



General trade conditions applicable to the supply of fasteners

1 - General

These general supply conditions regulate the sales practices of the mechanical fixings and ancillary, related and associated product Suppliers' trade. They comply with the rules on contract law and competition regulations and have been lodged with the Office of Trade Practices at the office of the Paris commercial court. They complete the joint intentions of the parties on all points where this intention is not clearly expressed. They constitute the legal basis of contracts save contradictory special provisions.

These general conditions regulate the contractual relationship between the «Supplier» and the Client company, hereinafter designated «the Client».

These general conditions are governed by the law on selling when they apply to the supply of standard products. They are regulated by corporate contract law and, if necessary, by the law on subcontracts when they apply to the manufacture of a product based on specifications or to the provision of a service.

The Client's general purchasing conditions, explicitly accepted by the Supplier, may supplement these general conditions and special conditions provided that they do not conflict said conditions and providing that they continue to comply with general laws on contracts and on competition.

Any derogation in respect of these general conditions must be expressly authorised in writing by the Supplier.

For the purpose of these general conditions, «in writing » shall be understood as any document raised on paper, digitally or in the form of a fax. These general conditions apply to all contracts and to all orders as well as to orders placed under an «open contract».

2 - Contract scope of application

The following constitute an integral part of the contract:

- these general conditions,
- special conditions approved by both parties,
- the order accepted by any means, in particular by acknowledgement of receipt or confirmation of order,

- Supplier documents that supplement these general conditions,
- studies, quotations and technical documents notified and accepted by the parties prior to raising the main contract,
- the delivery advice
- the invoice.

The contract does not include: documents, catalogues, advertising, rates not explicitly quoted in the special conditions.

3 - Method used to place orders

The contract is only perfect when the Supplier has expressly accepted the order.

The order and its acceptance may be delivered by any written means.

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

3.1 – Finalised order

The finalised order details firm quantities, prices and delivery.

3.2 - Open orders

Without prejudice to the conditions set down in article 1174 of the Civil Code, an open order must meet the following conditions.

- It is limited in time by the agreed delivery date.
- It establishes the characteristics and price payable for the product
- When the open order is signed, it specifies fixed maximum and minimum quantities and forecast completion dates.
- The time-phasing of delivery orders specifies the precise quantities and delivery dates that fall within the framework of the open order.

When corrections made by the Client to the overall open order provisional delivery schedule where delivery orders vary by more than 20%, upwards or downwards, against the estimated amounts, the

Supplier shall evaluate the consequences of these variations.

In the event of a change upwards or downwards, the parties shall come together to find a way of resolving the consequences of this variation which could affect the balance of the contract to the detriment of the Supplier.

When the variation takes place upwards, the Supplier shall use his best endeavours to meet the Client's requirements within quantities and delivery times compatible with his capabilities (production, transport, outsourcing, manpower, financial etc.). .

3.3 - Changes to orders

Any change to the contract requested by the Client will be conditional on its explicit acceptance by the Supplier.

3.4 - Cancelling and order

The order irrevocably expresses the Client's consent; therefore, the Client may not cancel the order without the Supplier's explicit agreement given in advance. In such cases, the client shall be required to compensate the Supplier for any expenses incurred (particularly specific equipment, design costs, labour and procurement costs, tools) and for any direct or indirect consequences ensuing. Additionally, the Supplier shall retain the deposit paid.

3.5 - Changes to the contract – Effects on stocks

The Supplier shall set up stocks (materials, tools, jobs in hand, finished products), according to Client requirements and in his interests, either at an explicit request of the latter, or in such a way as to honour the provisional programmes announced by him. Any change to, failure to fulfil or suspension of the contract which does not allow for stocks to be disposed of as set out in the contract conditions will result in the renegotiation of the original financial conditions in order to provide the Supplier with compensation.

4 - Preparatory order work and secondary tasks

4.1 - Drawings, studies, specifications

All drawings, specifications, technical documents or quotations submitted to the other party are loaned for the purpose of evaluating and discussing the Supplier's commercial proposal. These elements shall not be used by the other party for any other purposes. The Supplier shall retain all intellectual and material property rights to the documents loaned. These documents must be returned to the Supplier at his first request.

4.2 – Provision of samples

Samples or prototypes sent to the Client are the object of strict confidentiality. They may only be disclosed to third parties with the Supplier's explicit consent.

4.3 – Safekeeping of tools

The Client may be asked to make a financial contribution to the costs borne by the Supplier in connection with the design, creation and production development of tools.

As the tools have been designed by the Supplier and adapted to his methods and equipment, they remain his property and shall be kept in his workshops. The Client's contribution to tool costs only entitles him to use said tools in the Supplier's workshops. The Client's contribution does not entitle him to any material or intellectual property rights or know-how.

