

PROFESSIONAL GENERAL TERMS AND CONDITIONS OF SUPPLY

1 General Considerations

These professional general terms and conditions of supply codify the commercial practices of the bar turning profession. They are in accordance with the rules of contract law and competition law and are registered with the Practices Office (*Bureau des usages*) of the Registry of the Commercial Court of Paris. They supplement the common will of the parties with regard to all points where the latter has not been clearly expressed. In accordance with article L441-6 of the Commercial Code (*Code de commerce*), they constitute the basis for the negotiation of contracts.

These general terms and conditions apply to the contractual relationship between "the Supplier" and the Client company hereinafter referred to as "the Client".

They are governed by sales law when they apply to the supply of standard products or products whose characteristics are determined in advance by the Supplier. They are governed by business contracts law and, if necessary, by subcontracting agreements law, when they apply to the manufacturing of a product on the basis of specifications or to the performance of a service.

Any departure from these general terms and conditions shall be subject to the express and written acceptance from the Supplier. In these general terms and conditions "written" is understood to mean any document drawn up on paper, in electronic media or by fax.

These general terms and conditions apply to any contract and any order, as well as any orders placed within the framework of an "open order".

2 - Field of Application of the Contract

The following form an integral part of the contract:

- these general terms and conditions,
- special terms and conditions accepted by both parties,
- the order accepted by any written means, in particular by notification of receipt or order confirmation,
- the Supplier's documents supplementing these general terms and conditions, as well as studies, estimates and technical documents (specifications etc.) passed on before establishment of the principal contract and accepted by both parties,
- the delivery note
- the invoice.

The following do not form a part of the contract: any documents, advertisements and price rates not expressly mentioned in the special terms and conditions.

3 - Order Placement Procedure

Orders shall be drawn up in writing.

The contract is only complete subject to express acceptance of the order by the Supplier.

The order shall be accepted by any written means.

Any order expressly accepted by the Supplier, whether firm or open, shall be deemed to entail acceptance of the Supplier's offer by the Client.

3.1 - Firm Orders

Firm orders specify the quantities, prices and deadlines in a firm manner.

3.2 - Open Orders

Without prejudice to the conditions set out under article 1174 of the Civil Code (*Code civil*), open orders shall comply with the conditions mentioned below.

- They are limited in time by the agreed deadline.
- They define the characteristics and price of the product
- At the time of entering into an open order, minimum and maximum quantities and performance deadlines are provided for.
- The scheduling of delivery orders defines precise quantities and deadlines in line with the order bracket
- The scheduling of delivery orders defines precise quantities and deadlines in line with the open order bracket.

If corrections made by the Client to the projected estimates of the overall open order or delivery order schedule are more than 20% higher or lower than the amount of said estimates, the Supplier shall assess the consequences of these corrections.

In the event of an upward or downward variation, the parties shall confer with each other in order to find a solution to the consequences of differences of this kind which are liable to change the balance of the contract to the detriment of the Supplier.

In the event of an upward variation, the Supplier will make every effort to satisfy the demands of the Client in terms of quantities and deadlines compatible with its capabilities (production, transport, subcontracting, human and financial etc.).

3.3 - Changes to Orders

Any change to the contract requested by the Client is subject to express acceptance on the part of the Supplier.

3.4 - Cancellation of Orders

Orders express the consent of the Client in an irrevocable manner; they cannot therefore be cancelled, except in the event of express prior agreement on the part of the Supplier. In this case, the Client shall indemnify the Supplier for all costs borne (in particular specific equipment, study costs, labour and supply expenditure and tools) and for all direct and indirect consequences resulting therefrom. Furthermore, part payments already made shall be forfeited to the Supplier.

3.5 - Amendments to the Contract - Effects on Stocks

The Supplier establishes stocks (such as materials, specific tools, in-process materials and finished products), according to the needs and in the interest of the Client, either at the explicit request of the Client, or defined in such a manner as to comply with its announced projected programmes.

Any amendment to, failure to perform or suspension of the contract, which prevents distribution and sale of the stocks under the conditions provided for in the contract, shall lead to re-negotiation of the initial financial conditions enabling indemnification of the Supplier.

