



Terms and Conditions of Purchase

1. Purpose and scope:

The purpose of these terms and conditions of purchase (hereinafter "**T&Cs**") is to define the provisions governing the purchasing of materials, objects, products, components and/or services by SAB group companies within the meaning of Article L.233-3 of the French Commercial Code (hereinafter "**the Buyer**") from its suppliers (hereinafter "**Suppliers**").

No other provision detailed in the order confirmations, preliminary offers or any other document issued by the Supplier shall be binding on the Buyer if it has not been expressly accepted.

The contractual documents are composed of the following documents, in order of increasing priority:

- Any Specific Terms and Conditions validated by the Supplier
- these T&Cs
- the order signed by the Buyer and any possible appendices
- the sales offer and/or the quote sent by the Supplier to the Buyer and duly accepted by the latter;

In the event that no Specific Terms and Conditions are validated between the Parties, the other contractual documents shall apply in the order that they are set out above.

In the event of a contradiction, only the higher ranking document shall be applicable for the obligation in question. In the event of a contradiction between two documents of the same rank, the most recent shall prevail.

2. Order:

Unless agreed otherwise in writing between the Parties, all orders from us shall give rise to a written purchase order. The latter shall determine the prices, lead times, quantities, nature of the materials ordered, the payment conditions, delivery address, invoicing address or the description of services ordered.

Our order is deemed to be accepted by the Supplier under all the specific terms and conditions detailed therein and these terms and conditions if the Supplier has not issued any reservations in writing, within 3 business days of receiving the order.

In the event that the Supplier expresses reservations within the allotted time, the order can only be considered to be accepted once these reservations have been accepted by the Buyer.

Unless specified in the order, the prices that are mentioned are final and firm. They include all taxes (except VAT), contributions and ancillary costs of all kinds, as well as DDP shipping (in accordance with INCOTERMS 2010).

Any modification to an order carried out by the Supplier, whatever it may be, can only be considered to be accepted upon the written and express agreement of the Buyer. The Supplier undertakes not to make any changes to its fulfilment or supply process that may have an impact on the quality of the products delivered and/or services performed without the express and prior consent of the Buyer.

An order may be cancelled at any time by the Buyer before it has been accepted by the Supplier.

3. Safety, environment:

The Supplier guarantees that it fully complies with health, safety and environmental protection rules set out by the standards and laws in force in the country in which the product or the service shall be used, including EC or UL standards, depending on the location of use.

In the event that the Supplier does not comply with all the rules/standards and/or laws that apply to the order, the Buyer may cancel the order without notice as a result of a fault on the part of the Supplier. Furthermore, the Supplier shall bear any consequences arising for the Buyer due to the Supplier not complying with a reform/standard and/or law as applicable to the order.

The Supplier must provide the Buyer with all the relevant information with regard to the safety, security or environmental aspect of the goods sold and/or their processing, handling or use. This information shall in no way limit the liability of the Supplier.



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In the event that the products and/or services supplied by the Supplier are likely to be concerned by the application of regulations 1907/2006 (REACH) and 1272/2008 (EU GHS), the Supplier undertakes to:

- Notify the Buyer immediately (considered to be the "downstream user" within the meaning of REACH) of any substance that has not been pre-registered/registered in accordance with the regulatory provisions of REACH and to immediately suspend any delivery of a product containing the substance in question.
- Comply with Articles 31 and 33 of REACH by supplying the Buyer (considered to be the "downstream user" within the meaning of REACH) with a safety data sheet (SDS) including the registration numbers of the substances.
- The materials that can be used to supply parts for an automotive project must be registered in advance in the IMDS system (International Material Data System).

Furthermore, the Supplier undertakes to implement in its supply chains, all necessary measures to guarantee that the following materials: Tantalum, Tin, Tungsten, Gold, comply with European Regulation 2017/821 and section 1502 of the Dodd-Frank Wall Street Reform, concerning imports from conflict or high-risk zones and to provide the data for said supply chains.

4. Inspection of the goods before shipping:

When the products ordered so require, shipping may only take place once the Supplier has drafted a certificate of compliance of the goods with the specifications detailed or referenced in our order.

5. Deliveries:

5.1 As detailed in Article 2, the goods are sold in accordance with Incoterm DDP to the final destination indicated by the Buyer in the order. A delivery to another location shall be deemed not to have been carried out, unless expressly agreed otherwise between the Parties. The delivery date is that on which the goods arrive, in quantity and quality, as defined in the order.

The products must be packaged to protect them from being damaged during delivery or handling. Each batch must be marked separately in accordance with the regulations in force and the instructions of the Buyer.

In the event that the Supplier wishes to make use of the handling equipment of the Buyer at the delivery site, it must inform the Buyer at least 48 hours before delivery. Using said equipment shall be at the risk and under the control of the Supplier.

