

COVAL S.A.S.: GENERAL TERMS OF SALE August 2020

These general terms of sale (hereafter, the “**General Terms of Sale**”) are drawn up in accordance with the principle of transparency that governs the relations between COVAL S.A.S. (hereafter “**COVAL**”) and its customers (hereafter the “**Customer(s)**”) and make up an inseparable whole with COVAL’s pricing terms (hereafter the “**Price List**” or “**Pricing Terms**”) enclosed with the General Terms of Sale.

These General Terms of Sale constitute the sole basis of the commercial relations between COVAL and its Customers, in accordance with the terms of article L. 441-1 of the French Commercial Code, and are systematically and previously communicated to the Customer before any order is placed.

1. SCOPE OF APPLICATION

1.1 The General Terms of Sale apply exclusively to the sales made between COVAL and its Customers, and which involve a delivery of products (hereafter the “**Products**”) in France and abroad, for orders received by COVAL. The General Terms of Sale replace and cancel any previous terms that may appear on our documents or agreed by any other means.

1.2 The General Terms of Sale prevail over the Customer’s general terms of purchase. Any exception to the General Terms of Sale should have been specifically accepted in writing by COVAL, prior to the delivery of the Products. Otherwise, any term, put forward by the Customer, that contradicts the General Terms of Sale will not be binding on COVAL.

1.3 In accordance with article L. 442-1 of the French Commercial Code, the Customer is forbidden from demanding that COVAL grants it conditions that entail a significant imbalance in the rights and obligations agreed between the parties within their commercial agreement. The Customer is also forbidden from requesting that COVAL brings its conditions into line with commercial conditions that the Customer may consider as more favourable and which may have been granted to other Customers.

2 – FEE QUOTE – ORDER – SIGNATURE OF THE CONTRACT

2.1 Any fee quote issued by COVAL, at the Customer’s request, shall be issued for information purposes only, in particular regarding the price offered.

2.2 Any order (hereafter the “**Order**”) placed by the Customer implies the complete and unreserved acceptance of the General Terms of Sale and the Customer’s waiver to take advantage of its general terms of purchase.

The Order must include the reference of the Products, the quantity ordered and the chosen date and place of delivery. The Order must be placed by fax or email.

The sale is completed by COVAL’s written acceptance of the Customer’s Order. In the case of absence of a written reply within a period of forty-eight (48) hours, and subject to strictly respecting the terms of this article 2, the Order will be deemed as accepted. Any Order that is not sent in accordance with the terms of this article may not, in any event, be deemed as tacitly accepted. In any event, the Order is only deemed as accepted within the limit of stocks available, and COVAL reserves in particular the right to refuse any Order presenting an abnormal or exceptional nature.

2.3 Amendments to Orders are only accepted subject to them reaching COVAL 48 hours at the latest before the date of dispatch of the Products, as stipulated in the Order confirmation, and subject to COVAL’s specific acceptance. Any Order amendment will entail an extension of the dispatch lead-time in accordance with the conditions indicated by COVAL upon accepting the amendment.

2.4 No Order cancellation may take place later than three (3) days following the date of the Order, unless specifically agreed by COVAL.

In the case of refused delivery by the Customer, COVAL reserves the possibility, ten (10) days after sending formal notice by registered letter with confirmation of receipt remaining unanswered, to claim a termination indemnity calculated on the amount of the Order at 20% of the price for standard products and 100% of the price for specific products. COVAL also reserves the right to claim the payment of all supplies already received and all work already performed.

2.4 The information indicated in the catalogues, brochures and Pricing Terms are provided subject to availability of stocks and are only given as an indication by COVAL which reserves the possibility to make any amendment that it may deem necessary, at any time and without notice.

3 – DELIVERY – DISPATCH – TRANSFER OF RISKS

3.1 Unless otherwise agreed in writing beforehand by COVAL, the delivery lead-times are indicated as a guide only, and any delays that are not exclusively attributable to COVAL shall not entitle the Customer to cancel the sale, refuse the goods or claim penalties or compensation from COVAL. The date on which the goods are made available to the Customer is considered as the date of delivery. In any event, the delivery may only take place within the lead-time if the Customer is up to date with its obligations in relation to COVAL, in accordance with the General Terms of Sale.

3.2 Unless another Incoterm is indicated, the Products are delivered on an “Ex works” (EXW) basis, in accordance with the 2020 Incoterms® drawn up by the International Chamber of Commerce. All of the Products

travel at the Customer's risk, and the risks are transferred when the Products are made available to the Customer. COVAL will not insure the Products delivered, in any event, unless specifically requested by the Customer, being specified that the additional insurance costs will be borne exclusively by the Customer and will be invoiced to the latter by COVAL.

