

INTERCARAT

GENERAL TERMS AND CONDITIONS OF SALE

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Limited Liability Company (S.à r.l.) with a share capital of €305,000 – SIRET 400 850 301 00021 – APE 2219Z – VAT No. FR 11 400 850 301

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1 GENERAL PROVISIONS

1.1. These general terms and conditions have been drawn up in accordance with current practice within the European Economic Area. They set out the rights and obligations of the processor of elastomeric materials and PTFE, hereinafter referred to as the Supplier, and the principal, hereinafter referred to as the Customer, with regard to the supply of parts and ancillary services which the Supplier may be required to provide to the Customer.

1.2. They therefore constitute the legal basis for all provisions that have not been the subject of specific written agreements.

1.3. They shall prevail over any conflicting clause formulated in any manner by the Client, unless the Supplier has accepted it in writing.

2 DESIGN OF PARTS

2.1. Unless expressly agreed otherwise, the Supplier is not the designer of the parts it manufactures; its role is that of an industrial subcontractor.

As design results in the complete definition of a product, it may, however, be the subject of industrial subcontracting in whole or in part, provided that the Customer assumes ultimate and full responsibility for the desired industrial outcome.

This applies in particular to parts designed by the Supplier using computer-aided design at the Customer's request and based on specifications provided by the Customer.

2.2. In the specific instance where the Supplier acts solely as the designer and manufacturer of parts intended for the Customer, such parts shall be the subject of a separate contract, as this situation falls outside the scope of these general terms and conditions.

3 QUOTATION AND ORDER

3.1. The Customer's invitation to tender must be accompanied by a set of specifications.

3.2. The Supplier's quotation shall only be deemed firm if it specifies a period of validity. The same applies in all cases where the Customer makes amendments to the specifications or to any standard parts that may be submitted to them by the Supplier.

3.3. The Supplier shall only be bound by the terms of its express acceptance of the Customer's firm and definitive order, by letter or any other means of communication resulting in a written document.

An open order, involving periodic or scheduled delivery calls, may only be concluded for a limited period agreed between the Supplier and the Customer

4 DESIGN WORK

4.1. Unless otherwise agreed in the contract, the sale of parts does not entail the transfer to the Customer of the Supplier's ownership rights over its manufacturing designs.

The same applies to any studies proposed by the Supplier to improve the quality or cost price of the parts, by making an original amendment to the initial specifications. Should the Customer accept these, they must agree with the Supplier on the terms of their use within the context of the order.

4.2. Under no circumstances may the Customer make use of the studies, designs, prototypes and documents produced by the Supplier, which remain the property of the Supplier.

Consequently, they may not be used, reproduced, patented, registered or disclosed to third parties by the Customer without the Supplier's written authorisation.

4.3. Similarly, the Customer may not use the patents, designs or know-how owned by the Supplier for its own purposes, nor may it disclose them without having expressly acquired ownership, co-ownership or any right to exploit them.

5 TOOLS, MOULDS AND SPECIALISED EQUIPMENT

5.1. Tools, moulds and specialised equipment supplied by the Customer:

Where supplied by the Customer, the tools, moulds and specialised equipment hereinafter referred to as 'tools' must clearly bear any marks, assembly or usage markings and must be delivered free of charge to the site specified by the Supplier. The Customer shall be responsible for ensuring that the 'tools' fully comply with the drawings and specifications. However, at the Customer's request, the Supplier shall verify such compliance and invoice the cost of this service.

If the Supplier deems it necessary to make modifications to ensure the proper manufacture of the parts, the resulting costs shall be borne by the Customer, having first obtained the Supplier's express consent.

Generally speaking, and unless otherwise agreed in writing with the Customer, the Supplier does not guarantee the service life of the 'tooling'.

In all cases, if the 'tools' received by the Supplier do not meet the standard of performance the Supplier was entitled to expect, the Supplier must request a revision of the price of the parts originally agreed, and an agreement with the Customer must be reached before work on the parts commences.

5.2. Tooling, moulds and specialist equipment produced by the Supplier at the Customer's request: -

Where the Supplier is commissioned by the Customer to manufacture or arrange for the manufacture of the 'tools', the Supplier shall carry out the work or arrange for it to be carried out.

The cost of manufacture, as well as the costs of replacement or refurbishment following wear and tear, shall be paid to the Supplier separately from the price of the parts.

