

**GENERAL CONDITIONS OF SALE AND SERVICE
OF ETABLISSEMENTS TARDY
APPLICABLE FROM OCTOBER 1st, 2014**

1. SCOPE

1.1 – Unless subject to express, prior dispensation from our company, orders placed with us are governed, with no exception, by these clauses and general conditions of sale and service which prevail over any customer document and particularly any general conditions of purchase.

1.2 – Any specific agreements or dispensations to any one of the clauses of the general conditions shall be subject to special, written stipulations from us. In this case, the clauses of the general conditions not expressly modified or revoked by these special stipulations, shall retain their full effect.

2. ORDERS

2.1 – Our undertakings are limited to the documents signed by our company. As a consequence, we are not bound by the commitments made by our agents, sales representatives or any members of our staff, unless they are confirmed in writing and duly signed by our company.

2.2. – Unless otherwise provided, our offers are only binding for a maximum of 30 days from being drawn up.

2.3 – All orders should be placed in writing and, should, in order to be valid, be subject to written acceptance from us in the form of an acknowledgement of receipt (hereinafter referred to as the "Acknowledgement of Receipt").

2.4 – Modifications or cancellations shall only be accepted within two working days following receipt of order form or written approval of an offer, provided they have not yet been covered by an Acknowledgement of Receipt from us. If an order is cancelled or modified beyond this period or after sending the Acknowledgement of Receipt, we reserve the right to invoice the costs incurred in the complete or partial execution of the initial order to which compensation may be added for direct or indirect damage incurred by our company.

3. PRICES

Prices are made out exclusive of tax, with no discount and always quoted for goods deposited and collected from our factory. Transport, insurance, customs, packing and wedging costs are at the customer's expense.

Unless otherwise specified prior to the calculation of prices, our company is the owner of the waste generated by its activity, including when it works on the customer's raw materials and products.

4. TERMS OF PAYMENT

Payment address: ETS TARDY – 409, rue du Canal – 42320 LA GRAND-CROIX. Irrespective of the mode of payment chosen, the maximum payment period is 45 days end of month. Presentation of a bill or any other document creating an obligation to pay shall not be considered as payment.

No discount shall be granted by our company for payment in cash or within a shorter period than that shown in these general conditions or on the invoice.

Any other term of payment shall be subject to acceptance by our company. Intervention from a credit agency does not alter these conditions.

Unless subject to express, prior and written agreement from our company and provided unquestionable, liquid and immediately due debts are involved, no offset may be made by the customer between any penalties relating to non-adherence to a delivery date or failure of products or services and the sums due by the customer to our company in pursuance of the purchase of these products or the execution of services.

In the event of default of payment of invoices on the date of payment shown on them, late payment penalties lawfully commence from the first day following the date of payment stated on the invoice, calculated at 10 times the interest rate applied by the Central European Bank to its most recent refinancing operation. Late payment penalties are payable without the necessity of a reminder. A lump sum compensation for collection costs the amount of which shall be equal to €40 shall be added to this sum. When the collection costs incurred exceed €40, we shall demand additional compensation, against vouching documents, it being specified that all collection costs, including legal costs and fees are at the customer's expense.

In addition, we reserve the right, in the event of default of payment or a fraction thereof, on maturity:

- to impose early payment of all customer invoices, including those not immediately due and irrespective of the terms of payment previously agreed,

- to suspend execution of the order concerned and/or any pending orders with the customer

- to impose, following formal notice by recorded mail with acknowledgement of receipt remaining unanswered within eight days of initial presentation, lawful cancellation of the order concerned and/or all pending orders with the customer, it being specified that cancellation of orders shall oblige the customer to immediately take back the products entrusted to our company, at its expense, without prejudice to any legal action for compensation from our company,.

- to request payment guarantees as we deem necessary

- to keep all down payments received as compensation, without prejudice to any other compensatory damages.

5. PAYMENT GUARANTEE

As guarantee for any sums that may be due by the customer to our company within the scope of the execution of these conditions or any other agreement entered into with our company, the customer assigns all the products and raw materials belonging to it, which it shall hand over to our company, to the benefit of our company, as a pledge, in compliance with the provisions of articles 2333 *et seq* of the Civil Code and articles L.521-1 *et seq* of the French Commercial Code.

In the event of default in payment, our company may keep the products and raw materials in stock until full payment of the outstanding amount. If the latter is not paid on the agreed due date, our company shall be entitled to use all its pledgee powers and particularly to keep, if it deems necessary, the pledged assets with the transfer of ownership taking place on the date on which our company exercises its option by recorded mail with acknowledgement of receipt sent to the customer. In this case, the value of the products and raw materials shall be determined on the day of the transfer of title, by independent expert appointed by joint agreement by the parties, or failing which, by the presiding judge of the Tribunal de Commercial (commercial court) of SAINT-ETIENNE. If the value of the products and raw materials exceeds the amount of the debt guaranteed, the sum equal to the difference shall be paid to the customer.

6. RIGHT OF TITLE CLAUSE

WHEN THE SALE RELATES TO PRODUCTS (hereinafter referred to as the "Products"), THE CUSTOMER SHALL BECOME OWNER OF THE PRODUCTS AFTER THEY ARE PAID FOR IN FULL. Payment shall be made on actual cashing of the price which is understood by the price invoiced in principal, including costs and interest on arrears. Presentation of a bill or any other document creating an obligation to pay shall not be considered as payment.

The customer is authorised, within the scope of the normal running of its company, to resell the Products, however, it may neither pledge them nor grant guarantees on them to third parties. In the event of resale, the customer shall transfer to our company all the receivables in its favour from the resale to its customer. The authorisation to resell Products is automatically withdrawn in the event of suspension of payment from the customer.

The customer undertakes to identify the Products in its stock until delivered to its own customers.

The customer, who shall bear the risks of theft, loss of or damage to the Products, shall produce an insurance policy of a sufficient amount at any time to cover these risks. The sums paid in this respect by the insurance company shall lawfully come back to our company.

In the event of failure to pay an invoice for Products by the customer, the latter shall, upon first request from our company made by recorded mail with acknowledgement of receipt and without prejudice to the exercise of any other rights which our company may hold, return the unpaid Products at its costs and risk.

Our company may unilaterally and immediately draw up an inventory of its unpaid Products held by the customer, including at a third party consignee of these Products. Products in stock shall be presumed as being those not yet paid for.

The customer undertakes to immediately advise our company of any situation of insolvency or in the event of safeguard procedure, ad hoc mandate or collective insolvency proceedings against it and shall authorise our company, in this case, to draw up the inventory of the Products in stock to implement this clause, if required.

In the event of seizure or any other intervention by a third party, the customer shall inform our company immediately.

Products delivered and not paid for may be claimed even in the event of collective insolvency proceedings under the conditions of articles L.621-122 and L.621-124 of the French Commercial Code.

Finally, in the event of recovery of Products, our company shall not be obliged to return down payments, if any, received on the sale price of these Products when these down payments may be offset by any other sum due to it by the customer.

7. DELIVERY

7.1 – In the event of our company working on products or raw materials not belonging to it, these products or raw materials shall be delivered to our premises at the customer's expense with the transfer of risks taking place after unloading of these products or raw materials into the unloading area of our factory. The customer is responsible for checking the condition of the products or raw materials after being unloaded into the unloading area of our premises and to take all the necessary action against carriers, if need be.

7.2 – Our company shall do its utmost to adhere to the delivery time specified on the Acknowledgement of Receipt of order, however, this time does not constitute a strict deadline and our company's liability may not be involved in the event of a delay not exceeding 30 working days. Furthermore, our company's liability may not be involved under any circumstance in the event of delay attributable to the customer or a force majeure event as defined hereinafter in paragraph 11.

