

SEW USOCOME General Terms and Conditions of Purchase

1 – Scope of application

Supplies: products (including raw materials, equipment, facilities, industrial machinery and software) or services (including construction), included in the order.

Purchase order or order: paper or electronic document whereby the client orders the supplies from the supplier.

Contract: all of the contractual documents governing the relationship between the supplier and the client, having as subject matter the supply.

The following documents are an integral part of the contract, in descending order of priority:

- 1) the purchase order
- 2) any special conditions and appendices (specifications, drawings, etc.) as the case may be,
- 3) the General Terms and Conditions of Purchase,
- 4) any documents drawn up by the supplier, subject to the client's prior express agreement to incorporate those documents into the contract.

These General Terms and Conditions of Purchase were negotiated by the parties as a decisive reason for which the buyer places the order, given the specific nature of the supplies ordered.

Therefore, they constitute the conditions accepted by the supplier, as necessary for items not included in the General Terms and Conditions of Sale.

The General Terms and Conditions of Purchase may be supplemented or amended by special conditions or the order, as the case may be. Special conditions shall only be enforceable where the buyer has agreed to them in advance and in writing.

2 – Orders

All orders are conditional on acceptance of the General Terms and Conditions of Purchase.

Only duly signed orders shall be binding on the buyer.

Each order must be confirmed by the supplier at the latest within 8 (eight) days of the order date; otherwise, the buyer may cancel the order.

The buyer reserves the right to cancel any order, even confirmed, but not delivered, due to force majeure or unforeseeable circumstances brought to the supplier's attention without delay. Such a decision shall not entitle the supplier to any compensation whatsoever.

Any reservations that the supplier may have regarding the General Terms and Conditions of Purchase contained in the order must be set forth explicitly in writing, on specific items, in the order confirmation. Any reservations may be discussed by the parties, but, in any event, shall be subject to the buyer's express acceptance, in writing.

If such reservations modify the General Terms and Conditions of Sale accepted by the buyer or these General Terms and Conditions of Purchase accepted by the supplier, those reservations shall be considered as a rejection of the order, thereby nullifying it. If such reservations aim to amend the special conditions of the order, they require the buyer's written approval. The buyer may require that the supplier, to the best of its ability before delivery, make changes in the design and manufacture of the ordered products. The prices and delivery times shall be adjusted up or down accordingly, by mutual agreement.

No documents issued by the supplier, including after the order, such as delivery slips, invoices, etc., shall be considered contractual unless expressly accepted by the buyer.

3 – Commitments of the supplier

3.1 Declaration of information

The supplier declares that it:

- has the technical skills and sufficient resources to ensure the execution and guarantee the quality and safety of the supply in accordance with the order specifications and industry standards,
- has the financial capabilities and human resources enabling it to provide the services and/or deliver the products without risk of interruption and within the time limits set in the order; compliance with the provisions of the order is an essential condition of the commitment,
- has the authorizations, rights and approvals required for the provision of the services and/or the delivery of the supplies,
- is in full compliance with, in particular, the tax laws, by filing the required returns and paying the corresponding amounts (taxes, duties and contributions).

3.2 Modification of the position of the supplier

Furthermore, the supplier shall be required to notify the buyer, in writing and without delay, of any changes that occur during fulfillment of the order, particularly with respect to:

- the address of its corporate headquarters, its share capital, legal form, or any other change,
- the initiation of proceedings for the prevention of business difficulties, or collective proceedings or any other equivalent proceedings in the supplier's country,
- more generally, any other changes that may have an impact on fulfillment of the order, compliance with deadlines or conformity of the order.

The supplier failing to notify the buyer of this information as soon as it becomes aware of it may result in the termination of the order due to the supplier's fault.

3.3 Ethical standards and compliance with national and supranational regulations

The ordered supplies shall comply fully with the legal and regulatory requirements applicable in France, particularly in respect of the following:

- quality, safety and the European standards applicable to the supplies delivered,
- the regulations concerning environmental law, specifically, where relevant, the REACH Regulation (EC) No. 197/2006.

Beyond this legal imperative, it is reiterated that the active protection of the environment, the measured use of natural resources and the protection of workers' health and safety are integral to the basic principles of the buyer's corporate culture.

A notable feature of this approach is in compliance with the requirements set by the following standards: ISO 14001 for environmental management, ISO 50001 for energy efficiency and ISO 45001 for workplace health and safety.

In addition to compliance with the applicable regulations, the supplier undertakes to voluntarily address the issue of sustainable development with respect to the environment, in particular through the efficient and economical use of all of the energy resources required for the product's complete life cycle.

