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## SACRED TERMS AND CONDITIONS

REVISION DATE: 01/11/2023

### CHAPTER 1 – GENERAL PROVISIONS

ARTICLE 1.1. Unless expressly agreed otherwise, these terms and conditions (T&Cs) are the sole basis for the commercial relationship between the parties. Their purpose is to define the conditions under which SACRED supplies the customer (Customer) with the products and/or services provided by SACRED.

By ordering any product and/or service, the Customer unconditionally accepts and adheres to the T&Cs which take precedence over any other document provided by the Customer and in particular over any terms and conditions of purchase, unless explicitly agreed in advance with SACRED. Any special conditions contradicting the T&Cs will be accepted only with SACRED's explicit written agreement.

ARTICLE 1.2. Depending on the nature of the markets and/or products, SACRED may act as a subcontractor, toll manufacturer or manufacturer-designer. Industrial subcontracting is defined as manufacturing a product or, more generally, its components (known as 'parts') exclusively on behalf of the customer and in accordance with the customer's technical specifications to achieve the customer's desired results. The testing procedures for these parts are to be contractually agreed. A toll manufacturer is a subcontractor who does not have control of the tooling and/or the material. A manufacturer-designer is understood to mean a person or business that takes orders for products which are intended to be integrated with no further manufacturing operations, but who is not a material supplier, toll manufacturer or subcontractor. This can result in two scenarios: either standard products are sold through a catalogue, on a non-exclusive basis, or products are designed for one or more specific contracting customers for their sole use, where these customers set certain performance criteria and/or restrictions. SACRED may also act as a manufacturer of elastomer-based compounds, using either Customer recommendations or its own recommendations.

ARTICLE 1.3. The Customer's request for quote must be accompanied by technical specifications, in particular regarding the function of the part and sub-assembly as well as any extreme installation and operating conditions or any recommendations for the manufacture of the compound.

ARTICLE 1.4. For products supplied through a catalogue, the technical properties and recommendations for use specified therein, or in any other document issued by SACRED, have probative value.

### CHAPTER 2 – ORDERS

ARTICLE 2.1. Orders may be placed directly by the Customer or by an agent acting for and on his behalf.

ARTICLE 2.2. Each order and any amendments must specify the part number of the product or compound, the price and conditions, terms of delivery and payment, as well as the references of the documents indicating

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the product's technical specification, packaging, possible delivery location(s) and, if necessary, its quality-assurance plan and conditions for guarantee claims. The order is considered firm if it specifies quantities required and lead times. It is considered open if the quantities to be delivered and the lead times are determined at a later date via delivery orders. Should the quantities given for information purposes only when the order is placed be significantly amended by the Customer, the parties will work together to minimise the financial impact of this.

ARTICLE 2.3. SACRED will accept the order by acknowledging it electronically within 8 working days, including Saturdays, of receipt. It must communicate any reservations within 15 days of receipt of the order. The Customer must in turn respond to these reservations within 15 days of receiving them. If no reservations are expressed, or if the parties do not respond within the required timeframes, agreement will be deemed to have been reached. If SACRED begins work on the order without expressing reservations, the order will be deemed to have been accepted. Once the order has been accepted it cannot be modified unless mutually agreed.

ARTICLE 2.4. All orders are confidential. They cannot be used for advertising purposes without the parties' written agreement.

ARTICLE 2.5. Should the Customer wish to cancel an order, they must do so in writing. In such a situation, all specific costs or losses incurred by SACRED will be invoiced and payment will be due immediately.

### **CHAPTER 3 – PRICES AND PAYMENT TERMS**

ARTICLE 3.1. Unless otherwise agreed in writing, the price invoiced is the pre-tax, ex-works, unpackaged price in effect on the day the order is delivered.

ARTICLE 3.2. The price is valid for the minimum quantity agreed and/or based on the agreed number of deliveries per unit of time. This price may be renegotiated if one of these elements is significantly modified.

ARTICLE 3.3. The products that SACRED manufactures are made from raw materials whose prices fluctuate over time. The price of products manufactured by SACRED may therefore be renegotiable if the price of one or more of these raw materials changes significantly.

ARTICLE 3.4. Pursuant to Article L 441-10 of the French Commercial Code, unless otherwise agreed between the Customer and SACRED, the deadline for payment is set at the thirtieth day following the date of receipt of the goods or provision of services.

Unless there is a sound reason, any attempt by the Customer to set or obtain a payment deadline that exceeds that indicated in the previous paragraph may be considered unfair within the meaning of Articles L 442-1 et seq. of the French Commercial Code.

