

SARETCO GENERAL TERMS OF SALE

Article 1. Generalities

The present General Terms of Sale (GTS) are sent to each Customer who requests them or with the price offer from SARETCO.

The fact of placing an order implies the Customer's complete, unreserved acceptance of these GTS.

No special condition of the Customer can, unless formally accepted in writing by SARETCO, prevail over the GTS.

Any special condition put forward by the Customer will therefore, in the absence of express acceptance, be unenforceable against SARETCO, whenever this condition was brought to its attention.

Similarly, any attempt to impose purchasing conditions on SARETCO that would entail a waiver to the present GTS, such as the usage of the Customer's Internet portal in order to send acknowledgments for the reception of orders while excluding any reference to the said GTS will be considered as an abuse of purchasing power or undue discrimination pursuant to article L.442-6 of the Commercial Code.

Article 2. Establishment, modification or cancellation of the contract

Any price request from a Customer must include a set of Technical Specifications (TS) or refer to a known international standard.

When an estimate is prepared by SARETCO, it constitutes the special terms that modify or complete the present GTS.

Every new order must be the subject of a new estimate.

Any production carried out as part of a Quality Assurance system must be indicated by the Customer in its request for proposals and its order, and be confirmed by SARETCO in its order acceptance.

In case of an order received from the Customer, it will only be considered as definitively accepted once it has been accepted in writing or electronically by SARETCO, subject to the existence of adequate stocks at the time of the order's reception.

SARETCO reserves the right to subcontract certain operations without informing the Customer thereof.

In case of modification to the order (change of specifications or decrease of the order quantities), the consequences on procurements, the cost of tooling, the manufacturing terms and the prices will be passed on to the Customer.

In case of cancellation, orders that have been the subject of a firm offer from SARETCO will be subject to compensation in compliance with article 1794 of the Civil Code, the amount of which will correspond to a percentage of the said orders, depending on:

- firstly, the time between the order's acknowledgment of receipt and its cancellation date,
- secondly, the remaining time until the contractually anticipated shipment date, and in compliance with the following table:

Time remaining before shipment Time between cancellation and AR	< 8 weeks	8 to 16 weeks	16 to 20 weeks	20 to 24 weeks	≥ 24 weeks
< 2 weeks	20%	15%	10%	10%	10%
≥ 2 and < 4 weeks	75%	75%	40%	35%	35%
≥ 4 and < 8 weeks	85%	85%	75%	55%	45%
≥ 8 and < 16 weeks			85%	75%	60%
≥ 16 and < 20 weeks				85%	75%
≥ 20 and < 24 weeks					85%

Article 3. Industrial property - Confidentiality

Unless agreed otherwise, the foundry does not design the parts that it produces. The drafts, studies and documents of any nature delivered or sent by SARETCO are provided at no charge if they are followed by the order to which they refer. Otherwise, repayment for study and travel expenses will be owed to SARETCO.

SARETCO also retains the entire intellectual ownership of its drafts, studies, documents, patents and software programs. They must be returned to SARETCO at the latter's request. This also applies to the studies that SARETCO proposes in order to improve the quality or cost price of the parts, through an original modification of the TS.

Under no circumstances can the Customer itself make use of the drafts and studies, or disclose them, without the prior written authorisation of SARETCO or without having expressly acquired them. Except in this latter case, the Customer undertakes to protect the confidentiality of the information of any kind, written or non-written, such as industrial blueprints, diagrams, technical explanations, etc., provided to it for any reason whatsoever.

The Customer guarantees SARETCO against all consequences of proceedings that could be initiated relative to patents, drawings, registered models or any exclusive right pertaining to the parts put into production.

Article 4. Models and tooling

4.1 - The models and tooling provided on-site at no charge by the Customer must be compliant with SARETCO's moulding processes and must necessarily and distinctly include the assembly marks or indications; these models are only determining with regard to the conditions of the form, dimension and thickness of the raw castings.

The expenses for possible modifications to the models that SARETCO would consider necessary for the proper execution of the parts are borne by the Customer, duly informed beforehand. These modifications will remain the industrial property of SARETCO.

4.2 - Models are produced by SARETCO with the Customer's approval, on the basis of the requirements of the SARETCO moulding technique.

Their manufacturing cost, as well as any expenses for replacement or overhaul after wear, will be immediately paid to SARETCO or, at the latest, at the time of the first delivery of parts.

If they remain in storage in the SARETCO premises, models are stored at no cost for three years as of the execution of the last order. After this deadline, if the Customer has not asked for the models to be returned or for their storage to be extended, which can be granted in exchange for payment, SARETCO will be authorised to destroy them, after having so informed the Customer beforehand.

