

GENERAL TERMS AND CONDITIONS OF SALE – APS COATING SOLUTIONS

These general terms and conditions (hereinafter the "GTC") apply to all contractual relationships between APS Coating and the customer company, the Instructing Party, regarding any contract, any order, and the orders placed in the framework of an « open order ». They are written in compliance with legal and regulatory provisions including those of the Business Code. In accordance with article L441-6 of the business code, they are the single basis of the business negotiation.

Any departure from these general terms shall be subject to the formal and written acceptance of APS Coating. They prevail over any clause to the contrary expressed in any way by the customer company and that have not been formally agreed to by APS Coating.

Written in the meaning of these general terms, shall be understood as any document prepared on paper or sent by fax or subject to the prior agreement of both of the parties, by electronic means.

Contracts and orders placed between APS Coating and the customer company consist in custom work services (or processing) made and/or processed on the customer company's request and as a result, whatever their form, meet by nature the legal qualification of job contract.

1 – CONTRACT CONTENT AND FORMATION

1.1 – Contract Content

The following are part of the contract and shall solely have the status of contractual documents:

- these general terms,
- the specific terms accepted by the two parties, including the specifications, provided it has been formally accepted
- the order accepted by any means, including by means of confirmation of receipt or order confirmation,
- the documents of APS Coating complementing these general terms,
- studies, estimates and technical documents provided before the execution of the main contract and accepted by the parties.
- the delivery form
- the invoice.

Where the order contains no relevant specifications, or where a conflict arises between contractual documents, the following order of precedence shall apply: (i) the order and its specific annexes; (ii) the special conditions mutually agreed by both parties; (iii) these GTC; (iv) any other contractual document referenced in the order and accepted by the parties.

1.2 – Specifications, call for bids and bid

Any call for bids, any order, should include technical specifications including necessary specifications and particularly the nature of the material used and the treatments that may have already been applied to the latter.

The offer is considered as firm only when it includes a validity period. Once the time period specified in the offer has elapsed, the price may be revised, taking into account the evolution in business costs.

In the same way, any change in the specifications or model parts submitted as test as needed, may result in the revision of the bid accordingly.

1.3 – Order

The contract is completed only when the order is formally accepted by APS Coating. If the order is different from the offer, it will only have effect insofar as this express acceptance is given, in accordance with article 1118 of the French Civil Code.

The acceptance of the order is done by all written means.

Any order formally accepted by APS Coating, whether open or closed, shall be deemed to imply the customer company's acceptance of the Supplier's offer.

Orders placed by electronic means (including email, ordering platforms, or any other dematerialized channel) shall carry the same legal weight as paper documents, provided their authenticity and integrity can be verified. To be validly processed, orders submitted by email must be sent to the APS Coating's designated email address notified to the customer company upon commencement of the commercial relationship, and must originate from an email address belonging to a duly identified representative of the customer company who has been expressly authorized in writing to place orders. APS Coating shall bear no liability for the consequences of any order transmitted to an incorrect address or placed by an unauthorized individual. APS Coating shall furthermore not be bound by any general terms and conditions of purchase embedded in or referenced through the customer company's ordering platform; such terms shall be unenforceable against APS Coating absent its express written acceptance.

1.3.2 – Open order

Without prejudice to the terms specified by article 1304-2 of the civil code, an open order should meet the terms mentioned below.

- It is limited in time by the agreed delivery time.

- It sets the features and the price of the products
- At the time of the execution of an open order, maximum, minimum amounts and delivery times are specified.
- The scheduling of the delivery orders defines the specific amounts and delivery times that are within the range of the open order. If the adjustments made by the customer company to the forecast amount estimations of the schedule of the overall open order or of the delivery orders differ by more than 15 % from the amount of the said estimations, APS Coating assesses the consequences of such variations.
- In the event of any upwards or downwards variation the parties shall confer to find a solution to the consequences of the difference, likely to affect the balance of the contract to the detriment of APS Coating.
- In the event of any upwards variation the terms, including the delivery times, shall be revised and APS Coating shall make its best efforts to meet the request of the customer company in the amounts and delivery terms compatible with its capacities (production, transport, sub-contracting, personnel, financial, etc...).

