

**1 – General provisions:** These general terms and conditions apply to contractual relations between "the Supplier" and the client company, hereinafter "the Client". They are governed by corporate contract law, and by the rules of contracts "for works and materials" when they apply to the manufacture of a product based on specifications, or to a service. However, these general terms and conditions are governed by sales law when they apply to the provision of "standard" or "catalogue" products. Any exemption from these general terms and conditions must be expressly agreed to in writing by the Supplier. The express waiver on our part of any conditions featuring in this document shall not affect the validity of the other clauses which, by express agreement, remain applicable between the parties.

**2 - Scope of application of the contract:** The following form an integral part of these general terms and conditions: documents of the Supplier supplementing these general terms and conditions, studies, estimates and technical documents accepted by the parties, special conditions accepted by both parties, the order accepted by any written means, including through acknowledgement of receipt or confirmation of the order, the delivery slip and the invoice.

**3 - Method for placing orders:** The contract is only valid subject to the Supplier's express acceptance of the order. This can be made by any written means.

**3.1 - Closed orders:** Closed orders firmly indicate the subject, quantities, prices and delivery times.

**3.2 - Open orders:** Without prejudice to the conditions defined in article 1174 of the French Civil Code, open orders must meet the following conditions:

- Unless otherwise agreed, they are deemed to be accepted for an unlimited period and can be cancelled by the Supplier with six months' notice.
- They indicate product characteristics and prices.
- The conditions for open orders, particularly prices and delivery times, are agreed according to the Supplier's offer, based on production rate forecasts.

If corrections made by the Client to the provisional delivery schedule estimates for global open orders or delivery instructions differ from these estimates by more than 20% either way, the Supplier shall assess the consequences of these variations. In this case, the parties must jointly agree on a solution to the consequences of the discrepancy if this alters the balance of the contract to the Supplier's disadvantage.

In the event of an upward variation, the Supplier will do all it can to satisfy the Client's requirements in terms of quantities and deadlines in line with its capacities (in terms of production, transport, subcontracting, human resources, finance, etc.).

**3.3 - Order cancellations:** Orders irrevocably express the Client's agreement; it cannot cancel them without the Supplier's express prior consent. In this case, the Client shall indemnify the Supplier for all the expenses incurred and all the direct and indirect consequences arising from the cancellation. In addition, the Supplier shall keep any down payments made.

**3.4 - Modification of the contract:** Any modification of the contract requested by the Client is subject to the Supplier's express agreement. In this case, the Client shall indemnify the Supplier for all the expenses incurred and all the direct and indirect consequences arising from the modification. Any modification, non-execution or suspension of the contract preventing the disposal of stocks in the conditions stipulated in the contract shall entail a renegotiation of the initial economic conditions, enabling the Supplier to be indemnified.

**4 - Preparatory work and tools:** All plans, studies, descriptions, technical documents and estimates handed over to the other party are communicated as a loan for use, whose purpose is the assessment and discussion of the Supplier's commercial offer. They may not be used by the other party for any other purpose or communicated to a third party without the Supplier's prior consent. The Supplier retains all material and intellectual property rights over loaned documents. These documents must be returned to the Supplier as soon as it so requests. Samples and prototypes transmitted to the Client are subject to strict confidentiality. They may only be communicated to a third party with the Supplier's express agreement.

**5 - Tools and development of manufacturing processes:**

We only start on the study and creation of tools, develop a manufacturing process and lay out the expenses necessary for carrying out the order upon receipt of the order in writing, signed by the Client and accepted by us. The cost of the study and creation of tools and the development of the manufacturing process based on the technical specifications provided by the Client are shared by the Client, and are invoiced to it as follows: 1. An advance payment of 25% to 50% for the tools order on presentation of an invoice by the Supplier; 2. A further advance payment of 33% to 50% depending on the progress of the work on tool production, no later than the presentation of the initial samples; 3. The balance on acceptance of the initial samples or at the start-up of the series, and in any event, as soon as the first of these terms is complete. Advance payments are always considered as partial payment which is set off against the amount owing. They cannot be refunded unless we ourselves have failed to fulfil a contractual obligation. In this case, at the Client's request, we shall provide it with an advance payment guarantee. As tools are designed by us and adapted to our methods and equipment, they remain our property and stay in our workshops, even if they are produced to the Client's specifications. The Client's contribution to the tool costs only gives it the right to use these tools in our workshops. It implies no transfer of material or intellectual property rights, or of know-how.