4.3 - Any production tooling, notably special chassiss, chill moulds, plates, models and machine tooling remain the property of SARETCO, even if the Customer has made a financial contribution to their creation. This contribution only entails a usage right for the Customer. However, SARETCO remains responsible for its safekeeping for a maximum timeframe of three years, as of the execution of the last order.

4.4 - Should master workpieces be required by the Customer, they must be submitted to it and accepted by it: its acceptance will be considered acquired in the absence of written observations from it within fifteen days of the presentation of the master workpieces.

4.5 - SARETCO undertakes to refrain from using, on behalf of other customers, any of the models and tooling used within the framework of the orders.

4.6 - The Customer assumes the expense and risks for the shipping and return of its models, tooling, and inspection and machining systems.

Article 5. Prices - Price revision

5.1 - Products are provided at the price in effect on the delivery date. The rates are subject to change without notice.

5.2 - The prices are net, ex works, excluding taxes, on the basis of the rates provided to the Customer. The delivery packaging is invoiced to the Customer.

5.3 - All taxes, duties and other amounts payable in application of French regulations, or of the regulations of an importing country or of a transit country, are at the Customer's expense.

5.4 - Unless indicated otherwise, the prices can be adjusted to account for variations considered to be beyond the control of SARETCO, such as variations of material, energy or manpower costs, as may occur between the date when the price was established and that of the contractual delivery.

Article 6. Invoicing - Payment of the price

An invoice is prepared for each delivery and provided in duplicate with the said delivery, except in the event that a delivery slip has been provided, in which case a summary invoice referring to all issued delivery slips will be prepared within 8 days.

SARETCO also reserves the right to provide its invoices to the Customer by electronic means, which the latter accepts.

Settlements are made net, by transfer, without discount, 30 days from the end of the month in which delivery occurred on the 10th. SARETCO will have the right to immediately submit the bills of exchange to a financial institution, which can present them upon acceptance, or to assign its receivable to a factoring company.

No discount is applied in case of early settlement.

Without prejudice to the reservation of title right to which our orders are subject, non-return of the bills of exchange with acceptance and banking domiciliation within seven days of their sending, non-compliance with any payment due date and, more particularly, the revelation of a protest or of a pledge on the Customer's business, entails as of right and without the need for formal written notice:

- either an event of default and, consequently, the immediate payability of the sums still due for any reason whatsoever, as well as the suspension of all deliveries;
- or the rescission of all ongoing contracts with retention of the advances collected until the determination of the possible compensation, in compliance with the provisions of article 7 below.

Any sum unpaid on the due date indicated in the invoice results, as of the day after the payment date and without the need for any reminder, in the application of late penalties in an amount equal to one and a half times the legal interest rate.

The Customer cannot defer the payment's contractual due date, even if the acceptance or shipment of receivables handed over in the plant is delayed or cannot be carried out for any reason that is independent of the control of SARETCO, let alone in the event of a case of force majeure.

This also applies to the payment of the difference between the invoice amount and the price of the parts that are likely to result, in the event of a Customer complaint, in credit notes possibly being granted by SARETCO in case of the replacement of certain parts.

In case of subcontracting, the Customer undertakes to have SARETCO accepted by the contracting authority, such as to guarantee the recovery of claims.

Article 7. Delivery and transport

7.1 - Delivery is carried out either by a direct delivery of the product to the Customer, or by means of a simple release notice, or by handing over to a shipper or carrier in the SARETCO premises.

Deliveries are carried out on the basis of availabilities, and in the order of arrival of the orders. Unless agreed otherwise, SARETCO is authorised to carry out overall or partial orders.

7.2 - In the contract, the Parties must unambiguously define the rigorous nature of the delivery timeframe to which they are agreeing. In the absence of such an express definition, the timeframe is considered to be approximate.

In any event, the timeframe only begins as of the day on which SARETCO has definitively agreed with the Customer with regard to all conditions of the order and independently of the anticipated settlement, after reception of the blueprints and technical documents leading to the launch of manufacturing, and possibly payment of the agreed advance or of the deliverables.

For series parts, the timeframes began as of the date of acceptance of the master workpieces.

In the absence of special provisions in the order, non-compliance with the timeframe cannot result in a penalty.

In the absence of a specific laws pertaining to late penalties which, in any case, cannot exceed 5% of the net of tax value in the workshop or storeroom of the equipment or portion thereof in question, the Customer is considered to have waived such penalties and shall refrain from any subsequent legal actions in an effort to obtain legal damages based solely on delays.