1.3.3 – Order change and cancellation

Any change to the contract requested by the customer company is subject to the written and prior acceptance of APS Coating. The order expresses the consent of the customer company in an irrevocable manner; therefore, the customer company may not cancel the order, unless otherwise previously agreed to in writing by APS Coating. In that event, the customer company shall compensate APS Coating for any costs incurred (including specific equipment, study costs, labour and procurement expenses, tooling) and for any direct and indirect consequences arising therefrom. In addition, the instalment already paid shall remain gained by APS Coating.

1.3.4 - The contracts entered into between APS Coating and the customer company are concluded *intuitu personae*, that is to say, in consideration of the identity of the customer company. Accordingly, the customer company may not assign all or any part of its rights and obligations hereunder to any third party without APS Coating prior written consent. Any merger, acquisition, business transfer or transfer of activity resulting in a change of control of the customer company must be notified to APS Coating without delay, APS Coating reserving the right to determine whether to continue or discontinue the existing contractual relationships.

2 – PRICE

2.1 - Failing an agreement by the two parties on a price, before the performance of the work, the Coating shall be charged by APS Coating based on its proposal. Failing a quantified proposal, APS Coating shall assess the price of the processing based on its own data and criteria, and the customer company shall pay the price on that basis.

The prices are given before taxes and « ex-works ».

The price corresponds exclusively to the products and processing specified in the offer.

Payments are made in euros unless otherwise specifically agreed in the contract.

A handling price, in the form of a minimum billing amount, will be charged by APS Coating.

2.2 - The prices apply only to the processing operations, excluding any related costs such as: carriage, delivery costs, packaging, special tests, certificates of compliance, specific insurance, taxes, etc...

2.3 - The supplier may develop its prices and rates over time. The insertion of a clause on price indexation based on relevant economic indices is typical and considered good practice in the profession. These possibilities are not a block to the implementation of modification to the agreed price on the basis of unforeseen events, in accordance with article 1195 of the French Civil Code, particularly in the case of a significant increase in the cost of materials, products and energies. This capacity may also be exercised if a price indexation clause is present, without the need to wait for the stipulated date of indexation.

2.4 - In the event of repetitive orders any variation in the nature, in the quality or in the presentation of the base material or parts shall result in a price renegotiation.

3 – DELIVERY TIMES

3.1 - Delivery times accrue as from the latest of the following dates:

- final customer company order acceptance date,
 - date of arrival at the sub-contractors of the parts to be processed as well as of all technical documents or material items needed for the completion of the processing,
 - date of acceptance of the prototype parts,
 - date of settlement of the instalment possibly agreed upon.
- Unless otherwise agreed the delivery time or performance time is deemed given for informational purposes.

3.2 - Contractual delivery times are extended for any reason that made it impossible for APS Coating or the customer company to perform its obligations under the conditions stipulated in article 12.

3.3 - When the parts are not collected by the customer company within a period of one month after the notification of the provision, APS Coating shall charge warehousing costs and they shall be kept at the risk of the customer company.

Failing collection within two months as from the agreed time, APS Coating may alienate the parts or destroy them, subject to notifying the customer company.

3.4 - Any penalty clause requires the consent of APS Coating. Delivery delay or processing performance delay penalties may not be applied by the customer company unless they have received APS Coating's specific and written approval.

4 – TRANSPORT

4.1 - As a rule, the terms of APS Coating shall apply to parts deposited at, and collected from, its shops or workshops by the customer company.

The goods travel at the costs and risks of the customer company whatever the origin of the packaging or the transport method. This provision applies to the various transports, i.e. to incoming or outgoing parts, whatever the place of shipment or destination.

4.2 - In the event of the sending of the parts by the customer company to APS Coating, such shipping should be done carriage free, unless otherwise agreed. The weight or amount of the parts mentioned in the shipping lists are deemed valid only after receipt by APS Coating.

4.3 - Packaging: unless otherwise agreed, the customer company shall deliver its parts properly packaged to prevent any deterioration during transport. Such packaging shall be reusable for the return trip.

In the event of packaging deteriorated or insufficient, APS Coating may replace and charge them, subject to first advising the customer company.

4.4 - Upon the return of the processed parts, it is the customer company's responsibility to carry out, on receipt, any weight and amount test and possibly to express any reserves to the carrier, without this justifying any delay in the settlement of the invoices of APS Coating.

4.5 - If APS Coating is responsible for carrying out or having carried out the shipping, it then acts only as agent of the customer company, including in terms of payment. It is then justified in charging all its expenses and its own costs.

4.6 - When the customer company calls on the services of the carrier or forwarding agent or had designated it, it shall be responsible for the solvency of that carrier or forwarding agent and hold APS Coating harmless against the consequences of its failure.