The Supplier shall be entitled to destroy the tool should more than two years elapse after the receipt of the last order of any significance justifying its use. Prior to proceeding with the destruction, the Supplier shall notify the Client by registered mail with acknowledgement of receipt. In the absence of any reply from the Client and of an agreement between the parties on the conditions applicable to any extension to this period, the Supplier shall destroy the tool three months after the Client has received the registered letter with acknowledgement of receipt of the notification.

5 - Characteristics and status of the products ordered

5.1 - Product end usage

The products are delivered in accordance with the applicable technical regulations and standards in respect of which the Supplier has explicitly confirmed product compliance.

The Client is responsible for the use made of the product under normal foreseeable utilisation conditions and in accordance with the safety and environment legislation in force at the place of their use and with his trade's recognised good practices. In particular, the Client is responsible for selecting a product that meets his technical requirements and that complies with his application process if applicable, for checking with the Supplier that the product is suitable for its intended use. Unless otherwise expressly stated on the product, the product delivered has not been designed for coming

into contact with foodstuffs or for use in an explosive environment.

5.2 – Product packaging

Non returnable packaging is not collected by the Supplier. Packaging meets regulations on the environment applicable according to the intended use of the products. The Client agrees to dispose of packaging according to local legislation on the environment.

5.3 – Notification of product related information

The Client undertakes to forward to any sub-purchaser useful product deployment information. The Supplier is responsible for ensuring that the product can be tracked up to the date of its delivery to the Client.

6. - Intellectual property and confidentiality

6.1 - Intellectual property and know-how relating to documents and products

All intellectual property rights and know-how incorporated into the documents supplied, the products delivered and the services rendered shall remain the sole property of the Supplier. Any transfer of intellectual property rights or of know-how must be covered by a contract with the Supplier. The Supplier reserves the right to sell his know-how and the results of his own research and development work.

When the Supplier provides drawings or technical documents, this does not signify that the Supplier is assigning title or associated rights to the Client. These drawings or technical documents are supplied on loan and must be returned either on demand or at the end of the contract. Any Client clause stipulating that the rights will be automatically assigned to the Client solely pursuant to a business relationship or to the supply of goods shall be deemed not to have been written.

6.2 - Confidentiality

The parties mutually agree to a general obligation of confidentiality with regard to items (documents regardless of their medium, discussion reports, drawings, exchanges of computerised data etc.)

exchanged within the framework of contract preparation and performance.

However, the obligation of confidentiality shall not extend to the following:

- Information that is in the public domain at the time of signing the contract
 - All that is legally known by the contracting partner prior to the signature of the contract or during preliminary contract negotiations.
- These provisions do not prevent the Supplier from using his own expertise and technology developed for the purpose of the contract, save any specific agreement reached between the parties. Said provisions shall not prevent the supplier from lodging patent applications for his inventions.

Should a confidentiality agreement be signed, it will not be valid if it exclusively covers the interests of one or other of the parties. No confidentiality agreement will result in the automatic transfer or appropriation of the results produced by development work or of intellectual property rights in favour of either party.

6.3 – Infringement guarantees

The Client confirms that, at the time the contract is signed, the content of the drawings and technical specifications and their implementation conditions do not infringe third party intellectual property rights or know-how. The Client confirms that he may freely use the aforementioned without infringing any contractual or legal obligations.

The client safeguards the Supplier against any direct or indirect consequences of any civil or criminal proceedings that may especially result from an infringement or unfair competition proceedings.

7. - Delivery, transport, verification and acceptance of products

7.1 - Delivery

Delivery dates will run from the latest of the following dates:

- Date of the order acknowledgement of receipt
- Date on which all materials, equipment, plant, tools and construction details required are received by the Client
- Date on which the preliminary contractual or legal obligations are performed by the Client.

The agreed delivery date is an important consideration that must be specified in the contract together with its nature (goods availability date, date of submission for acceptance, delivery date, legal acceptance date etc.). The timescales mentioned are

only provided for guidance and may be reviewed in the event of circumstances arising which are beyond the control of the Supplier.

7.2 - Delivery conditions

Delivery is deemed to have been made in the Supplier's factories or warehouses. Therefore, risks are transferred to the Client upon delivery, without prejudice to the Supplier's entitlement to claim his rights under the reservation of title clause or to apply his possessory lien.

Delivery takes place:

- through notification of availability
- or, should the contract so specify, by handing over the goods to a third party or carrier nominated by the Client
- or, should the contract so specify, by delivery to the Client's factories or warehouses.

When the Client has instructed the carrier and is responsible for his costs, the Client shall bear all monetary consequences generated by a claim made direct against the Supplier by the carrier.

