

GENERAL TERMS OF SALE

General provisions

Barring special agreement subject to TOYAL EUROPE's express acceptance, all bids to supply PRODUCTS are governed by these general terms of sale which override all general terms of purchase.

Any order implies the customer's full and unconditional endorsement of the general terms of sale in effect on the day of the order.

The supply of UNPRICED PRODUCTS is governed by the general terms of sale in effect on the day of the order, unless overridden by the terms of sale specific to these UNPRICED PRODUCTS as shown on the corresponding sales literature.

TOYAL EUROPE reserves the right to modify its general terms of sale without notice.

Definitions

PRODUCTS: the PRODUCTS of TOYAL EUROPE's offer, whether or not listed on the current price list on the day of the order.

Priced PRODUCTS: the PRODUCTS of the TOYAL EUROPE offer that are listed on the current price list on the day of the order.

UNPRICED PRODUCTS: the PRODUCTS of the TOYAL EUROPE offer that are not listed on the current price list on the day of the order.

Orders

No order for PRODUCTS will be accepted if it is not made on the customer's letterhead, by e-mail or by fax giving its references.

Orders are firm and final as from their acceptance by TOYAL EUROPE.

TOYAL EUROPE is only bound by any verbal commitments if they are subsequently confirmed in writing.

The customer alone enjoys the benefit of the order, which may not be transferred without TOYAL EUROPE's express consent.

Price

The priced PRODUCTS are supplied at the current price on the date they become available for collection or shipment. These prices are given excluding tax, ex-works and standard packaging included.

For the UNPRICED PRODUCTS, the prices are the subject of a tender examined at the time of ordering.

Prices are only given verbally as general guidance and TOYAL EUROPE is only firmly bound by the prices appearing on the current price list or by the prices of UNPRICED PRODUCTS confirmed in writing.

Supply lead time

The PRODUCTS may be collected by the customer from TOYAL EUROPE's factory or shipped at the customer's request to the place of delivery indicated on the order.

The transportation time must be added to the supply lead time in the event that the customer requests the shipment.

The supply lead time is an approximate estimate of the date of shipment. Failure to comply with this date may on no account give rise to any penalties or damages or justify cancellation of the order.

In any case, the PRODUCTS are only made available for collection or shipment if the customer has met all of its obligations towards TOYAL EUROPE to date.

By express agreement, contingencies like production shutdowns, equipment, raw material or labor shortage, late delivery of materials and parts ordered from our suppliers, restriction of import licenses, are all deemed a case of absolute necessity allowing for the suspension and a delay in fulfilling the order. TOYAL EUROPE will keep the customer informed of any of the aforesaid cases and events as soon as they occur.

Transport

The cost of collecting and transporting the PRODUCTS from TOYAL EUROPE factories are payable by the customer.

Whatever the means of transport used, the PRODUCTS always travel at the customer's risk, whether or not shipped carriage paid, CIF.

The customer is free to arrange insurance of the PRODUCTS and transport at its own expense.

In the event of damage in transit or missing goods, or even damage to the packaging, the customer must issue all the necessary statements and confirm its reservations in writing to the carrier, in accordance with all the legal formalities, within three business days, and send TOYAL EUROPE a copy thereof within the same time limit.

If the customer's carrier fails to collect the PRODUCTS on the agreed date, TOYAL EUROPE will invoice the relevant costs, notably storage and handling costs, to the customer, whatever the reason for this failure.

Furthermore, any such failure may on no account justify deferring the agreed due date for payment.

Packaging

TOYAL EUROPE only has a best-efforts obligation. The "metal" packaging is payable by TOYAL EUROPE. This packaging is designed to protect the PRODUCTS during the normal time for shipment and storage on arrival.

At the customer's request, special (sea-going) packaging may be produced at its own expense.

Claims

All claims concerning a product defect or an inaccuracy in the quantity or item number, must be made within 72 hours of taking delivery of the PRODUCTS.

Warranties

The warranty for the PRODUCTS and equipment supplied is in accordance with the current French technical standards on the delivery date.

Product returns

Even if TOYAL EUROPE acknowledges a product defect, the PRODUCTS may only be returned with TOYAL EUROPE's prior consent. In any case, whether or not there is a defect, the returned PRODUCTS can only be accepted in the original or equivalent packaging.

The credit notes for product returns will be marked down by at least 15% for handling costs and loss of value. This reduction will not be applied to product returns due to errors attributable to TOYAL

EUROPE; in that case, carriage and packing costs will be refunded to the customer. The credit notes may not be used as a pretext to refuse payment of an earlier invoice.