7.3 - In any case, and even in the presence of a contractual penalty clause, SARETCO cannot be held liable for delays linked to the occurrence of events that are independent of its will, including events affecting the sourcing of raw materials and of subcontracting. SARETCO is also as of right relieved of any commitment relative to delivery timeframes in the event that the payment conditions have not been respected in due time, should information having to be provided by the Customer not arrive in due time, and in the event of a case of force majeure.

A "Force Majeure" event is understood to be any unforeseeable, irresistible and external event preventing the total or partial execution of the contract, and which cannot be overcome even through reasonable diligence on the part of SARETCO or of its substitutes. The following events will notably be considered as Force Majeure events, though this list is not inclusive: atmospheric catastrophes and natural cataclysms, social conflict, shortage of specialised manpower or raw materials, significant incident affecting the production of substitutes, fires, explosions, actions or failures to act by the Public Services or Powers, acts of war, sabotage, embargo, insurrection, riot, various disturbances of Public Order, transport interruptions or delays.

To be claimed by SARETCO, the Force Majeure event must have been declared to the Customer by Recorded Delivery Letter within a maximum of 8 days of its occurrence.

Article 8. Transfer of risks

The agreed delivery conditions are interpreted in compliance with the Incoterms that are in effect on the date of the closing of the sale. If necessary, the Customer undertakes to obtain an insurance contract to cover the risks of loss, theft or destruction of the designated merchandise, with the contracts having to make an explicit reference to the ownership right of SARETCO.

Without prejudice to the provisions to be taken relative to the carrier, complaints with regard to obvious defects or to the non-conformity of the delivered product relative to the ordered product or to the dispatch note must be submitted in writing, within eight days of the reception of the products.

The Customer must provide all proof relative to the reality of the identified defects or anomalies.

Article 9. Reservation of title

SARETCO retains ownership of goods sold until the actual payment of the entire price, in principal and accessory amounts, insofar as this reservation of title is accepted by the legislation of the country where the merchandise is located at the time of the complaint and provided all conditions required for its application have been met.

For the purposes of this clause, the delivery of an instrument creating an obligation to pay (bill of exchange or other) does not constitute a payment.

Any payment not carried out on its due date can result in the recovery of the goods or of any product of a similar type and a similar quality.

For the purposes of exercising the right of recovery for the benefit of SARETCO, the Customer undertakes, when so requested, to allow an inventory of the parts in its possession, without the need for any procedure of any kind.

If the Customer intervenes on the delivered parts, notably for the purpose of their transformation for resale to a user customer, it undertakes, at the time of the resale, to transfer to SARETCO, in an amount equal to the sum owed to it relative to the payment of the price of the parts, the resulting credit obligation for the new buyer.

It cannot pledge them as a security, or transfer their ownership as a guarantee.

After a formal written notice sent by Recorded Delivery Letter that has gone unanswered within an interval of eight days, the sale will be cancelled as of right; the Customer will remain responsible for return expenses, and advances paid to SARETCO will remain the property of the latter in application of the penalty clause.

Notwithstanding the above-mentioned assignment of receivables, the Customer remains jointly and severally liable to SARETCO for the payment of the price.

The resale authorisation is automatically withdrawn in case of judicial settlement or liquidation; in this case, SARETCO can carry out the recovery of the merchandise within three months of the delivery of the judgment that initiated the procedure. In case of a merchandise seizure carried out by third parties, the Customer is required to so inform SARETCO without delay.

None of these provisions hinders the transfer to the Buyer, according to the chosen Incoterm, of the risks of loss or deterioration of the goods sold, and of the damage that they could cause.

Failing that, it will be considered to have fraudulently disposed of merchandise held on deposit.

Article 10. Inspection terms

10.1. SARETCO is obliged to deliver parts that comply with the requirements of the TS agreed at the time of the order, or with the master workpieces expressly accepted by the Customer. Indeed, no foundry piece can, by nature, be exempt from particularities inherent in the foundry process, and it is up to the Customer to precisely define, in its TS, the extent of the inspection that it wishes to have carried out for the acceptance of the parts, in keeping with the usage of the said parts.

10.2 - Acceptance is carried out within the framework of the appropriate standards, according to the terms included in the TS agreed when the order was placed.

This notably applies to the principle and provisions for the non-destructive inspections used by SARETCO, the purpose of which is to verify the absence of redhibitory defects in the texture of the metal that cannot be identified by a simple visual inspection. These inspections can only be determined on the basis of the design of the parts.

In particular to determine the conditions for the application of the guarantee on delivered parts as defined in the next article, the Customer must consequently, in all cases, indicate in its request for proposals, the nature and provisions for the tests and non-destructive inspections that it has decided upon, the portions of the part subject to these inspections and the severity classes used to establish the nullifying character or not of the possibly identified defects.

