



General conditions of purchase

1. Definitions

Purchase Contract: means the contract entered into between the parties, consisting of the various following contractual documents:

- The Contract, which includes the Special Conditions of Purchase
- The Specific Conditions in the event of a purchase of ingredients
- The Specifications
- These General Conditions of Purchase
- The Spadel Sustainable Procurement Policy (SSPP), which describes Spadel's commitments with regard to sustainable development.

Each Purchase Contract specifies the list of the Contractual Documents of which it is composed, in descending hierarchical order.

Purchase Order: document which includes the Purchaser's firm product orders, which shall be placed according to its needs.

In certain cases, like a single order, for example, the Purchase Contract shall be replaced by a Purchase Order, to which these General Conditions of Purchase shall be appended.

Site: Spadel's operational and/or production site or sites as stipulated in the Purchase Contract or on the Purchase Order.

2. Purpose

These General Conditions, with the exclusion of all others not expressly accepted in writing by the parties, govern the purchase/sale and the delivery of the products intended for Spadel's various Sites. Derogation from these General Conditions shall only be possible by means of Special Conditions in writing and expressly agreed between the parties in the Purchase Contract or on the Purchase Order.

These conditions imply no obligation of purchase on Spadel's part.



3. Confidentiality

The Supplier and the Purchaser shall be required to have exchanges on their technical processes, their know-how, the characteristics specific to the product, their studies and results and their developments. This information shall be regarded as confidential.

Supplier and Purchaser undertake to recognise the exclusive ownership of the documents, studies, plans, diagrams and so on by the party that has issued them; these documents shall have to be restored to that party on its first request.

Supplier and Purchaser undertake to refrain from disclosing this information and from using the knowledge acquired by being in contact with each other in order to obtain industrial property rights by filing patent applications or designs.

Any infringement of this clause shall give rise to lump sum compensation by the offending party to the injured party, in an amount of EUR 25,000.

4. Period

Except in the event of single order or contrary provision envisaged in the Purchase Contract, the latter is entered into for a period of twelve (12) months, with no possibility of renewal by tacit agreement.

When the Purchase Contract is entered into for a multiannual period, each party shall be able to put an end to it by giving notice by registered letter at least three (3) months before its anniversary date.

5. Prior Approval of Supplier/Products, and Audits

Prior to any signing of the Purchase Contract, the Supplier shall be submitted to an approval process according to the SPADEL Group's internal procedure.

Throughout the entire period of the Purchase Contract, the Supplier shall grant the Purchaser, at any time after notice of two working days, access to its site, to the various manufacturing or packaging lines, to the storage areas and to any document relating to the implementation of the products that are manufactured in a Purchase Contract context.

The controls or audits shall be able to be conducted at the Purchaser's discretion on the Supplier's premises, or on reception, on goods that are undamaged within twenty working days of their delivery, at their implementation or at the time of any problem occurring during their use.



6. Product Specifications

The product specifications shall be included in the Purchase Contract and shall possibly be detailed in the Specifications, which constitute an appendix thereto.

7. Orders

The Purchaser shall place its orders with the Supplier according to its needs, and shall use the Purchase Order for this purpose.

The Purchase Order constitutes a firm order for products. It is established by the Purchaser and indicates the item code, the wording, the quantity ordered, the price and the delivery date.

8. Deliveries

Unless there is exemption envisaged in the Purchase Contract or on the Purchase Order, the products shall be delivered DDP (Incoterms 2010).

(a) Times

The delivery times indicated on the Purchase Order are to be strictly applied. In the event of a delay of five (5) days, the Purchaser shall be able to be supplied from elsewhere and to charge any price differential to the Supplier.

Moreover, in the event of late delivery, the Purchaser shall have the right to refuse any goods that it is no longer able to use because of the delay.

In the event of late delivery or non-delivery, the Purchaser reserves the right to cancel the Purchase Contract without charge or notice, without prejudice to its right to claim reimbursement from the Supplier of any actually incurred loss.

(b) Logistic Specifications

The delivery operations shall be carried out on the Supplier's sole responsibility. This responsibility extends to any infringement of the General Regulations on Industrial Safety.

The Supplier shall have to comply with the regulations in force at the time and place of the delivery, as well as with the general and legal provisions and in particular with those relating



to the safety of goods and persons. It shall therefore ensure that all of the people acting on its behalf are in strict compliance with those regulations.