5.3. Price of the 'tools'

The price of the 'tooling' produced or commissioned does not include the Supplier's intellectual property rights in such 'tooling', i.e. the contribution of the Supplier's know-how or patents to its design, manufacture and development. The same applies to any modifications the Supplier makes to the 'tooling' supplied by the Customer to ensure the correct production of the parts.

Unless otherwise agreed with the Customer, the 'tooling' shall, by default, remain the property of the Supplier after completion of the order. The Customer shall pay a contribution towards the cost of the tooling.

The contribution towards the 'tooling' is payable as follows: **one-third** upon placing the order and the balance upon completion or on the date of acceptance of the prototype parts, where applicable.

The contribution towards tooling costs guarantees the Customer exclusive use of the tooling.

The Supplier shall maintain this 'tooling' in good working order; the costs of any wear and tear, repairs or replacement shall be borne by the Customer.

Unless otherwise agreed between the parties,

5.4. Storage and Insurance Conditions

By default, the 'tooling' remains the property of the Supplier, unless otherwise specifically agreed with the Customer. The 'tooling' is insured by the Supplier.

Where the Customer is the owner, they must, at their own expense, take out damage insurance (covering fire, water damage, etc.) covering its damage or destruction whilst on the Supplier's premises, and excluding any recourse against the Supplier.

6 **RAW MATERIALS AND/OR COMPONENTS SUPPLIED BY THE CUSTOMER**

Where the Supplier acts as a contract manufacturer, the Customer shall deliver, or arrange for the delivery of, at its own expense and risk, and allowing for a shrinkage of at least 5%, the raw materials and/or components necessary and suitable for the fulfilment of the order. The goods shall be delivered taking into account the Supplier's normal production lead times and contingencies.

7 **DELIVERY TIMES**

7.1. Delivery times shall run (as a guide) from the date of the Supplier's order confirmation, and at the earliest from the date on which all documents, materials and implementation details have been provided by the Customer, who has also fulfilled any other preconditions for which they are responsible, including, in particular, payment for the 'tooling'.

7.2. The binding nature of the agreed deadline must be specified in the contract, as must its nature (date of availability, date of presentation for inspection or acceptance, actual delivery date, etc.).

In the absence of such details, the deadline shall be deemed to be indicative. Any amendment to the contractual terms of supply shall result in a new deadline being set.

7.3. Contractual deadlines shall be extended at the request of the Supplier or the Customer for any reason beyond their control, including, but not limited to, force majeure, which has rendered the party requesting the extension unable to fulfil its obligations. The defaulting party must notify the other party in writing of this inability as soon as it arises, and both parties must then consult immediately to agree on the measures to be taken accordingly.

8 **PACKAGING**

In the absence of any specific agreement, the Supplier shall propose one or more packaging solutions.

9 **DELIVERY AND TRANSFER OF RISK**

9.1. Delivery, which entails the transfer of risk, shall be effected by the direct handover of the goods, either to the Customer or to the carrier designated by the Customer or, failing that, chosen by the Supplier.

9.2. Unless otherwise agreed, in the case of mass production, a tolerance on the number of items delivered is permitted, generally of plus or minus 10 per cent.

10 **TRANSPORT**

10.1. In all cases, the Supplier shall carry out dispatch and operations ancillary to transport solely as the Client's agent; the Client shall, upon receipt of the invoice, reimburse the Supplier for the costs of carriage-paid consignments. It is therefore the Client's responsibility—who assumes all risks associated with these operations—to verify, upon arrival of the goods, the condition, quantity and conformity of the supplies with the details stated on the dispatch note.

10.2. The Customer must immediately inform the Supplier of any potential dispute, without prejudice to any legal action the Customer may wish to take against the carrier.

10.3. The Customer shall bear the costs and risks of dispatching and returning the goods referred to in clause 5.1.

10.4. The goods may be insured, in accordance with the Customer's written instructions and at their expense, against all risks for a value to be agreed.

11 PRICE

11.1 In the absence of any specific provisions, the applicable prices and terms are those set out in the price lists in force at the time the order is confirmed.

11.2 Unless otherwise specified, prices are quoted on an 'ex works Duppigheim' (EXW) basis, net of all taxes and exempt from customs duties, excluding packaging and taxes.

11.3 Whilst the price of 'tooling' may include the cost of samples, it does not under any circumstances include the cost of testing, cutting and machining equipment, nor any costs arising from modifications requested by the customer.

