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General Purchasing Conditions APS Coating Solutions

Preamble: These General Purchasing Conditions (hereinafter "GPC") set forth the principles to which our company is committed in the conduct of its purchasing activities.

The exacting standards of our customers and our commitment to serving them within the framework of a consistent quality policy and practices compliant with ISO 9001 – IATF 16949 – EN 9100 certifications require us to maintain clear and transparent commercial relationships with all our suppliers. To that end, we invite them to develop a Quality Management System meeting, at a minimum, the current ISO 9001 standard, and in any event to comply with these conditions:

Formation of Contract – Order of Precedence

The contract is formed on the basis of our General Purchasing Conditions (GPC) and the purchase order placed in the name of APS Coating. The Supplier expressly acknowledges waiving the application of its own general terms and conditions. In all circumstances, these GPC and the purchase order shall prevail over any document issued by the Supplier. Our orders are firm; however, we reserve the right to cancel or modify their terms in the event that an order acknowledgement (OA) is not entirely consistent with the terms of the order. An OA must be returned to us no later than 48 hours after receipt of the order. APS Coating reserves the right to cancel the order in the absence of an OA from the Supplier within 48 hours of dispatch of the order.

The purchase order shall specify, as applicable:

The acceptance requirements for the product where goods or services have not been codified by APS Coating;

The qualification requirements for personnel in the case of orders involving human resources or for specific operations (quality sorting, assessments, etc.);

The applicability of requirements under quality standards ISO 9001, EN 9100 and/or IATF 16949, and in particular requirements specific to purchasing information;

The references and versions of the applicable procurement specifications, drawings, standards or specifications;

The requirements applicable to outsourced tests or those conducted through accredited laboratories (test standards and their versions, specifications, etc.);

The obligation for the Supplier to cascade the requirements set forth in the purchase order;

APS Coating requires its suppliers to retain all accompanying records (delivery notes, certificates of conformity, test reports, OAs, etc.) for a minimum period of ten (10) years.

These GPC, the purchase order and any contractual document referenced therein constitute the entire agreement between the parties with respect to the relevant order and supersedes all prior agreements, exchanges or documents relating to the same subject matter.

Where the order contains no specific instructions, and in the event of any conflict between contractual documents, the following order of precedence shall apply: (1) the purchase order and its specific annexes; (2) these GPC; (3) any other contractual document referenced in the order.

References

All documents relating to an order must be addressed to the issuing establishment and must include the full references of the matter concerned. Where the order specifies a technical specification, either appended to or referenced in the order, the Supplier undertakes to deliver a product compliant with such specification. In the event of any change in the name, composition or reference of a product, the Supplier is required to indicate this in writing on the order acknowledgement; delivery shall only take place following formal written approval from APS Coating.

Delivery

To be duly processed, every delivery must be accompanied by:

a dispatch note setting out the full purchase order reference and date, a detailed description of the goods, package markings, net and gross weights, mode of dispatch, date of shipment, and, where applicable, the wagon number or vehicle registration number, together with our purchase order number;

a test report or a certificate of conformity in accordance with standard NF EN 9163, bearing the APS Coating purchase order number.

Safety Data Sheets (SDS) must be systematically sent to the Purchasing department upon each initial order or whenever any modification occurs.

Documents delivered with items (raw materials, tooling, etc.) must be retained and archived by the Supplier for a minimum period of ten (10) years.

Delivery Delays

Unless otherwise specified, the delivery date stated on the purchase order is the date of receipt at the designated destination. This date is binding.

In the event of a delivery delay, after a grace period of five (5) calendar days from the contractual delivery date, and without the need for any prior formal notice, APS Coating reserves the right to:

Cancel the undelivered quantities by simple notification;

Apply the late-delivery penalties stipulated in the purchase order; it being specified that, in the absence of any indication in the order, the penalty rate shall be 1% per day of delay, capped at 10% of the contract value. Such penalties shall not be deemed a full and final settlement and shall not preclude any other remedy available to APS Coating.

Following a formal notice that has remained without effect for eight (8) days (except in cases of justified urgency), APS Coating reserves the right to:

Have the order executed by a third party at the Supplier's cost and risk;

Seek specific performance;

Bring a claim against the Supplier for damages and interest.