The items that are not part of TOYAL EUROPE's permanent inventory, notably special orders, cannot be returned on any account.

Technical improvements

TOYAL EUROPE reserves the right to make any modifications it deems fit to the PRODUCTS to improve their technical quality or attractiveness.

Intellectual property

The customer's use of any other brand belonging to TOYAL EUROPE is strictly limited to naming achievements that use TOYAL EUROPE PRODUCTS exclusively and in full.

This restriction applies to any verbal or written communication. Any misuse will be prosecuted.

Payments

If no customer account has been opened, any delivery will be subject to cash payment upon collecting the PRODUCTS or cash on delivery.

To open a customer account, it is necessary to send us the file to open an account, completed and signed by a person empowered to commit the buyer, along with the details of the emitting bank:

Only the terms of payment stated on price offers or order acknowledgments issued by TOYAL EUROPE are valid, irrespective of those appearing on the customer's orders. TOYAL EUROPE's acceptance of different terms of payment cannot provide any dispensation from the other clauses herein, notably the jurisdiction clause and the reservation of title clause.

Under the law 2008-776 of 4 August 2008 to modernize the French economy (Loi de Modernisation de l'Economie or LME) invoices are payable at 45 days end of month on the date of the invoice, barring special written agreement.

If the customer's financial position worsens after being granted a credit, as witnessed by its accounting and financial records or by any other means proving a deterioration in a tangible way, TOYAL EUROPE reserves the right to demand payment in advance or cash payment or payment guarantees for current or future orders.

In the event of an incident or late payment, TOYAL EUROPE may, if it sees fit, suspend or cancel current or future orders, irrespective of any prior agreement to the contrary and without prejudice to any other course of action.

Any late payment leads to the payability as of right of a penalty in an amount equal to the interest rate applied by the ECB to its most recent refinancing operation marked up by ten (10) percentage points on the due date of the payment period. The interest starts running from the day after the payment date appearing on the invoice and continues to run until the date of the full payment of all amounts owing to TOYAL EUROPE.

Pursuant to the law no. 2012-387 dated 22 March 2012, a set fee for recovery costs of €40 is automatically added to the late payment penalty.

Line of credit

At the time of agreeing to open an account, TOYAL EUROPE opens a line of credit based on the information supplied by the buyer and vetting bodies. The buyer is informed of the amount of this line of credit.

The line of credit may be raised or lowered, and the buyer will be duly informed; it will be lowered if the buyer's financial position worsens, as witnessed by its financial and accounting records or by any other means proving deterioration in a tangible way or in case of payment incident. Equally, the line of credit may be modified if the company's managers, shareholders or main or reference partners change.

The implementation of a moratorium, in any form whatsoever, cancels any line of credit for any subsequent order. The same is true if the buyer files for bankruptcy.

Event of default

Failure to pay an installment leads to the payability of the total debt, eight days after sending formal notice by registered letter with acknowledgment of receipt. Moreover, the bank charges or interest payments devolving on TOYAL EUROPE due to the deferral of an installment may be passed on to the customer.

Personal Data

We save and process all personal data disclosures in accordance with applicable laws and regulations. Further information is available on TOYAL EUROPE's web site www.toyalgroup.net

Penalty clause

Any dispute involving litigation will lead to the application, if TOYAL EUROPE sees fit, of a penalty for damages equal to 20% of the outstanding amount, in addition to legal costs and legal interest.

Language

These general terms of sale are drafted in French.

Only this version will be deemed authentic in the event of a dispute.

Settlement of disputes

The parties will seek an out-of-court settlement in case of disagreement. Failing such amicable settlement within the month in which the disagreement arises, by express agreement, only French law will apply and the Commercial Court of Pau is granted sole jurisdiction, whatever the place of delivery and method of payment, even in case of claims for third-party contributions or proceedings with more than one defendant.

The issue or acceptance of letters of exchange does not constitute novation or exemption to this jurisdiction clause.

Reservation of title and transfer of risk

The PRODUCTS remain the property of TOYAL EUROPE until full payment of the selling price. In case of part payment or non-payment, TOYAL EUROPE reserves the right to demand total or partial return of the PRODUCTS delivered, even if they are in the hands of a sub-buyer or have been altered or incorporated into other goods. The customer undertakes to apprise its own customers of the existence of this clause.

The claim will be possible even in case of receivership or insolvency procedure or any other collective liquidation proceedings.

The risk on the PRODUCTS nevertheless devolves on the customer as soon as the PRODUCTS are made available for collection or shipment.