



Version dated 01.01.2019

GENERAL CONDITIONS OF SALE ¹⁾

RECITALS

Unless a special, written agreement is entered into with the client, the placing of an order implies the latter's observance of the general conditions of sale, which constitute the basis of the commercial transaction, in accordance with the provisions of Article L. 441-6 of the French Commercial Code, irrespective of the clauses contained in its documents. The present conditions may be modified at any time without notice, and it is understood that all new versions shall come into effect on the date on which they are received by the client.

1. ORDER

All orders and all changes to, or cancellations of, orders must be made in writing by our clients and shall be subject to a written acceptance by us which lays down the terms and conditions according to which the order or the change to, or cancellation of, an order shall be honored.

Our company reserves the right to refuse orders in the event of the non-fulfillment by the client of any of its obligations and, more generally, to refuse all orders which are anomalous in nature for any reason whatsoever or which are placed in bad faith.

Our company reserves the right, even while an order is being carried out, to demand a guarantee for the successful fulfillment of the undertakings given, whereby any refusal shall authorize the cancellation of all or part of the accepted orders.

2. RESERVATION OF OWNERSHIP

Our goods and equipment shall remain our property until the price thereof has been paid to us in full in principal and additional costs. However, the liability for the risks and perils inherent in these goods and equipment shall be assumed by the customer (even in the case of a carriage-paid sale) upon the delivery thereof either to the customer or its representative or to the carrier; as from the delivery thereof, the client shall assume responsibility for expenses, custody and safekeeping, and shall assume liability for the damage they may cause. It shall undertake to take out all the appropriate insurance to this end.

¹⁾ This is an English translation of the French original General Conditions of Sale of Knauf La Rhénane. The French original General Conditions of Sale shall apply to and govern all agreements between us and the client, and in the event of a conflict between the French terms and the terms of this English translation, the French General Conditions of Sale shall prevail.

In accordance with the present reservation of ownership, we are authorized to draw up an inventory, at any time, at the client's or at any third party to whom the latter has sold them on, of the goods sent from our premises that have not yet been paid for. The surrender of an instrument that establishes a payment obligation, whether in the form of a bill or otherwise, does not constitute a payment until the instrument has actually been cashed. Payment may not be considered to have been made until the price has actually been collected by our company.

Until they have been paid for in full, products which are subject to a reservation of ownership shall be kept by the client in such a way that they are individually identified and cannot be confused with products sent by other suppliers; they may not be transferred, sold on, pledged, or, more generally, be the subject of rights granted to third parties.

If the products that are subject to reservation of ownership have been sold on by the client, the amount owing to our company shall automatically become the price of the products thus sold by the client. The client hereby assigns to our company all amounts owing as a result of the selling on of unpaid products that are subject to reservation of ownership. If the goods are claimed as a result of partial or total non-payment, the stocked goods shall be considered to correspond to the unpaid amounts owing. The client shall undertake to inform all third parties, including in the case of seizure, of the fact that the products which are subject to reservation of ownership belong to our company, and to inform us immediately of all seizures or similar operations. It is pointed out, as necessary, that the present reservation of ownership clause complies with current laws and regulations and, thus, with the provisions of order no. 2006-346, of 23 March 2006, "*relating to sureties*".

3. DELIVERY, COMPLAINTS

The delivery periods mentioned in our order confirmations are for guidance purposes only. The client may not under any circumstances take any advantage of any delay on any grounds whatsoever.

Unless expressly stipulated by us in the acknowledgement of receipt of an order to the contrary, the delivery and, thus, the transfer of the risks to the client, both with regard to losses or damage to the products covered by the client's order, on the one part, and the liability for these products, on the other, are considered to have been effected as soon as they are customized on our premises, and, at the latest, when they are handed over to the first carrier.

The client must, therefore, take out an insurance policy against damage to the transported products and an insurance policy guaranteeing all financial consequences of its liability as a result of damage caused by the ordered products from the point of transfer of risk.

Any complaints of any type, namely regarding defective products, must be sent to us within 24 hours as from the receipt of the goods. Once this deadline has passed, the client shall be considered to have accepted the goods unreservedly. Unless expressly agreed in advance, no return of goods shall be accepted. In all cases, each return of goods must be organized carriage paid.

In its dealings with carriers, the client shall undertake to inspect the products at the time of their receipt and to make all appropriate reservations known to the carrier, according to the conditions laid down in Article L. 133-3 of the French Commercial Code (reservations on the receipt, confirmed by a registered letter within three days,

not including holidays). In the event of this procedure not being complied with, any action taken against our company shall be declared unenforceable.

4. QUALITY OF OUR PRODUCTS / GUARANTEES

We guarantee that our products comply with:

- current standards;
- technical opinion and certifications;
- our specifications;
- the code of use of plastic packaging of the plastic packaging employers' association;
- the specifications drawn up and delivered by our clients and, more generally, the specifications contained in our clients' orders.