(c) Documentation Accompanying the Goods

All shipments shall be accompanied by a dispatch slip mentioning, in addition to the usual information, the order number and line.

The Purchaser's item codes as well as the wording must be reproduced on all packing, delivery slips and invoices.

In order to comply with the legal aspect of product traceability, the Supplier shall attach to each delivery:

- A certificate of analysis of the delivered batch;
- Or, failing this, a compliance certificate including the identification of the delivered batch;
- A representative sample of the delivered batch.

The certificates of analysis shall moreover be e-mailed to the following address:

spa.certificate.quality@spadel.com

For the Spa Monopole and Bru Chevron Sites, the product traceability must have been established in keeping with the Specifications: the goods on their arrival must be accompanied by the traceability document **SPA MP SUPPLIER LABEL**, established into French, Dutch, or English.

Any failure to comply with this request shall be recorded as a serious deficiency in the six-monthly Supplier assessment system.

The Purchaser shall be able to choose to consign any goods that are not accompanied by their traceability document. That means that the goods remain the Supplier's property and that it incurs the risk thereof, until the traceability document shall have been received. The consignment costs shall be charged to the Supplier's account.

In any event, the Purchaser reserves the right to return, at the Supplier's risk and expense, any products that would have been delivered without even one of the documents required in this clause, and to have the Supplier bear all the charges and outlays caused by the lack of document or information accompanying the goods.

9. Acceptance of Delivered Supplies



Delivered supplies shall only be accepted after complete checking by the Purchaser, to be carried out within twenty working days of the delivery date; the simple taking possession of the supply by the Purchaser's Incoming Goods Departments being unable to constitute acceptance thereof.

Acceptance shall not cover latent defects or nonconformities that were undetectable at the time of the delivery.

10. Subcontracting

The Supplier may neither assign the Purchase Contract or any part of the ensuing obligations, nor subcontract the Purchase Contract in whole or in part, without the Purchaser's prior consent in writing.

The Supplier shall remain fully liable for any damage, loss or other consequence resulting from a subcontractor's acts.

11. Invoicing and Payment

Each order shall be the subject of a distinct invoice which must obligatorily include the Purchase Order's reference number. It shall be addressed to the Purchaser's head office.

VAT Regime: The Supplier shall communicate, at each delivery:

- The company's VAT number;
- The INTRASTAT number;
- SIREN / SIRET (applicable for France).

Each nonconforming invoice shall be refused, and shall consequently not be recorded, and the Supplier shall be immediately informed of the nonconformity in writing (by e-mail or fax). The payment period in respect of the supply shall be suspended until a conforming invoice shall have been received.

The payments shall be made at 60 days from the end of the month in which the invoices are received. The invoice date may not be earlier than the delivery date.

12. Supplier Guarantees

In accordance with the provisions of Articles 1641 to 1649 of the Civil Code, the Supplier is



required to provide a warranty against latent defects and nonconformities.

The Purchaser reserves the right to refuse any supply or to cancel a Purchase Order, in whole or in part, as a matter of course and without prior formal notice, especially in the following cases:

- The products are delivered late or not at all;
- The products are nonconforming or affected by a visible or hidden defect;
- The products are infringing, alone or by combination, a patent or any other industrial or intellectual property right.

The Supplier, if necessary, shall be required to take the products back, at its own risk and expense, and to credit them to the Purchaser at the price agreed in the Purchase Contract or on the Purchase Order.

13. Contractual Liability

The Supplier shall be required, in the event of a failure to fulfil any one of its obligations under the terms of the Purchase Contract, and more particularly in one of the cases mentioned in Article 8, to repair, in accordance with Articles 1150 and 1151 of the Civil Code, any injury which the Purchaser would have suffered because of said failure.

The Purchaser shall be able, more particularly, to replace, at the Supplier's expense, any supply that is not delivered on time, is nonconforming or affected by a defect, and to pass the loss caused by the cost of the replacement on to it, when the latter is higher than the agreed price.

14. Insurance

The Supplier, as well as its subcontractors, except for transport companies, shall be required to take out, at their own expense, and to keep it valid throughout the entire Purchase Contract period, an insurance policy covering their third-party "operations" and "after delivery" liability for an amount, per third-party "operations" claim, and per annum in third-party after delivery claims, in total, of at least EUR 1,250,000.