The Supplier undertakes to take all necessary measures to ensure the proper shipping of the products by using all appropriate means, and appropriate equipment and accessories, with the assistance of financially solvent agents or subcontractors as required.

5.2 Respecting the delivery lead times as set out in the order or accepted by the Buyer in writing is one of the substantial conditions of the order. The Buyer is within its rights to cancel the order if it is not fulfilled within the specified times, without the need to provide formal notice.

Any deliveries carried out after the contractual date shall lead, ipso jure, to the Supplier incurring penalties for the delay. The amount of these penalties, that shall be withheld on payments as set out in paragraph 9 below, is equal to a percentage of the late delivery. Notwithstanding any provision to the contrary, this percentage shall be 1% of the amount of the order per day of delay. Any delay exceeding two (2) months may result in the order being cancelled.

6. Acceptance - compliance check:

6.1. Damage and missing parts

The goods shall be subject to a quantity inspection by the Buyer within three (3) business days of their receipt at the indicated location. The acceptance of the goods shall be documented either by an inspection report or by signing the corresponding delivery note. The Buyer shall have the right to refuse any non-compliant products and shall give notice of the refusal by means of a registered letter with confirmation of receipt within 3 business days.

Signing the delivery note shall have no impact on subsequent decisions regarding the quality of the delivered equipment, nor on any missing or surplus parts that may be found after opening the boxes and verifying the quantities stated on the delivery note.

6.2 Non-compliance

The Supplier guarantees that the goods delivered, as well as their packaging and/or labels, comply with all the requirements of the order of the Buyer and are free of all defects. The Buyer has a period of 60 (sixty) business days from the date of receipt of the goods to verify the compliance of the products.

In the event of a non-conformity with the goods delivered, the Buyer may refuse the goods that do not comply, by any written means, even if the goods have been processed and/or integrated in the final product of the Buyer. The Buyer may choose to refuse the goods by cancelling the order or by obtaining, at the expense of the Supplier, the immediate replacement of the products under the same conditions and price as those detailed in the order. Furthermore, the Buyer may claim any compensation for any resulting direct or indirect financial damage such as all expenses for evaluating the products and/or observations of non-conformity of the products with the client of the Buyer and/or any damage incurred by the Buyer as a result of the non-compliance of the goods delivered.

All goods refused by the Buyer shall be sent back to the Supplier at the expense and risk of the latter, within a period of 8 (eight) days of the Supplier being notified of the refusal of the goods.

7. Acceptance of Services

When the order placed by the Buyer concerns the provision of services, the Buyer shall validate the results of the services within the time frames set out in the order. The purpose of this validation is for the Buyer to verify that the outcomes of the services comply with the specifications agreed between the Parties as set out in the order.

In the event of any observations, queries and/or requests for modifications/corrections issued in writing by the Buyer, the Supplier undertakes to act immediately and to make any correction within a period of seven (7) days.

The Buyer shall carry out a new inspection of the results of the corrected services and shall grant its final validation, if it deems the services to be satisfactory, by signing a definitive validation report.

Notwithstanding the Article "Termination" of these T&Cs, in the event of three (3) consecutive validation refusals, the Buyer may terminate the contract ipso jure, effective from the date of sending a registered letter with confirmation of receipt.

8. Transfer of ownership - transfer of risks:

Transfer of ownership shall take place upon the complete acceptance of the delivery, notwithstanding any retention of title clause that may not apply to us unless it is accompanied by the signature of an authorised representative of the Buyer.

The products subject to the order shall be transported at the risks of the Supplier. The transfer of risks shall only take place once the products have been offloaded at the location indicated in the order, in accordance with the applicable Incoterm.

9. Price/Invoicing:

9.1. The prices of the order are detailed on the specific document validated by the Parties for this purpose, or, in the absence of this document, the price is detailed on the quote or offer issued by the Supplier.

These prices are firm and final and include all taxes. The prices include the product packaging, the shipping costs and any accessories related to the delivery of the products.

Any additional cost, of any nature whatsoever, must be agreed to in writing by the Buyer beforehand and indicated specifically on the purchase order.

9.2 The invoices shall be drawn up by the Supplier after delivery as defined in paragraph 2 above. These invoices shall be drawn up in two copies sent to us at the address detailed in the order. They must mention the dates and order number of the Buyer. The Buyer reserves the right to refuse the invoicing of any goods or service that have not been ordered in due form by the Buyer or which is subject to an acceptance dispute. In this case, the Supplier may not claim any interest, penalty or other form of compensation for the delay (even on part of the price). In any case, in the event that the Supplier claims late payment penalties, these penalties shall be limited to three times the legal interest rate and the legal compensation for recovery costs up to €40.

The absence of a refusal of an invoice does not mean that it has been accepted. Payment of an invoice does not mean that the goods ordered or delivered have been accepted.



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Unless stipulated otherwise in the order, no deposit is paid when ordering. The invoices shall be paid in accordance with the specifications noted in the order.

10. Technical documentation:

The Supplier must provide the Buyer, within the agreed time frames or at the latest, during the delivery of the goods or services ordered, any technical documentation related to the goods, including the instruction and maintenance manuals, training manuals, drawings, technical data sheets, product safety sheets, certificate of compliance and any other useful document. Said technical documentation relating to the fulfilment of an order remains the property of the Buyer and must be considered to be an integral part of the order. This documentation must be provided in the language of the country of delivery and in French, notwithstanding any provision to the contrary.

11. Guarantee and liability:

11.1 Unless agreed to otherwise between the Parties, the Supplier shall guarantee the products for a period of two (2) years following verification of the compliance of the products delivered. As such, the Supplier shall guarantee that the goods are marketable, and free from any apparent or hidden defect, and from any design or manufacturing defect or any defect that results in a malfunction and that they are suitable for their intended functions and use.

The Supplier must comply with all legal guarantees applicable to the products and/or related to its business activity in a non-limiting way.

In the event that the Buyer implements the aforementioned guarantee, the Supplier undertakes, as requested by the Buyer, either to replace or reimburse the Buyer for the delivered products, at the sole expense of the Supplier, as soon as possible. The Supplier also undertakes to repair all direct and indirect damages resulting from defects due to the non-compliance of the products, without prejudice to the right of the Buyer to cancel the order.

11.2 The Supplier is liable for any consequential or inconsequential direct or indirect, personal, material or immaterial damage resulting from the fulfilment or improper fulfilment of an order, that itself and/or one of its subcontractors may cause the Buyer as well as any third parties such as clients of the Buyer when fulfilling the order. The Supplier undertakes to compensate the Buyer fully for the consequences of these damages, without this liability being limited, including all costs invoiced by the client to the Buyer.

12. Insurance:

The Supplier must take out and maintain the necessary insurance policies to cover their liability under these T&Cs, including a civil liability insurance policy.

The shipping of goods and products at the expense of the Supplier must take place on an Ad Valorem basis.

The Supplier shall provide the Buyer with all documentary evidence that it has taken out such insurance policies.

13. Rights and intellectual property:

13.1 Transfer of rights on deliverables and service results

All existing intellectual property rights on studies, reports, developments and other documents or work carried out by the Supplier as part of the order shall be transferred to the Buyer as soon as they are created.

This transfer relates to the right of exploitation, representation and reproduction on any known or unknown medium to date, adaptation, arrangement, modification, correction, translation, publication, marketing and, in general, all property rights attached to copyright and ancillary rights.

It is carried out for the legal protection period for the right in question and covers the entire world.

These rights may be freely transferred by the Buyer in full or in part to third parties.

The prices detailed in the Order shall include the transfer of ownership.

The studies, plans, drawings, models, moulds and tools communicated to the Supplier are and shall remain the exclusive property of the Buyer.

The Supplier guarantees that the goods delivered are free from all industrial and intellectual property claims.



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The Supplier shall hold the Buyer harmless from any infringement that may result.

13.2. Intellectual property

The Supplier undertakes never to infringe the intellectual property rights of the Buyer. The Supplier also undertakes to respect all property rights of the Buyer covering its names, trademarks, logos, acronyms, drawings and shall refrain from making any similarities in the eyes of the public.

The Buyer retains ownership of all intellectual property rights whatsoever, covering projects, drawings and all technical documents that it has carried out. All these documents must be returned to the Buyer at its request. The Supplier shall refrain, under penalty of damages and interest, from carrying out any reproduction, exploitation or disclosure of said projects, drawings and technical documents without the prior, express and written consent of the Buyer.

As part of an order for services relating to the creation of names, trademarks, logos, acronyms, drawings, etc., the Supplier undertakes to transfer all intellectual property rights covering the order of names, trademarks, logos, acronyms, drawings, etc., to the Buyer or any third parties of its choice and to sign any contract for this purpose enabling the Buyer to become the owner of these rights.

Finally, if, within the framework of the design and/or fulfilment of deliverables, it is possible to file a patent, the Supplier undertakes to take all the necessary measures and to provide all the elements enabling the Buyer or any third party of its choice to file a patent under its name and on its behalf. Consequently, the Supplier shall refrain from filing any patent itself, that has been created and/or carried out as part of the order.