4.7 - In the event, the customer company has called on a forwarding agent or carrier for the collection of goods intended for a third party:

That third party shall have the status of addressee in the meaning of article L 132-8 of the Business Code, the customer company shall have the capacity of sender in the meaning of that article and agrees to sign the bill of lading.

5 – CONDITIONS OF PERFORMANCE, ACCEPTANCE AND WARRANTY

5.1 - Terms of performance

5.1.1 – APS Coating agrees to complete its processing in accordance with the contract and in compliance with professional rules, according to the terms of work and guarantee specified in 5.4 below.

5.1.2 – In order to complete the operations and in agreement with the customer company, APS Coating reserves the right to carry out the destruction of the parts for setting or testing purposes during or after the manufacturing.

5.1.3 – While the parts are held by APS Coating including during the performance of the work the responsibility of APS Coating is governed by articles 1789 et seq. of the Civil Code.

Unless otherwise agreed the responsibility of APS Coating is limited to the loss of its work on parts lost or deteriorated unless serious breach of rules of prudence, competence and diligence normally required for such work is proven.

5.1.4 – In pursuance of article 1790 of the Civil Code, should the material entrusted with APS Coating have latent defects and disappeared or was deteriorated as a result of its poor quality, the value of the treatment or processing or of the coating completed by APS Coating shall be borne by the customer company.

More generally should the rough parts provided by the customer company or defined by its show configuration or material defects, APS Coating shall not be held responsible for any deteriorations sustained by those parts and may charge the customer company all resulting costs.

5.2 - Acceptance terms

5.2.1 – If an acceptance has been agreed upon, the terms thereof should be specified by common agreement upon the order. Failing, they shall be completed according to the following provisions.

5.2.1.1 – At the workshops of the APS Coating
The acceptance shall take place at the workshops of APS Coating on the date agreed by the respective parties. If the customer company does not attend or is not represented at the acceptance test, the acceptance is nonetheless deemed to have been carried out jointly.

5.2.1.2 – At the customer company or the user
The acceptance may however on the customer company's request, be completed on its premises or at the end user subject to APS Coating's agreement.

5.2.1.3 – On machined parts, after coating or processing
No acceptance test may take place after machining, assembling or installation, the parts being then considered as received and accepted by the customer company. However, a written departure from that rule may be accepted in the event the defect can be found practically only through machining or assembling. If, during those operations, no defect has been identified, no claim will be admitted.

5.2.2 – After acceptance, the responsibility of APS Coating is cleared for any apparent defect or that the test means used during the inspection of the parts ought to have normally identify.

5.3 - Post-delivery inspection

5.3.1 - Failing acceptance to be conducted jointly, the acceptance is deemed joint and accepted after 48 hours after the delivery and at any rate prior to their use or assembling in a unit or sub-unit.

5.3.2 – After that time, the responsibility of APS Coating is cleared for any apparent defect or for any defect that inspection means normally used in that area or the special means used by the customer company, would have allowed to find.

5.3.3 - APS Coating's warranty shall not apply in the following circumstances: normal wear and tear of the treated parts; failure by the customer company to comply with the applicable standards and industry-accepted conditions of use, storage or maintenance; intervention by an unauthorized third party on the parts following delivery; or use of the parts in conditions other than those defined in the technical specifications.

5.4 - Terms of APS Coating's work

The responsibility of APS Coating is strictly limited to compliance with the specifications of the customer company set in the specifications book or any other contractual document. Indeed, the customer company is in a position, due to its professional skills in its speciality and depending on the industrial production means it has, to define precisely the work based on its own industrial data or that of its clients and based on the type of material to be processed, on the use it intends for the part and the industrial result.

APS Coating shall perform the work requested by the customer company, in compliance with the professional rules of its trade.

6 – CLAIMS

6.1 - Failing which the claim shall be time-barred, any claim should be made in writing immediately upon finding the defect. All facilities should be granted to APS Coating to acknowledge and reduce the consequences of the defect.

6.2 - A claim does not allow the customer company to carry out itself or have carried out by a third party the repair of the disputed parts, unless authorised in writing by APS Coating.

6.3 - A claim doesn't entitle the customer company to carry out, or to have carried out by a third party, any remedial work on the disputed parts without APS Coating's prior written authorization. Any recourse to a third party without such authorization shall result in the forfeiture of all warranty rights and shall discharge APS Coating from any obligation to provide compensation.