The Supplier has the right to destroy the tools if more than three years go by without its receiving a new order on a sufficient scale to justify their use. Before destroying them, the Supplier shall inform the Client by registered letter with acknowledgement of receipt. Unless there is a response from the Client and an agreement between the parties on the conditions for extending this period, the Supplier will destroy the tooling three months after the Client receives notification by registered letter with acknowledgement of receipt.

**6 - Characteristics and status of products ordered:** The Client is responsible for implementing products in normal foreseeable conditions of use, in accordance with current safety and environmental legislation at the place of use and with the professional standards of its industry. Non-refundable packaging is not taken back by the Supplier. The Client undertakes to dispose of packaging at its own cost in accordance with local environmental legislation.

**7 - Intellectual property and confidentiality:** All intellectual property rights and any know-how incorporated into the documents transmitted, the products delivered and the services performed remain the exclusive property of the Supplier. Any transfer of intellectual property rights or know-how must be made through a contract with the Supplier. In all cases, the Supplier reserves the right to dispose of its know-how and the results of its own research and development work. The parties mutually undertake to observe a general obligation to confidentiality regarding any oral or written confidential information of any kind on any support exchanged while preparing for and executing the contract, apart from information that is generally known to the public or which becomes so through no fault or action of the Client. The Client guarantees that at the time the contract is signed, the content of plans and specifications and their conditions for implementation do not make use of any intellectual property rights or know-how belonging to a third party. The Client holds the Supplier harmless against the direct or indirect consequences of any action for damages, notably arising from an action of infringement or unfair competition.

**8 - Delivery, transport, inspection and acceptance of products:** Delivery times run from the latest of the following dates: date on which receipt of the order is acknowledged, date of receipt of all materials, equipment and tools, details of execution to be provided by the Client or the date of execution of prerequisite contractual or legal obligations. The guidelines stipulated are for information only and can be called into question if circumstances arise beyond the Supplier's control. Delivery is deemed to take place in the Supplier's factories or warehouses. Risks are therefore transferred to the Client at delivery, without prejudice to the Supplier's right to invoke the reservation of ownership clause or make use of its right of retention. Delivery is made by a notice of availability or, if stipulated by the contract, by remitting products to a third party or a carrier designated by the Client, or, if stipulated by the contract, through delivery to the Client's factories or warehouses. Unless otherwise agreed, all transport, insurance,

customs, handling or on-site delivery operations are the Client's responsibility, at its own risk and expense; its task is to inspect shipments on arrival and if need be make a claim against the carrier, even if the shipment was free of charge. The Client must check or have checked the products' compliance with the terms of the contract, at its own expense and under its responsibility. Acceptance implies recognition of the absence of apparent defects.

**9 - Unforeseeable incidents and force majeure:** If an event beyond the parties' control compromising the balance of the contract to the point of making the execution of its obligations prejudicial to either party, the parties agree to negotiate a modification of the contract in good faith. Such events include variations in the price of raw materials, changes in customs duties, variations in the exchange rate and changes in legislation. Neither party to this contract can be held responsible for a delay or failure to execute any of its obligations in connection with the contract if this delay or failure results directly or indirectly from a case of force majeure. Each party will inform the other party promptly if a case of force majeure arises of which it becomes aware, and which it considers likely to affect the execution of the contract.

**10 - Definition of prices:** Prices are defined "ex-works" excluding tax. They are invoiced according to the conditions of the contract. Under no circumstances does the provision of our products correspond to a fixed-price contract. In the event of significant variations in the economic situation at any time during the execution of the contract, or any open or closed orders, which alter the economics of the contractual relationship to the point of making the execution of our obligations prejudicial to us, particularly as regards variations in the cost price of our products or our production costs, and in particular raw material costs, we reserve the right to increase our sale prices as a result.

We will then notify the client by any suitable means, with reasonable notice, in compliance with custom and given the length of the relationship, of the application of any new processes for the items concerned, providing reasons for the increase. Our price offers are drawn up on the basis of the volumes and production period specified for them. If there is a reduction in these volumes and/or period, we reserve the right to change the price per piece as a result.