4 - Preparatory and Incidental Work Involved in the Order

4.1 - Drawings, Studies, Detailed Descriptions

All drawings, studies, detailed descriptions, technical documents and estimates handed over to the other party are passed on within the framework of a loan for use, intended for the purpose of assessment and discussion of the commercial offer of the Supplier. They shall not be used for any other purpose by the other party. The Supplier retains all of the material and intellectual property rights pertaining to the loaned documents. These documents shall be returned to the Supplier at the first request. The same shall apply to studies put forward by the Supplier in order to improve the quality or cost price of parts, by means of original modifications to the specifications. When accepted by the Client, these changes cannot lead to the transfer of liability against the Supplier. Any transfer of intellectual property or know-how shall be subject to a contract between the Supplier and the Client.

4.2 - Design of Parts

a) Unless otherwise expressly agreed, the Supplier does not design the parts it produces. Its role is that of an industrial subcontractor. However, the design, which leads to the full definition of a product, may be wholly or partly subject to industrial subcontracting, providing the Client accepts total liability in the last resort with regard to the intended industrial result. In particular, this applies in the case of parts defined by the Supplier, at the Client's request and on the basis of specifications or functional plans provided by the latter.

b) In the event of the Supplier completely designing and supplying parts intended for the Clients, this case shall be subject to a separate special contract.

4.3 - Initial Samples (if requested by the Client)

Initial samples and documents pertaining thereto passed on to the Client are covered by strict confidentiality. They cannot be passed on to any third party, other than the final Client, except with the express authorisation of the Supplier.

Any orders for series of parts can only commence after validation of the initial samples by the Client. Any delay in delivery resulting from the failure to validate or a delay in validating the samples cannot be attributed to the Supplier.

4.4 - Prototypes

Unless they are managed within the framework of the contract, models and prototypes shall be subject to a specific order.

4.5 - Tools

a) Certain tools may be supplied by the Client. In this case, they shall compulsorily clearly visible bear plates indicating that they are the property of the Client and shall be supplied free of charge to the site specified by the Supplier. The Client shall ensure that the tools are of a suitable nature for the operation or product to be completed.

In all cases, should the tools received by the Supplier prove to be unsuitable for the use which the latter is reasonably entitled to make of them, the Supplier reserves the right to supply them and re-invoice the resulting cost to the Client.

b) Costs borne by the Supplier for the study and creation of tools and for perfecting the manufacture thereof are subject to a financial contribution from the Client, invoiced to the latter in a separate manner. As tools are designed by the Supplier and adapted to its methods and facilities, they shall remain its property and remain in its workshops.

The contribution of the Client to the cost of tools does not give the latter any right of use of these tools in the workshops of the Supply. It does not lead to any transfer of material or intellectual property rights or know-how.

5 - Characteristics and Status of Ordered Products

5.1 - Purpose of Products

The Client is responsible for use of the product under normal foreseeable conditions of use and in accordance with current safety and environmental law at the place of use, as well as with best industrial practice in its trade. In particular, it is incumbent upon the Client to choose a product corresponding to its technical needs and, if necessary, to ensure with the Supplier that the product is appropriate for the intended application. The Supplier cannot therefore be held liable for omissions or errors contained in the elements provided by the Client.

5.2 - Packing and Protection of Products

a) Containers, frames, pallets and any other permanent material owned by the Supplier, shall be returned by the Client in good condition and carriage paid, within thirty days of reception thereof at the latest, failing which they shall be invoiced by the Supplier.

b) If this equipment is the property of the Client, the latter shall have it delivered in good condition, at the latest by a date agreed in advance with the Supplier and to the site specified by the latter. The Supplier shall be informed of any delay in the delivery of the package by the Client, which shall not, under any circumstances, give rise to penalties of any kind whatsoever against the former.

c) At the request of the Client, special protective measures may be implemented for the parts. Since such protective measures are determined by the Client, the latter shall be charged for the cost thereof by the Supplier.

5.3 - Traceability of the Product

The Supplier shall ensure the traceability of the product until the day of delivery to the Client, in accordance with article 7.2 of these general terms and conditions. The Client is responsible for the traceability of the product until delivery to its own client.

6 - Intellectual Property and Confidentiality

6.1 - Intellectual Property and Know-How concerning Documents and Products

All intellectual property rights, as well as the know-how incorporated in documents passed on, products delivered and services provided remain the exclusive property of the Supplier. Any transfer of intellectual property or know-how shall be subject to a contract with the Supplier. The Supplier reserves the right to dispose of its know-how and of the results of its own research and development work.

