

General Conditions of Sale

Condition 1 - Application of these Conditions

- 1.1 These Conditions govern all sales by the Supplier. Except in respect of fraudulent misrepresentation and any Special Conditions, these Conditions alone govern the Contract between the Supplier and the Client and are incorporated in every Contract for the sale of Products made by or on behalf of the Supplier with the Client. The Conditions apply in place of, and prevail over, any terms or conditions, (whether or not in conflict or inconsistent with these Conditions), contained or referred to in any documentation submitted by the Client or in correspondence or elsewhere, or implied by trade custom, practice or course of dealing, unless specifically excluded or varied in writing by any authorised representative of the Supplier. Any purported provisions to the contrary are hereby excluded or extinguished. Any Order placed by the Client automatically implies such Client's unreserved acceptance of these Conditions.
- 1.2 Any departure or variation from these Conditions must be formally accepted by the Supplier in writing.
- 1.3 These Conditions apply to all Firm Orders and Open Orders.
- 1.4 A quotation by the Supplier does not constitute an offer and the Supplier reserves the right to withdraw or revise a quotation at any time prior to the Supplier's acceptance of the Client's Order.
The quotation by the Supplier is valid for eight (8) calendar days from the date of transmission to the Client, and is solely applicable to a single version of a specific reference number with a specific drawing number, and corresponding technical specifications. The Client shall inform the Supplier of any modification in the reference number, drawings (including the drawing number), and/or technical specifications.
- 1.5 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Supplier will be subject to correction without any liability on the part of the Supplier.

Condition 2 – Contractual Documentation

- 2.1 The contractual documents shall consist of the following in the descending order of priority :
 - if any, the written Contract signed by both parties;
 - the acknowledgement of receipt of the Order;
 - these Conditions
 - the Supplier's documents completing these Conditions;
 - the Order;
 - technical specification provided by the Client and accepted by the Supplier in writing ;
 - the delivery slip; and
 - the invoice.
- 2.2 For the avoidance of doubt, documents, catalogues, advertising, price lists not expressly mentioned and agreed upon by both parties in writing shall not form part of the Contract.

Condition 3 – Practicalities for placing Orders

3.1 – Completion of the sale

- 3.1.1 The Contract will be completed only if and when the Order is formally accepted in writing by the Supplier.
- 3.1.2 No Order submitted by the Client is deemed to be accepted by the Supplier (and no Contract shall arise) unless and until confirmed by the Supplier in writing.
- 3.1.3 The Client agrees that all Orders formally accepted by the Supplier, whether Firm or Open, shall be subject to these Conditions.

3.2 – Open Order

- 3.2.1 An Open Order must meet the conditions set out below :
 - it is limited in duration by the agreed delivery period;
 - it defines the characteristics and the price of the Product;
 - at the time the Open Order is concluded, minimum and maximum quantities and deadlines for execution are stipulated;
 - the rate of delivery orders defines the precise quantities and delivery periods that come within the range of the Open Order.
- 3.2.2 If the corrections made by the Client to the projective estimates of the schedule for the overall Open Order or of the delivery Orders diverge by greater than 20%, more or less, from the amount of said estimates, the Supplier shall evaluate the consequences of these variations.
- 3.2.3 In the event of a variation upwards or downwards as defined in Condition 3.2.2, the parties shall consult one another in order to find a solution to the consequences of this gap, which consequences may affect the balance of the Contract to the detriment of the Supplier.
- 3.2.4 In the event of a variation upwards as specified in Condition 3.2.2, the Supplier shall strive to satisfy the Client's request within the quantities and deadlines compatible with its available resources including, but not limited to, capacities of production, transport, sub-contracting, human and financial capabilities available at the time.

3.3 - Amendments to the Order - Effect on stocks

- 3.3.1 The Client is responsible to the Supplier for ensuring the accuracy of the terms of any Order submitted by the Client.
- 3.3.2 Any request by the Client to amend the terms of an Order shall be subject to formal consent by the Supplier and equitable price adjustment and such other conditions as the Supplier may impose.
- 3.3.3 All accepted Orders shall be irrevocable and, the Client cannot cancel the accepted Order unless with the prior written consent of the Supplier. If the Supplier consents to any termination requested by the Client, the Supplier may condition such consent on the payment by the Client of reasonable termination charges computed by the Supplier. For any Order cancellation, (i) any deposit paid by the Client shall remain vested with the Supplier who shall not return such deposit to the Client and (ii) the Client will pay at least the Work In Process concerned Products costs and penalties to be calculated based on the time period between the Order cancellation date compared with the concerned Products delivery date as following :

- thirty per cent (30%) of the concerned Products price if the Order is cancelled more than three (3) months before their delivery date,
- sixty per cent (60%) of the concerned Products price if the Order is cancelled between three (3) months and one (1) month before their delivery date,
- eighty per cent (80%) of the concerned Products price if the Order is cancelled less than one (1) month before their delivery date.

Condition 4 – Work preparatory and accessory to the Order

4.1 - Drawings, studies and descriptions

All drawings, descriptions, technical documents or estimates remitted by the Supplier to the Client shall be treated as loaned material and used for the sole purpose of evaluating and discussing the Supplier's business offer. They shall not be used by the Client to evaluate the suitability of the Product. The Supplier maintains all rights in the material and intellectual ownership of the loaned documents all of which are subject to these Conditions. The Client shall return the documents and materials promptly to the Supplier upon request.

4.2 – Return of samples and toolings

Samples, prototypes and/or Supplier toolings sent to the Client are covered by strict confidentiality. They may not be communicated and/or exposed to any third party without the written consent of the Supplier. Samples, prototypes and toolings shall be returned promptly to the Supplier upon request.