**11 - Payment:** Payments are due, unless expressly agreed otherwise, on the 30<sup>th</sup> day after invoices are issued. Any clause or demand attempting to set or obtain a payment deadline longer than this 30-day period (the usual period accepted by professionals in the mechanical industries), or longer than the agreed deadline could be considered unfair within the meaning of article L 442-6 1<sup>er</sup> of the French Commercial Code. Contractually agreed payment dates may not be changed unilaterally by the Client for any reason, including in the event of a dispute. Any delay in payment shall give rise to the application of late penalties at the interest rate applied by the European Central Bank during its most recent refinancing transaction, increased by 10 percentage points. With any sums remaining unpaid after the due date, the Client shall also be legally liable to pay the Supplier lump sum indemnity for recovery costs of €40. Any delay of payment beyond the due date shall be deemed, if the Supplier so decides, a breach of contract and any sums due shall become immediately payable. The fact that the Supplier invokes any of these provisions does not deny it the right to implement the retention of ownership clause stipulated in article 10.6.

If the Client's situation is duly established as worsening, delivery shall only take place in exchange for immediate payment. If payment is delayed, the Supplier can exercise retention rights over the manufactured products and associated supplies. The Client is prohibited from any illegal automatic debit or credit practices, and from charging the Supplier for any sum not expressly acknowledged by the latter as its responsibility. Any automatic debit shall constitute an outstanding payment and entail the application of the provisions of article 10.2 on late payment.

When the contract concluded is part of a chain of corporate contracts within the meaning of act no. 75-1334 of 31 December 1975, the Client has a legal obligation to make its own prime contractor accept the Supplier and the Supplier's payment conditions. If the prime contractor is not the end Client, the Client undertakes to ensure its compliance with the formalities of the 1975 act.

**Title retention:** The Supplier retains entire ownership of the goods concerned by the contract until the actual payment of the entire price, including the principal and secondary charges. Failure to pay on any of the due dates may result in the goods being reclaimed. However, as from delivery, the Client assumes responsibility for any damage these goods may have suffered or caused.

**12 - Liability:** The Supplier's liability is strictly limited to compliance with the Client's requirements as indicated in the specifications. The Supplier's liability is excluded for defects arising from materials supplied by the Client, defects arising from a design produced by the Client, any technical choices imposed, defects partially or wholly due from normal wear and tear of the part, deterioration or damage attributable to the Client or a third party and in the event of abnormal or atypical use or use that does not comply with the product's intended purpose, professional standards or the Supplier's instructions or recommendations. The Supplier's liability shall be limited to direct physical damage caused to the Client resulting from faults attributable to the Supplier in the execution of the contract. The Supplier is not bound to remedy the harmful consequences of faults committed by the Client or third parties in connection with the execution of the contract. Under no circumstances is the Supplier obliged to indemnify any immaterial or indirect loss or damage such as operating losses, loss of profit or opportunity, commercial prejudice or loss of earnings. If penalties and indemnities have been jointly agreed, they are considered a lump sum indemnity in full settlement and exclude any other penalty or indemnification. The Supplier's legal liability, for any reason apart from physical injury and gross negligence, is limited to a maximum sum of the value of the amount invoiced and received for the defective supply. The Client guarantees that its insurers and any third parties in contractual relationships with it shall not bring any claims against the Supplier beyond the limits and exclusions indicated above. It is stipulated that when the Client, if its speciality is related, similar, or complementary to our own, carries out inspections in our factories during the manufacturing of products, it must nonetheless check the products delivered to it on receipt. In the absence of statutory requirements, acceptance tests are decided at the time of ordering and/or later by joint agreement with our clients. Our clients are invited to carry out acceptance procedures for our products in our factories, or otherwise carry out their final inspections within the 30 days covered by our warranty after receiving their supplies. As concerns the quantities delivered, claims can only be considered if they have been presented within eight days of receiving the shipment. The Client may not carry out sorting or scrapping operations or pass on costs arising from such operations without having first informed us and received our agreement.

**13 - Standards:**

In the absence of any particular specifications, standards established for the profession (SNEF, AFNOR, CEN, EUROFORGE, etc.) shall apply.

**14 - APPLICABLE LAW AND JURISDICTION:**

These general terms and conditions of sale and the sales they govern are subject to French law. With exports, the contract concerned by the order is governed by French law, including international conventions integrated into the French legal system. The parties undertake to attempt to settle any differences before applying to the relevant court.

Failing an amicable agreement, any disputes concerning the formation, interpretation and/or execution of these general terms and conditions of sale shall be submitted to the Commercial Court of Nanterre, which has sole jurisdiction in the event of a claim.

Payments made or accepted do not entail any novation or dispensation from this jurisdiction clause.

**15.- APPLICATION OF THE GENERAL TERMS AND CONDITIONS OF SALE:**

These general terms and conditions of sale apply from 1 January 2019 to all orders received from customers, and replace the general terms and conditions of sale previously in force.