6.2 - Confidentiality Clause

The parties reciprocally undertake to comply with a general confidentiality obligation with regard to any spoken or written information whatsoever, in any media whatsoever (discussion reports, plans, exchange of computerised data, activities, installations, projects, know-how, products etc.), exchanged within the framework of the preparation and performance of the contract, except for information that is widely-known to the public or which might become so for reasons not attributable to any fault or act on the part of one or other of the parties.

The parties therefore undertake:

- to keep all confidential information strictly s, and in particular to never directly or indirectly disclose or pass on, in any manner whatsoever, all or part of the confidential information, to whomsoever, without prior written authorisation from the other party;
- not to use all or part of the confidential information for any purposes or activities other than the performance of the contract;
- not to make any copies or imitations of the confidential information, in whole or in part, for any use other than the performance of the contract.

The parties undertake to implement all measures required in order to ensure compliance with this confidentiality obligation, throughout the period of the contract as well as after expiry thereof, and undertake that their employees as a whole shall comply with this obligation. This obligation is an obligation to achieve a particular result.

6.3 - Guarantee Clause in the event of Infringement of Property Rights

The Client guarantees that at the time of entering into the contract the content of the drawings and specifications, and the conditions of implementation thereof, do not use intellectual property rights or know-how held by a third party. The Client guarantees that it is able to freely dispose thereof without any infringement of contractual or legal obligations.

The Client shall hold the Supplier harmless against the direct and indirect consequences of any civil or criminal liability proceedings arising in particular from infringement of property rights or unfair competition.

7 - Delivery, Transport, Verification and Acceptance of Products

7.1 - Delivery Deadlines

The allowed time for delivery begins to run at the latest date among the following:

- date of the acknowledgement of receipt of the order
- date of reception of all due materials, gear, equipment, tools, specific packaging and performance details by the Client
- date of performance of due prior contractual and legal obligations by the Client

The agreed deadline is an important element which shall be specified in the contract as well as the nature thereof (deadline for making available, deadline of presentation for acceptance, delivery deadline, legal acceptance deadline etc.). However, the stipulated deadlines are for information purposes only and may be called into question in the event of the occurrence of circumstances independent of the Supplier's will.

7.2 - Delivery Conditions

Unless otherwise specified,, it shall be deemed that delivery is made to the factories or warehouses of the Supplier ("EXW" ICC Incoterms current at the date of delivery). The risks are therefore transferred to the Client on delivery, without prejudice to the Supplier's right to claim the benefit of the retention of title clause or to make use of its lien.

Delivery is completed:

- by notification that the product has been made available
- or, if the contract so provides, by handing over to a third party or to a carrier appointed by the Client
- or, if the contract so provides, by delivery at the Client's factories or warehouses.

In the event of the Client enlists carriage and takes responsibility for the cost thereof, the Client shall take responsibility for all of the financial consequences of any direct action brought against the Supplier by the carrier.

7.3 - Transport - Customs - Insurance

Unless otherwise agreed, all transport, insurance, customs, handling and transport-to-site operations are the responsibility of and payable by the Client, at the risk of the Client, it being incumbent upon the latter to check consignments on their arrival and, if necessary, to exercise remedies against the carriers, even if they sent carriage paid.

In accordance with article L133-3 of the Commercial Code (Code de commerce), it is incumbent upon the Client to set out its reserves to the carrier within 3 (three) days of reception of the products, by registered letter with notification of receipt.

The note "subject to unpacking" has no value in relation to the carrier and cannot be accepted as a reserve.

In the event of dispatch by the Supplier, the consignment is sent carriage forward, at the lowest price rates, except in the event of express request on the part of the Client, in which case the additional costs of transport shall be passed on to the Client.

7.4 - Verification of Deliveries

Upon receipt at its site, the Client shall, at its own expense and under its own responsibility, conduct inspections or have inspections conducted to ensure the compliance of the deliveries with the terms of the contract.