12 TERMS OF PAYMENT

12.1. Payments are deemed to have been made at the Supplier's registered office.

Unless otherwise stipulated, payment shall be made within 60 days net or 45 days from the end of the month following the invoice date, with no discount for deliveries. Upon the due date, the full amount must be credited to the Supplier's account. The buyer is not entitled either to exercise a right of retention or to set off the price against claims which the seller disputes and which have not been established by a final judgement.

12.2. Without prejudice to the right of retention of title referred to in Article 15, failure to meet any payment deadline, a serious breach of the Customer's creditworthiness – in particular the disclosure of a protest or any charge on the business – shall, as of right, without formal notice and at the Supplier's discretion, result in:

- either the acceleration of the payment term and, consequently, the immediate callability of any sums still due on any account whatsoever and/or the suspension of all dispatches,

12.3. or the termination of all current contracts, with the retention of any advance payments received, and retention of the 'tools' and parts held by the Supplier, until any compensation has been determined. Any sum due shall, as of right and without the need for formal notice, be subject to late payment interest equivalent to three times the statutory interest rate set each year by the Banque de France.

Any delay in payment shall automatically give rise, in addition to the late payment penalties referred to above, to the payment by the Customer of a fixed compensation of €40 to cover recovery costs.

An additional compensation payment may be claimed, subject to supporting evidence, where the recovery costs incurred exceed the amount of the fixed compensation.

12.4. The Customer may not defer a contractual payment due date if the acceptance procedure or the dispatch of the supplies made available to them at the Supplier's factory is delayed or cannot be carried out due to force majeure.

The same applies to payment of the difference between the total invoice amount and the price of items which, following a dispute by the Customer, may give rise to credit notes or credit adjustments, where these are granted by the Supplier in accordance with Article 14.

The Customer may not withhold payment of all or part of any sum due to the Supplier, or delay such payment, on the basis of any claims on its part, without the Supplier's consent.

13 INSPECTION AND ACCEPTANCE

13.1. Where the Customer assumes full responsibility for the design of the parts in accordance with the industrial outcome it seeks – and which it alone knows precisely – it shall consequently determine the terms of reference setting out the specifications intended to define, in all respects, the parts to be manufactured, as well as the nature and procedures of the inspections, checks and tests required for their acceptance. The Customer's acceptance of proposals aimed at any improvement to the specifications or any modification to the design of the parts shall in no way constitute a transfer of responsibility; in such cases, the design shall remain the sole responsibility of the Customer.

13.2. In all cases, and even in the absence of acceptance, the nature and scope of the necessary checks and tests, the standards, and tolerances of any kind must be specified in the drawings and specifications, which the Customer must include with its invitation to tender.

13.3. In the absence of specifications regarding the inspections and tests to be carried out on the parts, the Supplier shall carry out only a simple visual and dimensional inspection.

13.4. The cost of inspections and tests is generally separate from that of the parts but may be included in the price following agreement between the Supplier and the Customer.

This price takes into account the cost of the specific work required to ensure the conditions are necessary for the proper performance of these inspections, particularly in the case of non-destructive testing.

13.5. For products manufactured under a Quality Assurance system, this condition must be specified by the Customer in its invitation to tender and in its order, with the Supplier confirming this in turn in its quotation and in its acceptance of the order, without prejudice to the provisions of the preceding articles.

14 LACK OF CONFORMITY

14.1. The Supplier is obliged to supply parts that comply with the drawings and specifications set out in the contractual terms and conditions.

In the event of a complaint by the Customer regarding the parts delivered, the Supplier reserves the right to inspect them on site.

For production orders, the Customer must, at its own expense, arrange for the manufacture of prototype parts, which shall be submitted to the Customer by the Supplier for approval following any inspections and tests the Customer deems necessary. This approval must be sent by the Customer to the Supplier by letter or any other means of communication that produces a written record. This approval marks the starting point for any new delivery schedule.

14.2. In the event of non-conformity, the Supplier undertakes:

- to credit the Customer with the value of any parts found to be non-compliant with the drawings and the requirements of the contractual specifications or with the sample parts accepted by the Customer,

- to replace them and issue an invoice,

- or, where necessary, to bring them into compliance or arrange for them to be brought into compliance,

The parts replaced by the Supplier shall be the subject of a credit note, with the replacement parts being invoiced at the same price as the parts replaced.

