

	<h1>GENERAL PURCHASING TERMS</h1>	N° <b>SADO117</b>	Page : 1/2
		Rév. <b>01-07/18</b>	

## 1 - Purpose

These general purchasing terms represent a fundamental aspect of all SADTEM orders, whether they may be orders for plant, equipment, products or services of any type.

Acceptance of an order placed by SADTEM with the supplier implies acceptance by said supplier of the special terms of the order and compliance with these general purchasing terms, except in case of amendment thereof by the special terms contained in the SADTEM order.

Any failure from SADTEM from enforcing, at any given time, any of the clauses of these general purchasing terms may not be deemed to be a waiver of its right of enforcing these clauses thereafter. Similarly, the invalidity of any clause hereof will have no effects whatsoever on the validity of other clauses.

## 2 - Orders

Prior to any order, whatever the specificities notified by SADTEM or the content of the specifications, the supplier undertakes:

- To provide information on the conditions of use of its product and materials, and give information and advice to SADTEM on constraints inherent in the product and/or service;
- To seek information on standards, performance, regulations or specificities which the product and/or service should meet, under the terms of the law or any other standard applicable. This will also apply for environmental matters;
- To reduce the risks of the product and/or service, using a safety and quality control programme. The supplier should state to SADTEM measures implemented in its organisation.

SADTEM will send its purchase order form by mail, fax, or any electronic means agreed upon.

The order will be deemed to be accepted and binding upon the parties upon receipt by SADTEM of the order confirmation which should be sent to SADTEM within eight working days following the date of the order.

SADTEM may terminate, with no penalty, the order if the confirmation has not been received within that period of time.

Any order, for which receipt was not acknowledged, though it resulted in a delivery, invoice or total or partial performance, will be deemed to have been accepted by the supplier.

As long as the supplier has not confirmed the order, SADTEM may change it. Then, SADTEM shall be informed of any change in prices or in the schedule after changes requested, in a timely manner, and may decide to terminate its order with no penalty whatsoever.

## 3 - Price

Save as be agreed otherwise, the price of the order shall always be stipulated as firm and final and will apply to goods FOB Destination « postage and packing paid ».

SADTEM may not be charged any extra cost whatsoever, save as may have been agreed otherwise by SADTEM in writing. Orders will not systematically result in the payment of advance payments (or deposits or security deposits), save as may be expressly stipulated in the order and special terms.

Any change in prices or payment terms applied by the supplier should be notified to SADTEM by registered mail, return receipt requested not less than one month before the date of application thereof.

Otherwise, the change in prices or selling terms will only be applicable to SADTEM one month after SADTEM was made aware thereof.

## 4 - Billing - Payment

Invoices will be sent in duplicate before the 25th of the month and should mention the dates and numbers of delivery slips, as well as order numbers. Payment will be made not later than 45 days following the month of invoicing, EOM, or within 60 clear days upon receipt of the invoice.

## 5 - Fulfilment of the order

The supplier will deliver the goods and/or perform services in compliance with the specifications of the order, industry standards applicable and schedule defined for the performance in the purchase order form. On this point, the supplier will be bound by an obligation to achieve a given result. Performance deadlines may only be extended or reduced under the terms of an amendment to the order.

The supplier shall request from SADTEM any approvals and instructions as may be required for the proper performance of the order in due course. As far as it is concerned, depending on the case, SADTEM will provide the equipment to the supplier and/or will perform jobs expressly identified in the order. It will also allow access to the site where goods and/or services are delivered.

When accepting the order, the supplier expressly acknowledges that it has received all documents and information required by the supplier to assess the scope of the obligations which may be binding upon the supplier under the order, and conditions for the fulfilment of said order, including regarding safety standards applicable on the SADTEM site and any hazards as may be related to facilities and/or equipment located nearby. either because the supplier spontaneously received them from SADTEM, or requested them itself under the terms of the obligation to be observed in a good and workmanlike manner, compelling the supplier to demand any documents and information as may be needed for the due observance of its obligations as provided by the order.

For all the time when the order is being handled, if the supplier needs to work on the SADTEM site, the supplier will be responsible for ensuring that its employees meet

SADTEM rules and procedures as well as access, health and safety conditions applicable on the site. The supplier shall forthwith give SADTEM notice of any such event as may affect the performance of the order, including in terms of safety.

