

MAGOTTEAUX - GENERAL SALES CONDITIONS

1. **PREAMBLE** The present general conditions govern the terms and conditions of the sales concluded between the parties. These general conditions are however without prejudice to any individual conditions agreed in writing by the parties.

2. DEFINITIONS

- 2.1. « Seller » means MAGOTTEAUX ALLOYED MATERIALS (SUZHOU) CO., LTD., having its registered office at No. 36 Ping Sheng Road, Sheng Pu Town, Suzhou Industrial Park, Suzhou, Jiangsu 215126, China.
2.2. « Purchaser » means the party who purchases the products.
2.3. « In writing » means a document signed by a party (e.g. a letter, a fax, an e-mail, etc.).

3. PRICE

The prices are expressed in RMB, net, without discount and are VAT exclusive.

4. PAYMENT

- 4.1. One third of the purchase price is payable upon conclusion of the contract and another third of the purchase price is payable when the Seller notifies the Purchaser that the product or an essential part of the product is ready for delivery. Final payment shall be made upon delivery of the product.
4.2. Payments shall be made within thirty (30) days from the date of the invoice.
4.3. Whatever the means of payment used, the payment shall be considered as settled when the Seller's account is completely and irrevocably credited.
4.4. If the delivery is delayed for a reason directly or indirectly attributable to the Purchaser, the payment shall be made as if no delay occurred.
4.5. If the Purchaser fails to pay at the date stipulated in the contract, the Seller is entitled - without formal notice - to late payment interest as from the date on which the payment was due. The rate of the late payment interest shall be the benchmark interest rate for a RMB loan for the same period as published from time to time by the People's Bank of China.
4.6. In addition to late payment interest, if the payment delay is equal to 10 days or more, the Seller may, after having informed the Purchaser in writing, suspend the execution of the contract until the payment is settled. If, within 3 months, the Purchaser has not settled the outstanding amount, the Seller has the right, by written notification sent to the Purchaser, to terminate the contract and to be indemnified for the losses the Seller incurred.

5. DELIVERY

- 5.1. The delivery term shall be determined on the basis of the date on which the confirmation of order is sent by the Seller to the Purchaser.
5.2. The delivery is due "Ex Works" (EXW). This modality shall be construed in accordance with the INCOTERMS as in force on the date of conclusion of the contract.
5.3. Reception shall be effected at the place where the products are manufactured.
5.4. If the Purchaser does not proceed with the reception on the delivery date, nevertheless, he shall pay the due part of the price as if the delivery occurred. The Seller is entitled to take any arrangements - at the Purchaser's sole expense and risk - to store the products.
5.5. Partial shipment is allowed.
5.6. The mass of the product shall defer by 5% either by increasing or decreasing.
5.7. If the Product is not delivered at the time for delivery, the Purchaser is entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 5 per cent of the purchase price.

6. VALIDITY of the OFFER

The offer remains valid 30 days as from the day it is made.

7. GUARANTEES and CLAIMS

- 7.1. The Seller's liability shall be limited to defects that appear within a period of one year as from delivery.
7.2. The Purchaser shall notify the Seller in writing and without delay of any defect when it appears, otherwise he will lose his right and recourse to a remedy of the defect.
7.3. The Seller shall, at his option, either replace or repair the defective product within a reasonable period of time. In any case, the Seller shall not be liable for any defects arising after the expiry of a two year period as of the original delivery.
7.4. The products are not subject to any performance guarantee.
7.5. Repairs shall be carried out at the place where the product is located, unless the Seller deems it appropriate that the defective product or part of product is returned to him for repair or replacement. The Seller shall bear the risks and the costs of the freight of the product for the purpose of repairing the defect he is liable for. For the purpose of this freight, the Purchaser shall follow the instructions of the Seller.
7.6. To the extent that these operations are necessary for repairing the defect, the Purchaser shall, at his sole expense, arrange for any dismantling and reassembly directly or indirectly linked to the product.

7.7. Defective parts which have been replaced shall be made available to the Seller and shall be his property.

7.8. If the Seller is not liable for any defects, the Seller shall be entitled to the refund by the Purchaser of all costs supported by the Seller.

7.9. The Seller is not liable for defects arising either from materials provided by the Purchaser or from a design stipulated or specified by the Purchaser.

7.10. The Seller shall only be liable for defects that appear under conditions of normal use that are contemplated in the contract and proper for the product. The Seller's liability does not extend to defects that are caused by faulty maintenance, incorrect erection, gross negligence, willful misconduct or faulty repair or maintenance made by the Purchaser, or by modifications made without the Seller's written consent. The Seller's liability does not extend to normal wear and tear or deterioration.

7.11. The Purchaser is not entitled to compensation by the Seller for the loss of production, loss of profit, loss of use, loss of contracts or any other indirect damage and/or loss.

7.12. The Seller has the right to suspend the performance of his contractual obligations - by written notification to the Purchaser - when it is clear from the circumstances that the Purchaser does not or will not be able to meet his own contractual obligations.

8. RETENTION of TITLE and RISK

8.1. The product remains the property of the Seller until the price is fully paid.

The Purchaser shall, at the request of the Seller, assist him to undertake the necessary measures to protect, in the concerned country, the Seller's title of property on the product.

8.2. The retention of title does not affect the transfer of risks as foreseen in Article 5.

9. INTELLECTUAL PROPERTY - MODELS - INFORMATION on the PRODUCT

9.1. The Purchaser agrees to respect the intellectual property linked to the sold products. The selling of the product does not imply any transfer or license of the intellectual property of the Seller.

9.2. The products are manufactured in compliance with models that are exclusively the Seller's property.

9.3. The information regarding the product included in the leaflets and price lists are only contractual if they are subject to an express reference in the contract.

10. FORCE MAJEURE and HARDSHIP

10.1. The Seller has the right to suspend the execution and performance of his obligations described in the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the Seller's control such as fire, extreme weather conditions, war, general mobilization, insurrection, requisition, seizures, embargo, restrictions in the use of power and defects or delays in deliveries by sub-contractors or suppliers caused by such circumstances.

A circumstance as described in this Article, whether occurring prior to or after the conclusion of the contract, gives a right to suspend the contract only if its effect on the performance of the contract could not be foreseen upon conclusion of the contract.

10.2. Either party is entitled to terminate the contract if its performance is suspended for more than six months.

11. APPLICABLE LAW and DISPUTES

11.1. The contract is governed by the laws in force at the place where the Seller has his registered principal office.

11.2. Any dispute arising from or in connection with this General Conditions of Sale shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in Shanghai which shall be conducted in Chinese by a sole arbitrator in accordance with the Commission's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties.