient quantity of products with packaging of the same dimensions in order to ensure a homogenous pallet layer for safe transport and packing.

## **7 - Labelling**

Labelling shall be carried out according to the standards in force on the issue date of the offer. All other requests are subject to the express consent of the Supplier. Any non compliance in this regard shall be handled pursuant to Article 7 of the Quality Agreement.

## **8 - Delivery – Transport**

The modalities of delivery are defined in the offer and the applicable Incoterms are indicated. If the Client is responsible for the transport, it undertakes to ensure that the transporter respects the internal rules of the supplier as well as the legislation in force. The Client also undertakes to implement all of the means necessary for the correct dispatch of the merchandise; in particular it shall ensure that the transporter has the collection voucher which identifies the merchandise to be collected, the address of the Client and of the recipient.

The Supplier shall make a delivery note available to the transporter and a consignment note to the exclusion of all other logistical documentation.

All of the other modalities are defined in Article 7 of the PGTC and article 6 of the Quality Agreement which have been made available.

Unless otherwise indicated by the Supplier, the palettes are not stackable.

In the event of the sale upon arrival at the agreed to place, the applicable law is the one for the means of transport contemplated (road, waterway ...).

## **9 -Availability**

The Client must ensure to place orders taking into account the preparation and dispatch delay. The availability delay takes into account the modalities of the Offer.

Any delegation from the availability period indicated on the order receipt is subject to a request made to the Supplier which must give its express consent.

In the event parts are made available in the Supplier's premises, the Client, after a delay of 48: calendar hours, maybe invoiced for detention and storage costs.

## **10 -Safety Stock**

On principle the Supplier does not keep a Safety Stock, unless expressly agreed by the Parties. End of life: the modalities of the management of the remaining stock shall be specified by agreement between the Parties.

The Parties shall negotiate the appropriate financial and logistical modalities.

To avoid any rupture in its logistical chain which may lead to a stoppage of the chain, it is up to the Client to assess the appropriateness of the constitution by it of a pertinent safety stock.

## **11 -Storage conditions**

- Storage conditions shall be carried out according to the modalities of the Quality Agreement. In addition, the Client must respect the management of stocks de stocks using IFO

The Client must also respect any specific recommendations pertaining to the product such as:

- the conditions and the maximum storage period before use,
- the conditions of handling and use by the Client

## **12 -Costs and consequences of Logistical Non-Compliance**

The conditions of the delivery, transport and reception of products are subject to article 6 of the Quality Agreement and article 7 of the AFFIX General Terms and Conditions of Sale.

In the event of an accident, damage or delay during transport, the liability of the Supplier is limited to that of commission agent/transporter substituted according to the Incoterms subject to the

recipient respecting transport law by formulating, (according to French law) in particular its reservations in legal forms and confirmed by registered letter with acknowledgement of receipt within the three days following the delivery, also with notification to the Supplier.  
In addition, for any cause of Logistical Non-Compliance which is identified, the liability of the Supplier is limited to its direct immediate and exclusive consequences.

Under no circumstances is the Supplier bound to indemnify:

- administrative costs, handling costs,
- the consequences of Logistical Non-Compliance on products which are already assembled,
- any indirect or immaterial damages such as in particular: the loss of exploitation, profit, of an opportunity, commercial prejudice, loss of income ...

The events where indemnification has been agreed, the Supplier has the right to request the Client to present detailed justification for the sums which are claimed.

Moreover, these indemnifications have the value of a payment in full discharge and are exclusive of any other sanction or indemnification.

The Client shall automatically abstain from any illicit practice of debit or credit or from invoicing the Supplier for any sum which it has not expressly acknowledged as its responsibility.

---