SALZGITTER MANNESMANN PRECISION
Membre du Groupe Salzgitter

# GENERAL TERMS OF SUPPLY – EXPORT

## 1. Terms of the Essence of the Contract

All deliveries made by our Company outside France are subject to these General Terms of Supply which are binding on the Buyer and our Company. Any order placed with our Company or delivery made by our Company and accepted by the Buyer shall imply the acceptance by the Buyer of these General Terms which rule out the application of the Buyer's own general terms of purchase. No derogation here from is valid unless expressly accepted in writing by our Company.
Any failure to enforce any provision of these conditions shall not be deemed to be a waiver of such provision.
If any provision of these General Terms of Supply or any contract contemplated hereby is found to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not impair or affect the remaining provisions of these General Terms of Supply or any contract contemplated hereby or the validity or enforceability of such provision in any other jurisdiction.

## 2. Formation of Contract – Amendment to Orders

Contracts become firm and definitive only after a written order acknowledgment by our Company. The same rule applies to all amendments to the order. Any partial or total cancellation of any order is subject to an express agreement in writing by our Company. Our Company reserves the right to have all or part of the contractual deliveries and corresponding sales administration made by subsidiaries or associated companies or by subcontractors.

## 3. Prices – Terms of Payment – Default of Payment – Late Payment Interest

The prices applicable to the delivery of goods to the Buyer are those stipulated in writing by our Company in its order acknowledgment. Such prices are firm except change in the price of goods' raw materials detrimental to our Company. Unless otherwise agreed upon in writing, the prices are CPT (as defined in the INCOTERMS 2010), exclusive of VAT. If not stipulated otherwise in the order acknowledgment, the payment is due at the end of the month following the delivery, without deduction of any payment discount, in a manner to enable us to dispose over the amount payable on the due date on our bank account mentioned on our Company's invoices. Any charges and costs incurred in connection with the payment shall be borne by the Buyer. In the case of claim or legal action brought by the Buyer for any cause whatsoever, the Buyer may only set off with our Company's accounts receivable amounts which are expressly accepted by our Company or which have been determined by a final court decision and the Buyer may only retain part or the whole price payable insofar as such price and the Buyer's claim concern the same contract. Our Company reserves the right, upon default in the payment of an invoice at due date, whatever the contract the invoice is related to, either to cancel the outstanding orders or to hold up delivery and, in all cases, to demand immediate payment for all merchandise previously delivered and an advance payment or a payment guarantee for the outstanding orders. Furthermore, upon default in the payment of an invoice at due date, all sums due according to these general terms will bear a fixed penalty of 40 Euros per invoice as well as interest as

from the due date at the rate of the European Central Bank interest rate plus 10 percentage points . The Buyer shall, in addition to these late payment interest & penalty fees, be liable for the recovery costs incurred as a consequence of the late payment itself, like cost of protest and return for bills of exchange or checks which for any reason whatsoever are not paid at their due date. Our Company shall have the right at any time during execution of an order to require all guarantees it may deem necessary for the payment of goods. Should our Company not obtain the guarantees requested, it shall have the right to suspend or cancel all or part of the order or contract remaining to be executed.

4. Quality – Examination – Acceptance of Goods at the Factory

Our Company is only responsible for the conformity of the goods leaving our factory with the quality and specifications mentioned in the order acknowledgment, the Buyer alone being responsible for verifying the suitability of our goods for the use expected by him. Therefore, our Company shall not be responsible if the goods delivered, although they meet the quality and specifications mentioned in the order acknowledgment, do not fit the particular or ordinary purposes for which such goods have been ordered by the Buyer. Unless otherwise agreed by our Company in writing, product specifications as to weight dimension and other matters are indicative only and are not contractually binding. Even if they are binding, deviations of weight, dimension and quality are permissible within the framework of applicable standards or customer specification. Except as otherwise agreed upon in writing by our Company, the goods shall be delivered unpacked and not protected against rust. If the contract involves carriage of the goods, examination of the goods by the Buyer at its own costs shall occur, after prior notice to our Company, at our factory before handing the goods over to the first carrier. If the Buyer fails to examine the goods at our Company's factory, the goods leaving our factory shall be deemed conform to the quality and specifications mentioned in the order acknowledgment and accepted by the Buyer. The Buyer looses the right to rely on a lack of conformity of the goods if he does not give notice to our Company specifying the nature of the lack of conformity within 5 working days after he has discovered or ought to have discovered it.

5. Delivery – Force Majeure

Delivery dates indicated for each order are only estimates and shall in no event constitute a firm undertaking on our part to deliver on a specific date. Consequently, in the absence of agreement on our part provided expressly for firm delivery dates in the order acknowledgment, our Company shall not be liable for any damages, interest, indemnification or penalty for late delivery. If the contract provides for penalty for late delivery or lack of conformity at the delivery date, such penalty shall be deemed to be all damages inclusive. If the Buyer does not perform contractual obligations (as, for instance, opening of a letter of credit, making of an advance payment), we shall be entitled to postpone our delivery dates, regardless of our other rights arising from the default of the Buyer.
Should the loading of the goods be delayed for reasons for which our Company is not responsible, then we shall be entitled to place the goods in a warehouse at our discretion at the cost and risk of the Buyer and to invoice the goods. The same shall apply if goods notified to be ready for delivery are not requested to be delivered by the Buyer within 4 business days.
All goods shall be delivered CPT (as such term is defined in the 2010 INCOTERMS) unless otherwise agreed in the order acknowledgment. The Buyer shall bear all risks of damage to or loss of the goods from the time when they have been delivered at to the carrier or, if there

are subsequent carriers to the first carrier, according to the CPT term and our Company shall not incur any liability for damages or loss of any kind to or of the goods after that time. Thus, the Buyer shall proceed, as mentioned in clause 4, at its own costs to any pre-loading inspection of the goods and shall be solely responsible for rust, wet, ovality, deterioration occurring after delivery of the goods to the (first) carrier, the Buyer making its own business of any recourse against the carrier or the insurer.