The supplier undertakes not to sub-contract all or any part of the order without SADTEM's written consent on the selection of the sub-contractor. SADTEM's consent on the selection of any sub-contractor will not relieve the supplier in any way from its obligations to SADTEM.

The supplier will be personally responsible for providing any resources required for the fulfilment of its obligations with respect to the order, excluding those which SADTEM may be responsible for providing, as may be specifically mentioned in the order. The supplier shall have all the equipment and tools required for the performance of the order and shall appoint a sufficient number of qualified employees to fulfil the order within periods defined in the agreement.

The supplier will be personally responsible for issues of time and workforce, and shall comply with labour laws, including laws on working time, weekly and additional rest days, as the case may be, and annual or other leave, and will be responsible for paying all social security contributions payable with respect to its employees.

Goods ordered should fully meet legal and regulatory stipulations applicable, including with respect to:

- quality, composition, display and labelling for goods;
- the provisions of international conventions on children's rights, including those on child labour; in any event, the supplier will refrain from offering for sale products which may have been manufactured by minor children;
- the preservation of the environment. Otherwise, the supplier undertakes to give the buyer notice thereof not later than the day of receipt of the order.

The supplier will provide to the buyer documents identified in Sections D 8222-5 and D 8222-7, « Code du travail » (*labour law*) when entering into this agreement and once every six months until completion thereof.

The supplier undertakes to comply with legal clauses on illegal labour in compliance with Sections L 8221-1 et seq., « Code du travail ». The supplier shall observe obligations relating to workforce employment and protection and to work conditions in compliance with the laws, regulations, and collective agreements applicable in France.

Any failure from either party while fulfilling its obligations may immediately result in termination of the agreement, fully in compliance with the law, without prejudice to any damages.

For any order not fulfilled within the period required, SADTEM will reserve the right of claiming from the supplier compensation for late fulfilment as stipulated with the order. These provisions will be without effect on SADTEM's right of acting against the supplier on the grounds of the legal or contractual warranty.

## 6 - Delivery

### Packages

Products should be properly and adequately packed in an appropriate package, in consideration of their nature and of the care to be taken to protect them against the bad weather, corrosion, loading or unloading accidents, transportation and storage constraints, vibrations or impacts, etc. Parcels will be clearly identified in reference to SADTEM's matching purchase order form.

The supplier will be liable for any broken, missing or damaged products due to any incorrect or inappropriate packaging, marking or labelling.

Any equipment so requiring will clear customs at the cost of the supplier.

### Time

The date determined for delivery, i.e. the arrival date, not the shipping date, as stated in purchase order forms, is critical.

Any such event as may have an impact on the order will be immediately notified to SADTEM. The supplier shall immediately give SADTEM written notice of this event, of the time it is likely to continue and of the effects thereof on delivery dates.

Any such order as may be delivered before the delivery date « at the earliest » may result in goods being sent back at the cost of the supplier.

In case of late delivery for which the supplier may be responsible, in the absence of any case of force majeure, the supplier will owe penalties for late delivery at a rate of 2% of the purchase price, exclusive of tax, per calendar week, the limit being 10 % of the purchase price exclusive of tax based on the amount of non-delivered goods.

These monies will be due and no formal notice will be required. They will be settled in the form of a credit note.

Beyond this limit, and/or for any late delivery for which the supplier may be responsible, as may result in deliveries to customers scheduled by SADTEM being postponed, all or any part of the order may be rightfully terminated by SADTEM, at the exclusive fault of the supplier, and SADTEM will send back goods at the supplier's cost, if SADTEM wants to.

The supplier will be liable for any direct or indirect damages, damages to property or consequential damages, which any late delivery may have caused to SADTEM, including operating losses resulting from any shutdown, any costs as may be charged by its customers, and extra cost generated by any order for supplies placed with a third party to compensate for the supplier's incapacity of delivering the products.

## 7 - Inspection and Acceptance

Goods and/or services shall be in conformity with the specifications of the order and be fit for the intended use. They should also meet standard quality requirements and existing standards and laws. Goods will be delivered in a state of full completion, with complete related documentation, as well as all instructions, recommendations and other indications required to be used properly, in appropriate safety conditions. Any goods or services which do not satisfy all previous requirements will be considered as not in conformity.