7.3 - Transport – customs - insurance

Unless otherwise agreed, all operations covering transport, insurance, customs, handling and delivery to the site shall be for the account of and at the costs, risks and perils of the Client who is also responsible for checking consignments on arrival and, if applicable, for making a claim against the carriers, even when the goods were despatched carriage paid.

When the goods are despatched by the Supplier, they are sent carriage forward, at the lowest rates, unless otherwise expressly requested by the Client in which case any additional carriage charges will be invoiced on to the Client.

7.4 – Product verification

At his costs and under his own responsibility, the Client must verify or cause to be verified product compliance with the terms and conditions of the order.

7.5 - Acceptance

The Client is required to perform the legal acceptance of the products whereby he passes them as meeting contractual conditions. This acceptance equates to acknowledging the absence of any visible defects.

7.6 – Handling and storage

The client must comply with recommendations on storage and handling and especially, the following not being exhaustive, repackaging the pallets, replacing packaging as the result of products that have fallen to the ground and not been used, or managing product numbering changes.

8. - Unforeseen contingencies and force majeure

8.1 - Unforeseen contingency clause

Should an event beyond the control of the parties occur, jeopardizing the contract balance to the point of making it detrimental for either of the parties to perform his obligations, the parties agree to negotiate changes to the contract in all good faith. In particular, these provisions apply to the following events: changes in the rates for raw materials, changes to customs duties, changes to the exchange rates, legislative changes.

8.2 - Force majeure

Neither or the parties to this contract shall be held responsible for its delay or failure to perform one of its obligations under the contract when this delay or failure is directly or indirectly caused by a case of force majeure construed in the widest sense under French jurisprudence such as:

- the occurrence of a natural disaster
- earthquakes, storms, fire, floods etc
- armed conflict, war, conflict, outrages
- industrial conflict, total or partial strikes affecting the Supplier or the Client
- industrial conflict, total or partial strikes affecting the supplier, service providers, carriers, postal services, public services etc.
- compulsory order issued by the public powers (ban on imports, embargo)
- operating accidents, machine breakages, explosion

Each party shall inform the other, without delay, of any case of force majeure which comes to his knowledge and which, in his opinion, is such that it could affect the performance of the contract.

Should the case of force majeure last beyond 10 working days, the parties shall come together within 5 working days from the expiry of the 10 working day period to establish, in all good faith whether the contract should be pursued or halted.

9. - Prices

Prices are calculated in Euros, excluding taxes, and "ex works" save specific stipulations contained in the contract. They are invoiced according to the conditions specified in the contract.

The price refers exclusively to the products and services detailed in the offer.
Payments must be remitted in Euros unless otherwise specified in the contract.

10. - Payment

10.1 - Payment dates

In accordance with the law on the modernisation of the Economy (LME) N°2008-776 of the 4th August 2008 (article L441-6 of the Commercial Code), the time agreed between the parties with regard to the settlement of In accordance with the law on the modernisation of the Economy (LME) N°2008-776 of the 4th August 2008 (article L442-6 of the Commercial Code) the following will especially attract a civil fine of up to two million Euros:

- imposing on the partner payment conditions transcending the legal ceiling,
- without having objective grounds for doing so, asking the supplier to postpone the invoice date.

Unless otherwise agreed, the settlement period shall be 45 days end of month, using the computation method that is the most consistent with customary professional practices. A shorter timescale may be agreed as a concession under special conditions. The application of the law shall not affect any shorter payment periods that had previously been agreed. Contractually agreed payment dates shall not be unilaterally questioned by the Client on any grounds whatsoever, even in the event of a dispute. It must be remembered that a deposit is by definition paid in cash, without settlement conditions. Advance payments are made without discounting save in the event of a special agreement.

10.2 - Late payment

According to Article L441-6, § 12, of the French Commercial Code, as amended by the Act N°2012-387 dated March 22, 2012, transposing the Directive 2011/7/EU, any delayed payment makes automatically applicable, from the first day after the payment date mentioned on the invoice :

10.2.1 - Late payment penalties

The late payment penalties shall be determined by application of the refinancing rate of the European Central Bank, increased by ten points.

10.2.2 - A fixed compensation of 40 Euros for the recovery costs

This fixed sum is due by the application of a provision of the Act dated March 22, 2012, applicable

from the 1st of January 2013. Its amount is determined by the Article D441-5 of the French Commercial Code.

According to the aforementioned Article L441-6, when the recovery costs incurred are exceeding this fixed compensation, the Supplier is also entitled to obtain a justified additional compensation.

10.3 - Changes in the Client's situation

Should any deterioration in the Client's situation be reported by a financial establishment and evidenced by a significant delay in payment or when the financial situation is noticeably different from the information supplied, delivery will only be made in exchange for instant payment.

In the event of late payment, the Supplier will be entitled to exercise his title reservation rights over the equipment and accessories.

