

GENERAL TERMS OF SALE- FOR PROFESSIONAL CLIENTS

ARTICLE 1 - Scope

Pursuant to article L 441-6 of the French Commercial Code, these general terms of sale constitute the sole legal basis for the business relationship between the parties.

Their purpose is to define the conditions under which the company FARBAL (the "Supplier") supplies professional Clients ("Clients" or the "Client") requesting this by direct contact or via a paper medium with the following products and services: the design and production of packaging machines, the commissioning of the said machines and staff training on the Client's premises, the sale of spare parts, maintenance services or the trading and leasing of machines (the "Products or Services").

They apply unreservedly and without restriction to all sales and to the provision of all services agreed by the Supplier with Clients of the same category, regardless of any clauses which may be contained in the Client's documents, including his general purchasing conditions.

Pursuant to the applicable regulations, these General Terms of Sale are always supplied to any Client requesting this, to enable him to place his order with the Supplier.

They are also made available to any distributor (excluding wholesalers) within the required deadlines, prior to the conclusion of a single agreement as mentioned in article L 441-7 of the French Commercial Code.

The placing of any order for Products or Services implies acceptance of these General Terms of Sale by the Client.

All information shown in the Supplier's catalogues, prospectuses and price lists is provided for information purposes only and may be revised at any time. The Supplier is entitled to make any modifications to it which it considers appropriate.

Additionally, the Supplier may draw up category-specific General Terms of Sale, which constitute waivers or exceptions to these General Terms of Sale according to the type of client in question, this being determined based on objective criteria. In this case, the Category-specific General Terms of Sale will apply to all operators meeting these criteria.

ARTICLE 2 - Orders – Prices

2-1 – Ordering

Before placing any order for a machine, a schedule of conditions must be drawn up and must precisely describe all characteristics of the desired Product. This schedule of conditions will be analysed by the Supplier, who among other things will check the availability of the requested products. The Supplier will then submit a sales proposal to the Client followed by one or several prototypes if it considers this necessary.

The packaging machines sold by the Supplier are specially designed by it according to the requests and characteristics notified to it by the Client. These are "turnkey" solutions for which the Supplier will provide the Client with a detailed sales proposal prior to any sale, valid for 60 days.

The sales are only considered firm and final after the express acceptance in writing of the sales proposal sent to the Client by the Supplier. This acceptance must be confirmed by e-mail or by a simple letter sent to the Supplier's address, by means of an order form duly signed by the Client, who must pay the down payment mentioned in article 3 of these General Terms of Sale ("Payment terms").

The data recorded in the Supplier's IT system constitutes proof of all transactions concluded with the Client.

The other Products and Services are supplied at the prices mentioned in the Supplier's price list, and, where applicable, in the sales proposal sent to the Client. These prices are firm and non-revisable throughout their validity period.

The Supplier reserves the right to cancel or refuse any order from a Client with whom there is an outstanding dispute concerning the payment for a previous order.

It is the Client's responsibility to check the accuracy of the order or the quotation and to immediately report any errors.

2-2 – Modification or cancellation of the order

2-2-1- Modification or cancellation of an order for a packaging machine

NO MODIFICATION OR CANCELLATION OF AN ORDER FOR A PACKAGING MACHINE WILL BE CONSIDERED AFTER THE SIGNATURE OF THE ORDER FORM, WITH THE CLIENT BEING INFORMED THAT THE PRODUCT IS MANUFACTURED ON A BESPOKE BASIS AND ACKNOWLEDGING THAT HE HAS HAD THE TIME NECESSARY TO CONSIDER AND DRAFT HIS SCHEDULE OF CONDITIONS AND HIS ORDER FORM.

2-2-2- Modification or cancellation of an order for Other Products and Services

For the other Products and Services, any possible modifications requested by the Client may only be taken into account in as far as this is possible for the Supplier and at its sole discretion, on condition that these are announced in writing at least 30 days before the scheduled delivery date for the ordered Products and Services, after the Client has signed a special order form and after any possible price adjustment.

In the event that the order is cancelled by the Client after being accepted by the Supplier less than 30 days before the scheduled provision date for the other Products and Services ordered, regardless of the reasons for this (excluding cases of force majeure), a sum corresponding to 30% of the total ex tax price of the other Products and Services will be payable to the Supplier and invoiced to the Client as damages and reparations for the losses incurred.

2-3 – Prices

The Products and Services are supplied at the Supplier's applicable prices on the date the order is placed, and, where applicable, those shown in the specific sales proposal sent to the Client. These prices are firm and non-revisable during their validity period, as stated by the Supplier.

These prices are net, ex tax and ex works (41000 BLOIS) with packaging charged extra unless stated otherwise. The prices are in EUROS (€). They include the transportation of the Products (within the European Union only) the installation of the packaging machines and the training of the Client's staff in their use. On the other hand, any possible customs and insurance charges are at the Client's cost. The packaging is invoiced at its cost price.

The VAT rate applied is dependent on the information provided by the Client under his sole liability. In the event of a VAT reassessment, the establishment may reinvoice the Client for any possible shortfall in VAT and for all associated surcharges for late payment.

The proposed prices include all rebates and discounts granted by the Supplier based on results or on the performance of certain services by the Client.

An invoice will be raised by the Supplier and issued to the Client each time Products and Services are supplied.

The conditions for the calculation of the cost of the Services, the price of which can normally not be known or stated precisely, in addition to the calculation method of the price making it possible to verify the latter, will be notified to the Client or will be the subject of a detailed quotation at the Client's request, pursuant to the provisions of article L 441-6,II of the French Commercial Code.

Special pricing terms may be practised according to the specific requests made by the Client concerned, including among others delivery lead times or payment times and conditions. A special sales proposal will then be sent to the Client by the Supplier.

ARTICLE 3 - Payment terms

3-1 – Payment times

For the packaging machines, a down payment of 30% to 50% of the total price of the ordered Products is required when the order is placed.

The Client will also be required to pay a down payment of 40% to 60% when the machine is accepted on the Supplier's site situated in BLOIS (41).

Concerning the sale of spare parts, a down payment of 40% of the total price of the ordered Products may be demanded when the order is placed.

Under no circumstances may these down payments be considered as deposits.

No down payment is required for all other Services provided by the Supplier.

The Supplier will not be required to supply the Products ordered by the Client if the latter has not paid the required price in accordance with the terms and conditions stated in these General Terms of Sale.

The down payments payable according to the state of progress and the balance of the price are payable in full within a maximum period of 45 days EOM as from the invoice issue date.

The balance is payable in full in a single instalment on the date the Products and Services are delivered to the Client's premises, unless a special agreement to the contrary exists between the Parties. The following payment methods are accepted:

- By bank transfer
- Bank cheque
- Bill of exchange

In the case of payment by bank cheque, this must be made out in euros, issued by a bank domiciled in metropolitan France or Monaco and payable in a French bank. The cheque will be cashed immediately. The payments made by the Client are only considered as final when the sums due have actually been cashed by the Supplier.

Bills of exchange must be returned to the vendor bearing the Client's acceptance within ten days of their reception date. Under no circumstances may the prior acceptance of the bill of exchange constitute a waiver to the above-mentioned payment times: only payment at the agreed payment due date will be considered as final.

No discount will be practised by the Supplier for payment before the date shown on the invoice or within a period sooner than that mentioned in these General Terms of Sale.

3-2 – Late payment penalties

In the event of overdue payment or of the payment of the sums owed by the Client in excess of the abovementioned deadlines, and after the payment date shown on the invoice sent to the Client, late payment penalties calculated at the refinancing rate of the European Central Bank plus 10 percentage points will be automatically payable to the Supplier as of right, with no formalities or prior notice to comply required.

Non-payment will result in all sums due immediately becoming payable in full without prejudice to any other action which the Supplier is entitled to take against the Client.

In the case of payment by bill of exchange, should the bill of exchange not be returned this will be considered as a refused acceptance, considered equivalent to non-payment.

In the event of non-compliance with the above-mentioned payment terms, the Supplier also reserves the right to suspend or cancel the delivery of the Client's orders in progress.

Finally, fixed compensation of 40 euros as a contribution to recovery costs will be payable by the Client as of right with no prior notice required in the event of overdue payment. The Supplier reserves the right to seek additional compensation from the Client if the recovery costs actually incurred exceed this amount, subject to the presentation of invoices.

3-3 – Absence of adjustment

Unless expressly agreed beforehand by the Supplier in writing, and on condition that the receivables and reciprocal debts are certain, of a fixed amount and due, no penalties possibly applicable for delays with the delivery or the non-compliance of the products ordered by the Client may be offset against the sums owed by the latter to the Supplier for the purchasing of the said products

ARTICLE 4 – Delivery

4-1- For Products manufactured by the Supplier

For the packaging machines manufactured by the Supplier, the latter will handle the acceptance of the machines on its site in BLOIS (41), subject to the Factory Acceptance Test (FAT) and the Site Acceptance Test (SAT) during the delivery and commissioning of the machines on the Client's site.