- Labor and employment law: the supplier shall not offer for sale supplies that have been made by minor children or employees in an irregular situation. More broadly, the supplier undertakes to comply with the requirements of the international conventions on children's rights, particularly those concerning child labor, as well as the legal limit on working time.
- Compliance with the legal and regulatory requirements on transparency and the fight against corruption, specifically Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy, known as the Sapin II Law.

The supplier expressly declares that it complies with the applicable legal requirements with respect to the fight against corruption. The supplier warrants that it will not engage – directly or indirectly, in particular through the use of agents, subcontractors or third parties – in any activity, practice or conduct that violates the anti-corruption laws. The supplier specifically represents and warrants to the buyer that no money (including fees, commissions or any other undue financial benefit) or object of value (including inappropriate gifts, travel, meals or entertainment) has been or will be directly or indirectly provided to an employee, director or corporate officer of the buyer, for the purpose of obtaining the order or facilitating its fulfillment. Any breach by the supplier of these obligations shall be considered a serious breach authorizing the buyer to terminate any pending orders and to immediately and without compensation terminate the commercial relationship with the supplier, without prejudice to any claims for damages to which the buyer may be entitled as a result of such a breach.

The supplier further represents that it has taken note of the buyer's code of conduct, available at the following address: <https://www.usocome.com/compliance.html> and undertakes to comply with it. Any non-fulfillment of the provisions of Article 3 may make the supplier subject to the immediate termination of commercial relations with no notice, through the fault of the supplier.

4 – Confidentiality

The supplier undertakes to maintain the secrecy of the orders as well as of the technical specifications, standards, technical documents, plans, diagrams, routing cards, studies, drawings, models, calculations, etc., whether or not the above are marked 'confidential; any reproduction or disclosure is prohibited', provided to the supplier by the buyer.

All of these documents shall remain the exclusive property of the buyer.

The supplier makes the same commitment for all of the implementation documents and samples it makes itself for the needs of the orders.

Likewise, the supplier shall maintain the secrecy of all commercial information and of any information of any kind whatsoever provided to it by the buyer, even orally.

The supplier undertakes not to provide any of this information in any form and by any means, including by reproduction, imitation, photocopy, etc., and not to use it directly or indirectly for its own benefit or that of a third party; furthermore, it shall not produce the supplies for any third parties that have not been expressly approved by the buyer. The supplier guarantees compliance with the same obligations by its managers, partners or shareholders, directors, employees, independent representatives, workers, interns, subcontractors, etc.

If the supplier subcontracts all or part of the orders entrusted to it by the buyer, it shall inform the buyer of this situation and impose the same confidentiality obligation on its subcontractors.

The supplier shall return the documents provided to it by the buyer for the purpose of manufacturing the supplies, with the delivery of the products completing the order, either at the end of the relations between the parties or, during the course of the contract or during fulfillment of the order, at the buyer's request.

The supplier shall not retain those documents in the form of computer files, digital files, copies or other forms of reproduction. The confidentiality obligation shall remain in effect indefinitely.

The supplier shall not use the buyer's name as a reference, without the buyer's express authorization.

All of the models produced by the supplier based on the buyer's instructions and/or documents are the exclusive property of the buyer. No documents or models shall be destroyed without the buyer's express authorization.

The disclosure, use or retention of all or part of the documents, like any violation of this clause, will result in the supplier being required to compensate for the damage caused, without prejudice to the buyer's right to initiate any action required to put an end to such conduct. The damages shall not be less than €20,000 per violation, per day.

5 – Transport, delivery, transfer of ownership and risk and penalties for delay

5.1 Transport and delivery

Delivery of the products and machines or performance of the services shall be at the place(s) indicated in the contract. Unless otherwise stipulated, the products are delivered and the associated risks are transferred in accordance with the DDP Incoterm (Incoterms 2010), namely, by delivery to the buyer's premises at 48-54 route de Soufflenheim, 67500 Haguenau, France, or to any other location indicated on the order, during the following business hours:

- Monday to Thursday: from 7 am to 12 noon and from 1 pm to 3:30 pm
- Friday: from 7 am to 12 noon.

The buyer shall not be liable for any storage costs.

Each delivery shall be accompanied by a delivery slip.

Ownership is transferred at the time of delivery of the supplies, regardless of the actual date of payment.

5.2 Delivery periods

The supplier shall be bound by a performance obligation with respect to the full and complete fulfillment of the order, including timely delivery on the date indicated in the contract. Any change in the agreed delivery or implementation date shall be subject to the buyer's prior written authorization. Any delivery delay longer than 8 (eight) days may result, after prior formal notice has been sent by registered mail to the supplier, in the cancellation or rescission of the order, due to the supplier's fault, as well as the immediate return of any deposits paid by the buyer.