The supplier warrants that products delivered, as well as the package and label, fully comply with the order placed by SADTEM and are free from any defects.

Receipt of goods by SADTEM will take place at the place of delivery stated in the purchase order form, to ensure that supplies are compliant with the order both in terms of quality and quantity.

SADTEM will reserve the right of rejecting all or any part of the delivery of any goods ordered by ordinary mail, fax or any other electronic means in case of overdue delivery, incomplete or excess delivery, or in case of non-conformity with the order.

In case of non-conformity, within one month from the date of receipt of the relevant products on its premises, SADTEM may either:

- cancel the order after giving the supplier notice;
- or immediately substitute identical products or higher quality products for non-compliant products, at the cost of the supplier, under the same price terms, within 8 days following receipt of the claim,

without prejudice to such indemnification as may be claimed by SADTEM for all direct and indirect financial consequences resulting from damage to property or consequential damage caused to persons or to property suffered by SADTEM as a result of the non-conformity, including operating losses resulting from a shutdown, any costs as may be charged by its customers, the extra cost generated by any order for supplies placed with a third party to compensate for the supplier's incapacity to deliver compliant goods, as well as measures of withdrawal of products, for any reason whatsoever.

The supplier shall take back, at its own cost, products which were rejected within not more than 8 days worked from the date of notification of the rejection; after that period, they will be returned at its own cost.

Any rejected or discarded supplies will result in the issue of a credit note.

Rejected supplies should only be replaced upon the special indication of SADTEM and shall be replaced upon the same terms as initial supplies.

In case of non-conformity relating to minor issues, SADTEM may carry out acceptance with reservations.

The absence of reservations or claims upon acceptance of the delivery, signature or stamp confirming unloading, affixed by SADTEM will not represent for SADTEM final acceptance of supplies delivered or any waiver from SADTEM of its right of exercising any remedy thereafter as a result of the non-conformity of the delivery with the order, or of the existence of apparent or latent defects in items delivered.

## 8- Tool Models

Equipment, including components, equipment, tools, models, moulds, templates, accessories or others provided to the supplier by SADTEM or produced by the supplier to fulfil the order will be left in the care of the supplier, and the supplier shall purchase an insurance policy against any damages as may affect them and will clearly mark and register them as being the property of SADTEM.

The supplier will refrain from using this equipment outside the subject matter of the order, will maintain such equipment in good working order, subject to the normal wear and tear thereof, and will assume related risks during the entire period when they are made available.

Any damage or deterioration which may be suffered by this equipment following poor use or negligence from the supplier will be remedied at the cost of said supplier. Without prejudice to other rights held by SADTEM, the supplier shall return to SADTEM this equipment upon request.

Title to the tools manufactured or acquired by the supplier especially for the requirements of the order, including models, moulds, templates, accessories and others, will be transferred to SADTEM at the time of the manufacturing or purchase thereof by the supplier. The supplier shall hand over these tools to SADTEM not later than the date of order completion.

If the supplier does not spontaneously do so, the supplier may be required to do so by means of legal action, at its own cost.

## 9 - Confidentiality

The supplier undertakes to treat with confidentiality all documents, models, drawings, designs, specifications, information, data and other information which will be transferred to the supplier by SADTEM or of which it may be aware while handling the order, and the supplier will refrain from disclosing to third parties, from copying or from using such information for other purposes than the fulfilment of the order only, without the prior written permission of SADTEM.

The supplier will only notify and disclose this confidential information to its employees directly involved in the performance of the order, provided that they are bound by confidentiality provisions having the same scope as those contained in this section.

The supplier will not copy or duplicate all or any part of confidential information provided by SADTEM without its prior permission in writing, except for copies or extracts reasonably required for the fulfilment of the order.

The supplier may not, in any case whatsoever, disclose the existence of the order for advertising, promotional or other purposes, without the prior written permission of SADTEM. The provisions of this section will remain applicable for the full term of the order and for five (5) years after the end of the order, whatever the reasons for which it may have been terminated.

The supplier undertakes to pay a sum equivalent to ten times the amount of the order which was placed by SADTEM in case it should fail to satisfy any confidentiality obligations imposed upon said supplier by this stipulation No.9. This penalty is indivisible and is vested in SADTEM, even though SADTEM may ask for the termination of the agreement which is binding upon SADTEM and the supplier.