Inspection – Right of Access

Ordered goods may be subject to inspection at the Supplier's premises prior to dispatch. The Supplier unconditionally undertakes to grant APS Coating, its customers and the relevant regulatory authorities the right of access to production sites and to records.

Such inspections may be carried out by APS Coating in the presence or absence of its customer or their representative, in order to verify that the goods meet the specified requirements. In such cases, the arrangements and modalities for making goods available shall be specified in the purchase order.

Non-Conformity

Suppliers are required to notify APS Coating of any non-conforming product detected at the time of or after delivery. APS Coating reserves the right to reject any goods that have not been dispatched in accordance with a valid purchase order, or that do not comply with the specific requirements of that order and these GPC. The execution or acceptance conditions set out in purchase orders must be strictly observed. Any waiver must be the subject of a formal request for approval from APS Coating. Any repair undertaken without APS Coating's approval may be treated as faulty workmanship, with all resulting consequences, particularly in the event of an incident at a customer's premises.

All costs incurred by APS Coating as a result of a non-conformity, including sorting, inspection, downtime, storage and administrative processing costs, shall be borne by the Supplier and shall be subject to a deduction or a separate invoice.

Product Modifications / Evolutions

The Supplier undertakes to notify APS Coating without delay of any change affecting the product itself, the production location, or any change of sub-contractors or suppliers. No product modification shall be accepted without the prior written approval of APS Coating.

Repairs

Where goods (or supplies) that have been rejected in their current state could be accepted following repair, and where we agree to such repair, the terms thereof shall be agreed with the Supplier, except in cases of urgency. In cases of urgency, we reserve the right to have the repair carried out by a contractor of our choosing. In all cases, the costs incurred shall be borne by the Supplier.

Following any non-conformity notified by APS Coating, the Supplier shall have 10 business days in which to submit a root-cause analysis and a corrective action plan. APS Coating reserves the right to suspend current orders in the absence of a response within this period, or where the response provided does not enable APS Coating to be satisfied that the non-conformity will not recur.

Any goods definitively rejected for non-compliance with the order must be collected by the Supplier within eight (8) calendar days of receipt of the final rejection notice. After the expiry of this period, we reserve the right to invoice the Supplier for storage costs or to return the goods at the Supplier's expense.

Warranties

The Supplier is bound by all applicable statutory warranties, including in particular the warranty against latent defects and liability for defective products. In addition, the Supplier contractually warrants APS Coating against any defect of conformity, defect or faulty workmanship affecting the delivered products for a period of five (5) years from the date of quantitative and qualitative acceptance by APS Coating. During this period, the Supplier undertakes to replace or repair defective products free of charge, and to bear all direct costs arising from the defect, including removal, reinstallation, sorting, inspection and downtime costs. This contractual warranty applies without prejudice to any other remedy available to APS Coating.

Insurance

The Supplier undertakes to take out and maintain, throughout the duration of the commercial relationship, professional liability insurance and product liability insurance with a financially sound insurer, covering any damage that may be caused to APS Coating or its customers as a result of the products delivered or services performed.

Coverage limits must be commensurate with the value of orders placed by APS Coating and the associated risks.

A valid certificate of insurance must be provided to APS Coating no later than eight (8) calendar days following the first order or the commencement of the commercial relationship, and thereafter systematically upon each policy renewal. In the event of failure to communicate the certificate within these timeframes, APS Coating reserves the right to terminate the order or the commercial relationship at the Supplier's exclusive liability. The subscription of such insurance policies and the coverage limits they provide shall in no event constitute a limitation of the Supplier's liability towards APS Coating.

Prevention of Counterfeit Parts

The Supplier undertakes to implement all necessary measures to prevent the introduction of counterfeit, suspect or non-conforming parts into the supply chain.

The Supplier guarantees full traceability of all delivered products, from the source of supply through to delivery to APS Coating.

Any suspicion of counterfeit parts must be reported to APS Coating immediately.

APS Coating reserves the right to reject any non-compliant delivery and to take such measures as it deems necessary against the Supplier.

