

# SAH LEDUC GENERAL PURCHASING CONDITIONS

## 1 – GENERAL PROVISIONS

The present general conditions constitute the law of parties for any contract having as its object the purchase of products or services by the Application Hydraulique LEDUC company (hereafter: SAHL), with its suppliers (hereafter: the Supplier) even if SAHL accepts and/or pays a delivery in knowledge of opposing or deviating conditions of the Supplier.

In particular, the express or tacit acceptance of any order by the Supplier leads to the full and complete application of the present general conditions to the exclusion of any others. SAHL reserves the right to modify the present general conditions at any time and without notice, the conditions will then be applicable to any contractual relationship in progress and in the future.

## 2 – APPLICABLE LAW - ATTRIBUTION OF JURISDICTION

The orders and contracts mentioned above and governed by the present general conditions as well as their consequences are exclusively subject to French law and fall in case of litigation within the exclusive jurisdiction of the Market Court of Nantes (44000 - FRANCE), even in the event of emergency proceedings, third party appeals, incidental claims or multiple respondents.

## 3 – DELIVERIES

### MODALITIES

Unless otherwise stated by SAHL at the latest at the time of the order, product orders are taken for products rendered or delivered to the premises of the final addressee designated by SAHL. The products will be transported at the expense, risk and peril of the Supplier, until they are received by the final addressee (DDP incoterms CCI 2010). The Supplier commits to deliver products:

- on a date on which their lifetime is equal to or greater than two-thirds of their total lifetime, calculated from the date of manufacture or their day of packaging;
- in lots and on pallets containing Products whose references are identical and failing this, isolated by separators easily enabling identification to be made;
- if necessary while complying with the packaging and transport procedures required by SAHL and transmitted on request and, to say the least, in suitable packaging and in transport that is compliant with trade practices;
- in which no characteristics will have been modified between the order and the delivery;
- to the location defined by SAHL (SAHL unit)

The Supplier also commits to transmitting to SAHL at the latest at the time of delivery or to make available to SAHL on its first request:

- All of the compliance certificates of the product, particularly the standards in effect, as well as materials traceability;
- The manufacturing control and compliance certificates recording in particular all real dimensions and all functional dimensions and mating dimensions;
- Assembly notices and care recommendations in as much as it is necessary;
- Reports of tests that the Supplier promises to carry out before delivery inasmuch as it is necessary, SAHL not being, unless expressly agreed upon prior to delivery, contractually obligated to do so.
- The References of the SAHL order, the plan number and the Supplier's SAHL client code.

### DELIVERY DATE

Unless specifically agreed upon, the delivery of products will be carried out according to the time frames appearing on the corresponding order form transmitted by SAHL. The date specified is a delivery date and not a shipping date. Unless the Supplier formulates in writing its refusal within a time frame of 5 (five) working days from receipt of the order, the time periods set by SAHL in the order form will be considered to be accepted and will be in effect.

### DELAY

In case of a delivery delay and even if partial deliveries of the order have been executed within agreed-upon periods, SAHL may at its discretion, without prejudice to any request for damages and interests in compensation for prejudice undergone due to this delay, particularly upon presentation of any claims made to SAHL by its own customers:

- either request the forced execution of the corresponding delivery for the payment, as a penalty, by the Supplier of a lump-sum penalty of 1% of the order per day of delay after formal demand, within the limit of 10 % of the amount exclusive of taxes of the order under consideration;

- or cancel or terminate as of right and without notice the order or its balance, without payment of any compensation.

In any case, additional transport costs undertaken by one of the Parties resulting from any delivery delay will exclusively be at the expense of the Supplier.

This article will not apply in the event of the occurrence of a force majeure event, including strike activities by the transporters, making compliance with time periods impossible.

## 4 – PRICE – INVOICING

Unless otherwise agreed upon in writing, the price is expressed in Euros and includes free delivery to the location indicated by SAHL in its order.

Unless otherwise agreed upon in writing, the price agreed upon during the order includes the assembly, adjustment and development costs of the product or installation, by the Supplier, as well as, when the order applies to a specific material or equipment, the modifications that may be made during production, on request by SAHL.

Invoices sent by the Supplier must comply with legal formalities and must particularly comprise the order reference and date, delivery slip number and date, designation of products, unit price and VAT. SAHL will be free to refuse to process any non-compliant invoice and will not in any case be held responsible for the non-compliance of its obligations by the Supplier.

In case of product returns, the payment periods of the Supplier will be suspended pending their replacement. New payment periods will start on the day of delivery of replacement products.

In the case of the observation or serious suspicion, before payment of the price, of a non-compliance or defect affecting the products, SAHL may, as of right, suspend the payment or its equivalent on the entire sum due to the supplier, during the time necessary for redemption of the non-compliance or defect.

## 5 – TRANSFER OF RISKS

Independently from the property transfer date, the products will be in the custody of the Supplier until they are received by SAHL or by the designated addressee. Thus, until this date, the Supplier will support the risks that the products may undergo or cause, for any reason whatsoever, even in the case of force majeure, exceptional circumstances or due to a third party.

## 6 – RECEIPT

The Supplier or its transporter commits to not carry out any unloading without the prior agreement of SAHL. The receipt of products is subject to their acceptance by SAHL following quantitative, qualitative and technical controls. Receipt does not release the Supplier from responsibility for any defect and/or non-compliance of sold or delivered products. In the same manner, payment of invoices does not imply acceptance of the quality of delivered products and involves no renunciation on the part of SAHL to utilize any matter of law of its choice if the quality and/or quantity of Contractual Products turns out to be insufficient.