The amounts indicated above shall in no way constitute a limit to the Supplier's liability, nor to that of its subcontractors, and do not mean that the Purchaser would substitute its financial liability beyond the insured amounts.

The Supplier's "after delivery" liability shall however be limited to the amounts insured per case, except for any damage consisting of an attack on a third party's physical integrity.



The excesses envisaged in their insurance policy shall continue to be charged to the policyholder, i.e. the Supplier or its subcontractors.

15. Force Majeure

A case of force majeure shall indicate an event that is beyond the parties' control, unforeseeable and irresistible, and which prevents a party from fulfilling its contractual obligations, in whole or in part.

A party prevented by a case of force majeure from fulfilling its obligations, in whole or in part, cannot be held liable on that account.

Any case of force majeure shall have to be notified to other party forthwith and confirmed in writing within a period of five (5) days, presenting in detail the event that has prevented the compliance with the contractual obligations, in whole or in part.

The party that is prevented from fulfilling all or part of its obligations because of a case of force majeure shall have to take every reasonable measure to put an end to the effects of the event described as force majeure, in order to be able to resume the fulfilment of its affected contractual obligations as soon as possible.

If, because of a case of force majeure, the prevented party is incapable of resuming the fulfilment of its obligations within a reasonable period of time, the two parties shall meet in order to define the conditions of any possible continuation of their business relationship.

If such conditions cannot be agreed, or in the event of the force majeure persisting beyond thirty (30) days, the party undergoing the non-observance of its obligations by the prevented party shall be able to put an end to the contractual relations without being liable for any termination fee.

16. Prevention of Packaging Waste (Applicable to Belgian Delivery Sites)

Pursuant to the Interregional Cooperation Agreement of 30 May 1997 concerning the prevention and management of packaging waste and published in the Belgian Gazette of 05 March 1997, the **Belgian Supplier** remains solely responsible for the packing of the supplied goods and undertakes to take every measure for fulfilling the obligations stemming from the aforesaid agreement (obligation of take-back, information, and prevention plan).



This cooperation agreement also designates the importer and the consumer of the packaged products as being responsible for packaging. In order to enable the Purchaser to fulfil its obligations stemming from the aforesaid agreement (obligation of take-back and information), the Supplier (if non-Belgian) undertakes to communicate to it, at its first request, the additional information that would possibly be required.

17. Certification

Spa Monopole and Bru Chevron have been ISO 14001 certified by the Lloyd's Register Organisation since 17 June 1999.

In the context of this certification, the Purchaser shall inform the Supplier of the Spadel Sustainable Procurement Policy, which forms an integral part of the Purchase Contract. The Supplier undertakes to take cognizance thereof and shall more especially ensure its compliance with any possible environmental requirements included in the Specifications, in particular with regard to the packaging of the supplies (see Clause 16 above).

The Supplier shall certify, by signing the Purchase Contract, that it has received all the internal SPADEL documents and procedures necessary for the fulfilment of its obligations with respect to the Purchaser.

18. Early Termination

A. In the event of non-fulfilment of one of its obligations by a party, and if, after formal notice, the offending party fails to take adequate measures to remedy the noted non-fulfilment within the allocated period of time, the other party shall have the right to terminate the Purchase Contract with immediate effect, without being liable for any indemnity, but without prejudice to its option of claiming compensation for any injury caused by the non-fulfilment of the contractual obligations.

B. In the event of the insolvency, suspension of payment or liquidation of one of the parties, the other party shall have the right to put an end to the contract with immediate effect, without formal notice and being liable for any indemnity.

C. In all the cases of termination mentioned in this clause, the cancellation must be notified by registered letter mentioning the reason for the termination.

19. Applicable Law and Competent Court



The Purchase Contract is subject to Belgian law. When the Supplier is not established in Belgium, the parties agree to refer to the Vienna Convention on international sale of goods contracts approved by the Act of 04 September 1996, for everything that is not expressly stipulated in the Purchase Contract.

For hearing any litigation concerning the business relations governed by the Purchase Contract, or the other documents mentioned therein, only the Courts of the district of Brussels, where SPADEL SA has its head office, shall be competent.