The Buyer shall be responsible for complying with all applicable laws and regulations concerning the importation and use of the goods.

According to the ICC Force Majeure Clause 2003 and the ICC Hardship Clause 2003, if we are prevented from performing our obligations due to circumstances or facts occurring independently of the will of and beyond the control of our Company, including but not limited to fire, explosion, flood, war, strike, lockout, labor interruption, serious accident, shortage of labor, shortage of raw materials and/or means of transport or energy or governmental act or regulation, the period of delivery shall be extended by the term of the hindrance and a reasonable start-up period. Should the delivery become impossible or economically unreasonable for us due to the hindrance, then our Company shall be entitled to cancel the contract.

## 6. Retention of Title

We retain title to the goods delivered until they have been paid in full by the Buyer. The remittance of a letter of credit or other commercial paper like a bill of exchange does not constitute payment in full.
The Buyer shall retain the goods sold by us until they are fully paid in a manner such that they can always be identified as our property.
If goods not fully paid for cannot be identified and are kept with other goods of the same type supplied by our Company, such goods shall be presumed to be those not yet paid for and our retained title may be exercised over such goods.
The Buyer may not pledge the goods, or grant any right thereon to any third party.
In the event of non-payment, our Company may demand, by registered letter with return receipt, the restitution of the delivered goods at the cost and risk of the Buyer.
If the Buyer fails to return the goods at receipt of our demand, he may be compelled to do so by a summary order authorizing us to take back the goods to which we retain title at the Buyer's premises or elsewhere at the Buyer's sole expense.
If the goods sold by our Company have been processed, combined or mixed by the Buyer with its own goods or third parties' goods, we shall acquire joint title pro rata, to that part of the goods that represents the invoiced value of our goods in relation of the total value of the other goods which have been processed, combined or mixed.
The Buyer may, in the ordinary course of its business, resell goods which are subject to our retention of title. Except the case when the Buyer receives the full purchase price in advance or upon delivery, the Buyer assigns to our Company all its claims arising from such resale. If so requested by us, the Buyer shall immediately provide us with the information and documents necessary to enforce our rights against its customers.
The Buyer must notify us of any attachment or measure taken by third parties over our goods without undue delay.

7. Warranty – Claims

The Buyer shall submit all claims, particularly those regarding the quality of the goods, to us in writing within 5 working days from the date he has discovered or ought to have discovered the defect and at the latest within 12 months from the delivery of the goods; each claim shall set forth its grounds in detail. The goods shall then be inspected jointly and the representatives of our Company shall be permitted to take such samples and make such inspections as we deem necessary. In the event of justified claims relating to the quality of the goods delivered, we reserve the right, in our discretion, to either replace or repair the goods. Our Company's warranty applicable to the original goods shall also apply to the repair or replacement. If our repair fails to remedy to the defect, or the replacement of goods are defective, the Buyer shall be entitled to get a refund of the purchase price of the defective goods.
We can only be liable for indemnification, on whatever legal grounds including negligent breach of essential contract obligations, up to the amount of the sales of the respective goods, which cause the damage, and if the damage is covered by our liability insurance, within the limit of the total compensation paid by our insurance Company. Our Company will in no case have any liability for direct, indirect, consequential damages. These limitations of liability shall not apply in cases of wrongful intent or gross negligence on our part. Furthermore, the foregoing limitations of liability shall not apply to our liability for personal injury or damage to privately used goods under the product liability laws, if such laws are applicable.

8. Intellectual Property

Models, patents if any, and information about our products and processes remain our property, even if the Buyer pays totally or partially for their development.

9. Governing Law – Arbitration

These General Terms of Supply and any contract or order contemplated hereby shall be governed by and construed in accordance with the laws of France (including in particular the provisions of the United Nations Convention on Contracts for the International Sale of Goods adopted in Vienna on April 11, 1980). Our Company and the Buyer shall make every effort to settle amicably any controversy or claim arising out of or related to these General Terms of Supply and any contract or order contemplated hereby, or the breach thereof. Notwithstanding the jurisdiction for measures of preliminary injunction proceedings, disputes, if any, which cannot be settled amicably, shall be finally settled by arbitration in Paris, France, in accordance with the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with the said Rules. Arbitration proceedings shall be conducted in the English language. The decision of the arbitrator shall be final, binding and enforceable upon the parties and judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction thereof. In the event that the failure of our Company or the Buyer to comply with the decision of the arbitrators requires either party to apply to any court for enforcement of such award, the non-complying party shall be liable to the other for all costs of such litigation including attorney fees.

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