The delivery period stipulated on the order is a decisive element. The delivery period commences on the order date and is always understood to be, for documents and supplies, delivered at the agreed place of delivery. The supplier must make the necessary allowances for the transit time of the delivery. The delivery date is a cut-off date not to be missed. Notice to deliver is deemed to be given as of that date.

Where delivery is delayed, the buyer shall be entitled to penalties for delay at the rate of 1% per day, up to a limit of 10% of the order amount, after a grace period of 5 (five) working days from the agreed delivery date. Said amounts shall be deducted by way of set-off against the payment.

The penalties for delay do not discharge the supplier from its obligations and shall be without prejudice to the buyer's right to obtain compensation for

costs arising from the cancellation of the order, damages, lost profit, loss of production and any direct or indirect loss or damage suffered by the buyer, attributable to the supplier. These amounts shall be deducted by way of set-off against the amounts due for the order for supplies.

Unless otherwise stipulated, partial or early deliveries will not be accepted. Otherwise, the delivery shall be considered as having been made once the entire order has been delivered.

In cases of force majeure duly established by the supplier, same shall notify the buyer of the force majeure event by registered mail with acknowledgement of receipt, promptly after the occurrence of the force majeure event, specifying its estimated duration and consequences. The buyer reserves the right to accept the suspension of the delivery periods or to cancel the order in full or in part.

No delivery delays or withholding of deliveries may be justified by the existence of a dispute about another delivery.

6 – Acceptance procedure

Since the supplier conducts its own quality inspections, the buyer is not required to perform incoming inspections or acceptance procedures of the supplies at the time of delivery.

The supplier shall therefore perform all necessary inspections of the products it manufactures or delivers, irrespective of any visits the buyer may make of the supplier's premises. The supplier is responsible for the quality of the products delivered. Any inspections performed by the buyer shall not release the supplier from its responsibility.

Claims by the buyer, concerning patent defects or supplies not in conformity with the order or with the delivery slip, and/or missing goods, are not subject to any formalities or notice periods.

Such claims are separate from any steps to be taken with the carrier by the buyer. The buyer shall inform the supplier by post or email of the existence of such a defect, cause of nonconformity or missing goods, after discovery thereof.

Supplies subject to claims shall be taken back by the supplier; otherwise the buyer shall return them at the supplier's expense and risk.

The supplier shall be liable for any harmful consequences, such as the costs of analysis, inspection, search, compensation, lost profit, expenses, losses, etc., and in general any bodily injury, tangible and intangible losses, direct and indirect damage, suffered by the buyer or third parties or that can be attributed to the buyer by its own clients, without prejudice to the buyer's right to seek replacement of the disputed supplies by any other supplier at the expense of the defaulting supplier, and without prejudice to the buyer's right to terminate the contract.

The supplier agrees to take out the insurance policy referred to in Article 7, in order to cover the consequences of any defects and nonconformities of the supplies.

If the payment occurs before the discovery of any defects whatsoever, such payment shall not be deemed an acknowledgment by the buyer of the quality and conformity of the goods.

The supplier shall be duly called upon for all operations of analysis, inspection and search, in order to give its opinion on the defect, nonconformity or missing goods at issue, as well as their consequences.

7 – Warranty

7.1 Legal warranty

The supplier shall be liable for latent defects in the supplies, which may be reported within a period of 5 (five) years of their discovery. The supplier shall be called upon to give its opinion on the identified defect.

The buyer reserves the right to return supplies affected by latent defects, at the supplier's risk and expense, in exchange for the return of the price paid, or to demand a reduction in the price, without prejudice to any damages, costs, lost profits, expenses, etc., which shall be payable by the supplier, concerning any bodily injury, tangible and intangible losses and direct and indirect damage.

The supplier undertakes to obtain the insurance coverage stipulated in Article 8 below, in order to cover its legal liability.

7.2 Contractual warranty

Unless more favorable provisions apply, the good working order, design, workmanship and manufacturer's warranty concerning supplies extends from the date of delivery to 24 (twenty-four) months after final acceptance by the end customer.

The contractual warranty covers parts, labor, travel, costs, assembly, dismantling and damage in connection with implementation of the warranty.

The limitations or exclusions of coverage are not agreed.

The supplier undertakes to fulfill the obligations arising from this warranty upon the first request of the buyer. Furthermore, the buyer reserves the right to request either the replacement or repair of the supplies, or the issuance of a credit note.

In both circumstances, the supplier shall take responsibility for the consequences of the defects, just as with regard to patent defects, nonconformities and the legal warranty.