In this respect, the release that may be given at the time of delivery does not release the Supplier in the case where it would be recognized, during subsequent verifications, or during use, that the quantity or quality of products received does not correspond to the specifications from the order or delivery document.

SAHL may formulate any claims and/or return in full or in part the products that would not be compliant or that would be defective in view of their replacement or exchange or a credit note, within a period of 15 working days from the date of receipt.

## 7 – RETURN

The Supplier will recover the products that are the subject of a dispute within a maximum period of 4 (four) working days, starting on the day when the Supplier has been advised to take possession, by any means available.

Beyond this period or if the Supplier expressly refuses the repossession, SAHL will destroy the products at the expense and risks of the supplier. These expenses will either be invoiced or charged to any sum due to the supplier by SAHL.

## 8 – WARRANTIES

The Supplier guarantees the compliance of the product, packaging and markings, with the standards and with all legislation in effect in the country where the merchandise is delivered and/or sold (particularly community law, national law and any other regulatory requirement in effect). The Supplier guarantees that the products are free from patent or hidden defects.

The Supplier guarantees that the products, their utilization or distribution, do not in any case infringe on the rights of third parties, particularly issued from industrial or intellectual property.

The Supplier guarantees that it has taken all necessary measures for clearly identifying the needs of SAHL, whether to fulfil them by serial products or in the context of the delivery of a product or a specific service and/or on the basis of the specifications.

The Supplier guarantees that the product that it delivers or that the service that it provides satisfies the needs of SAHL, particularly the usage to which it is intended and its expected performance. Any technical knowledge of SAHL should not release the SUPPLIER from its responsibility in this respect.

The Supplier guarantees SAHL against all harmful consequences including court and defence costs, connected to the non-compliance by the Supplier of obligations subject to the present general conditions and more particularly to its warranty obligations as defined in the present article.

SAHL does not accept any clause that would be likely to limit the extent of the warranty obligations and/or compensation of the Supplier; the Supplier accepts this and waives the right to issue such notice.

In case of default in the quality of products and without prejudice to any other request, the Supplier commits to reimburse upon the first request by SAHL, in particular, the full value of the products and all of the costs connected with a possible recall campaign including the cost of reimbursement to the SAHL customer of the recalled products.

## 9 – INSURANCE

The Supplier commits to purchasing, for the entire duration of its relationship with SAHL, from a reputedly solvent insurance company, civil liability insurance and professional liability insurance regarding SAHL and all third parties, for all consequences of its services and products and their utilization.

The Supplier will also insure any goods belonging to SAHL of which it will keep even temporary possession (particularly tools, plans, off-set stock) until their effective return to SAHL, from a

reputably solvent insurance company, against risks of fire, explosion, theft, natural catastrophes and any other risks that it

may undergo, the Supplier assuming all responsibility for the possible deductibles in its insurance policies.

## 10 – SUBCONTRACTING

Unless otherwise expressly agreed upon in advance by SAHL, the Supplier is held to personally execute the orders passed by SAHL.

In case of recourse to a subcontractor, the Supplier vouches for the compliance by the subcontractor with all of the obligations undertaken by the Supplier in the present general conditions. The Supplier will remain, under any and all circumstances, solidarily and entirely responsible with relation to SAHL for any service or provision that it would decide to confer to a third party. The Supplier must also ensure that its subcontractor is covered for all consequences that SAHL and/or a third party may undergo in its service, by insurance from a reputedly solvent company. Lacking this, the supplier must himself purchase, at his expense and to the benefit of SAHL, an insurance policy covering the service of his subcontractor.

## 11 – INTELLECTUAL PROPERTY

In no case will access to and/or utilization of, by the Supplier, in particular, information, rights, formulae, acceptance tests, tools, specifications, packaging, know-how, plans or specific tools belonging to SAHL, confer to the Supplier any right whatsoever, particularly of property, on these items.

In particular, SAHL will be the owner and the Supplier concomitantly commits to yield to it any right to the specific implementations ordered by SAHL.

The Supplier commits to purchasing insurance covering the damages that any tool deposited by the SAHL may undergo or cause and in case of loss or deterioration, it will be jointly and severally held responsible with its insurer for the immediate reimbursement of tools and goods for their replacement value. The Supplier must affix onto the tools and goods in deposit belonging to SAHL a plate identifying the property and is prohibited from agreeing in favour of a third party, on any lien or right to these tools and goods.

These tools and goods may only be utilized for the needs of SAHL, to the exclusion of any other usage.

## 12 – GENERAL PROVISIONS

### LIMITATION

Actions based on a hidden defect of products are subject to limitation by a time lapse of 2 years counting from the discovery of the defect by SAHL. Other actions are subject to limitation by a time lapse of 10 years counting from the date of receipt of the product by SAHL.

### CONFIDENTIALITY

The Supplier promises to keep strictly confidential all of the information of which it will have knowledge on the occasion of its collaboration with SAHL and that directly or indirectly relates to the SAHL company and in particular to: its products, its know-how, its personnel, its business and its commercial contracts.

### NON-RENUNCIATION

The fact that SAHL does not claim at any time whatsoever a prerogative recognized by the present general conditions should not be interpreted as amounting to a waiver of the right to subsequently claim by the latter the corresponding prerogative.

Each of the stipulations of the present general conditions will apply to the full extent permissible by the law and the partial or full nullity of a clause would have no effect on the rest of this clause and on all of the general conditions.