



## **GENERAL TERMS AND CONDITIONS OF SALE**

*Preamble: This English version is a translation of the legally binding original French version.*

### **1. GENERAL INFORMATION**

a) These general terms and conditions of sale shall apply regardless of the nationality and the general conditions of purchase of the purchaser. They define the rights and obligations of the company SGF and of the customer in relation to the contracts for the manufacturing works for ferrous and non-ferrous metal parts and ancillary materials associated with such, as well as the services, consultancy and solutions that SGF may be required to provide to the customer. They therefore constitute the legal basis for the contracts for all the provisions that have not been the object of a specific written agreement.

b) They negate all contrary clauses that have been formulated in any way by the customer, should SGF not have accepted such in writing. They serve as the basis for the interpretation of agreements concluded by SGF with its customers, should the specific contractual agreements not be in the written form or be insufficiently clear.

c) Should a customer decide to establish an extensive industrial partnership relationship with SGF, these terms and conditions shall serve as the basis for the determination of the text embodying the agreement reached between them.

### **2. OFFER AND ORDER**

a) The customer's call to tender or order in relation to subcontracted works must be accompanied by a technical specifications document that defines the specifications whose purpose is to define, in all their aspects, the parts that are to be made and the type and conditions of the inspections, controls and tests required for the acceptance of such. The call to tender, the order and the technical specifications shall be in written form.

b) Should it not be expressly accompanied by a validity period, the SGF offer shall not be considered final. The same shall apply in all cases where the customer makes changes to the technical specifications or to the production samples that are to be submitted to it by SGF.

c) SGF shall only be bound by the conditions of its explicit acceptance of the firm and final order of the customer. This acceptance shall be expressed by letter, or any other means of communication used for generating a document.

### **3. INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

a) Unless otherwise agreed, SGF does not design the parts it makes. However, concept studies may comprise a part of the industrial subcontracting works entrusted to it, provided that the customer, which retains full control over its product, assumes the ultimate full liability with respect to the industrial result that it seeks and that it alone knows precisely. Accordingly, any SGF proposition that is accepted by the customer which aims to make any improvement to the technical specifications or even a modification of the design of the parts and which is dictated by economic considerations or pertaining to the manufacturing technique, can in no way result in a transfer of liability. The customer shall cover SGF against the consequences of actions that may be brought against it by third parties due to the execution of an order for parts covered by industrial or intellectual property rights such as patents, trademarks or registered designs, or by any private right.

b) The delivery of parts does not constitute a transfer of SGF proprietary rights over any of its manufacturing studies, research or patents to the customer. The customer accordingly undertakes to keep information of any kind confidential, be it in written form or not, such as industrial drawings, diagrams, technical explanations or cost prices, communicated to it by SGF in any capacity whatsoever.

c) The customer shall not make the SGF studies available for use for itself or others, nor divulge them, without having specifically acquired ownership of such, assuming full liability for any damage suffered by SGF due to any such violation.

d) Any contribution to the tooling costs by the customer shall not give it a right of usage over these tools in the SGF workshops. The latter shall retain all associated proprietary rights, including intellectual property rights.

### **4. DELIVERY SCHEDULES AND TRANSFER OF RISKS**

a) In the absence of a written commitment by SGF in relation to binding delivery schedules or availability, any schedule is given for informational purposes only, with SGF reserving the right to change it, in consideration of its manufacturing programme. Delivery delays shall not entail a breach of contract, a cancellation of ongoing orders, penalties or damages.



b) The delivery of parts shall be deemed effected in the SGF premises, unless otherwise stipulated in the contract. It shall be effected by direct transfer of the goods to either the customer or the carrier designated by it for the contract or, failing that, selected by SGF.

In the absence of shipping instructions or should the shipping be impossible for reasons external to SGF, it is to be deemed effected by way of a simple notice of availability, with the parts then stored and the customer bearing all expenses, risks and dangers. Unless otherwise specified in the contract, partial shipments are permitted at the discretion of SGF.

The transfer of risk to the customer is made at the time of delivery as detailed above, notwithstanding the retention-of-title rights.

