



SESALY GENERAL TERMS AND CONDITIONS OF PURCHASE ("GTCP") 04/02/13

The present GTCP apply to all Sesaly purchases whether tools, equipment, parts, raw materials or other, as well as services ("the Supply or Supplier"). They make up the legal basis for supply contracts established between Sesaly and the Supplier ("Supplier") for all items that have not been the subject of any express special agreements derogating from the present general terms and conditions.

1. ORDER AND CONFIRMATION OF RECEIPT

1.1 Orders, contracts and calls for delivery, as well as amendments thereto are subject to a purchase order ("Order"). The Order is sent by mail, fax, email or computer transfer.

1.2 For all SESALY Orders, the Supplier shall send a confirmation of receipt of the Order systematically directly to the buyer whose contact information is indicated on the Order within 3 working days. After said period, the Order as well as all of its terms, shall be deemed accepted. Acceptance of the Order by the Supplier implies acceptance without reservation of the present GTCP. Provisions issued by the Supplier to the contrary shall not be binding on SESALY without prior agreement.

2. DELIVERY

2.1 All deliveries shall be subject to a delivery slip accompanying the Supplies with the following information: Order number, reference with the index, designations of supplies according to the terms of the order, and quantities delivered.

2.2 The supplies shall be delivered to the location indicated on the Order. In case of error of place of delivery, the Supplier shall bear all costs.

2.3 The Supplier agrees to respect the delivery deadlines as well as the production rates specific to the Order. Any delay or deviation shall be subject to prior notification to SESALY. In case of late delivery, SESALY reserves the right to pass on any losses that are the direct or indirect consequences of the delay. Sesaly shall also have the right to terminate the Order in accordance with Article 9. Any additional costs caused by a Supply Order to a third party will be borne by the Supplier.

3. PACKING, IDENTIFICATION

3.1 The Supplies must be packed in such a way as to preserve their compliance during handling, storage and transport. All damage (breakage, shortcomings, damage, etc.) to the Supplies resulting from inadequate or improper packaging shall be borne by the Supplier.

3.2 All packaging must be identified by a label providing at least the following information: Supplier name, SESALY item number, number of items (or Sesaly management units: meters, kilograms ...), and date of manufacture.

3.3 For Supplies with a limited shelf life, the expiry date should be clearly identified on the packaging units.

3.4 The Supplier must keep the label on the packaging unit of each lot for SESALY products sent using subcontractors and bearing a SESALY label of identification and traceability.

4. PRICE BILLING AND PAYMENT

4.1 The applicable prices are those stated on the Order. They are firm and not subject to revision and are understood to be "Delivered Duty Paid - DDP (INCOTERMS 2010 or any subsequent INCOTERMS replacing the INCOTERMS 2010)," at the place of delivery. They cannot be changed without the express agreement of both parties.

4.2 Invoices must be established in one (1) copy and sent the day of delivery or, if later, on the third (3rd) of the following month.

4.3 Unless otherwise agreed in writing and prior to the Order, payments are made 30 days from end of month on the 15th after the date the Supplies are received.

5. SUPPLIER OBLIGATIONS & QUALITY ASSURANCE

5.1 The Supplier agrees to deliver the Supplies in accordance with all documents governing the relationship between Sesaly and the Supplier, on the basis of Supply and complementing the GTCP, including plans, specifications, technical specifications, product requirements data sheets, etc. ("Documents"). They implement a quality assurance and management system adapted to the methods and requirements defined by the Order Documents. As a producer, the Supplier is subject to "product liability" under articles 1386-1 to 1386-17 of the Civil Code.

5.2 Sesaly reserves the right to refuse Supplies that do not comply with the Order Document. The Supplies shall be returned to the Supplier at the expense and risk of said latter and must be replaced immediately under the same terms and rates as the initial Order. The Supplier shall indemnify Sesaly for all additional costs associated with the breach of its obligation of compliant delivery, in particular rejects, storage, the cost of temporary workers, rework, downtime, catch-up campaign, the Ordering of Supplies and administrative fee of € 75 for processing of the non-conformity. Sesaly shall also have the right to terminate the Order in accordance with Article 9.