14. Confidentiality:

Any written or spoken information provided by the Buyer to the Supplier related to the expertise of the Buyer, the specifications, procedures, requirements and other information, documents and technical data, must be treated as confidential and may not be disclosed to third parties without the prior, written consent of the Buyer for a period of at least 5 years following their disclosure to the Supplier. This information may only be used to fulfil the order or to prepare offers or quotes.

Property rights and copyright covering designs, drawings, samples and other documents delivered by the Supplier shall become the property of SAB group companies and may not be reproduced or disclosed to third parties at any time without the prior, written consent of the Buyer.

15. Force majeure

No Party may be held liable for any breach or delay in fulfilling the order as a result of an event of force majeure pursuant to Article 1218 of the French Civil Code, namely an unforeseen and unavoidable event outside the reasonable control of the Parties, which prevents the affected Party from fulfilling its obligations under the order.

In this case, the Party affected by the event of force majeure must duly inform the other Party and take all necessary measures and actions to minimise its effects, including the involvement of a third party if this is possible.

If it transpires that, despite implementing the aforementioned measures and actions, fulfilling the order in question becomes definitively impossible or must be delayed for a period of more than 3 months from the date of notification, the order may be terminated by one or other of the Parties in writing. The Parties must make every effort to resolve the consequences of this termination in a fair manner.

16. Termination

In the event of a breach by one of the Parties of their obligations under these T&Cs, that is not resolved within a period of 15 days following the sending of a registered letter with confirmation of receipt notifying the breach in question, the other Party may terminate the order, ipso jure, subject to the damages and interest that it may claim pursuant to these T&Cs.

Furthermore, the Buyer may request that the Supplier reimburse the sums paid and costs incurred as a result of the default of the Supplier, including the replacement of the parts by another supplier.

17. Subcontracting



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The Supplier is entirely liable for the costs and risks associated with subcontractors that it contracts. The Supplier shall also be liable for the compliance of its subcontractors with all laws and obligations relating to health, safety, environmental protection, working conditions and employment law, as well as the provisions of the terms and conditions of the order in question. The Supplier shall also ensure that its subcontractors who operate on the Buyer's premises in order to fulfil part of an order must be duly insured for the risks associated with their activities.

18. Portability

The Supplier is not authorised to transfer this order without the prior, written consent of the Buyer. The Buyer has the right to transfer this order to any SAB group company, by informing the Supplier in writing beforehand.

19. Employment legislation

The Supplier represents and warrants that the services sold are carried out in accordance with the employment legislation of its country. The Supplier undertakes to maintain this commitment for the duration of all business relations with the Buyer.

Within the framework of the fight against undeclared work, pursuant to Articles L.8222-1 et seq. and L.8254-1 et seq. of the French Labour Code, the Supplier is bound by the obligations outlined below (for products manufactured in France or services performed in France).

The Supplier shall provide the Buyer, when entering into this contract and every six months, pursuant to Article D.8222-5 of the French Labour Code:

- a document justifying compliance with the reporting obligations in social matters and payment of social security dues and contributions. This document must include the number of employees and the base remuneration declared on the last summary statement of social security contributions (Bordereau Récapitulatif des Cotisations),
- a sworn statement of the filing of all tax returns with the tax authority,
- and either the receipt of filing the declaration with a centre for business formalities if the Supplier is not required to register with the Trade and Companies Register or the Directory of Trades, or conversely, either a copy of its registration with the Trade and Companies Register (K or K bis forms), or an identification card justifying its registration with the Directory of Trades.

Furthermore, the Supplier must provide the Buyer with a sworn statement that its employees are employed in accordance with employment legislation, and in particular Articles L.1221-10, L.3243-2 and R.3243-1 of the French Labour Code. Furthermore, in the case of foreign employees, it must provide the Client, when entering into the contract and every 6 months, pursuant to Article D.8254-2 of the French Labour Code, a list of foreign employees that it employs who are required to hold the work permit referred to in Article L.5221-2 of the French Labour Code. This list must mention, for each employee, their start date, nationality, the type and serial number of the work permit.

20. Applicable law - Jurisdiction

These terms and conditions and each order shall be exclusively governed and interpreted according to the laws of the site of the buyer in question, the United Nations Convention on Contracts for the International Sale of Goods of 1980 being expressly excluded.

Any claim or dispute arising from an order must be notified in writing (including by email or fax) to the other Party. This notification must outline all the details of the claim or dispute as well as the provisional amount disputed.

If the representatives of the Parties cannot reach an amicable settlement, the dispute shall be brought before the courts sitting in the location in which the registered office of the Buyer is located.

21. Passing on of the manufacturing costs resulting from poor quality casting:

The Buyer shall bear the costs of machining following poor quality casting. Only the raw product shall be deducted from the invoice up to a percentage of 0.5% of the quantity of rejects per series delivered. Above 0.5%, all raw product costs + machining shall be deducted from the invoice.