

GENERAL TERMS AND CONDITIONS OF PURCHASE

1/ ORDERS

- 1-1 Unless there are provisions to the contrary in a written agreement signed by Porcher Industries or a subsidiary in which it owns a more than fifty percent equity interest (hereinafter the "Purchaser"), these terms and conditions shall apply to any order for raw materials, materials or services (hereinafter the "Products") placed by the Purchaser. Notwithstanding any provisions to the contrary in its general terms and conditions of sale, the Supplier acknowledges that its acceptance of the order shall imply (1) express waiver by the Supplier of all reliance on its general terms and conditions of sale and (2) its express acceptance of these general terms and conditions of purchase.
- 1-2 An order shall be deemed firm and contractually binding on receipt by the Purchaser of a written document, an electronic message or, by EDI (using a system accepted for orders by the parties), the Supplier's acknowledgement of receipt within eight (8) days of the order date. The Purchaser shall be entitled to cancel the order, without penalties, if the acknowledgement of receipt has not been returned to it within eight (8) days of the order date.

2/ DELIVERY DATES AND LATE DELIVERY

2-1 DELIVERY DATES

The contractual date of delivery of the Products shall be stated in the order; it is the date at which the Supplier undertakes to deliver the Products to the Purchaser at the address stipulated in the order. The Purchaser reserves the right to change the initially agreed quantities and delivery dates with the consent of the Supplier.

Delivery before the date stipulated in the order will not be accepted by the Purchaser unless it has consented beforehand to such early delivery.

Deliveries shall be made during shop opening hours and at the delivery date stipulated in the order form.

2-2 LATE DELIVERY

Any delivery made after the contractual date (stipulated in the order or a later date accepted by the Purchaser) shall automatically render the Supplier liable for late delivery penalties.

Penalties shall be charged as a percentage of the value of the late delivery. Unless there is a provision stipulating otherwise, the percentage will be 10 % per week for the first three weeks. After three weeks, it will be reduced to 5 % per week.

If the delivery delay exceeds one month, the Purchaser may apply the provisions of Clause 12 below.

The Supplier shall use all reasonable endeavours to minimise delivery delays and their consequences. Other than in a case of force majeure, the Purchaser shall be entitled to cancel the order without the Supplier having any claim for compensation and without prejudice to the Purchaser's right to claim relief for any damages, losses or injuries suffered as a result of the delay (i) if the Products are delivered too late to satisfy its requirements or (ii) if it has not been notified in writing of the delay.

3/ QUALITY CONTROL PRIOR TO DISPATCH

The Products delivered shall comply with the standards, industry practice, laws and regulations applicable in matters of health, safety, environmental protection and employment, especially in each of the countries involved in production (for machine orders, the Supplier shall comply with Article 1233 (5) of the French Employment Code (Decree 171088 No. 88989) regarding the approval of machines by the French Employment Ministry).

The Supplier will issue a certificate to be dispatched with the delivery confirming that the Products conform to the specifications listed or referred to in the order. Where the order also requires specific tests to be conducted, a test report shall be attached to the certificate.

Any Products discovered not to conform to the Purchaser's specifications before dispatch shall be refused unless the Purchaser's quality control service expressly consents in writing to their delivery. If so, the Products shall be specifically identified at the time of dispatch.

4/ CONSIGNMENTS

The Supplier will prepare a consignment note in duplicate for all consignments to be delivered to the Purchaser. The consignment note shall contain all information necessary for the packages to be identified, i.e. at least:

- the order date and reference number;
- the type of goods, using the same references as in the order;
- the quantities delivered: number, weight or measurements;

- the place of delivery, according to the order (precise address stated in the order);
- the number of packages, crates or batches and, where relevant, their reference numbers;
- the name of the carrier.

The copies of the consignment note shall be sent with the packages inside the packaging.

The conformity certificates and reports of the tests conducted by the Supplier according to Clause 3 shall also be placed inside the packaging.

The Supplier shall be liable for the shipping and insurance costs of the Products carried to the address stipulated by the Purchaser. The order or purchase specifications may contain specific shipping terms and conditions for the Products.

5/ TRANSFER OF TITLE – TRANSFER OF RISKS

Title in the Products will pass on delivery notwithstanding any reservation of title clause which will not be binding on the Purchaser unless it has been endorsed by the signature of an authorised representative of the Purchaser. Risks shall pass according to the Incoterm 2010 specified in the order. If no such Incoterm is specified, the risks shall pass on delivery of the Products at the address stipulated in the order.

6/ PRICE

Unless otherwise stipulated in the order, the stated prices are final and binding, i.e. they may not be revised due to changes in economic circumstances.

Under no circumstances may prices be increased. Prices shall include proper packaging to conserve the Products in storage, proper packaging to protect them during shipping, custom duties, taxes and insurance.

Unless otherwise provided in the order the prices are stated "delivered duty paid" – DDP (Incoterms 2010 or any future Incoterms replacing the Incoterm 2000) at the place of delivery of the Products.

7/ INVOICING

Following delivery in accordance with Clause 2, the Supplier shall prepare an invoice in duplicate setting out exactly the same information as on the consignment note, including the order date and reference number.