The Products will be delivered within the delivery times jointly agreed at the time the order is placed on condition that the Supplier has received the corresponding order form duly signed in addition to the required down payments.

The Client is required to check the visible appearance of the products at the time of delivery and at the time of the Site Acceptance Test. Unless reservations are specifically expressed by the Client at the time of delivery or at the time of the Site Acceptance Test, the Products delivered by the Supplier will be considered to be compliant with the order in terms of both quantity and quality.

No complaint may be validly accepted if the Client fails to comply with these formalities.

The Supplier will replace delivered Products which have been proven by the Client to be non-compliant, as soon as possible and at its own cost.

4-2 – For spare parts

The spare parts acquired by the Client will be delivered within the delivery deadline stated on the order.

The Client is required to check the visible appearance of the products at the time of delivery. Unless reservations are specifically expressed by the Client at the time of delivery, the Products delivered by the Supplier will be considered as compliant with the order in terms of both quantity and quality.

The Client will have a period of 14 days as from the delivery and acceptance of the ordered products to issue such reservations to the Supplier in writing.

No complaint may be validly accepted if the Client fails to comply with these formalities.

The Supplier will replace delivered Products which have been proven by the Client to be non-compliant, as soon as possible and at its own cost.

4-3- Provisions applicable to all deliveries

The above-mentioned delivery deadlines and lead times are not imperative deadlines and the Supplier may not be considered liable vis-a-vis the Client in the case of late delivery not exceeding 60 days.

In the case of delays exceeding 60 days, the Client may demand the cancellation of the sale.

The Supplier may under no circumstances be considered liable in the case of late or suspended deliveries caused by the Client or by force majeure circumstances.

The delivery will be performed in accordance with the order form, via the direct handover of the Products to the Client or in the Supplier's premises or to the shipper or haulier, with the products travelling at the Client's risk.

The delivery and handover of the Products may take place at any other location stated by the Client subject to 30 days; notice and within a period of 30 days, at the Client's exclusive cost.

Similarly, in the case of special requests from the Client concerning the packing, packaging or transportation conditions of the ordered products, these being duly accepted in writing by the Supplier, the related costs will be specially invoiced as extras.

ARTICLE 5 - Transfer of ownership - Transfer of risks

5-1 . Transfer of ownership

The transfer of ownership of the Products to the Client will only take place after payment in full of the asking price by the latter, regardless of the delivery date of the said Products. Therefore, until payment in full of the asking price by the Client, the Supplier retains a right of ownership over the products sold, enabling it to recover possession of the said products. It is therefore prohibited for the Client to dispose of the Products to resell them or transform them until they have been paid for in full.

The Client is considered to have expressly accepted this retention of title clause, pursuant to the provisions of articles 2367 and following of the French Civil Code. It is expressly agreed that the company FARBAL may exercise the rights accorded to it under the terms of this retention of title clause for any of its receivables, concerning all of its products in the Client's possession, including those partially used, the latter being contractually presumed to be those for which payment has not been received. The company FARBAL may recover them or demand them as compensation or any unpaid invoices without prejudice to its right to cancel the sales and services underway.

The Client will assume all carriage costs in the event that the Products are repossessed.

Any down payment paid by the Client will be retained by the Supplier as fixed compensation, without prejudice to any other action it is entitled to take against the Client.

The Client must immediately announce any seizure of the reserved goods, whether imminent or already implemented by a third party.

The Client will assume all possible intervention costs. The Client will not become the owner of parts which have been replaced by the Supplier.

5-2 . Transfer of risks

The transfer to the Client of the risks of the loss and deterioration of the products will take place at the time of the delivery and acceptance of the said products, independently of the transfer of ownership, regardless of the order date and the date of payment for the order.

The Client acknowledges that delivery is the responsibility of the haulier, with the Supplier having fulfilled its delivery obligations at the time it hands over the ordered products to the haulier when the latter has unreservedly accepted them. The Client may therefore make no warranty claim against the Supplier in the event of delivery issues with the ordered products, nor any claim for losses occurring during transportation or unloading.

The Client consequently agrees to insure the ordered products at its own cost, for the benefit of the Supplier with an ad hoc insurance policy until the complete transfer of ownership and to provide proof of this insurance to the Supplier at the time of delivery. Failing this, the Supplier will be entitled to delay delivery until such proof is supplied.

ARTICLE 6 – Supplementary services

The Supplier proposes supplementary maintenance or machine breakdown repair services to those Clients who request this. These supplementary services will be the subject of separate invoicing, based on quotations issued to the Client beforehand, except in urgent situations.