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FOD Prevention

The Supplier undertakes to implement FOD (Foreign Object Damage / Foreign Object Debris) prevention measures appropriate to its activities. These measures must ensure the integrity, cleanliness and conformity of delivered products, particularly during the manufacturing, storage, packaging and transportation phases. All costs arising from a failure to comply with FOD requirements (e.g. cleaning, inspection, downtime, remediation) shall be borne entirely by the Supplier and shall be subject to a deduction or a separate invoice. APS Coating reserves the right to reject any affected delivery.

Transfer of Title

Regardless of whether transport is carried out at the Supplier's expense or at our cost, transfer of title and risk shall only take place upon quantitative and qualitative acceptance at the destination. Any acceptance operations carried out at the Supplier's premises are provisional only.

Intellectual Property

All drawings, plans, models and tooling established on our behalf or entrusted to us remain our property and may not, without our prior written authorization, be used by the Supplier for any manufacturing other than ours, nor reproduced or transmitted to any third party. They must be returned upon first request. The Supplier is prohibited from filing any patent, model or industrial property right on the basis of information, specifications or know-how transmitted by APS Coating.

Confidentiality – Information Security

All technical, industrial, commercial or confidential information communicated by APS Coating (drawings, specifications, technical data, customer data, know-how) remains the exclusive property of APS Coating. The Supplier is prohibited from reproducing, disseminating, exploiting or communicating such information to third parties without the prior written consent of APS Coating. The Supplier undertakes to implement appropriate information security measures, including protection against the loss, alteration or unauthorized access to data. This obligation remains in force for a period of five (5) years following the performance of the order, unless a specific derogation is stated in the order.

Cybersecurity

The Supplier undertakes to apply cybersecurity measures proportionate to the risks associated with information exchanged with APS Coating. Any security incident liable to affect APS Coating's data or systems must be reported without delay. APS Coating reserves the right to suspend orders in the event of a proven breach.

Invoices

Invoices must be submitted in duplicate. All invoices relating to deliveries made in month M must reach us before the 5th day of month M+1. After this deadline, they will only be processed in month M+2. Where goods are delivered ahead of the requested date, the month M taken into consideration shall be that of the contractual delivery date.

To be processed, invoices must:

- State the full purchase order reference; invoices failing to do so will be returned to the Supplier for completion;
 - Be accompanied by quality assurance or inspection documents where such documents are expressly required in the order;
 - Include all mandatory legal and regulatory particulars.
- Any invoice that does not meet the above requirements will be returned to the Supplier; the payment period shall not begin to run until a compliant invoice has been received.

In the event of assignment of receivables or submission of invoices to a factoring company:

- The Supplier must notify our accounts payable department and request that the substituted creditor, to whom a copy of these conditions shall be provided, also send us a notice;
- In the absence of such notification, the Supplier assumes full responsibility for any error on our part;
- Once such an assignment or factoring arrangement has taken place, the Supplier irrevocably undertakes, should any payments be received by it in error notwithstanding any objection that may be raised, to immediately transfer such funds directly and free of charge to the relevant third party, without any liability on the part of our company.

Incoterm : DDP (Incoterms® 2020)

Payment Terms

Payments are made at 45 days end of month following receipt of a compliant invoice, by bank transfer. Any advance payments made shall be calculated on the ex-tax value of the goods.

Price Revision

Unless expressly agreed otherwise, prices stated in our purchase orders are firm and non-revisable. Should a revision clause be included, it shall be calculated on the basis of the actual delivery period, provided that the invoiced amount shall not exceed that which would result from applying the formula within the contractual timeframe. The parties expressly waive any right to invoke the provisions of Article 1195 of the French Civil Code.

Subcontracting

Any subcontracting operation must be approved by us in advance. APS Coating shall have thirty (30) days from receipt of the complete request in which to respond; in the absence of a response within that period, the request shall be deemed to have been refused. APS Coating reserves the right to refuse any subcontractor without being required to give reasons for its decision. The Supplier remains solely responsible to APS Coating for all obligations under the order, including those entrusted to approved subcontractors. Subcontracting does not create any direct contractual relationship between APS Coating and the subcontractor and does not diminish the Supplier's obligations in any way. Should a subcontractor bring a direct claim against APS Coating, the Supplier undertakes to indemnify and hold harmless APS Coating in respect of all sums that APS Coating may be compelled to pay in that connection.