3.3 When the Customer does not collect the Products in accordance with the terms agreed, or refuses to take the Products, once the delivery lead-time is reached, COVAL may ship the Products to a warehouse and claim from the Customer, where appropriate, the reimbursement of any shipping costs, being specified that the conservation and storage costs will, in any event, be borne exclusively by the Customer. When the collection is delayed by more than two (2) months, COVAL will be entitled to terminate the contract, resell the Products involved and claim the difference between the initial price agreed and the resale price and all costs related to the termination.

3.4 In the case of missing or damaged products, the Customer must, in order to protect its rights, record all clear, precise and full reservations on the carriage documents and obtain the countersignature from the haulage contractor. The Customer is required to confirm these reservations by sending the haulage contractor a registered letter with confirmation of receipt, in accordance with the legal terms applicable. The Customer also undertakes to send a copy of this letter to COVAL, immediately. Respecting these formalities is required for incurring the haulage contractor's liability. Otherwise, any consequences of failing to respect the legal terms applicable will be borne exclusively by the Customer, which the latter specifically accepts.

3.5 In accordance with the terms of article L. 442-1 of the French Commercial Code, the refusal or return of the Products or the automatic deduction from the invoice of the penalty or rebate corresponding to the lack of compliance of the Products incurs the Customer's liability, when the debt is not certain, liquid and due, and when COVAL has not been able to check the reality of the complaint. No return of delivered Products will be accepted, without COVAL's prior written consent, in accordance with the terms of article 6.

4. PRICING TERMS

4.1 The Products are invoiced in Euros, at the Prices in force on the date of confirmation of the Customer's Order by COVAL. The Price List may be amended at any time by COVAL and without notice, in order to take into account upward evolutions in cost prices and in particular in the purchase cost of raw materials, delivery, manufacture of the Products or any other amendments related to the legislative and international environment surrounding the Order. COVAL may also amend its Price List and its Pricing Terms, at any time, subject to respecting a notice period of four (4) weeks. Any amendment to the Price List and Pricing Terms may not, in any event, incur COVAL's liability in relation to the Customer.

4.2 The Prices are indicated in Euros, as a unit price excluding VAT, applicable on the day of the order, excluding costs and all taxes in accordance with the terms indicated in the Price List and Pricing Terms.

The minimum amount for an Order is €100 (excluding VAT applicable on the day of the order). In order to be eligible for carriage-paid prices, the minimum amount for an Order is 500 Euros (excluding VAT applicable on the day of the order) invoiced per Order. COVAL does not apply carriage-paid prices for export deliveries.

Any request for delivery that is lower than the terms and conditions set forth in the Price List and Pricing Terms will imply the billing of the delivery costs to the Customer. In any event, all taxes, duties and fees originating in the territory of receipt of the Products, are borne exclusively by the Customer.

4.3 COVAL grants price reductions, subject to certain conditions. The deduction or payment of the rebates and discounts is subject to the full payment of the amounts owed by the Customer to COVAL. They will not be due in the case of failure to respect the settlement terms or unpaid invoices for any reason whatsoever.

5. PAYMENT

5.1 Unless otherwise specifically and previously agreed, the invoices will be settled at COVAL's registered office, within a period of forty-five (45) days from the end of the month following the date of issue of the invoice, or thirty (30) days following the date of issue of the invoice for exports (excluding France).

The payments are made by cheque or by SWIFT bank transfer for exports (excluding France).

For any new Customer, the first Order is payable by cheque or SWIFT bank transfer for exports, before delivery and after issue of a pro-forma invoice.

Where appropriate, and for specific Orders of Products, the payment of a deposit may be requested upon placing the Order.

The date of issue of the invoice is the starting date for calculating the date of payability. Only one invoice may be issued for each delivery. The payments are deemed as made on the date on which the funds are actually made available to COVAL.

5.2 COVAL accepts payments by bank transfer or bills of exchange, according to the following terms and conditions:

- all bank transfers must be credited to COVAL's account on the due date;
- the bills of exchange must be received by COVAL and accepted by the Customer at least ten (10) calendar days before the due date.

No discount will be granted for early payment.

5.3 Any partial or total late payment on the due dates stipulated will entail the automatic and immediate payability of a late penalty equal to the interest rate applied by the European Central Bank to its most recent financing operation, increased by ten (10) points. The interest will start to accrue as from the date of payment indicated on the invoice and shall continue to be borne until the date of complete payment of all of the amounts owed. Moreover, any lack of payment on the agreed date may entail:

- the immediate payability of all of the amounts remaining due;
- the cancellation of any Order not yet accepted and/or the suspension of any sales in progress;
- the removal of any benefits that may have been granted previously by COVAL;
- the obligation of a cash payment for all future Orders and deliveries.