The contractually agreed payment dates may not be unilaterally challenged by the Customer under any circumstances whatsoever.

Unless specifically agreed, advance payments are made without discount.

ARTICLE 3.5. Pursuant to Law no. 80-335 of 12 May 1980, SACRED shall retain title to the goods delivered and/or services provided until full settlement of the purchase price and associated charges. For the duration of retention of title, risks are transferred to the Customer from the date the goods are made available; they must ensure the safe keeping of the goods held. In the event of a total loss, the Customer must ensure that the destroyed goods are replaced or must immediately pay for them. The Customer is obliged to inform SACRED if the goods are seized, requisitioned or confiscated, or if their business is transferred or pledged to a third party, and to take all protective measures for SACRED's rights of title to be acknowledged. In the event of total or partial non-payment of the price on the due date, for whatever reason, SACRED can, by right and



without further formalities, demand the return of the goods at the expense, risks and perils of the Customer. This return does not constitute the cancellation of the sale. This request for return of the goods will be made by registered letter with acknowledgement of receipt; this letter will be immediately followed up with action by SACRED without the need for legal proceedings. Should the Customer fail to make due payment in full or in part, this claim may relate to all of the goods, it being understood that failure to make due payment even in part will result in forfeiture of the term, rendering all amounts owed by the Customer to SACRED due immediately.

ARTICLE 3.6. If the sales contract provides for payment by bills of exchange or promissory notes, failure to return these or returning them with acceptance and domicile outside the usual time limits, failure to meet any payment deadline, the sale, transfer or pledging of assets by the Customer will, at SACRED's discretion, automatically and without formal notice, lead to:

- the forfeiture of the term and consequently the immediate payment of all sums due for any reason whatsoever, as well as the suspension of all deliveries, or
- termination of all existing contracts with retention of payments already received until compensation is determined, or
- recovery of the goods under the retention of title clause.

ARTICLE 3.7. By specific agreement and unless waived by SACRED, failure to pay for goods supplied on the due date will, regardless of the payment method agreed and without further formality or prior formal notice, lead firstly to the withdrawal of any discount granted and secondly to payment of (i) a lump-sum indemnity of 40 euros, (ii) late payment fees equal to three times the prevailing legal rate of interest on the due date and (iii) an indemnity equal to 15% of the amount of the unpaid sum plus the forfeiture of the term for the full amounts payable to SACRED.

ARTICLE 3.8. Any change in the Customer's status or legal, corporate or economic structure (such as dissolution, change of company, merger, partial or total transfer of assets, mortgage, pledging of assets, late payments or moratoria, suspension of payments, death, incapacity, etc.) authorises SACRED to suspend or cancel all or some of the orders placed or ongoing contracts.

ARTICLE 3.9. The Customer may validly offset any penalties for late delivery of the products and/or services ordered or non-compliance of the order against any amounts due by the Customer to SACRED only with SACRED's express prior written agreement and provided that the amounts are in both cases certain, liquidated and payable.

#### **CHAPTER 4 – DISPATCH – RECEIPT OF GOODS – CONDITIONS FOR THE PROVISION OF SERVICES**

ARTICLE 4.1. Unless expressly agreed in writing, products are dispatched at the expense, risks and perils of the Customer. All matters of transportation, insurance, customs and handling are at the expense, risks and perils of the Customer, who is responsible for checking deliveries and, where appropriate, exercising their rights of recourse against the transport company, even if the delivery is made free of charge.

The Customer becomes the custodian of the goods from the date of shipment. The Customer undertakes to ensure that they are covered from the time of delivery by an insurance policy covering the risks of loss, theft and destruction.

ARTICLE 4.2. Lead times are given in good faith but they are purely for information purposes and do not constitute a formal commitment. Lead times are calculated from the date of order receipt. The Customer cannot invoke any delays that do occur as a reason to cancel part or all of the order and/or to claim damages.



ARTICLE 4.3. The quantities delivered must comply with contractual commitments and in particular those set out in the order.

ARTICLE 4.4. SACRED is responsible for ensuring the product complies with the specifications, standards and any other reference documentation for it. Before delivery, the Customer will have established the procedure for the receipt of goods, especially as regards Quality Assurance. SACRED has a duty to advise in the establishment of these goods receipt procedures. For all technical parts, should the Customer deem the products to be non-compliant or defective, they must inform SACRED immediately, and specifically before the goods are returned, scrapped, reworked or recycled. If the goods are scrapped, reworked or recycled, the Customer may invoice SACRED, with the latter's express agreement, for a contribution towards these costs. In the case of compounds, the Customer must inform SACRED in writing and provide a sample for expert inspection before SACRED will accept any non-compliance.