7.5 - Acceptance of Products

The Client is bound to complete the legal acceptance of the products, thus acknowledging the compliance thereof with the contract. Acceptance is equivalent to acknowledgement of the absence of conspicuous defects.

a) The Client decides upon the products to be made, as a result of Technical Specifications which fix the specifications to be defined, with regard to all of the aspects thereof, as well as the nature and terms of inspections, checks and tests imposed for the acceptance thereof.

b) In all cases, the nature and scope of the necessary inspections and tests, the norms and classes of strictness concerned, as well as tolerance of all kinds, shall be specified in the drawings and specifications compulsorily attached by the client to its tender and confirmed in the contract agreed upon between the Supplier and the Client, in order to determine the conditions of exercise of the guarantee defined under article 11 in particular.

c) If there are no specifications concerning the inspections and tests to be conducted on the parts, the Supplier shall only conduct a simple visual and dimensional inspection by means of sampling according to its own standard.

d) Inspections and tests judged necessary by the Client shall be conducted at the Client's request by the Supplier, carried out by the latter or by a third-party laboratory or body,

This shall be specified before entering into the contract, as shall the nature and scope of these inspections and tests. Acceptance takes place at the production site, at the Client's expense, at the latest within a week of notification of the product being made available for acceptance, sent by the Supplier to the Client or to the body in charge of this acceptance. In the event of inadequacies attributable to the Client or control body, the product shall be stored by the Supplier at the expense and risk of the Client.

After a second notification on the part of the Supplier, which has gone unheeded for a period of fifteen days after being sent, the products shall be deemed to have been accepted and the Supplier shall be entitled to send them and invoice for them. Similarly, in the event of the products being used by the Client, they shall be deemed to have been accepted.

e) Manufacturing within the framework of a Quality Assurance system requires this condition to be specified by the Client in its tender and confirmed by the parties in the contract, without prejudice to the provisions of the preceding articles.

8 - Unforeseeability and Force Majeure

8.1 - 8.1 – Unforeseeability Clause

In the event of occurrence of an event beyond the control of the parties, which compromises the balance of the contract to the point of rendering the performance of the Supplier's obligations harmful to the latter, the parties agree to negotiate an amendment of the contract in good faith. This involves the following events in particular: fluctuation of the price of raw materials, changes in customs duties, modification of exchange rates, change in laws and change in the Client's financial situation. In the absence of agreement between the parties within reasonable time, in view of the economic issues, the Supplier shall be entitled to bring the contract to an end after giving one month's notice.

8.2 - Force Majeure

Neither of the parties to this contract may be held liable for delay or failure on its part to perform any of the obligations incumbent upon it, under the contract, if this delay or failure is the direct or indirect result of an event of force majeure understood in a wider sense than in French case law such as:

- the occurrence of a natural disaster
- earthquake, storm, fire, flood etc.
- armed conflict, war, attacks
- labour dispute, total or partial strike in the Supplier or Client's company
- labour dispute, total or partial strike at the suppliers, service providers, carriers, postal services, public services etc.
- mandatory administrative direction on the part of public authorities (import prohibition, embargo)
- operational accidents, machine breakages, explosion

Each party shall immediately inform the other party of an event of force majeure which comes to its attention which, in its view, is liable to affect the performance of the contract.

If the unforeseen difficulty continues for more than 10 (ten) working days, the parties shall confer within 5 (five) working days of expiry of the deadline of 10 (ten) working days, in order to examine in good faith whether the contract should continue or come to an end.

9 - Setting Prices

Prices are set in Euros, exclusive of tax and "Ex Works", except in the event of special provisions made in the contract. They shall be invoiced under the conditions specified in the contract.

Prices correspond exclusively to the products and services specified in the offer.

10 - Quantities Delivered

From a quantitative point of view, the number of products mentioned in the contract shall be the rule. However, a certain tolerance is allowed with regard to the number of products executed, delivered and invoiced, which is to be agreed between the Supplier and the Client at the time of negotiation of the contract. In the absence of prior agreement, the generally allowed tolerance shall be within the range of + 10 to -5% of the number of products specified in the contract.

In the absence of express special agreement, when the count is effected by weighing, in particular in the event of delivery of large series, the actual weight per part, determined by a representative sample, shall be given full faith in order to determine the quantity.

Any quantitative dispute concerning the parts can only be taken into consideration by the Supplier if the latter is informed thereof within a maximum deadline of 48 hours after verification of the products.

The Client may be led to entrust unworked items or materials for the completion of the Supplier's services. Unless otherwise specified, unworked items or materials entrusted by the Client for the manufacture of the product can only give rise to reimbursement in the event of loss of more than 5% of the quantity entrusted. The parties shall jointly define the terms of reimbursement.

11 - Payment

11.1 - Payment Times

In accordance with article L441-6 of the Commercial Code, the deadline agreed between the parties for payment of sums due shall not be greater than sixty days from the date of issue of the invoice.

Except in the event of express special agreement, payment shall be made on the 30th day following the date of issue of the invoice, a payment deadline which represents customary practice in the bar turning industry.

Except in the event of objective grounds, for which reasons shall be given by the Client, the latter may be held liable, within the meaning of article L 442-6 of the Commercial Code, for any clause or request aimed at fixing or obtaining a longer allowed time for payment than this thirty-day deadline, and may in particular be liable to pay a civil fine of up to two million euros. Payment is considered to have been made when the amount is credited to the creditor's bank account.

The contractually agreed payment dates cannot be unilaterally called into question by the Client on any pretext whatsoever, including in the event of a dispute. Early payments are made without any discount except in the event of a special agreement.

In the event of payment by draft, the latter shall be returned with acceptance within fifteen days of being sent.

11.2 - Late Payment and Recovery Costs

In accordance with article L441-6 paragraph 12 of the Commercial Code any delay in payment shall give rise to the application of interest for delay equal to the most recent European Central Bank refinancing rate increased by ten percentage points. Pursuant to article L441-6 paragraph 12 of the Commercial Code amended by the Act (of) of 22nd March 2012 and in application of article D.441-5 of the Commercial Code, a fixed-rate indemnity for recovery costs of forty (40) euros is payable ipso jure by the Client as from the first day of delay. If the recovery costs borne are greater, an additional indemnity may be claimed by the Supplier on production of proof.

Any delay in payment following a due date may lead, at the Supplier's discretion, to the forfeiture of the contractual term, with all contractual debts becoming immediately payable.

The act of invoking one and/or the other of these provisions on the Supplier's part does not deprive the latter of the right to implement the retention of title clause stipulated under article 11.6.

11.3 - Change in the Client's Situation

In the event of deterioration of the Client's situation observed by a financial institution or shown by significant delay in payment or delay in the return of drafts or when the financial position differs markedly from the data made available, delivery shall only be made in return for immediate payment.

In the event of a delay in payment, the Supplier has a lien on the manufactured products and related supplies.

In the event of sale, transfer, pledge or capital contribution concerning its business, or a significant part of its assets or equipment by the Client, the Supplier reserves the right, without any formal notification being required:

- to pronounce the forfeiture of the term and therefore the immediate payability of sums still payable for any reason whatsoever
- to suspend any dispatch
- on the one hand, to establish the termination of all current contracts and, on the other hand, to retain any part payments received and tools and products held, until any compensation has been fixed.

11.4 - Offsetting of Payments

In accordance with article L442-6-8° of the Commercial Code, the Client shall refrain from any illicit automatic debit or asset practices and from invoicing any sum to the Supplier for which the latter has not expressly acknowledged its responsibility.

Any automatic debiting shall constitute an unpaid debt and shall lead to application of the provisions of article 11.2 concerning late payment.

However, the parties reserve the right to make use of the legal or contractual provisions concerning the offsetting of payments.

11.5 - Legal Guarantee of Payment in the event of Subcontracting Agreements

When the contract entered into forms part of a chain of company contracts within the meaning of Act no. 75-1334 of 31st December 1975, the Client has a legal obligation to obtain acceptance of the Supplier on the part of its own employer or independent contractors. It also has an obligation to obtain acceptance, on the part of the latter, of the Supplier's payment conditions.

If the employer of independent contractors is not the final Client, the Client undertakes to require compliance with the formalities of the Act of 1975 on its part.

In accordance with article 3 of the Act of 1975, absence of submission or official approval results in the impossibility of the contract being raised against the Supplier by the Client. In particular, this impossibility concerns establishing liability with regard to any failure to comply with the specifications. However, in accordance with the aforementioned article, the Client remains bound to perform its contractual obligations towards the subcontractor.