10.3 - In the absence of specifications specific to the inspections of the parts ready for delivery, SARETCO performs only a visual and dimensional inspection, in compliance with the standards applicable to the product.

10.4 - From a quantitative viewpoint, the number of parts indicated in the order is authoritative, except in case of the production of a series, where there is a tolerance of +/- 5%; for parts sold by weight, the actual weights are authoritative, with the weights given in the offer and order being only approximate.

Article 11. Guarantee

11.1 - With the exception of wearing parts, SARETCO's guarantee entails re-establishing the conformity or replacing, at no cost, parts recognised by both parties as being non-compliant with the provisions of the TS agreed at the time of the order, or with the master workpieces expressly accepted by the Customer.

Under no circumstances does the guarantee cover:

- the design of the parts, even in the event of a proposal from the Seller relative to the form and the metallurgical characteristics;
- obvious defects;
- damage caused by a defective part, during its usage and during the interruptions of operations that may result therefrom;
- the operational expenses pertaining to the parts before their commissioning, notably inspections and machining, as well as assembly and disassembly;
- the consequences of incidents resulting from unforeseeable circumstances or force majeure, or replacements or repairs that would result from normal equipment wear, deterioration or accidents resulting from negligence, lack of surveillance or maintenance, or improper usage of the equipment.

11.2 - In the absence of special provisions, SARETCO's guarantee applies to defects that come to light within an interval of twelve months (contractual guarantee period).

The guarantee period starts with the delivery date (cf. art 7.1).

Replacement parts or overhauled parts are guaranteed under the same terms and conditions as the original equipment, and for a new interval of 12 months, in the absence of contrary provisions expressly agreed between the parties. Should the replaced part be incorporated into an assembly, this provision does not apply to the equipment's other parts, for which the guarantee period is extended only for an interval equal to the time during which the equipment was immobilized.

11.3 - Beyond the aforesaid 12-month interval, SARETCO can no longer be pursued with regard to the guarantee except under the conditions indicated in article 1641 et seq. of the Civil Code, i.e. with the Customer having the burden of proof to bring to light the existence of a hidden defect in the delivered products, which makes them unsuitable for their purpose and that existed prior to delivery.

11.4 - The right to a contractual or legal guarantee is only available to the Customer if the latter forthwith informs SARETCO, in writing, of the defects that it attributes to the delivered products, while producing proof of their reality. It must allow the necessary observations and the efforts made to remedy the indicated defects. It must also refrain, without the express agreement of SARETCO, from carrying out the repairs itself, or having them carried out by a third party. Non-compliance with this obligation results in the ipso facto forfeiture of the contractual and/or legal guarantee.

11.5 - It is the responsibility of SARETCO to remedy any defects in the delivered products, at its expense and with all due dispatch. The defective product will be replaced under the same delivery conditions as the main order.

In principle, the works resulting from the guarantee obligation are carried out in the SARETCO workshops after the Customer has returned the equipment or the defective part(s) for the purposes of repair or replacement. SARETCO accepts no return without prior authorisation.

Nevertheless, should the repair have to be carried out on the installation site in view of the nature of the equipment, SARETCO will cover the manpower costs corresponding to this repair, after prior agreement with the Customer with regard to their amount, with the exception of time spent on preliminary or preparatory tasks, on disassembly and re-assembly operations rendered necessary by the usage or layout conditions of the equipment in question, and with regard to elements not included in its deliverable.

Unless indicated otherwise in the order, the transport cost for the equipment or defective parts, as well as that for returning repaired or replaced parts, is the Customer's responsibility. This also applies to the travel and accommodation expenses for SARETCO personnel in case of repairs on the installation site.

Article 12. Termination

Should the Customer fail to honour any of its obligations, the sale will be cancelled as of right, without prejudice to the legal damages that could be claimed against the Customer.

Cancellation will take effect one month after the sending of a formal written notice, by Recorded Delivery Letter, that has gone unanswered.

Article 13. Applicable law - Assignment of jurisdiction

13.1 - The present contract is governed by French law with regard to its interpretation and execution, thereby excluding the application of the Vienna Convention of 11 April 1980 on the international sale of merchandise.

13.2 - **In the absence of an arbitration agreement expressly included in the order's special terms, the parties agree, in the event that no amiable solution can be found within a maximum of 60 days, to bring any existing or future dispute relative to the contract's interpretation and/or execution before the exclusive jurisdiction of SARETCO Headquarters Commercial Court, notwithstanding multiple defendants or the introduction of third parties. This jurisdiction also applies with regard to summary orders.**

However, if it is the claimant, SARETCO reserves the right to apply to the Court with jurisdiction over the site of the Customer's head office, and in this case, to waive the application of its own legislation, if applicable.