7 – IN THE EVENT OF LOSS, DETERIORATIONS AND SCRAPPING OF PARTS

7.1 - In the event of any loss or deterioration of parts during the work or scrapping due to defects acknowledged by APS Coating, the latter shall, at the customer company's option, either prepare a credit note corresponding to the work supplied, or redo the work using, whenever possible, original parts, or new parts supplied by the customer company. If it is proven that a part is beyond repair, the sub-contractor may have to take part in its replacement in an amount at most equal to

its value before taxes expressed in cost price and that in no event shall exceed twice the price of the coating or processing. In order to be able to claim further compensation, the customer company shall make its request upon the execution of the contract and as a result declare in writing the value of the property entrusted so as to allow the assessment of the additional price pertaining to that extra guarantee it should bear.

Where a batch contains both conforming and non-conforming parts, APS Coating's liability shall be strictly limited to those parts individually identified as defective on an adversarial basis. Under no circumstances may the customer company invoke the non-conformity of certain parts as grounds to reject or dispute the batch as a whole, nor to withhold payment for the conforming parts.

7.2 - Parts that the customer company has obtained reprocessing for are returned for repair to the workshops of APS Coating. In that event, costs such as disassembling, reassembling and withdrawal are borne by the customer company.

7.3 - Unless formally agreed by APS Coating, its responsibility shall be strictly limited to the thus defined duties and it shall not be responsible for any further compensation for any reason. In any event, APS Coating's liability shall not extend to any indirect losses suffered by the customer company or by third parties, including in particular: loss of business, loss of profit, reputational harm, commercial losses, consequential delays, or losses sustained by the customer company's client.

8 – EXCLUSION OF LIABILITY

8.1 - The responsibility of APS Coating is excluded in the following cases:

- if it is found that the material provided or required by the customer company is defective, not compliant with the one announced, not defined or not adapted to the requested processing;
- in the event APS Coating did not control or was not informed of the processing carried out previously to the delivery of the parts;
- in the event of a defect resulting either from the shape of the parts or from designing or a deposit or processing required by the customer company, or from use or storage or handing unsuitable for the processed parts.

8.2 - In no event shall APS Coating be held responsible for any costs incurred by non-compliant equipment, shipped to worksite without having been checked and accepted before shipping.

8.3 - APS Coating makes no commitment regarding prototype or test parts, for which the customer company takes full responsibility.

8.4 - In the request of the customer company, APS Coating may make proposals for processing or coating. The customer company should confirm that such recommendations are compatible with proper operation in use that APS Coating does not control. Accordingly, APS Coating shall bear no liability for the consequences of any treatment or coating selection made on the basis of its recommendations.

9 – INSURANCE

APS Coating warrants that it holds professional liability insurance covering all activities contemplated under these General Terms and Conditions. APS Coating undertakes to maintain such coverage for the entire duration of its contractual relationship with the customer company and to provide evidence thereof upon simple request.

The customer company likewise warrants that it holds professional liability insurance appropriate to its activities. It undertakes to provide evidence thereof upon APS Coating's first request. Failing this, APS Coating reserves the right to suspend performance of any order in progress, without any liability arising therefrom.

10 – PAYMENT

10.1 – Payment terms

In accordance with legal provisions, the time agreed between the parties to settle amounts owed should not exceed sixty days net as from the invoice issuing date.

Payments take place, unless otherwise agreed, on the 30th day following the invoice issuing date. Payment dates agreed upon contractually cannot be disputed unilaterally by the customer company under any pretext, including in the event of a dispute. Early payments are made without any discount, unless otherwise agreed.

10.2 – Late payment

Any late payment shall make payable without notice, upon the first day after the payment date shown in the invoice:

10.2.1 Late payment penalties.

The penalty rate is determined by the application of the refinancing rate of the European Central Bank increased by 10 points, and shall be no less than three times the French legal interest rate.

10.2.2 Fixed compensation for collection costs, in an amount of 40 euros.

When the collection costs incurred exceed the amount of that fixed compensation, the supplier is also entitled to seek extra compensation subject to documentation.

In the event of any late payment the Supplier may exercise its right of withdrawal on all parts and tooling in its possession (products entrusted or made or in the process of being made and related supplies, tooling, etc.) and suspend deliveries.

The exercise by APS Coating of any one or more of the above provisions shall not deprive it of the right to enforce the title reservation clause specified in article 10.5.