This clause will not prevent SADTEM from filing a claim with a court for compensation for the full loss which may be caused to SADTEM by the non-performance of this clause, if it is higher than the amount provided above as penalty.

## 10 Garantie - Liability

The supplier guarantees that products delivered are in conformity with specifications and contractual detail, and in general with existing legal and regulatory instructions.

The supplier guarantees that products delivered are new, of premium quality, free from any material, design or manufacturing defects and perfectly fit for the use for which they are intended.

The supplier will be responsible for defects or faults affecting its products and should indemnify SADTEM from and against any claim, whatever the nature thereof, which may be filed on this point, and against all resulting direct or indirect consequences, if any, for SADTEM and/or third parties.

The supplier undertakes to take an active part in and financially support any recall campaign which may concern all or any part of its products, whether or not they may be incorporated in other products, without limitation.

The supplier will promptly give SADTEM notice of any deficiency which the supplier may have detected in its products, to limit the detrimental effects thereof.

The supplier will offer a warranty covering products for a period at least equal to 24 months from the date of commissioning of such products, without prejudice to its obligations resulting from the legal warranty.

During that period, the supplier undertakes to repair or exchange this product for any deficiency, error, fault, apparent or latent defect, or defective functioning.

The supplier promises to SADTEM and any customer, as sub-purchaser of any product, to repair or exchange this product when any defect is detected within two years following commissioning on the site of a sub-purchaser. In that case, the supplier undertakes to assume the financial consequences of the alternate compensation mode applied.

In any case, the supplier will be held responsible, and undertakes to assume all direct and indirect financial consequences resulting from damages of any type caused to persons and/or property, as well as measures of withdrawal, suspension, consignment, take-back and refund to the customer, modification and/or destruction of products, whether these measures may be ordered by public authorities (including courts) or may be voluntary measures, whatever the cause put forward, including in the case of latent defect, non-conformity with any standard or regulation, or lack of safety.

## 11 Insurances

The supplier undertakes to purchase and maintain, at its own cost, insurance policies covering its errors and omissions liability as well as its product liability before and after delivery, with a reputedly solvent company. These policies should cover liabilities incurred by the supplier as a result of the fulfilment of the order for all bodily damages, damage to property, consequential damage, whether incidental or not, caused to SADTEM, SADTEM customers or third parties, up to sufficient amounts.

Upon the request of SADTEM, the supplier will send to SADTEM general and errors and omissions liability insurance certificates dated less than six months before.

The purchase of these insurances will not represent any limitation of the supplier's liability.

The supplier also guarantees that it will ensure that its own suppliers purchased appropriate insurances for products used in the order.

In all cases, the supplier shall provide, at the request of SADTEM, an appropriate insurance covering products until they reach the premises of the buyer or any other destination approved by the buyer.

## 12 - Transfer of title and transfer of risks

Save as may be agreed otherwise, transfer of title and risks will take place at the place of delivery mentioned in the order.

## 13 - Intellectual Property

The supplier guarantees that goods which were delivered may not be subject to any claim relating to industrial or artistic property rights (patents, trademarks, designs and models), and that the pictures of products may be copied in any format, including on the Internet, save as may be decided otherwise, as expressed via a registered mail, return receipt requested.

SADTEM owns the findings of studies, prototypes, pre-production items, models and tools, documents and data which were funded by SADTEM and which were made for its own account. The supplier may not claim any new industrial or intellectual property, know-how, or trade secret on these items. In the event that SADTEM should expressly accept any property rights to any of these items held by the supplier, the supplier shall grant to SADTEM a free license to use such rights for its own requirements.

Studies, drawings, designs, models and tools may not be used by the supplier for other uses or be copied or duplicated or transferred to third parties without SADTEM's prior written consent.

## 14 - Law applicable - Jurisdiction

Any matter relating to these general purchasing terms and to purchases governed by them, as may not be covered by these contractual stipulations, will be governed by the laws of France.

The United Nations Convention on Contracts for the international sale of goods made in Vienna on 11 April 1980 will not be applicable to these general purchasing terms.

The sole court having jurisdiction, including for matters of special urgency, will be the Commercial Court of DOUAI, FRANC