Termination

Over and above the specific cases already listed in these GPC, APS Coating reserves the right to terminate all or part of any order in the event of a material breach by the Supplier of any of its obligations hereunder that has not been remedied within eight (8) days of a formal notice sent by any written means, without prejudice to any claim APS Coating may bring against the Supplier for compensation of the loss suffered.

Disputes

These GPC, together with all orders placed thereunder, are governed by French law. In the event of a dispute, the courts within the jurisdiction of our registered office shall have sole competence, even in cases involving a warranty claim or multiple defendants, and notwithstanding the place of promise, delivery or payment, which shall never be construed as derogating from this jurisdiction clause. Should any provision of these GPC be declared null and void or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

Risk Management

When evaluating suppliers, APS Coating also assesses the measures taken to mitigate potential or identified risks relating to production capacity, lead-time management, relocation risk, and financial and regulatory risks (in particular REACH compliance). A risk rating is recorded in the supplier validation form and may result in removal from the list of approved suppliers.

Business Continuity

The Supplier undertakes to implement appropriate measures to ensure business continuity, particularly in the event of disruptions affecting production capacity, lead times or the supply chain. The Supplier undertakes to maintain a formalized Business Continuity Plan (BCP) covering, in particular, risks of production interruption, supply chain failure and major incidents. This plan shall be communicated to APS Coating upon request. Should the Supplier fail to provide the BCP within 15 business days of APS Coating's request, APS Coating reserves the right to suspend current orders and/or to remove the Supplier from its list of approved suppliers. Any event likely to have an impact on deliveries or product conformity must be communicated to APS Coating without delay.

REACH / Regulatory Compliance

APS Coating has implemented specific monitoring of purchased products subject to REACH regulations, in order to verify that such products comply with REACH objectives and to communicate effectively with its customers. Furthermore, APS Coating ensures that its sources of supply do not originate from unauthorized countries and makes the necessary declarations on customer portals where required. The applicable legal and regulatory requirements of the countries of purchase or destination are observed (declaration of origin on delivery notes and invoices). In this regard, the Supplier undertakes to provide a Safety Data Sheet (SDS) no later than the date of signature of the contract, which forms an integral part of the contractual documents. Any serious and persistent breach of the obligations under this article may justify the immediate termination of the contract at the Supplier's exclusive liability, without prejudice to any claim for damages.

Corporate Social Responsibility (CSR)

The Supplier undertakes to comply with all applicable regulations in force, including in respect of:

- REACH and RoHS ;
- Conflict minerals ;
- Prohibition of forced labour and child labour;
- Respect for fundamental human rights;
- Anti-corruption and anti-money laundering measures;
- Environmental protection.

The Supplier undertakes to sign, concurrently with the contract, the Code of Ethics, which forms an integral part of the contractual documents.

At any time, APS Coating reserves the right to request any information or declaration evidencing compliance with these requirements.

Any serious and persistent breach of the obligations under this article may justify the immediate termination of the contract at the Supplier's exclusive liability, without prejudice to any claim for damages.

Personal Data Protection

Any information transmitted in the context of the negotiation or performance of the contract that contains, on any basis whatsoever, elements recognized by law or case law as relating to private life or of a personal

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nature, or data enabling the identification of individuals and/or third parties, may only be used for the purposes explicitly set out at the time of its communication.
For any processing of personal data carried out in connection with the negotiation or performance of this contract, the parties shall comply with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR"), as well as all applicable rules governing the processing of personal data in France.
If APS Coating processes personal data of the Supplier, or allows a third party to do so, it shall inform the Supplier and comply with the GDPR, and shall, where applicable, instruct the third party to do likewise and ensure that it does so. The same obligations apply to the Supplier whenever it processes personal data of APS Coating.
Where the performance of the contract involves the processing of third-party personal data, such personal data must remain confidential.