Notwithstanding the application of late penalties and in accordance with the terms of articles L.441-1 and L.441-10 of the French Commercial Code, any late payment will automatically give rise to the payment by the Customer of a fixed indemnity for debt collection costs, of a minimum amount of forty (40) Euros, without prejudice to COVAL's right to claim an additional indemnity with supporting receipts.

5.4 Any disagreement regarding the invoicing must be set out in a written claim from the Customer to COVAL, in accordance with the terms of article 6 of the General Terms of Sale, and may not, in any event, give rise to an automatic deduction from or offsetting against the payment of the invoices.

6. CLAIMS

6.1 Lack of compliance of the Products

6.1.1 Any reservation or complaint regarding the compliance of the Products, visible defects or faults, should be notified by the Customer to COVAL, by Registered Letter with Confirmation of Receipt within a period of seven (7) clear days as from the availability of the Products. The Customer should give precise information on the reservations or complaints identified regarding the compliance of the Products and provide all necessary evidence enabling COVAL to assess the reality of the claim made and in particular samples and the delivery form.

6.1.2. No Product may be returned without COVAL's written, specific and previous consent. In the case of a lack of compliance proved by the Customer and acknowledged by COVAL, the Products should be returned by the Customer, at its cost and risk, within ten (10) days of receipt of COVAL's acceptance. The not-per-order Products will be replaced with identical Products or reimbursed in return for the faulty Products.

6.1.3. In the case of lack of respect of the terms of this article, the Products delivered will be deemed as complying and the Customer may not claim any replacement, reimbursement or any compensation and may not incur COVAL's liability for any reason

whatsoever, which is specifically accepted by the Customer.

6.1.4. In any event, including in the case of hidden defects or faults when the Products are made available, COVAL may only be required to replace the Products or reimburse them in return for the faulty Products with the exclusion of any other measure, being specified that COVAL's liability is statute-barred, as an exception to the terms of article L. 110-4 of the French Commercial Code, upon expiry of a period of one (1) year as from the availability of the Products to the Customer.

6.2 Claims procedure

6.2.1 Any claim from the Customer regarding the invoicing or delivery lead-time must be set forth in a written claim from the Customer and sent by Registered Letter with Confirmation of Receipt within a period of ten (10) days as from receipt of the invoice or availability of the Products, respectively. In order to be admissible, the written claim must specify the nature of the disagreement, clearly, and indicate the Product references, the quantity ordered, the expected date of delivery, the invoice number and date, the order number and the contract reference. It must also include all of the documents enabling to prove the reality of the complaints made.

6.2.2. In accordance with article L. 442-1 of the French Commercial Code, the automatic deduction from the invoice of late penalties or rebates, corresponding to the lack of respect of a delivery date, incurs the Customer's liability when the debt is not certain, liquid and due, and when COVAL has not been able to assess the reality of the complaint. Thus, the Customer may not automatically deduct any amount from the settlement of the invoices.

6.2.3. Upon receipt of the claim including all of the information indicated above within the given periods, COVAL undertakes to contact the Customer in order to assess, on an adversarial basis, the amount of the compensation for the prejudice actually caused to the Customer.

7. LIABILITY

In any event, and unless otherwise provided by law, COVAL's potential liability will be limited to the sole direct damages proven by the Customer and to the amount the Customer has paid to COVAL for the order(s) that gave rise to COVAL's liability.

Only the damage actually suffered and proven by the Customer may give rise to compensation by COVAL. COVAL therefore cannot, under any circumstances, be held liable to the Customer for indirect damages, such as, without this list being exhaustive, loss of profits, loss of operations, or loss of customers.

COVAL will not be liable to the Customer for material damage to goods other than the Products it has supplied.

COVAL accepts no liability for failures or damages resulting from the following:

- unprotected storage, errors in use, handling, or maintenance, or usage that does not comply with COVAL's technical specifications included in the operating instructions handed over to the Customer;
- any modification, transformation, or addition made to the Product by a person other than COVAL or not previously approved by COVAL;
- more broadly, any malfunctions due to non-compliance with the installation and operating instructions, to a cause external and foreign to the equipment, to modifications made to the Product without the written approval of COVAL.