According to whether it considers this necessary, the Supplier may carry out work directly on-site or via remote maintenance, within a period of 15 days for the maintenance and a period of 1 to 2 days for the breakdown repairs.

The Supplier also proposes custom services including conversion, machine upgrades or the transfer of equipment. These custom services will be subject of separate invoicing under the same conditions as for the maintenance and breakdown repairs.

These supplementary services must be paid for in full within a maximum of 45 days EOM as from the invoice issue date.

When necessary, the Client expressly authorises the Supplier to use a subcontractor to perform all or part of the Services mentioned in this document. In this case, the Supplier remains bound by all of its obligations vis-a-vis the Client and assumes responsibility for the satisfactory performance of the services by the subcontractor.

ARTICLE 7 - The Supplier's liability – Warranty

The products delivered by the Supplier are covered by a contractual 12-month warranty (reduced to 6 months for used Products) as from the delivery date, covering the non-compliance of the products vis-a-vis the order and any latent defects resulting from material, design or manufacturing defects affecting the delivered products and making them unfit for use.

The warranty forms an indivisible whole with the Product sold by the Supplier. The Product may not be sold or resold altered, transformed or modified.

This warranty is limited to the replacement of, or the issuing of a refund for the products found to be non-compliant or suffering from a defect.

No warranty will apply in the case of poor use, negligence or insufficient maintenance or upkeep by the Client, or in cases involving the normal wear and tear of the Product or in cases involving force majeure.

On pain of forfeiture of all related legal action, in order to avail himself of his rights the Client must inform the Supplier in writing of the existence of any defects within a maximum of 14 days as from the date on which these are discovered.

The Supplier will replace or repair the Products or parts under warranty found to be defective. This warranty also covers labour costs.

The replacement of the defective Products or parts will not have the effect of extending the above-mentioned warranty period.

Finally, the warranty will not apply if the Products have been subjected to abnormal usage or have been used under conditions which differ from those for which they were manufactured, particularly in the case of non-compliance with the recommended conditions as described in the usage instructions.

It will also not apply in the event of deterioration or accidents caused by impacts, falls, negligence, lack of monitoring or upkeep, or in the case of the transformation of the Product.

Furthermore, it will not apply to direct or indirect requirements which appeared after delivery.

The replaced parts will become the Supplier's property.

Regarding Products not manufactured by the Supplier but only delivered by it, the Supplier's warranty is limited to the value of the warranty of which it benefits itself for the products concerned.

The Supplier declines all liability in the case of changes, work on or repairs to all or part of the Products by a Third Party or by the Client himself, without the Supplier's prior express written consent.

ARTICLE 8 – Data protection

In application of law 78-17 of 6 January 1978 modified by law no. 2018-493 of 20 June 2018, the parties are reminded that the personal data requested from the Client is necessary to the processing of his order and the issuing of invoices, among other things.

This data may be communicated to any possible partners of the Supplier handling the performance, processing, management and payment of the orders.

The processing of information supplied via the website "<http://farbal.com>" meets the legal requirements concerning the protection of personal data, with the IT system guaranteeing optimal protection of this data.

Pursuant to the applicable national and European regulations, the Client has a permanent right of access, rectification and opposition regarding information concerning him, in addition to a right to limit its processing and a right to data portability.

These rights may be exercised pursuant to the French data protection act (*Loi Informatique et Libertés*) of 6 January 1978, improved and supplemented by the GDPR (General Data Protection Regulation) which took effect on 25 May 2018, by writing by letter (including proof of your identity) to: FARBAL - 5 ter Rue Alexander Fleming 41000 BLOIS.

ARTICLE 9 - Intellectual property rights

The Supplier retains all industrial and intellectual property rights concerning the Products, photos and technical documentation, which may not be communicated or used without its written authorisation.

The Client therefore agrees not to reproduce or exploit the said studies, designs, models and prototypes, etc., without the prior express and written consent of the Supplier, who may make the granting of such consent subject to a financial consideration.

ARTICLE 10 – Hardship clauses

These General Terms of Sale expressly exclude the provisions for hardship mentioned in article 1195 of the French Civil Code for all Sales of Products from the Supplier to the Client. The Supplier and the Client therefore each agree not to avail themselves of the provisions of article 1195 of the French Civil Code and of the hardship provisions described therein, instead committing themselves to assuming their obligations even if the contractual balance is adversely affected by circumstances which were unforeseeable at the time the sale was concluded, even if the implementation of such obligations would be excessively costly, and to assume all resulting economic and financial consequences.

