



General Conditions of Contracting

1. General Remarks

- a) These general conditions of contracting were established according to the current customs in the member countries of the COMMITTEE OF ASSOCIATIONS OF EUROPEAN FOUNDRIES (CAEF). Each member country therefore recognises their legal value, which is attributed by its own legislation to professional customs. (2) They apply to the acquirer whatever its own nationality.

They define the rights and obligations of Allard-Europe N.V. and the acquirer for supply contracts for foundry products in ferrous and nonferrous metals, associated materials as well as advice and services which Allard-Europe N.V. could be led to give/supply to the acquirer.

They therefore constitute the legal basis of these contracts for all provisions, which do not come under particular written conventions.

- b) These general conditions of contracting shall prevail over all deviating stipulations drawn up by the acquirer in any form, insofar as these have not been accepted in writing by Allard-Europe N.V..
- c) Where an acquirer or group of acquirers decide to establish firmer relations in an industrial partnership agreement with their subcontracting foundries, in this case Allard-Europe N.V., the current general conditions for contracting shall serve as a basis, in concurrence with the general conditions of purchase of the acquirers, for the establishment of the text of general exchange conditions which will put the agreement between the two parties in a concrete form.

2. Offers and orders

- a) The invitation to tender or the order of the acquirer must be accompanied by the technical specification which fixes the specifications which define the parts to be made in all aspects, as well as the nature and types of control, inspection and tests required for acceptance.

The invitation to tender, the order and the technical specifications take the form of a written document. This document may be accompanied by a data processing medium, but this medium has no legal value.

- b) Our offer may not be claimed as firm, if it is not expressly accompanied by a validity deadline. The same situation also applies in each case where the acquirer makes modifications to the technical specifications or to the test pieces, which may be supplied, to him by Allard-Europe N.V..
- c) Allard-Europe N.V. may only be bound by the conditions of his express acceptance of the firm and definitive order from the acquirer, by letter or all other means of communication which produce a document.
- d) The prices stated in our quotation are non-binding. They are based on the current market value of the various elements of our cost price. They may be revised in accordance with changes that have occurred in the period prior to the order.
- e) If Allard-Europe N.V. deems it necessary to modify castings in order to obtain a better result, the costs thereof shall be charged to the acquirer after prior written notification.

3. Industrial property and confidentiality

- a) Allard-Europe N.V. belongs to the industrial subcontracting field. When the acquirer enlists Allard-Europe N.V.'s services, he only decides to enlist the services of a foundry specialist and because he considers that Allard-Europe N.V. has equipment and abilities suited to its needs.

Unless otherwise agreed, Allard-Europe N.V. does not design the pieces that it makes. The contract can however specify that Allard-Europe N.V. will carry out all or part of the casting design on the condition that the acquirer, who keeps the control of his product, keeps liability of the design according to the industrial result he is looking for.

As a consequence, each proposal of Allard-Europe N.V., which is agreed by the acquirer, and which is aimed at an improvement of the technical specifications or a modification of the drawing of the part and

laid down, notably, by economic requirements or requirements which are specific to the manufacturing process in Allard-Europe N.V., never bring about a transfer of responsibility. This applies, notably, in the case of industrial partnership or any relationship, which includes a stage of development. In this case, the contract specifies the field of intervention of each party.

- b) The complete or partial delivery of castings does not transfer to the acquirer any rights of ownership belonging to Allard-Europe N.V. on its manufacturing studies, software, any research and patents. As a consequence the acquirer promises to keep the confidentiality of all kind of information, written or not, such as industrial drawings, outlines, technical instructions, that Allard-Europe N.V. will bring to his knowledge. The acquirer shall not disclose confidential information to third parties in any way, directly or indirectly, orally, in writing, or otherwise, except with the prior written consent of Allard-Europe N.V. This obligation applies for the duration of the contract and for five years thereafter, unless otherwise agreed.

The same applies to studies proposed by the foundry to improve quality or cost price of parts by a modification of the original technical specification. If the acquirer accepts this, he must agree with Allard-Europe N.V.'s conditions of use within the framework of the order.