ARTICLE 4.5. The services requested by the Customer will be supplied within the lead time agreed between the parties when the order is placed. This lead time is not of the essence and SACRED will not be held liable to the Customer if there is a delay in the supply of these services.

SACRED cannot be held liable under any circumstances in the event of a delay or suspension of the service supply attributable to the Customer or in the event of force majeure.

## **CHAPTER 5 – TOOLING**

ARTICLE 5.1. When the Customer buys tooling from SACRED, the purchase price includes the routine maintenance relating to a predetermined number of parts agreed between the Customer and SACRED. If this predetermined number of parts is exceeded, the cost of replacing the tooling is the responsibility of the Customer.

ARTICLE 5.2. Manufacturing tooling produced using SACRED's designs remains under SACRED's full ownership, even if it has been invoiced separately under a joint billing arrangement. The transfer of ownership of this tooling, once the orders for the parts have been executed and paid for in full, can take place only within the terms of an express agreement, requiring payment by the Customer of all costs, including the value of SACRED's design work.

ARTICLE 5.3. The Customer undertakes to respond to any request to transfer, convert or destroy the tooling made by SACRED within the time frames that must be stipulated in the order.

ARTICLE 5.4 Tooling must be available from SACRED for 10 years after it has been classified as a spare part.

ARTICLE 5.5 If the Customer makes special tooling, which is the property of a third party (an automotive manufacturer, for example), available to SACRED to allow it to manufacture all or some of the products, SACRED may use this special tooling for another Customer for orders for the same third party, without notifying the Customer in advance and without paying financial compensation.

## **CHAPTER 6 – GUARANTEES AND LIABILITY**

ARTICLE 6.1. All products manufactured by SACRED undergo a strict inspection before dispatch. The parts and/or sub-assemblies delivered must comply with the specifications set by the Customer and/or the exemptions established when the sample parts are accepted. Standard products must meet the specifications set out in the catalogue or any other document containing recommendations for use.

For all parts whose design is the Customer's responsibility, SACRED's liability is limited to matters relating to production and raw materials.



ARTICLE 6.2. The Customer must provide full details of the product's operating conditions so that SACRED can fulfil its duty to advise on its own technology.

ARTICLE 6.3. In accordance with French law, SACRED is liable to the Customer for any defects in the goods it supplies, including where manufacture has been either partially or wholly entrusted to a third-party company. SACRED undertakes to assist the Customer with any action brought against them within the scope of this liability.

ARTICLE 6.4. SACRED will immediately inform the Customer of any manufacturing defect of which it may become aware at any time that could compromise the quality of goods it supplies, in order to limit harmful consequences. The Customer will also inform SACRED under the same conditions should they become aware of any defect detected in the finished product.

ARTICLE 6.5. The Customer and SACRED will determine, either in the order, or in any other document prior to the order being accepted, the conditions for reimbursing expenses and costs following the enforcement of the guarantee relating to products mutually deemed to be defective. SACRED undertakes to replace or repair such products.

ARTICLE 6.6. Where SACRED acts as a subcontractor or toll manufacturer, the Customer assumes full responsibility for the design of the parts, in line with their desired industrial result, the precise details of which are known to them alone. As a result, the Customer decides the technical brief which sets out the specifications, in every respect, of the parts to manufacture, and the nature and procedures for the necessary acceptance testing.

ARTICLE 6.7. Because elastomer compounds are temperature sensitive, it is the Customer's responsibility to ensure suitable transportation and storage conditions and to make certain that the product is used before the expiry date shown on the product identification sheet. SACRED cannot be held liable for any claim for non-compliance made by the Customer after the expiry date.

ARTICLE 6.8. Specific provisions applicable to components for the automotive industry

6.8.1. (a) SACRED Original Equipment (OE) products are guaranteed against all manufacturing and raw material defects for a period of twelve (12) months from the initial sale date of the vehicle to the end customer, with unlimited mileage, or for twelve (12) months from the date of invoicing the end customer in the case of Original Equipment Manufacturer (OES) replacement products (in this case, any excess storage period or unsuitable storage conditions – whether at the Customer's premises or the dealership or the Customer's warehouse – affecting the OES products will be taken into account). The guarantee covers only the products manufactured within the last eighteen (18) months, based on the date (month and year) of manufacture marked on the product. (In the absence of any marking for the date of manufacture, the date of delivery to the Customer's warehouse will replace the manufacturing date if the Customer operates on a just-in-time basis).