5.3 The Supplier shall undertake to deliver the Supply (original parts or providing the original function with the same mechanical interfaces) for the purposes of aftermarket supply for 15 years after the sale of the last series delivery.

5.4 SESALY must be informed in advance about any planned modification or production termination of a catalog product. In the latter case, the supplier must be able to offer an equivalent solution.

6. WARRANTY

6.1 All Supplies are warranted by the Supplier in strict accordance with the Order Document, free from vice, and can be used under normal conditions of use. The supplies are warranted for parts, labour and travel, for at least 30 months + 6 months from the date of delivery with the delivery date identified on the item. In case of non-compliance or defect, the Supplier shall repair or replace the Supply as soon as possible, and bear all associated costs, including the cost of providing transportation, labour, as well as dismantling and reassembly costs.

6.2 Moreover, in case of recurrent defect, that is, if over 12 consecutive month, 2.5% of the Supplies delivered have a similar defect, then all of the delivered Supplies shall be replaced at the expense of the supplier.

6.3 Similarly, the Supplier warrants against any infringement claims on the Supplies delivered.

6.4 In the event of inefficient repair or replacement or non-performance or in case of persistent refusal to repair or replace, SESALY reserves the right, until expiry of the Warranty period, to completely or partially cancel current orders, whereby the Supplier must repay any deposits paid and compensate all loss suffered.

7. INDUSTRIAL PROPERTY

7.1 By accepting the Order or by signing the contract, the Supplier transfers all plans, information, models, moulds and Documentation as well as all intellectual property rights arising under or in connection with the Order to SESALY. The Supplier guarantees that SESALY shall be able to freely use and operate in France and abroad.

7.2 The Supplier guarantees that the studies, designs, and Supplies ordered and delivered shall not infringe on the industrial property rights of third parties. The Supplier shall bear all costs or convictions resulting from prosecution of SESALY and/or one of its customers on the basis of infringement of industrial property rights of third parties or the illegal acquisition of industrial property rights.

7.3 SESALY does not accept any retention of title clauses.

8. NON-DISCLOSURE

The Supplier and SESALY shall undertake to treat all technical, economic or business information they may come to have knowledge of during the course of their pre-contractual and contractual relationship as confidential as long as such information is not in the public domain. The Supplier is liable for its employees as well as itself. Breach of the present non-disclosure obligation shall result in the application of article 9.

9. RESOLUTORY CLAUSE:

Any total or partial default by the Supplier of any of its contractual obligations, shall bring about the immediate cancellation of all or part of the Order 8 days after notice sent by registered letter with acknowledgement of receipt remains either completely or partially without effect during said period, without prejudice to any damages, if any.

10. INSURANCE

The supplier shall underwrite a civil liability insurance policy with a manifestly solvent company and provide SESALY upon request and each year a certificate of insurance stating the nature of the insurance, the amount of the guarantee and the insurance period. This insurance guarantees under the civil liability after delivery of products, all personal injuries, all material and immaterial damages, consequential or non-consequential to injury or damage, including the costs of removal and reinstallation of products and the costs of withdrawal from the market of defective products.

11. CORPORATE RESPONSIBILITY

11.1 Each delivered item must conform to REACH Regulation 1907/2006/EC and to EU RoHS Directives 2002/95/EC and 2011/65/EU regarding the restriction of hazardous substances. In this context, if one of the delivered products fails to comply with either of these regulations, the supplier commits to prevent SESALY as soon as possible, mentioning part reference, part name, percentage and weight of the hazardous substance contained in that item.

11.2 The supplier undertakes to respect human rights and the rules of the International Labour Organization.

12. JURISDICTION AND APPLICABLE LAW

The interpretation and enforcement of the present General Terms and Conditions of Purchase and all documents resulting therefrom, are subject to French law. In the absence of a mutual agreement, it is expressly agreed that any dispute relating to the contract shall be subject to the exclusive jurisdiction of the Court in whose jurisdiction the registered office of the company SESALY, is located, even in case of interlocutory application, appeal or multiple defendants.