## **5. PRICING**

a) Unless otherwise stated, prices are unitary, exclusive of taxes, ex SGF works and charged in euro, with the parts delivered in the condition specified in the contract.

b) In accordance with the agreement detailed in the contract, they are:

- Either revisable according to appropriate formulae that consider, in particular, fluctuations in the price of materials, of energy costs, of payroll rates and associated costs related to the order, which are incurred between the date of the contract and that of the contractual delivery, in the absence of other applicable dates specified in the contract:

- Or binding for an agreed period.

## **6. PAYMENT TERMS**

a) Invoices are payable at the headquarters of SGF and in euro unless otherwise specified in the contract. Payment terms are set at 45 days from the end of month pursuant to Article L441-6 of the French Commercial Code unless otherwise agreed. The application of the law does not affect shorter payment terms that have been previously agreed. The method of payment and the payment of any instalments must be expressly agreed in the contract.

Unless otherwise agreed, the tooling costs are payable at the latest within 30 days of presentation of prototypes, production samples or initial samples.

No discount shall be applied in the case of advance payment.

b) Failure to meet any payment deadline, which is a serious breach of the customer's credit, and especially the revelation of any protest or pledge against commercial funds, shall lead, at the discretion of SGF, ipso jure and without formal notice, to:

- Either the forfeiture of the terms and, consequently, all amounts still outstanding becoming immediately payable, and the suspension of all shipments.

- Or the termination of all ongoing contracts with the retention of, on the one hand, advance payments and, on the other, the tooling components and parts in the possession of SGF, until any remuneration due is settled.

c) Any amount that becomes payable shall, ipso jure and following a formal notice, be liable to interest at a rate equal to one and half times the legal rate of interest in accordance with the provisions of the Act of 15 May 2001. The customer shall not refuse to pay all or part of a sum due to SGF because of any claims on its part, in relation to warranty claims, without the agreement of SGF.

d) In accordance with Article L441-6 of the French Commercial Code, any delay in payment shall result in the application of interest that is equal to the most recent refinancing rate of the European Central Bank increased by 10 points. In addition to delay fees, any amount not paid on the due date shall cause ipso jure the payment of a penalty of 40 euro due for recovery costs under Articles 441- 6.I, paragraph 12 and D. 441-5 of the French Commercial Code.

e) In the case of subcontracting and to ensure the recovery of SGF receivables, the customer undertakes to have its own clients guarantee the payment of sums owed to SGF, in accordance with relevant legislative provisions.

## **7. PRODUCTION SAMPLES, INSPECTIONS AND ACCEPTANCE OF PARTS**

- For series orders, the customer shall request the manufacture of production samples to be submitted to it by SGF for acceptance by it after all required inspections and tests. This acceptance shall be expressed by the customer to SGF by letter or any other means of communication used for generating a document.

- In all cases and even in the absence of acceptance, the type and extent of the necessary inspections and tests, the relevant standards and severity classifications, as well as the tolerances of any kind, must be specified in the plans and technical specifications mandatorily attached by the customer to its call to tender and confirmed in the contract agreed between the customer and SGF. Given that the principle and methods of non-destructive testing can only be defined based on the design of the parts, the customer must always specify in its call to tender and its order the tests that it has decided upon, the individual parts of the goods to



be subjected to such, as well as the severity classifications to be applied, so that the conditions under which the warranty defined under Article 9a) will be applied may be determined in particular. Should there be no technical specifications in relation to the inspections and tests to be performed on the parts, SGF shall only conduct a simple visual and dimensional inspection. The inspections and tests deemed necessary by the customer shall be performed at its request by SGF, either directly by itself or by a third-party laboratory or organisation. This must be specified prior to or upon the conclusion of the contract, as must the type and extent of these inspections and tests. In cases where an acceptance is required, its extent and the conditions thereof are to be established no later than upon the conclusion of the contract. The price for the inspections and tests is generally separate from that of the parts but it can be incorporated into such upon agreement between SGF and the customer. This price includes the cost of the specific works necessary for achieving the prerequisite conditions for the proper performance of these controls, particularly in the case of non-destructive testing.

- Unless specifically agreed otherwise in the contract, the acceptance shall take place at the SGF premises, at the customer's expense, no later than the week following the notice of availability for acceptance sent by SGF to the customer or the organisation responsible for this acceptance. In case of a failure to act by the customer or the inspection body, the parts shall be stored by SGF at the customer's expense and risk. Should there still be a failure to act within the fifteen days after a second notification being sent by SGF, the materials shall be deemed approved and SGF shall be entitled to ship them and invoice accordingly. In all cases, these inspections and acceptances shall be performed per the appropriate standards, in accordance with the conditions defined by the plans and technical specifications, as determined by the customer and accepted by SGF.