ARTICLE 11 - Specific enforcement

As a waiver to the provisions of article 1221 of the Civil Code, the Parties agree that in the event that one or other of the Parties fails to observe its obligations, the Party which is the victim of such failings may not demand compulsory enforcement.

In the event that the other Party fails to abide by its obligations, the Party which is the victim of the failings in question may demand the cancellation of the contract in accordance with the conditions of the article entitled "Cancellation of the contract".

ARTICLE 12 - Walkaway clause

The Parties expressly renounce their right to avail themselves of the terms of articles 1219 and 1220 of the Civil Code regarding the walkaway clause provisions contained therein.

They consequently agree to fully and entirely implement this agreement even in the case of failings on the part of either Party.

However, if the problem is of a permanent nature or continues for a period exceeding 30 days, this agreement would be purely and simply cancelled in accordance with the terms mentioned in the article entitled concerning cancellation due to a party's failure to honour its obligations.

ARTICLE 13 - Force majeure

The Parties may not be considered liable if the non-performance or the delayed performance of any of their obligations as described in this document results from a case of force majeure in the terms of article 1218 of the Civil Code.

The Party availing itself of the existence of a force majeure event must inform the other party that it is unable to fulfil its services and must provide proof of this. The suspension of its obligations may under no circumstances be considered as a source of liability for non-performance of the obligation in question, and may not result in the payment of any damages, compensation or late performance interest.

The fulfilment of the obligation will be suspended for the whole duration of the force majeure incident if this is temporary and does not exceed a period of 30 days. Consequently, the moment the cause of the suspension of their reciprocal obligations ends, the Parties will do everything possible to resume their normal fulfilment of their contractual obligations as quickly as possible. To this end, the Party suffering from the effects of the force majeure event will inform the other that it has resumed the fulfilment of its obligations, by registered letter with acknowledgement of receipt or by extrajudicial instrument. If the problem is permanent in nature or exceeds a period of 30 days, this agreement will be purely and simply cancelled in accordance with the terms of the article entitled "Cancellation due to force majeure circumstances".

During this suspension, the Parties agree that the costs generated by the situation will be borne by the Party prevented from fulfilling its obligations by the force majeure circumstances.

ARTICLE 14 - Cancellation of the contract

14-1 - Cancellation for the sufficiently serious non-performance of an obligation

In the event of the sufficiently serious non-performance of an obligation by a Party, the other Party which is the victim of the failings in question may inform the Defaulting party of the cancellation of this agreement by registered letter with acknowledgement of receipt, 30 days after the receipt of formal notice to comply, this remaining unheeded, in application of the provisions of article 1224 of the Civil Code.

14-2 - Cancellation due to force majeure circumstances

Notwithstanding the clause providing for cancellation for a failure to comply with part of the incumbent obligations as shown below, the automatic cancellation for force majeure may only take place 30 days after the sending of formal notice to comply by registered letter with acknowledgement of receipt or any extrajudicial instrument.

However, this formal notice must mention the intention to apply this clause.

14-3 - Common provisions in cases of cancellation

It is expressly agreed between the Parties that a Party bound by an obligation to pay under the terms of this agreement will be considered validly issued with notice to comply by the simple existence of the obligation in question, pursuant to the provisions of article 1344 of the Civil Code.

It will not be possible to demand the return of products exchanged between the Parties prior to the provision of the last products/services for which the necessary consideration has not been received.

In all cases, the injured Party may request that the courts order the payment of damages.

ARTICLE 15 – Dispute resolution - Jurisdiction clause

ALL DISPUTES ARISING FROM THIS CONTRACT AND THE AGREEMENTS RESULTING FROM IT CONCERNING THEIR VALIDITY, THEIR INTERPRETATION, THEIR PERFORMANCE, THEIR TERMINATION, THEIR CONSEQUENCES AND ALL RELATED MATTERS WILL BE CONSIDERED THE JURISDICTION OF THE COMMERCIAL COURT OF BLOIS.

ARTICLE 16 - Applicable law - Contractual language

It is expressly agreed between the parties that these General Terms of Sale and the purchasing and sales operations resulting from them are governed by French law.

They are drafted in French. If they are translated into one or several languages, only the French text will be considered applicable in the event of disputes or litigation.

ARTICLE 17 - The Client's acceptance

These general terms of sale are expressly approved and accepted by the Client, who declares and acknowledges that he is fully aware of them and accordingly agrees not to avail himself of any contradictory document, including his own general purchasing conditions.