(b) Without prejudice to Article 6.8.1.(a) above, and unless otherwise provided by law, Original Equipment products for new applications whose initial purchase order was accepted after 1 July 2003 are guaranteed against all manufacturing and raw material defects for a period of twenty-four (24) months or 100,000 kilometres from the initial sale date of the vehicle to the end customer, whichever comes first. The guarantee only covers products whose manufacturing date is within the last thirty (30) months. Unless otherwise provided by law, any extension to the guarantee of OE products from 1 July 2003 does not in any way affect the guarantee of OES products, which remains as indicated in Article 6.8.1.(a) above.

(c) in any event, the guarantee offered by SACRED to the Customer will not exceed the period or mileage guarantee or any other restrictive condition of guarantee offered by the Customer to their own customers for



their vehicles in which products bought from SACRED are incorporated, as determined on the date of the purchase order. The duration and/or the mileage of the guarantee indicated in Articles 6.8.1.(a) and (b) will therefore be reduced accordingly.

The fact that the Customer offers a guarantee extension to their own customers does not automatically imply that SACRED will offer the same guarantee extension to the Customer. Subject to written acceptance by SACRED of the principle of an extension, the parties will negotiate on a case-by-case basis, it being understood that all consequences including but not limited to the financial and technical aspects will be taken into account and compensated before any SACRED guarantee extension comes into effect.

Any product defect resulting from transferring a part intended for one vehicle into another vehicle or relating to a different specification not approved by SACRED will not be SACRED's responsibility and will fall outside the scope of its guarantee.

6.8.2. Products replaced under guarantee shall not prolong the initial period of guarantee indicated in Article 6.8.1.(a) or (b), as applicable.

6.8.3. The guarantee is expressly limited to the reimbursement of costs as indicated in Article 6.8.4. below, or the replacement or free-of-charge repair of products acknowledged as defective by the team of technical experts as indicated in Article 6.8.5. below and it excludes all compensation on any basis whatsoever and, in particular, for any losses or damages of any kind whatsoever (indirect damages, loss of earnings, disrepute, etc.).

6.8.4. The decision to refund, replace or repair the product acknowledged to be defective will be taken solely by SACRED depending on the nature of the request made under guarantee. Refonds will be based on:

- The OE price, for products acknowledged as defective before the sale of the vehicles in which they are installed,
- The OES price, for products acknowledged as defective after the sale of the vehicles in which they are installed,
- For OE products excluding OES products, the labour costs directly associated with the replacement under guarantee, based on standard working hours agreed by the dealership and hourly rates based on costs excluding profit margin.

The total refund per claim under guarantee is limited to three times the price of the OES product.

6.8.5. A team of technical experts (for example, Comex in France) will be appointed to examine the nature of the quality defects observed, and their cause. It will consist of an equal number of members representing the Customer and SACRED.

6.8.6. Products will be deemed defective if the failure is repeated when they are examined, it being understood that non-compliance will be determined by referencing the applicable contractual specifications for the allegedly defective products.

6.8.7. The SACRED representatives on the team of technical experts will ensure that all the products being claimed for under guarantee are returned.

Exceptions: This procedure may be simplified and expedited by agreeing for the Customer to return only some of the defective products (and save on shipping costs). This assessment procedure may only be used for products that cannot be remanufactured and only if the number of products is sufficient to constitute a meaningful sample for examination (a minimum of 20% of the products: the product references and the choice and distribution of resellers must be wide enough to be representative).



Manufacturable products (clutches, alternators, starter motors, radiators, for example) will then be made available to SACRED.

6.8.8. SACRED's guarantee obligations contained in the T&Cs replace all applicable statutory guarantees, to the extent permitted by law.

6.8.9. SACRED cannot be held liable under its guarantee obligations or otherwise for damages of any kind resulting from abnormal operating conditions, faulty maintenance, incorrect application or operation in any way contrary to the operating instructions given to the Customer, unsuitable storage conditions, normal wear and tear of products, or assembly of the products in violation of SACRED's instructions and specifications.

6.8.10. The Customer must comply with the conditions specified by SACRED for the storage, installation and use of products and must in turn convey these conditions to their own customers and subcontractors. Failing this, SACRED cannot be held liable.