Unless it is expressly stipulated to the contrary and accepted by us, orders are executed in accordance with current quality standards.

We cannot be held liable:

- for a defect detected in the product as a result of the specific use to which our client has put this product, even if the latter notified us of such a use, unless we specifically agreed to such a use;
- for the consequences of our products being used in a way not recommended by us and, *a fortiori*, being used in a way that does not comply with our instructions or the rules of the trade;
- for defects in the products caused by the way in which they are stored or maintained.

We do not accept any liability for any damage suffered by any product, equipment, system or application when components, other than ours or those whose use we recommend, have been fitted or used in a unit. Nor shall we be liable when the defect in one of our products has been caused by another component with which the client has combined our product.

We strictly limit our guarantee to the replacement of the products whose defective nature we have ascertained as part of an inspection carried out along with the client.

At our discretion, we shall recommend the reimbursement of the defective products at the value at which they were invoiced.

Our liability is strictly limited to the obligations thus laid down and it is expressly agreed that we shall not under any circumstances be obliged to compensate the consequential damage which the client (or a party to whom the goods are sold on) might claim, irrespective of the cause and basis thereof (contractual guarantee, legal guarantee, contractual liability such as non-observance, etc.).

Consequently, we may not under any circumstances be obliged to compensate, in particular, production losses, operating losses, loss of profits, any expenses or costs, particularly in the event of the unavailability or unsuitability for their intended purpose of the delivered products or of the goods in which the delivered products are to be fitted, or damage suffered by third parties, and, more generally, all indemnifiable losses other than personal injury or damage to property.

5 – PRICE – PAYMENT CONDITIONS

Our products are invoiced at the price in force on the date of delivery.

Payment for our products should be made to our head office by accepted bill of exchange or promissory note within 45 days end of the month (namely 45 days as from the end of the month the invoice was issued).

For payments made within fifteen calendar days as from the date of the invoice, a 0.5% discount shall be granted. Discounts are not granted on export sales.

By express agreement, and except in the case of an extension requested on time and granted by us, non-payment, albeit partial, of our supplies on the established due date, whereby the arrival of the due date shall constitute a notice to pay, shall result in:

- all invoices, even those which have given rise to the issue of a bill, becoming immediately due and payable and all sums owed by the client for any reason whatsoever becoming immediately due and payable;
- a penalty for late payment calculated as from the day following the due date at the legal rate of interest in force multiplied by 3 in accordance with the provisions of Article L. 441-6 of the French Commercial Code, becoming immediately due and payable;
- the exigibility by rights of a compensation for collection charges, the amount of which will be equal to 15 % of the due sums and can on no account be lower than 40 euro.

Our company may automatically charge such penalties for late payment to any reductions in price owing to the client.

In the event of payment by means of a bill of exchange, failure to return the bill of exchange shall be considered to be a refusal to accept it, which equates to non-payment. Failure to accept a bill or failure to sign a promissory order within sixty days as from the issue of the invoice shall also be considered to constitute non-payment.

No payment may be offset on the sole initiative of the client, including, and in accordance with the provisions of Article L. 442-6-I-8 of the French Commercial Code, if the client claims a delay in delivery or the non-conformity of the delivered products, as the prior written consent of our company is required, irrespective of any provisions to the contrary that might be included in the client's purchase conditions.

In the event of officially recorded insolvency, payment beyond the due date, placement in receivership or liquidation, our company may:

- automatically, and without any formality having to be observed, take back the goods corresponding to the order in question and, if applicable, corresponding to earlier unpaid orders whether or not the payment thereof is due;
- automatically cancel the contract in its entirety by means of a straightforward notice sent to the client by means of a registered letter with acknowledgement of receipt, without any formality having to be observed and without prejudice to the exercise of all its other rights.

Any reduction in the client's creditworthiness may, at any time and depending on the risks incurred, warrant the fixing of a credit limit for the client which, if necessary, may be authorized, the setting of certain payment deadlines, the cash payment of existing and future orders, and the establishment of certain guarantees.

This shall be the case in particular if a disposal, "location-gérance" (i.e. the leasing of a business in which the lessee runs the business on his own account and at his own risk), pledging or transfer of the client's goodwill or some of its assets, or if a change in the control or structure of the client's company or in its directorship, is liable to have a negative effect on the client's creditworthiness.

By express agreement, if proceedings are brought to have the client placed under the protection of the court, or to have it put into receivership or liquidation, the amount not yet paid on the invoices it has issued for services provided to our company and the amount of any reductions in prices owing shall be offset against the sums it still owes to our company, and said sums shall become payable immediately.

If, moreover, our company is forced to have recourse to an agent (lawyer, bailiff, etc.) in order to obtain payment of the sums owing, it is expressly agreed, by way of a lump-sum, automatic penalty clause, which may not be reduced, that a surcharge calculated at the rate of 10% of the amount of the sums owing by the client shall be applied, without prejudice to interest on arrears and damages.