Should the Client sell, assign, pledge or transfer its goodwill or a significant proportion of its assets or of its equipment to a company or should the banker's draft not be returned as accepted within seven days from its despatch, the Supplier reserves the following rights without any prior official notification

- to pronounce the term as having lapsed and, consequently, demand instant payment of any monies outstanding for any reason whatsoever
- to suspend any despatches
- to record on the one hand the termination of all contracts in hand and, on the other, to hold back the instalments received, and products and tools held until such time as any applicable compensation is set.

10.4 - Offsetting payments

The Client will formally agree to refrain from any illegal practice consisting in debiting or invoicing the Supplier as a matter of course for sums that are not expressly acknowledged by the Supplier as due under his obligations.

Any such debit shall constitute an amount outstanding attracting the application of provisions concerning late payment specified under article 10.2. Notwithstanding, the parties reserve the right to apply for legal or conventional debt recovery.

10.5 - Legal payment guarantee under a subcontract

When the contract signed is part of a job contract system in the spirit of law n° 75-1334 of the 31st December 1975, the Client has the legal obligation of ensuring that the Supplier is accepted by his own principal. The Client is also under the obligation of ensuring that his principal accepts the Suppliers payment conditions.

When the principal is not the end Client, the Client undertakes to demand that the principal complies with the formalities of the 1975 law.

According to article 3 of the 1975 law, the absence of services or approval will result in the Client being unable to invoke the contract against the Supplier. In particular, this impossibility particularly concerns claims in respect of any lack of compliance with specifications. However, in accordance with the aforementioned article, the Client remains responsible to the subcontractor with regard to the performance of his contractual obligations.

For the purpose of these general conditions, the 1975 law is regarded as an international policing law applicable via the Client to foreign end Clients

10.6 - Reservation of title

The Supplier retains full title to the equipment object of the contract until full and final payment of the principal and subsidiary price. Failure to remit any one instalment could result in the recovery of this equipment. Notwithstanding, from the time the equipment is made available, the client shall assume the risk of loss or damage suffered or caused by this equipment.

11 - Liability

11.1 - Definition of Supplier liability

The Supplier's liability is strictly limited to compliance with the Client's specifications as detailed in the contract.

In fact, the Client, in his capacity as "principal", is able, due to his professional expertise in his specialist field and on the basis of his industrial production means, to precisely define the product on the basis of his own industrial data or those of his clients.

The Supplier shall produce the structure requested by the Client, in accordance with his trade's standard acceptable practices.

The Supplier shall not be deemed liable in the following cases:

- faults caused by the materials provided by the Client

- faults caused by a design produced by the Client
- faults which wholly or partly result from the part's normal wear, from damage or accidents attributable to the Client or to a third party
- in the event of the abnormal or atypical use of the product or of a use that is not consistent with the intended use of the product, or with standard practices or the Supplier's advice and recommendations.
- should the Client lose product traceability.

11.2 - Supplier liability limits and exclusions

Supplier liability will be limited to direct material damage caused to the Client and arising as the result of contract performance errors attributable to the Supplier.

The Supplier shall not be liable for repairing damaging consequences ensuing on contract performance errors committed by the Client or third parties.

The Supplier shall not be liable for liquidated damages should the Client make use of technical documents, information or data originating with or imposed by the Client.

Under no circumstances shall the Supplier be required to make compensation for intangible or indirect damage such as: business losses, loss of profits, loss of an opportunity, commercial damage or loss of income.

When the penalties and compensation specified have been jointly agreed, they shall be construed as fixed compensation, constituting discharge and exclusive of any other sanction or compensation.

The Supplier's third party liability, all causes taken together with the exception of bodily damage and gross negligence, shall be limited to a sum that shall not exceed the selling price for the batch comprising the part acknowledged as being faulty.

The Client undertakes to ensure that his insurers and third parties to whom he is contractually bound shall waive any recourse against the Supplier or his insurers beyond the limits and exclusions specified above.

12 - Amicable settlement of disputes

The parties agree to attempt to settle their differences amicably before applying a competent court for a ruling.

In the event of a technical dispute concerning the Supplier's products or work and failing an amicable settlement between the parties, in the presence or absence of their respective insurance underwriters, the parties may implement a «formalised amicable assessment» procedure whereby an expert provides his opinion in accordance with the provisions of the rules of the National Commission of expert engineering graduates working with the legal and administrative appeal courts (Cnideca).

13 – Applicable law – Applicable jurisdiction

In the absence of an amicable settlement, it shall be expressly agreed that any dispute arising in connection with the contract shall be governed by French law and that a decision shall be reached exclusively by the court within whose jurisdiction lies the Supplier's registered address, even in the event of a claim under guarantee or of more than one defendant.