#### **8. QUALITY ASSURANCE**

The production conducted within the framework of a Quality Assurance system requires that this condition be specified by the customer in its call to tender and in its order, with SGF confirming such for its part in its offer and in its acceptance of the order, and this without prejudice to the provisions of the preceding articles.

#### **9. CIVIL LIABILITY AND WARRANTY**

a) SGF shall be bound to the extent of the obligations to which it has subscribed, meaning that its sole obligation shall be to provide its customer with the parts, in accordance with the plans and the requirements of the contractual technical specifications as defined above, or as validated by the acceptance of the customer of the production samples or prototypes. In the case of a complaint by the customer in relation to the delivered parts, SGF reserves the right to examine them on site.

b) Following an agreement with the customer, the SGF warranty consists of:

- Crediting the customer for the value of the parts that have been recognised as not being in compliance with the contractual plans and technical specifications or with the production samples accepted by it,

- Or to replace them free of charge,

- Or to make them or proceed to make them compliant.

The parts that SGF replaces shall be the object of a credit note, with replacement parts invoiced at the same price as the replaced parts. Ensuring their compliance shall be performed in accordance with the conditions decided upon or approved by the customer. SGF shall assume the costs should it be responsible for this performance or must give its prior approval should the customer decide to perform it for a price that it shall have made known to SGF. Ensuring the compliance or the replacement of the parts, undertaken by agreement between SGF and the customer, shall not cause modifications to the warranty regime. The parts for which the customer has been given credit, a replacement parts or parts that have been made compliant by SGF shall be returned to it by prepaid shipment, with SGF reserving the right to choose the carrier.

c) Under penalty of forfeiture of the previously defined warranty rights, the customer shall be obliged to report any non-conformities upon their discovery and to explicitly request that the relevant parts be replaced or be made compliant no later than, starting from the time of delivery:

- 15 days for obvious non-conformities,

- 6 months for other non-conformities, with this period reduced to 1 month for series production.

Upon the expiry of these time limits, no claim shall be accepted. Should the customer make any parts compliant without the agreement of SGF regarding methodologies and costs, all warranty rights shall be forfeit.

d) The warranty and liability of SGF shall not extend in any case:

- To damages to property and persons and, in general, all damages caused by a defective part during its use when the defect is attributable to the design of the part or the unit into it has been incorporated, to the instructions of any kind from the customer to SGF, or even to all processing of or modifications to the part after its delivery.



- To damages to property and persons and, in general, all damages caused by a defective part during its use, should the customer have made a mistake of putting it into service without having undertaken or having had undertaken all inspections and tests duly necessitated by its design and use and the industrial result sought.

- To the costs of the operations that the parts are subjected to before being put into service, including processing, machining and controls that would reveal defects that are prohibitive according to the contract, should they not be attributable to a serious error by SGF.

- To the costs of installation, dismantling and withdrawal from circulation of these parts by the customer.

e) ESG shall not be held liable if the failure or delay in executing any one of its obligations detailed in the preceding terms and conditions of sale is the result of a case of force majeure. As such, force majeure includes any unforeseeable and uncontrollable external event as defined by Article 1148 of the French Civil Code.

#### **10. RETENTION OF TITLE**

SGF shall retain ownership of the goods sold until the price, consisting of the principal and ancillary charges, has been paid in full. As such, should the customer be subject to receivership or compulsory liquidation, SGF reserves the right to reclaim, as part of the collective proceedings, the goods sold and yet unpaid.

#### **11. JURISDICTION**

These general terms and conditions of sale and subsequent contracts are governed by French law. The parties shall endeavour to settle all disputes relating to the interpretation and execution amicably. Should they ultimately fail and unless agreed otherwise, the Commercial Court ("*Tribunal de Commerce*") at the location of the headquarters of SGF shall have exclusive jurisdiction to settle disputes between them, regardless of the terms and conditions of the contracts and the agreed method of payment, even in cases of appeal or plurality of defendants.