6. INTELLECTUAL PROPERTY – TRADEMARKS AND PATENTS

Unless expressly stipulated to the contrary, the plans, specifications, computer files, technical and commercial documentation, test results, photographs, samples, prototypes, studies, reports, correspondence, patents, models and designs, etc. that we send to our clients shall remain our property. Consequently, the client shall refrain from distributing the above in any way without our prior, written consent and shall undertake to use them only within the strict limits of the agreed intended purpose.

Our clients act as our guarantors and they shall compensate us for all the consequences of objections raised against the products manufactured by us according to their instructions, plans, designs and specifications, which infringe the industrial or intellectual property rights of third parties.

Any client who is aware of the infringement of the patents, trademarks and other intellectual property rights held by our company must notify us to this effect immediately by fax or e-mail and confirmed by means of a registered letter with acknowledgement of receipt.

7. STOCK

The stocks of raw materials, component parts, inserts, tools and finished and semi-finished goods established to meet our clients' requirements shall be invoiced to them in full upon the closure of their account, irrespective of the purpose to which they are put.

8. MOULDS / MODELS / TOOLS

Unless proven to the contrary, the moulds, models and tools which we develop and manufacture with a view to producing products in accordance with the specifications of our clients shall remain our property.

Any financing by the client with a view to covering all or part of the cost of manufacturing the specific tool shall not warrant a transfer of ownership of said tool to the client, and shall not authorize the client to request the transfer thereof to another manufacturer without our agreement, or to restrict our ability to produce products for other clients using the same tool.

We reserve a right of retention on the moulds, models and tools made available to us by our clients in order to manufacture the products we deliver to them, until the invoices for our deliveries are paid in full.

After a written request to remove the moulds sent to the Client at the end of our relation with this Client, we will neither be committed nor liable to keep these moulds. If the Client fails to remove the moulds in the period of time granted to that effect, we will be authorized to destroy them. The costs relating to the remove, transportation or destruction of the moulds will then be charged to the Client.

9. RETURNS

No product may be returned without the prior, written consent of our company. In all cases, the costs of the transport of the returned products shall be borne by the client.

10. CONFORMITY TO ORDER AND USAGE OF OUR PRODUCTS

All those who order and/or use our products do so entirely at their own risk. It is their responsibility to check that, at the point of ordering and/or use, they are in possession of the latest regulations in force and the latest version of our technical and commercial documentation.

11. COMMERCIAL CLAIM / PRESCRIPTION

Any commercial disputing on behalf of the client relating to the business relationship with our company in its entirety, notably for the payment of financial benefits of any kind and in particular discounts or compensation of supply of services, for a given year shall be made not later than twelve (12) months following the end of the calendar year for which the payment is due. Otherwise and by specific exemption to provisions contained in Article L.110 -4 of the French Commercial Code, any claim or disputing may be submitted and will be considered therefore as strictly out of order.

12. EXCLUSION OF ALL PENALTIES

No penalty shall be accepted by our company, unless we give our prior written consent, and irrespective of the reason for the penalty. Only the damage actually suffered, demonstrated, and evaluated by the client may be compensable by our company, after request to our company and negotiating with the latter. In this connection, the client will have to provide to our company any document attesting of actual damages (delivery note, etc.). Failing such acceptance the damages valuation will be made by an expert appointed by the President of the competent court, at the request of the most diligent party.

13. FORCE MAJEURE

The fulfillment by the parties of all or part of their obligations shall be suspended in the event of an Act of God or "force majeure" which would impede or delay the fulfillment thereof. The following in particular are considered to be such under the terms of the present clause: industrial conflicts including total or partial strikes, lock-outs, interruptions of transport, impediments to the movement of goods, difficulties in the supply of raw materials or energy, the destruction of the manufacturing premises and/or the production plant, albeit partial, accidents involving equipment on our premises or those of our suppliers, circumstances beyond the control of the parties attributable to "Prince" and, in general, all other causes that impede the activity of our plant, such as fires, floods, earthquakes, acts by the public authorities, without this list being restrictive.

Should this suspension continue for more than seven days, the other party would be entitled to cancel the order in progress.

14. DISPUTES

French law alone (except its own rules of choice of law) regulates our company's sales. The provisions laid down in the United Nations Convention on contracts for the international sale of goods, signed in Vienna on 11 April 1980, do not apply to our company's dealings with its clients.

For all disputes, the courts in the place where our company's head office is located shall have exclusive jurisdiction, even in the case of third-party proceedings against a guarantor or if there is more than one defendant, except implementation of the provisions from the decree of 11 November 2009 about the specialization of courts in matters of restrictive competition practices. However, our company reserves the right to refer the case to the courts in the place where the client's head office is located, the place where it operates or the place where the products are delivered to. Payment by means of a bill of exchange or any other form of payment neither results in novation nor in a departure from the present clause.