Unless otherwise specified and particularly unless subject to reservations stated on the Acknowledgement of Receipt, the delivery time only starts from the day of the Acknowledgement of Receipt of order and provided the customer has supplied all the informations, all the raw materials and all the products required to enable our company to execute the order.

Any modification to the order made by the customer and duly accepted by our company during execution of the order gives rise to an extension of the delivery time which shall be defined by our company.

7.3. - Delivery of products to the customer is deemed as performed when they are made available in the loading area of our factory.

If it is agreed for our company to organise the transport, the products travel at the customer's risk with the transfer of risks to the customer taking place from the loading of the products into the truck.

All our products and all the parts we have worked on are deemed as being sold or returned approved by the customer in our factory with the customer having the possibility of coming to check them at its expense prior to shipment. They always travel at the customer's risk, even in the event of sale on a DELIVERED TO DESTINATION basis. The transfer of risks to the customer takes place from the loading of the products into the truck.

In the absence of specific instructions regarding the mode of transport and destination of products, we shall do our utmost but without involving our liability, by informing the customer of the terms of shipment of products.

7.4. – In the event where the customer delayed shipment for any reason whatsoever, handling and warehouse costs for products are at customer's expense with this warehousing at the customer's risk.

7.5. – In the event of damage to products delivered or shortages, the customer is responsible for taking all the necessary steps with the carrier. Any product not covered by reservations by recorded mail with acknowledgement of receipt to the carrier in compliance with the provisions of article L.133-3 of the French Commercial Code and for which a copy shall be simultaneously sent to our company, shall be considered as accepted by the customer.

8. ACCEPTANCE - CLAIMS

8.1. - Without prejudice to the provisions to be made by the customer with respect to the carrier as described in paragraph 7.5, in the event of apparent defects or shortages, any claim relating to the products delivered by our company shall not be accepted by our company unless made in writing by recorded mail with acknowledgement of receipt within the deadline of three days laid down in paragraph 7.5.

8.2. - The customer is responsible for supplying all the vouching documents to prove the actual apparent defects or shortages ascertained.

No product returns can be made by customers without the prior, express and written agreement from our company, namely obtained by fax or email.

Return costs shall be borne by the customer and shall not be reimbursed by our company unless in the case of an apparent defect or shortages actually ascertained by our company.

8.3. - When after inspection, an apparent defect or shortage is actually ascertained by our company, the customer may only ask our company for repair or replacement of the articles concerned and/or the addition to make up for shortages at its cost, without the customer being entitled to claim any compensation or cancellation of order.

Unconditional acceptance of products by the customer covers any apparent defect and/or shortage.

8.4. - Claims made by the customer under the conditions and according to the terms described in this article do not suspend payment by the customer for the products or services concerned.

9. GUARANTEE – LIABILITY - INSURANCE

9.1. – The products sold by our company benefit from a guarantee of six months from the date of delivery to the customer, as defined in paragraph 7.3. This guarantee covers non-compliance of the products with the order and any hidden defect from a defect in material or manufacture affecting the products and making them unfit for their use.

Faulty design is not a hidden defect and our customers are deemed as having received all the technical informations relating to our products.

9.2. When our company works as a service provider, particularly within the scope of tolling agreement, our company only guaranties that its services have been performed in compliance with the technical specifications defined by the customer.

In particular, our company grants no other guarantee, especially against hidden defects affecting the material or the products used even when this material or these products were supplied by our company.

The customer is responsible for the choice of products and/or raw materials on which the services are performed and the technical specifications it lays down to our company. As our company works to the technical specifications defined by the customer, no defect related to the design of products may be invoked against it. Similarly, our company assumes no liability whatsoever in the event where the supply ordered was a counterfeiting and the customer undertakes to compensate our company for any prejudice it may incur due to this.

9.3. - Our guarantee shall be limited to repair, replacement or reimbursement of the defective products or the making good of the services deemed as defective, at the discretion of our company and within the limits defined hereinafter. Costs for labour and operating parts are excluded from the guarantee.