6.8.11. SACRED accepts no liability for any product or component that is has not delivered and in particular for other products or components used by the Customer and incorporated into an assembly. SACRED shall not be held liable if the failure of one of its products is caused by other adjacent components or by other components to which it is connected by the Customer.

6.8.12. Recall and service campaigns must be assessed on a case-by-case basis, as SACRED and the Customer must discuss and agree the need for a recall or service campaign before launching it and agree what alternative technical or commercial solutions, if any, can be put in place.

ARTICLE 6.9. In any case, compensation for recall and service campaigns, as well as SACRED's responsibility for any damages of any kind in respect of the manufacture and sale of its goods will be settled by mutual negotiation in good faith on a case-by-case basis and limited to 3% (*TO BE CONFIRMED*) of the annual sales revenue excluding tax of the product concerned.

ARTICLE 6.10. Unless otherwise agreed when the order is placed, SACRED undertakes to provide reasonable civil liability insurance and will inform the Customer of the conditions of cover on request.

## **CHAPTER 7 – INTELLECTUAL AND INDUSTRIAL PROPERTY**

ARTICLE 7.1. The sales of parts and/or sub-assemblies does not transfer to the Customer any ownership rights to the conceptual designs. The Customer may not under any circumstances use the designs for their own purposes or divulge them without having expressly obtained ownership rights. In general terms, drawings, files, documents, plans, models, samples and any other information communicated to one party by the other, or of which one of the parties may have had knowledge, remain the exclusive property of the party to which they belong.

ARTICLE 7.2.

7.2.1. Where SACRED acts as a subcontractor or toll manufacturer, the contracting Customer will indemnify SACRED against any action that may be brought against it on the basis of a patent or registered design or any proprietary right protecting the product being manufactured or processed. In return, SACRED will also in this case indemnify the contracting Customer if this Customer is the subject of an action for the processes and techniques used by SACRED.

7.2.2. In the event of proceedings against the Customer or against SACRED based on any of the claims listed



above, the parties owe each other mutual assistance; the party against which the action is brought shall immediately notify the other party; the Customer and SACRED shall cooperate to minimise any harmful consequences that may arise for the party involved in the proceedings. Under this article, the party obliged to indemnify the other party must reimburse the latter in full, on the production of supporting documents, for all sums disbursed for expenses, fees, settlements and/or damages.

ARTICLE 7.3. The parties agree to maintain the secrecy of plans and confidential documents communicated between them and to take all measures to ensure that third parties do likewise. They undertake to use these plans and documents solely on behalf of the party that communicated them.

#### CHAPTER 8 – UNFORESEEN CIRCUMSTANCES

If a change of circumstances that was unforeseeable at the time of the conclusion of the contract renders performance excessively onerous for a party who had not accepted to bear such risk, that party may, in accordance with the provisions of Article 1195 of the French Civil Code, ask its contracting partner for a renegotiation of the contract.

#### CHAPTER 9 – FORCE MAJEURE

The parties cannot be held liable if they fail to perform or if there is a delay in the performance of any of their obligations due to a case of force majeure within the meaning of Article 1218 of the French Civil Code. Should a force majeure event affect the execution of an order in progress, SACRED reserves the right to cancel it in part or in full. In this case, the Customer will not be entitled to compensation.

The party that becomes aware of the event must immediately inform the other party of their inability to perform their service. The suspension of obligations can under no circumstances constitute a basis for liability for non-performance of the obligation in question or result in the payment of damages or penalties for delay.

The performance of the obligation is suspended for the entire duration of the force majeure event if this is temporary. Consequently, once the cause of the suspension of reciprocal obligations has disappeared, the parties will make every effort to resume the normal performance of their contractual obligations as soon as possible. To this effect, the party prevented from performing its obligations will notify the other party that it has resumed, by registered letter with request for acknowledgement of receipt or any other extrajudicial document.

#### CHAPTER 10 – ATTRIBUTION OF JURISDICTION – APPLICABLE LAW – CONTRACT LANGUAGE

ARTICLE 10.1. The court having jurisdiction over SACRED's registered office and judging under French law has sole competence to deal with all complaints relating to the T&Cs and contracts with Customers, regardless of the accepted conditions of sale and payment, even in the event of third-party claims or multiple defendants.

ARTICLE 10.2. The T&Cs and resulting operations are governed by French law and are written in French. If they are translated into one or more other languages, only the French text is valid in the event of a dispute.