The Purchaser will not accept invoices for Products not included in a duly placed order.

Unless otherwise stated in the order, invoices will be payable ninety (90) days from the end of the month of invoicing.

8/ PAYMENT

The payment terms will be those stipulated in the order.

It is expressly agreed that, in the case of payment by bank transfer, any bank charges will be the liability of the Supplier.

9/ WARRANTY AND LIABILITY

Unless the parties have provided otherwise, the Supplier shall give a twelve (12) month warranty that the Products supplied (i) conform to all the specifications, diagrams, designs and other data of the Supplier (regardless of format), or provided by the Purchaser and approved by the Supplier, or jointly accepted in writing by the parties, and all the specifications set forth in the order; ii) are manufactured with due care and attention, and are free of all design, manufacturing or operational defects; iii) are of good and merchantable quality. It is understood that the Supplier is responsible for supplying all spare parts necessary for smooth and effective operation, even where not expressly requested by the Purchaser.

Throughout the term of the warranty, the Purchaser shall notify the Supplier in writing of any Product defect or malfunction. The Supplier shall, as soon as possible and at its expense, either replace or repair the Products or correct the defect or malfunction.

The Supplier shall give a new twelve (12) month warranty after every replacement, repair or correction carried out during the warranty period, starting at the date when the replacement has been made satisfactorily or the correction carried out successfully.

If the Supplier does not satisfy its obligation to replace or repair Products or to correct defects and malfunctions, the Purchaser shall be entitled, at its sole discretion i) to replace or repair the Products or carry out the correction itself at the sole cost of the Supplier; ii) to have the Products replaced or repaired or to commission the correction at the sole cost of the Supplier or iii) to require the Supplier to refund the full purchase price of the defective or malfunctioning Products.

The Supplier acknowledges that the above warranties are in addition to the warranties implied by law and those expressly given by the Supplier, other than those given here, and any

other express or implied warranties applicable to comparable orders. These warranties shall remain valid notwithstanding any inspection, test, acceptance or payment conducted or made by the Purchaser or any cancellation or consent of the Purchaser relating to orders.

The Purchaser shall be given prior written notice of any product enhancement, alteration and/or change in the definition of processes. The Supplier shall allow members of the Porcher Industries Group, its customers and/or the regulatory authorities access to the manufacturing sites involved in producing the orders and to its quality records which must be kept for at least 10 years

Specific conditions for maintaining these records can be requested from the supplier through the purchase specifications.

It is expressly agreed that the Supplier shall take back any merchandise within eight (8) days of the Purchaser's request; if not storage will be at the expense and risk of the Supplier. The Supplier shall be liable for the cost of shipping and returning merchandise.

10/ INTELLECTUAL OR INDUSTRIAL PROPERTY

The Supplier warrants that the Products do not infringe any patent, licence, design, copyright, trade mark, or any other third party intellectual or industrial property right. The Supplier warrants that it holds all the rights to use, manufacture and sell the Products and that the Purchaser shall have the right to use and resell the Products.

The Supplier agrees to defend the Purchaser against any claim or action for infringement of any third party intellectual or industrial property rights, to pay all costs incurred by the Purchaser in defending itself against any such claim or action, including reasonable legal fees, and to indemnify and hold the Purchaser harmless against any damage, loss or injury suffered by the Purchaser as a direct or indirect result of such claim or action.

11/ CONFIDENTIALITY

Any plan, diagram, data, equipment, other material and/or information i) supplied by the Purchaser or ii) supplied by the Supplier but paid for by the Purchaser in the price of the Products, shall be deemed confidential information belonging exclusively to the Purchaser.

The Supplier agrees to treat as strictly confidential any sample and/or information belonging to the Purchaser disclosed for the purposes hereof and to prevent such samples or information from being disclosed or divulged to any third party without the prior written consent of the Purchaser.

No oral or written disclosure and no publication concerning an order or its contents shall be made without the prior written consent of the Purchaser.

12/ TERMINATION FOR BREACH BY THE SUPPLIER

The Purchaser reserves the right to cancel any order for breach by the Supplier, without having to satisfy any judicial formality, should the Supplier prove incapable of fulfilling the order, without prior notice in the circumstances referred to in Clauses 2 and 9, or with one month's notice to remedy the breach, on which no action is taken, in all other circumstances.

13/ FORCE MAJEURE

The parties shall not be liable for any delay or failure in performing their obligations as a result of any unforeseeable or insurmountable event or circumstance, beyond their control, including but not limited to accidents, acts of state, earthquakes, fire, flood, riot, civil war, war (whether or not declared) government measures etc. The party affected will, as soon as it becomes aware of a delay, issue a written notice to the other party mentioning the delay and stating the reasons for it.

14/ JURISDICTION

Any dispute arising in connection with the interpretation or performance of the orders shall be decided by the Commercial Court of Bourgoin Jallieu or the commercial court of the place where the Purchaser has its registered office, if it should move.

It is expressly agreed that any conflicting provisions set forth in any acknowledgements of receipt or invoices issued by the Supplier shall not derogate from these general terms and conditions of purchase without the written consent of the Purchaser.

15/ PERFORMANCE

All orders shall be manufactured and delivered in accordance with standard ISO 9001.