8. RETENTION OF TITLE

8.1 UNTIL FULL COLLECTION OF THE PRICE AND ANY ANCILLARY COSTS, COVAL MAINTAINS EXCLUSIVE TITLE OF THE PRODUCTS DELIVERED. THE FULL PAYMENT IS CONSIDERED AS MADE ON THE DATE OF ACTUAL COLLECTION OF THE PRICE. THE ACCEPTANCE OF THE DELIVERY BY THE CUSTOMER IMPLIES THE SPECIFIC AND UNRESERVED ACCEPTANCE OF THIS CLAUSE BY THE CUSTOMER, AS SPECIFICALLY ACKNOWLEDGED BY THE CUSTOMER.

8.2 The risks related to the Products are transferred to the Customer when the Products are made available to the latter. The Customer undertakes to ensure care in storing and conserving the Products until full payment of the Price and undertakes to insure the Products against any risk of damage or liability caused by or to them, as from the transfer of the risks.

8.3 The Products may be claimed by COVAL in accordance with the applicable regulations. In the case of lack of payment or refused acceptance of the bill of exchange by the Customer and eight (8) days after formal notice remaining unanswered, the Customer will be required to return the Products to COVAL upon the latter's first request, without the sale being cancelled unless COVAL decides to cancel it.

9. INTELLECTUAL PROPERTY RIGHTS

The trademarks and distinguishing features placed on the Products marketed by COVAL, as well as the patents, drawings, and models protecting the Products are its exclusive ownership. In the exclusive context of marketing the Products, the Customer undertakes to respect all of COVAL's intellectual property rights.

The Customer is forbidden from reproducing all or part of the patents, trademarks, drawings and models, distinguishing features or any other industrial property right held by COVAL, or having them reproduced, subject to legal proceedings, and/or from providing third parties with any information of any kind whatsoever enabling the total or partial reproduction of these rights.

COVAL reserves the right to oppose, request the stoppage or claim compensation from the Customer for the prejudice caused in the case of use that COVAL deems as

unfair, constituting a deed of commercial parasitism or contradicting the rights that it may have granted to the Customer.

If the Customer incurs any costs relating to any and all types of proceedings (counterfeiting, unfair competition, etc.) that may concern COVAL and on the basis of which the Customer may believe itself entitled to claim damages, and without COVAL's prior consent, the Customer shall bear such costs without being able to claim any reimbursement of the amounts incurred.

10. AUTOMATIC CANCELLATION CLAUSE AND FORCE MAJEURE EVENT

10.1 In the case of lack of performance by the Customer of its obligations, the Contract will be automatically cancelled fifteen (15) days after formal notice remaining unanswered, without prejudice to any compensation that may be claimed by COVAL.

10.2 The performance by COVAL of all or part of its obligations will be suspended in the case of an unexpected incident or force majeure event which may hinder or delay the performance of them, without this entitling the Customer to any indemnity whatsoever. Such events include the following in particular, without this list being exhaustive: fire, total or partial strike, terrorism, war, cyberattacks, political uprisings, legal or regulatory amendments related to a state of emergency, pandemics, natural disasters, irregularities in deliveries of raw materials, and any hindrance in taking supplies.

This suspension will not however apply to the payment obligations of the Products delivered by COVAL to the Customer. If this suspension continues beyond a period of fifteen (15) days, either party will be entitled to terminate the Order in progress by sending a registered letter with confirmation of receipt.

11. GENERAL TERMS

11.1 The fact that COVAL does not take advantage, at a given time, of one of the terms in the General Terms of Sale, will not be interpreted as a waiver by COVAL of its right to take advantage of such term later. Any nullity of one of the terms of the General Terms of Sale will not affect the validity of the other terms.

11.2 Any claim regarding the amounts that may be owed by COVAL, regardless of the reason or type, for a calendar year, must be notified to COVAL by registered letter with confirmation of receipt within twelve (12) months following the said year. After this period and as an exception to the terms of article L. 110-4 of the French Commercial Code, no amount for the past calendar year may be claimed by the Customer from COVAL, as specifically accepted by the Customer.

12. APPLICABLE LAW AND JURISDICTION

The General Terms of Sale are subject to French law including the terms of the Vienna Convention. The Parties agree to endeavour to reach an out-of-court solution to

any disagreements that may arise in relation to the interpretation, performance or termination of the commercial relations between COVAL and the Customer.

THE PARTIES SPECIFICALLY AGREE TO GRANT EXCLUSIVE JURISDICTION, FOR ALL DISPUTES ARISING BETWEEN THEM REGARDING THEIR COMMERCIAL RELATIONS, TO THE COURT LOCATED WITHIN THE COMPETENCE OF COVAL'S REGISTERED OFFICE, EVEN IN THE CASE OF AN INTRODUCTION OF THIRD PARTIES OR SEVERAL DEFENDANTS.