10.3 – Payment offsetting

The customer company may not debit automatically or charge automatically APS Coating for amounts that have not been formally acknowledged by it as owed under its responsibility.

Any automatic debit constitutes a breach of article L442-1 of the Code of Commerce and constitute an unpaid amount and results in the application of the provisions applicable to late payments. Only the offsetting carried out according to legal provisions are possible.

10.4 – Change in the situation of the customer company

In the event of any deterioration in the situation of the customer company found in financial information and attested by a later payment or when the financial situation differs significantly from the data provided, the delivery shall take place only in exchange for immediate payment.

In the event of sale, transfer, pledging for security or contribution to a company of its business or of a significant fraction of its assets or its equipment by the customer company, as well as in the event of any failure to meet payment times or in the event a draft did not come back with acceptance within seven days after being sent, the Supplier reserves the right, without any injunction:

- to pronounce an event of default and consequently the immediate payability of amounts still owed for any reason
- to suspend any delivery or processing
- to acknowledge firstly the termination of all current contracts and apply secondly the withholding of instalments collected, of the tooling and parts held until the setting of the possible compensation.

10.5 – Reservation of title

10.5.1 - Should APS Coating supply the material in addition to its work it is provided that the transfer of title shall take place only after the full settlement of all amounts owed.

10.5.2 - The risks shall be transferred upon delivery of the products. As a result, the customer company shall become responsible for their proper conservation and shall bear all risks for any damages caused to the products or by the products.

11 – APPLICATION OF SUBCONTRACTING LEGISLATION

When the contract entered into is part of a chain of job contracts in the meaning of Act n° 75-1334 dated 31 December 1975, the customer company is legally required to have APS Coating accepted by its own the customer company. It should also have the payment terms of APS Coating accepted by it.

If the customer company is not itself the end client it agrees to require from the latter compliance with the formalities required by the 1975 Act.

In accordance with article 3 of the law, the lack of introduction or approval results in the customer company's inability to claim the contract against APS Coating. Such impossibility is aimed particularly at involvements relating to possible specifications compliance defects. However, in accordance with the said article, the customer company shall be bound towards APS Coating, its sub-contractor, to perform its contractual duties.

In addition, the customer company should, if it becomes aware of the existence of a sub-contractor, order the contractor to comply with the duties derived from the law. Failing, it incurs its responsibility under article 14-1 of the 1975 Act.

Under these general terms, the 1975 Act is considered as an international police Act applicable through the customer company to end clients whatever the country they are located in.

12 – INTELLECTUAL PROPERTY AND CONFIDENTIALITY

APS Coating shall retain all of the intellectual property and know how related to the tooling, sequences or processes that it implements.

The full or partial participation of the customer company in the cost of the tooling results in neither a transfer of title to the tooling nor a transfer of the intellectual property and know how pertaining thereto.

All documents sent to the customer company including technical documents are confidential and the customer company agrees to keep strictly confidential any information they contain (Directive 2016/943 of 8 June 2016 and articles L151-1 et seq. of the Code of Commerce).

This confidentiality obligation shall remain in force for a period of five (5) years from the date of receipt of the goods that are the subject of the contract.

13 – FORCE MAJEURE

APS Coating will not be held responsible for the consequences (delays, deterioration or destruction of items, etc.) of cases of force majeure or of events outside its control such as bad weather, accidental manufacturing stoppage, pandemic, epidemic, measures taken by public authorities that affect the activity, lack of or difficulty in obtaining supplies of products, materials, etc. The defaulting party must inform the other of this impossibility as soon as it arises and both parties must then immediately enter discussions to agree on the measures to be taken.

14 – TERMINATION

In the event of a material or repeated breach by the customer company of any of its obligations under the contract, which remains unremedied within fifteen (15) days of formal notice served by any written means, APS Coating reserves the right to terminate all or any part of the orders in progress, at the customer company's sole fault, without prejudice to any claim for damages and to the right to retain any parts and deposits already received.

15 – JURISDICTION

In the event of any dispute, the parties shall seek conciliation, possibly through their respective professional organisations.
In the event such conciliation is impossible, the dispute shall be brought to the court in the jurisdiction of which the headquarters of APS Coating are located.
In the event of a dispute involving the customer company established outside France, French law shall remain applicable, the parties expressly excluding any conflict-of-laws rule that might lead to the application of a foreign law.
Should any provision of these General Terms and Conditions be declared null and void or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.