Repairs, replacements or modifications made during the guarantee period shall not extend the guarantee period.

No guarantee shall apply in the following cases, even partially:

- normal wear of products,
- damage and wear resulting from an adaptation or a special assembly whether abnormal or not, of the products concerned, unless performed under our supervision,
- damage, destruction of products or accidents due to negligence, lack of maintenance or monitoring,
- abnormal use, in particular of chemical, mechanical or thermal original resulting from use not in compliance with the specifications of the products,

- work from the customer or a third party on the products without the prior and express authorisation of our company,
- moving of the products without prior and express authorisation of our company.

9.4. - Guarantee coverage is subject to a written request from the customer, forwarded during the guarantee period and, if requested by our company, the return of the products concerned as they are to the address indicated by our company. The cost of dismantling and reassembling operations of the products as well as the cost of transport of defective products and the return of products repaired or replaced, are at the customer's expense. Products travel at the risk of the customer and the transfer of risks to our company takes place after unloading the products in the unloading area in our factory.

9.5. - Our company's liability may not be involved unless in the event of proven fault.

The total liability of our company for any claim, liability or costs shall be limited to the amount exclusive of tax paid by the customer to our company to purchase the defective products or for the supply of the defective services, without exceeding €50,000 per order.

In the event where raw materials and/or products of an overall amount greater than €50,000 exclusive of tax are made available to our company by the customer, the customer undertakes to inform our company. In the absence of information and express, prior approval from our company in order to increase the amount of the limit guaranteed, our company's liability shall be limited to €50,000 per order.

Indirect damage incurred by the customer is excluded from any request for compensation. Loss of turnover, operating loss, commercial damage, loss of earnings or any claim filed by a third party whatsoever against the customer are qualified as indirect damage without this list being exhaustive.

9.6 – Insurance.

The entrusted goods are the property of the client during their stay in our workshops.

The client must insure them against all risks of deterioration by insurance policy for the entrusted goods, and waive all recourse against us for the goods in bond and belonging to him.

The risks related with the client are stealing, burning, water damage, bad weather and various deteriorations.

10. INTELLECTUAL PROPERTY

Our company remains owner of all intellectual property rights over the studies, drawings, models, prototypes, tooling, photos and all the technical documents it has performed, even on the customer's request. All these documents shall be returned to it on its request.

The customer shall, therefore, refrain, under penalty of damages, from any reproduction, exploitation or disclosure of the said studies, drawings, models, prototypes and technical documents without the express, written and prior authorisation of our company which can make it conditional to a financial compensation.

11. FORCE MAJEURE

In the event of strike, lock-out, flooding and fire, transport disruptions or interruptions, raw material or energy sourcing difficulties, significant accidents affecting our suppliers' production, their receivership or judicial liquidation, accidents of any kind affecting the storage of products and, generally speaking, any event beyond our control and not attributable to wilful or gross misconduct on our part resulting in preventing or delaying the production, services, availability or delivery of products and parts constitute

events of force majeure which waive our company of any obligation to execute orders and to pay compensation, penalties for late delivery or damages.

12. APPLICABLE JURISDICTION - LITIGATIONS

These general conditions as well as the sales and services they govern are subject to French law.

ANY DISPUTE RELATING TO THE APPLICATION OF THESE GENERAL CONDITIONS, THEIR INTERPRETATION, THEIR EXECUTION AND AGREEMENTS ENTERED INTO BY OUR COMPANY IN PURSUANCE OF THESE GENERAL CONDITIONS SHALL BE BROUGHT BEFORE THE TRIBUNAL DE COMMERCE (COMMERCIAL COURT) OF SAINT ETIENNE, EVEN IN THE EVENT OF SUMMARY PROCEEDINGS, PLURALITY OF DEFENDANTS OR RECOURSE IN WARRANTY.

These general conditions are made out in French. In the event of translation to another language, only the French version shall prevail.