In the event of a repair or replacement requested by the buyer, the supplier shall take all necessary measures to reduce the period of unavailability. Any replaced or repaired supplies shall be covered by a new warranty identical to that set forth in this article.

This contractual warranty is covered by the insurance policies referred to in Article 8.

7.3 Guarantee regarding intellectual and industrial property rights

The supplier guarantees to the buyer that the supplies ordered and delivered are not subject to any intellectual property and/or industrial property rights that could be enforced against the buyer.

The supplier guarantees that the supplies are free and clear of any rights in France and abroad.

The supplier shall hold the buyer harmless from and against any and all claims by third parties on the basis of an infringement of their intellectual property rights. Under this guarantee, the supplier shall pay all amounts, compensation, costs and damages that may be awarded against the buyer. The supplier further undertakes to make or cause to be made, at its own expense, the necessary changes and/or replacements for the relevant supplies.

8 – Insurance

The supplier undertakes to cover the financial consequences of any bodily injury, tangible and intangible losses, direct and indirect damage, consequential or non-consequential loss or damage, suffered by the buyer or its clients and caused by the supplier or its products.

The supplier undertakes to obtain coverage to guarantee against this risk regardless of the cause of the defect (Article 7 of the General Terms and Conditions of Purchase), from recognized, creditworthy insurance companies, and to provide evidence of this upon the first request to do so.

The supplier undertakes to obtain from the insurance companies providing the coverage against the risks stipulated in these Terms and Conditions of Purchase, a waiver of the recourse that they could exercise against the buyer, its managers, employees, etc., in their subrogation to the rights of the supplier.

9 – Invoicing

Invoices shall be issued in duplicate, one copy of which shall be sent to the buyer at the time of delivery, unless otherwise stipulated. The due date of any invoice received late shall be postponed accordingly.

One invoice shall be issued per order.

Each invoice shall include the order number, quantity, price, description, buyer's item code, conditions and in general any legally required notices.

The order number must be indicated on all correspondence, delivery slips, order acknowledgments, etc.

If these notices are missing, the documents shall be returned to the supplier to be completed.

The payment period runs from the day on which the valid invoice is received, which must be after the latest delivery date agreed and after the actual delivery date.

Unless otherwise provided by legal or contractual derogations, in application of Article L.441-6 of the French Commercial Code, invoices shall be paid 45 (forty-five) days end of month from the issue date of the invoice, or 30 (thirty) days from the issue date of the invoice for transport services.

Early payment or payment in cash shall result in a discount of 2% of the order amount, unless the supplier expressly declines to grant this discount prior to the order.

10 – Termination and default

All orders may be terminated automatically, in full or in part, with no need for legal formalities to be performed, in the following circumstances:

10.1 Non-performance

In the event of the complete or partial non-performance of the supplier's obligations hereunder, termination shall occur if the buyer gives the supplier notice of its decision by registered mail, return receipt requested, ordering the supplier to fulfill its obligations, remaining without effect for 1 (one) month.

10.2 Serious or repeated misconduct

In the event of serious or repeated misconduct, termination shall occur upon notice sent by registered mail, return receipt requested, as the buyer sees fit. In the event of the supplier's failure in the fulfillment of the order or in the performance of any of the obligations set forth in the General Terms and Conditions of Purchase, the buyer reserves the right to substitute itself or to substitute a third party for the supplier at the risk and expense of the supplier, after formal notice of 5 (five) working days has been given without effect.

11 – Jurisdiction and applicable law

The relations between the parties shall be governed by the laws of France.

Any disputes shall be subject to the jurisdiction of the courts of Strasbourg, including for summary proceedings.

12 – Personal data protection

Within the context of their contractual relations governed by these General Terms and Conditions of Purchase, the personal data of the buyer's and of the supplier's employees and workers is processed.

A confidentiality policy (hereinafter referred to as the "policy") is appended to these General Terms and Conditions of Purchase, governing the buyer's protection of said personal data, which it processes in its capacity as the data controller.

The supplier acknowledges that acceptance of the General Terms and Conditions of Purchase implies that it has read, understood and accepted the terms and conditions of the policy, which is an integral part of these General Terms and Conditions of Purchase.

The supplier further represents, concerning the processing of the personal data of the buyer's employees and workers, that it is in compliance with the applicable regulations in France on the protection of privacy and of personal data, and in particular Law no. 78-17 of January 6, 1978 regarding data processing and personal liberties, and EU Regulation no. 2016/679 of the European Parliament and of the Council of April 27, 2016.

Haguenau, March 1, 2019

SEW USOCOME

Simplified joint stock company