Where parts are brought into compliance, this shall be carried out in accordance with the terms decided and/or approved by the Customer. The Supplier shall bear the cost if it undertakes to carry out the work, or must give its prior consent if the Customer decides to carry it out at a price notified to the Supplier.

Unless otherwise agreed, parts for which the Customer has received a credit note, or which have been replaced or brought into compliance by the Supplier, must be returned to the Supplier carriage forward, with the Supplier reserving the right to choose the carrier. The Customer is required to report any non-conformities as soon as they are discovered and to explicitly request the replacement or rectification of the parts in question within the following maximum time limits, starting from the date of delivery:

- 10 days for apparent non-conformities,

- 6 months for other non-conformities, this period being reduced to 1 month for mass-produced items.

Once these time limits have expired, no claims will be admissible.

14.3. In all cases, the parties shall agree on an insurance sum above which the Customer and its Insurer shall waive any right of recourse against the Supplier.

15 DAMAGES AND INTEREST

15.1. The Supplier shall only be liable for contractual or non-contractual breach if such breach is intentional or particularly serious and grossly negligent. Subject to this proviso, the Supplier shall also be liable for the acts of its managers and other agents. Such damages are limited to losses that were foreseeable at the time the contract was concluded, in accordance with Articles 25 and 74 of the CISG, and of which the Customer has duly informed the Supplier. In any event, they shall not exceed the sum of €10,000,000.00, a sum equivalent to the Supplier's liability insurance cover.

15.2. The foregoing limitation of liability shall not apply to breaches of fundamental obligations under the contract within the meaning of Article 25 of the CISG, nor to the Supplier's statutory liability towards the victim of personal injury in accordance with the law on liability for defective products.

16 RETENTION OF TITLE CLAUSE

16.1. The supplier retains title to the goods delivered until full payment of the principal sum and ancillary charges owed by the purchaser under this contract. Where the seller's retention of title requires the buyer's cooperation to be valid, the formalities necessary for the implementation and preservation of the right shall be borne by the buyer. In the event of the resale of the goods subject to retention of title by the customer, the latter hereby declares that it assigns to the supplier the claim arising from the sale to a sub-purchaser.

16.2. The retention of title clause does not preclude the transfer of risk. Consequently, from the moment the goods are dispatched, the customer bears all risks to which the goods may be exposed or which they may give rise to.

16.3. In the event that the retention of title clause is invalid under the law applicable to the goods subject to retention of title, it shall be replaced with retroactive effect by the guarantee under that applicable law which most closely approximates retention of title.

16.4. Failure to comply with any of the above conditions constitutes a material breach of the contract.

16.5. The foregoing provisions shall in no circumstances result in any derogation from the jurisdiction clause set out in Article 18.

17 **INDUSTRIAL PROPERTY**

17.1. In all cases, the Customer shall indemnify the Supplier against all consequences of any legal proceedings that may be brought against the Supplier in connection with the fulfilment of an order for parts covered by industrial or intellectual property rights, such as patents, trade marks or registered designs, or by any other exclusive right.

17.2. The transfer of the parts does not entail the assignment to the Customer of the Supplier's intellectual or industrial property rights of the Supplier relating to its manufacturing designs. The same applies to designs proposed by the Supplier to improve the quality or cost price of the parts, through an original modification of the specifications. Should the Customer accept such designs, it must agree with the Supplier on the conditions for their use within the scope of the order. Under no circumstances may the Customer use the the Supplier's designs for its own purposes, nor may it disclose them, without having expressly acquired the intellectual property rights thereto.

17.3 Unless otherwise prohibited in writing, the Customer authorises the Supplier to display certain parts it manufactures at any event, such as a trade fair, exhibition or show, and in its advertising and marketing materials.

18 **TERMINATION**

A Customer who cancels all or part of their order or postpones the delivery date, through no fault of the Supplier, shall be liable to compensate the Supplier for all costs incurred up to the date of receipt of the Customer's notice, without prejudice to any direct or indirect consequences that the Supplier may have to bear as a result of this decision (*Article 1794 of the Civil Code*).

19 **JURISDICTION CLAUSE**

It is agreed that the law applicable to the contract shall be French law.

The parties shall endeavor to settle amicably all disputes relating to the interpretation and performance of these general terms and conditions of sale and contracts..

Should they be unable to do so, and in the absence of any agreement to the contrary, the court of the Supplier's registered office shall have exclusive jurisdiction over all disputes arising from supply contracts, regardless of the terms of such contracts and the agreed method of payment, even where there are multiple defendants.