Just as the price of manufacturing tools designed by Allard-Europe N.V., whether or not they are made by Allard-Europe N.V., does not include intellectual property rights of Allard-Europe N.V. on these tools, that is the contribution of the Allard-Europe N.V.'s expertise or patents for their study and development.

The same applies for possible adaptations that Allard-Europe N.V. makes on tools provided by the acquirer to ensure that the parts are well made.

- c) In no instance may the acquirer use Allard-Europe N.V. studies for his own purposes, nor divulge them without first having expressly obtained ownership of them.
- d) The acquirer guarantees Allard-Europe N.V. against all consequences of actions which may/could be taken against him because of the carrying out of the order for parts covered by industrial ownership rights or intellectual property rights such as patents, trademarks or registered designs, or by any private right/law.

4. Patterns and tools

- a) When they are provided by the acquirer, all manufacturing patterns and tools (patterns, thread gauges, free-running impeller moulds, ball passage, core boxes, templates, strickles/formers, machining equipment or inspection equipment, etc..) must clearly bear obligatory marking, assembly references or usage references and must be supplied free of charge to the site specified by Allard-Europe N.V..

The acquirer is responsible for making sure that the tools match the drawings and specifications perfectly. However, and also if the acquirer requests it, Allard-Europe N.V. may check this and may reserve the right to invoice the cost of the operation.

Moreover, in the case where they are provided by the acquirer with drawings and specifications which do not allow a thorough check of complete agreement between the different elements, the shapes/forms, dimensions and thickness of the parts finally obtained shall thus be determined wholly or in part by these tools. The responsibility for the end result of this information/tools given, will therefore exclusively be that of the acquirer.

In all cases, if the patterns and/or drawings received by Allard-Europe N.V. do not conform to the use for which they were reasonably intended, Allard-Europe N.V. may require the initially agreed price to be revised. An agreement with the acquirer must be obtained before any parts are made.

- b) When Allard-Europe N.V. is required by the acquirer to make patterns or tools, Allard-Europe N.V. shall make them in agreement with the

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acquirer, according to the requirements of Allard-Europe N.V.'s own production techniques.

The cost of making the tools or patterns, as well as the cost of replacing or maintaining them after use, shall be paid independently of the parts supplied.

- c) The tools and the appropriate drawings belong to Allard-Europe N.V. when the contract specifies that the acquirer will only pay a contribution towards the tooling cost.

In the opposite case, the tools belong to the acquirer and remain stored at Allard-Europe N.V. after the order has been completed, provided that written permission has been obtained from Allard-Europe N.V.. They shall be returned to the acquirer at his or Allard-Europe N.V.'s request, in the normal wearing and ageing condition in which they are at the moment of their restitution.

However the acquirer cannot come into possession of these tools without having paid all the bills owed to Allard-Europe N.V. including those which relate to the studies, patents and know-how provided for in article 3 b).

The tools may be stored at Allard-Europe N.V., whether or not free of charge, provided that prior written permission has been obtained from Allard-Europe N.V.. Upon the first request of the acquirer or Allard-Europe N.V., the tools shall be put at the acquirer's disposal with the reserve of the retention right provided for in the previous paragraph.

If there is no agreement, Allard-Europe N.V. may either proceed to destroy them after a deadline of three months which is running from a notice given to the acquirer, or to invoice the storage, or to return the tools carriage due.

- d) Allard-Europe N.V. undertakes not to use the tools mentioned in paragraphs a) and b), regardless of whether they are its property, on behalf of third parties, unless prior written permission has been granted by the acquirer.
- e) As owner, the acquirer bears full liability for the patterns and tools, as referred to above in paragraphs a) and b), and must arrange for their insurance with Allard-Europe N.V. against any risk of damage or destruction, renouncing all recourse against Allard-Europe N.V.

5. Delivery deadlines

- a) The delivery deadlines run from the date of written confirmation of the order by Allard-Europe N.V. but at the earliest, from the date when all documents, materials and details for carrying out the order have been supplied by the acquirer, the latter having first fulfilled all conditions which he is obliged to fulfil.
- b) The strictness of the delivery deadline agreed must be stated clearly in the contract, together with the type of deadline (deadline for availability, presentation for inspection or acceptance, effective delivery deadline etc.). If no such specification is made, the deadline is taken to be indicative.
- c) The contractually agreed delivery deadlines may be extended at the request of Allard-Europe N.V. if Allard-Europe N.V. is unable to fulfil its obligations due to force majeure.
- d) All cases of force majeure shall relieve Allard-Europe N.V. of any responsibilities whatsoever. They shall never result in the termination of the contract by the acquirer, and/or the right for the latter to obtain supplies elsewhere at the expense of Allard-Europe N.V., and/or the obligation for Allard-Europe N.V. to supply the acquirer with parts from another supplier as a replacement.

6. Delivery and transfer of risks

- a) The delivery of parts is always recognised to be carried out at Allard-Europe N.V., whatever stipulations of the contract on payment of transport costs. This is carried out by direct transfer of the supplies,

either to the acquirer, or to the transporter specified in the contract by the acquirer, or if this is not the case, specified by Allard-Europe N.V..

If there are no instructions on the destination or it is impossible to independently dispatch goods from Allard-Europe N.V., delivery shall be deemed to have been carried out when a notice of availability is sent, the parts being stored and invoiced at the acquirer's expense and risk.

Except in the case of a contrary instruction specified in the contract, partial dispatch is permitted, if Allard-Europe N.V. wishes.

- b) The transfer of risks to the acquirer is achieved at the moment when the delivery as described above is completed, notwithstanding retained rights of ownership.

7. Price

- a) Except in the case of a contrary agreement, the contract prices for supplies are per unit, exclusive of tax, from Allard-Europe N.V., the parts being delivered in the condition specified in the contract when, if there are no instructions on this point, they shall be clean, deburred and free of risers.
- b) They are, according to the agreement in the contract:
- either listed, in rise or decrease, according to the appropriate forms/formulae, taking into account variations in exchange rates, material prices, energy costs, wage costs, transport costs and/or other costs associated with the order, which appear between the contract date and the contract delivery date, in the absence of any other applicable dates specified on the contract;
 - or fixed in an agreed period of time.

8. Payment terms

- a) Payments shall be deemed to have been made to the head office of Allard-Europe N.V.. The deadlines and method of payment, as well as payment of possible deposits, must be agreed specifically in the contract. In the absence of any agreement, payments are made, without any reduction, within a deadline of 30 days from the date specified on the bill.
- b) The non-return of bills with acceptance and bank details within 7 days of their being sent, exceeding a payment term, any serious impairment of whatever nature of the creditworthiness of the purchaser, in particular the discovery of a protested bill of exchange or pledging of assets, shall entail, at the option of Allard-Europe N.V., legally and without notice of default, the consequences stated below:
- either the immediate obligation to pay the remainder of sums still due for whatever reason and the suspension of all dispatches,
 - either the annulment of all the current orders, and retention of deposits on the one hand and retention of the tools and parts on the other hand, until the indemnity owed to Allard-Europe N.V. is valued.

Interest is due by operation of law and without prior notice of default on every amount that has become due. The applicable interest rate is calculated on the basis of the Euribor reference interest rate increased by 7 percentage points and rounded up to the nearest half percent. The Euribor interest rate in the calculation by Allard-Europe N.V. shall never be lower than zero percentage points. Furthermore, any invoice not paid in full on its due date shall automatically and without notice of default give rise to the payment of compensation amounting to 15% of the invoice amount, with a fixed minimum of 50 euros.

The acquirer may not refuse to pay part or all of a sum owed to Allard-Europe N.V. because of any claims on his part, especially because of guarantee rights, without prior written consent of Allard-Europe N.V..

- c) In the case of subcontracting, the acquirer, according to the legislation, will request his own acquirer to guarantee the payment of the sums owed to Allard-Europe N.V..

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9. Part types, inspection and acceptance

In the event that the acquirer requests samples, which are contractually agreed upon, these will be made available by Allard-Europe N.V. for acceptance at his pleasure after all necessary inspections and tests. The acceptance must be addressed to Allard-Europe N.V. by the acquirer by letter or by any other means of communication which results in a document.

The principles and types of non-destructive inspection may only be defined in relation to the design of the parts. The acquirer must therefore always state in his request for a quote and in his order, the inspection he requires, which parts of the pieces are required to be inspected and the strictness classifications which apply, to determine in particular the conditions under which guarantee will apply as defined in article 12.

In the case of there being no specification concerning the inspection and tests to be carried out on the parts, Allard-Europe N.V. will only carry out a simple visual and dimensional inspection, without accepting any liability for this.

The inspection and tests deemed necessary by the acquirer are carried out at his request by Allard-Europe N.V., by himself or by a laboratory or third party organisation. This must be stated in the conclusion of the contract at the latest, as well as the type and extend of the inspection and test.

In the case where acceptance is required, the extent and conditions of the acceptance must be established at the latest in the conclusion of the contract.

The price of inspection and tests is generally distinct from that of the parts but may be incorporated in to the parts price if so agreed by the acquirer and Allard-Europe N.V..

This price takes into account the cost of special work necessary to obtain conditions required for the carrying out of the inspection at a high level, especially in the case of non-destructive testing.

Unless the contract specifies the contrary, acceptance shall be carried out at Allard-Europe N.V., at acquirer's expense, at the latest in the week following the availability for acceptance notice addressed to the acquirer by Allard-Europe N.V. or to the organisation in charge of the acceptance. In the case of a shortcoming on the part of the acquirer or the organisation in charge of inspection, the parts shall be stored by Allard-Europe N.V. at the acquirer's expense and risk. After a second notice from Allard-Europe N.V. has had no effect, after two weeks from the date when it was sent, the material is deemed to be accepted and Allard-Europe N.V. has the right to dispatch it and invoice for it.

In each case, these inspections and acceptances are carried out within the appropriate standards, according to the conditions defined by the drawings and the technical specification, as they have been agreed by the acquirer and accepted by Allard-Europe N.V.

10. Quality Assurance

The supplies made within the Quality Assurance system require that this condition is specified by the acquirer in his request for a quote and in his order, Allard-Europe N.V. shall confirm this in his offer and in his acceptance of the order, without prejudicing the provisions of the previous articles.

11. Environmental regulatory compliance

Allard-Europe N.V. guarantees that all delivered products and services comply with applicable European and national environmental legislation, including but not limited to regulations regarding waste management, packaging, hazardous substances, emission standards, and product conformity.

Allard-Europe N.V. undertakes to minimize environmentally harmful materials and, where possible, to use recyclable or renewable raw materials.

12. Warranty and liability

a) Allard-Europe N.V. is obliged according to the terms of the contract. Consequently, unless otherwise agreed in writing, Allard-Europe N.V. is

only bound to deliver parts which comply with the contractual drawings and specifications, as defined hereinabove, or validated because of the acceptance by the acquirer of part-types or prototypes.

In the event of complaints from the acquirer regarding the delivered castings, Allard-Europe N.V. reserves the right to inspect them on site, and the acquirer shall at all times provide Allard-Europe N.V. with the opportunity to do so.

b) The warranty provided by Allard-Europe N.V. consists, subject to agreement with the acquirer, of:

- crediting the acquirer with an amount corresponding to the value of the castings acknowledged not to have been manufactured in accordance with the designs and contractually established specifications or the part types accepted by Allard-Europe N.V.,
- or the free replacement of these castings,
- or the repair or having the castings repaired in accordance with the specified requirements.

The parts, which are replaced by Allard-Europe N.V., shall be the object of a credit note, replaced parts being invoiced at the same price as those parts which they replace. The repair of the castings is carried out in accordance with the method approved or specified by the acquirer. Allard-Europe N.V. bears the costs thereof if it undertakes the necessary work itself, or must give prior written consent if the acquirer decides to have the necessary work carried out at a price which he must notify Allard-Europe N.V. in advance.

The replacement or repair of the parts, as agreed between Allard-Europe N.V. and the acquirer, may not alter the strictness of the warranty..

The parts to be replaced or repaired, for which the acquirer has received a credit note, must be returned to Allard-Europe N.V., whereby Allard-Europe N.V. reserves the right to choose the forwarder.

c) In order not to lose the warranty described above, the acquirer is obliged to immediately notify Allard-Europe N.V. in writing of any deviations in the castings and to request immediate replacement or repair of the castings within the maximum period stated below, calculated from the date of delivery:

- 15 calendar days for visible defects,
- 2 months for other defects; this period is reduced to 1 month for serial production.

At the end of these periods, the acquirer permanently forfeits any warranty right in this respect and any claim or demand, including counterclaim, is no longer admissible. Any repair of parts carried out by the acquirer without prior written consent from Allard-Europe N.V. regarding the execution or the costs thereof shall result in the warranty becoming void.

d) In any case, the Allard-Europe N.V.'s liability shall notably in no way cover:

- damages to goods and to persons and generally all damages caused by a defective part during use, if the acquirer has used the part without first having carried out, or had carried out all the inspections and tests which the design, use and end industrial result sought, necessitate;
- damages to goods and to persons and generally all damages caused by a defective part during use, when the defect is attributable to the design of the part or of the whole unit in which the part is incorporated, to instructions of all kinds given by the acquirer to Allard-Europe N.V., or to all work or modification carried out on the part after delivery;
- costs of operations performed on the parts before being put into use, including but not limited to treatments, machining, inspections and tests, as a result of which defects aggravating under the contract come to light, insofar as these are not due to gross misconduct on the part of Allard-Europe N.V.;

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- other costs of any kind and, in particular, of assembly, disassembly and withdrawal from service of nonconforming parts by the acquirer.

13. Reserved right of ownership

The delivery of parts is carried out under guarantee of the reserved right of ownership, to the extent that the legislation of the country where the parts are at the moment of recourse allows it, and when all necessary conditions for the laws to apply have been fulfilled.

The present clause signifies that the transfer of ownership of the parts will take place after the complete payment of their price.

14. Publicity and reference rights

- a) The acquirer grants Allard-Europe N.V. the non-exclusive right to use the acquirer's trade name, brand name, and/or logo in communications, including but not limited to: reference lists, company presentations, website, and social media. Allard-Europe N.V. may mention the products and services performed by it for the acquirer as a reference project, including a brief description of the services provided, unless the acquirer expressly objects thereto as described further in this article.

This publicity clause does not authorize Allard-Europe N.V. to disclose confidential or commercially sensitive information of the acquirer. Confidential is defined as: information that is not publicly known or explicitly designated as confidential.

- b) The acquirer may object in writing at any time to the use of its name, logo, or project information. Allard-Europe N.V. will remove or modify the relevant material within 10 working days of receipt of the objection.
- c) The use of the name, logo, or project information by Allard-Europe N.V. is without any compensation to the acquirer, unless the parties agree otherwise in writing.

15. Notices

- a) All notices, notices of default, requests and other official communications arising from or relating to the agreement must be in writing via:
- registered letter, or
 - email with read receipt or clear confirmation of receipt, or
 - an electronic platform acknowledged in writing by both parties.
- b) A notice shall be deemed valid:
- on the date of physical receipt in the case of a registered shipment, or
 - at the time of electronic confirmation upon notification by e-mail, or
 - on the date of systemic registration in the case of an electronic platform.
- c) Notices must be addressed to the official contact details as stated in the quotation, agreement, or invoice, unless a party has communicated other contact details in writing. Any change of address, email, or other contact details shall only be enforceable against the other party from the moment such change has been confirmed in writing.
- d) Communication via telephone, SMS, WhatsApp, or other informal channels shall not be considered valid notification, unless explicitly agreed otherwise in writing.

16. Jurisdiction

The current general conditions of contracting and the contracts that they bring into play are governed by the legislation of Belgium.

The parties must attempt to solve all differences relative to the interpretation and execution of the current general conditions of contracting and the contracts which they affect in an amicable manner.

In the case where this is not possible, and if a contrary convention is not available, a tribunal or court of competent jurisdiction which may settle all differences about the contract for supply is the court of the head office of Allard-Europe N.V., whatever the conditions of these contracts and the agreed method of payment, even in the case of a request under guarantee or a plurality of defendants.

The fact that a party fails to enforce a right or provision of this agreement shall not be construed as a waiver of that right. Each party retains its rights to exercise them at any time.