Moreover, when it is aware of the existence of a subcontractor, the Client shall issue formal notice to the independent contractor to comply with obligations arising from the law. Failing this, it may be held liable under article 14-1 of the Act of 1975.

Under the general terms and conditions, the Act of 1975 is considered to be the international public policy law applicable to foreign final Clients through the Client.

11.6 - Retention of title

The Supplier retains full ownership of the property which is the subject of the contract until actual payment of the whole of the price (principal amount and incidentals). Failure to pay at any due date may lead to a claim to establish title to this property. Nevertheless, as from delivery, the Client shall be liable for any damage to which this property may be subjected or which it might cause.

12 - Responsibility and Guarantee

12.1 - Definition of the Supplier's Responsibility

The Supplier's responsibility is strictly limited to compliance with the Client's specifications set out in the contract.

Indeed, by virtue of its professional skill in its specialised area and according to the industrial means of production at its disposal, the Client, acting as an "employer of independent contractors", is in a position to precisely define the product in accordance with its own industrial data or that of its clients.

The Supplier shall manufacture the product requested by the Client, in compliance with best industrial practice in its trade.

In the event of failure to establish conformity, the parties shall determine the corrective actions to be planned by common agreement and the appropriate and least costly solution for the operation of making the product compliant, which may consist in particular:

- of replacing the rejected products, for which a credit note shall be issued. The replacement products shall be invoiced at the same price as the replaced products.

- or of bringing them into compliance or having them brought into compliance.

- or of crediting the Client with the value of parts in respect of which non-compliance with the contract is acknowledged,

The Supplier shall bear the cost of bringing them into compliance should it take care of the execution thereof itself and shall give its prior agreement should the Client decide to execute the latter, after having informed the Supplier of the price thereof.

Parts of which the Client has been granted replacement or bringing into compliance by the Supplier, shall be returned to the latter carriage forward, the Supplier reserving the right to choose the carrier.

Any bringing into compliance of parts effected by the Client without the Supplier's agreement, with regard to the principle and cost thereof, leads to loss of entitlement to any claim on the Client's part.

12.2 - Limits and Exclusion of the Supplier's Liability

The liability of the Supplier shall be limited to direct material damage caused to the Client as a result of any faults imputable to the Supplier in the performance 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 performance of the contract.

The Supplier shall not, under any circumstances be bound to provide compensation for non-material or indirect damage such as: operating losses, losses of profit or opportunities, commercial loss or loss of earnings.

The Supplier cannot be held liable:

- for defects arising from materials provided by the Client
- for defects arising from designs produced by the Client
- for defects resulting in whole or in part from normal wear and tear of the product, damage or accidents imputable to the Client or a third party
- in the event of modification, abnormal or unusual use not in accordance with the intended purpose of the product, with best industrial practice or with the Supplier's advice and recommendations

In the event of agreed penalties and compensation have been provided for by common agreement, they shall be equivalent to fixed-rate compensation, resulting in discharge from obligation and shall exclude any other sanction or compensation.

The civil liability of the Supplier, including all legal grounds with the exception of bodily harm and gross negligence, is limited to a sum which shall not exceed the amount of the supply for which payment has been received on the day of the service.

The Client guarantees the waiving of any legal proceedings by its insurers or third parties with which it has contractual relations, against the Supplier or its insurers, beyond the limits and exclusions fixed above.

13 - Termination

Serious breach of a single contractual obligation by one of the parties shall result in termination of the contract ipso jure, 30 days after formal notification which has remained without effect.

14 - Various Provisions

Failure on the part of the Supplier to invoke any of the clauses of these general terms and conditions at any given time cannot be interpreted as equivalent to waiving the right to subsequently invoke them.

Similarly, nullity of any of the clauses of these conditions whatsoever shall not affect the validity of the other clauses.

15 - Court of Competent Jurisdiction - Governing Law

The parties undertake to endeavour to settle disputes between them on an amicable basis before referring them to the Court of competent jurisdiction.

In the absence of an amicable agreement, it is expressly agreed that any dispute concerning the contract shall be submitted to the exclusive jurisdiction of the Court in whose jurisdiction the registered address of the Supplier is located, even in the event of the introduction of third parties and multiple defendants.

The governing law is French law.

Registered at the professional practices office under number 2015074974, 28th December 2015.