Condition 5 – Characteristics and status of the ordered Products

5.1 – Purpose of the Products

5.1.1 The delivered Products shall comply and with the technical standards for which the Supplier has explicitly declared the Product to be compliant.

5.1.2 The Client is responsible for implementing the Product under the normal conditions foreseeable for use and in application of the legislations on safety and environment in force at the place of use, and in application of the state-of-the-art rules of the trade. In particular, the Client is responsible for choosing a Product that corresponds to its technical requirement and, if necessary, for ensuring with the Supplier that the Product is fit for the intended purpose.

5.2 – Packaging of the Products

Non-refundable packaging is not taken back by the Supplier. The packaging of the Product shall comply with the applicable laws and regulations on environment according to the purpose of the Products. The Client shall dispose of the packaging of the Products in accordance with local legislation on the environment.

5.3 - Transmission of information relating to the Product

The Client shall forward information useful for implementing the Product to any third party who may purchase the Products from the Client. The Supplier shall ensure traceability of the Product up to the date of delivery to the Client.

Condition 6 – Intellectual property and confidentiality

6.1 – Intellectual property and know-how of the documents and Products

6.1.1 All intellectual property rights including, but not limited to, know-how specifications, inventions, processes or initiatives ("Intellectual Property Rights") incorporated into the documents transmitted, the Products delivered and the services performed shall remain the sole property of the Supplier.

6.1.2 Any transfer of Intellectual Property Rights to the Client shall be subject to a separate written contract with the Supplier.

6.1.3 Notwithstanding any permitted transfers in accordance with Condition 6.1.2, the Supplier reserves the right to possess and use the Intellectual Property Rights and the results of its own research and development work.

6.2 – Confidentiality

6.2.1 Each party undertakes to the other to keep secret and not to disclose to any third party any information including, but not limited to, documents on any media whatsoever, reports on discussions, drawings, prices, exchanges of computerized data and Intellectual Property Rights disclosed to, or exchanged between the parties in connection with the preparation and performance of the Contract.

6.2.2 However, the parties shall not be subject to an obligation of confidentiality with respect to any Confidential Information which is in or (otherwise than by breach of this Agreement) enters the public domain.

6.2.3 Upon termination of this Agreement or any Order, the obligations herein relating to confidentiality shall continue in full force and effect for a period of five (5) years after the termination.

6.2.4 The confidentiality obligations in these Conditions do not prohibit the Supplier from using its own know-how and technology developed in connection with this Contract, unless otherwise agreed between the parties.

6.3 – Infringement of third party intellectual property rights

6.3.1 The Client warrants, represents and undertakes that at the time the Contract is entered into, the content of its drawings and of the terms and conditions and their implementation provisions do not infringe the intellectual property rights or know-how of any third party. The Client further warrants, represents and undertakes that it is in a position to freely dispose thereof without breaching any legal or contractual obligation.

6.3.2 The Client shall indemnify and hold the Supplier harmless from and against all losses, claims, liabilities, costs, damages, fines or expenses (including all legal costs) incurred or suffered by the Supplier arising out of or in connection with any material or drawing, provided by the Client to the Supplier infringing any third party's intellectual property rights or for unfair competition.

Condition 7 – Delivery, transport, verification and acceptance of the Products

7.1 – Delivery periods

7.1.1 Delivery periods start running from the latest of the following dates:

- date of the acknowledgement of receipt of the Order;
- date of acceptance of all materials, equipment, tooling, details of execution due by the Client;
- date of performance of the prior contractual or legal obligations due by the Client.

7.1.2 The agreed time limit as well as its nature is an important factor that must be specified in the Contract (deadline for availability, deadline for presentation for acceptance, delivery period, deadline for legal acceptance, etc.). However, the stipulated deadlines are for reference only and can be varied in the event that circumstances beyond the Supplier's control should occur. The Client agrees that time for delivery of the Products shall not be of the essence.

7.2 – Conditions of delivery

7.2.1 Unless otherwise agreed between the parties, delivery of the Products shall take place at the Supplier's factories or warehouses. Risks are transferred to the Client accordingly from the time of delivery without prejudice to the Supplier's right to assert benefit of the reservation of title or to make use of its possessory lien.

7.2.2 Delivery shall be deemed to have occurred:

- by a notice of availability given by the Supplier to the Client; or
- if the Contract so provides, by remittance to a third party or to a carrier designated by the Client; or
- if the Contract so provides, by delivery in the Client's factories or warehouses.

7.2.3 Should the Client engage transport and bear the cost thereof, the Client shall be responsible for all pecuniary consequences of a direct action by the carrier against the Supplier.

7.3 – Transport, customs and insurance

7.3.1 Unless otherwise agreed, all transport, insurance, customs, handling and preparation operations are the responsibility and at the expense, risk and peril of the Client, who shall verify the shipments at arrival and exercise, if necessary, its recourses against the carriers, even if shipment has been made carriage paid.

7.3.2 In the event of shipment by the Supplier, shipment is made carriage forward, at the most reduced prices, unless expressly requested otherwise by the Client, in which case the additional transport costs shall be passed on to the Client.

7.4 - Verification of the Products

The Client shall, at its expense and under its responsibility, verify or cause to be verified the conformity of the Products with the terms of the Order.

7.5 - Acceptance

The Client shall carry out legal acceptance of the Products with regards to but not limited to quantity and Product reference and will thereby acknowledge compliance with the Contract within thirty (30) calendar days of the receipt of the Products. Acceptance shall apply in the absence of conspicuous defects. The delivered quantities may diverge by greater than 10%, more or less, from the amount specified in the Order.

Condition 8 – Cases of unforeseeability and force majeure

8.1 – Hardship

Should there occur an event beyond control of the parties compromising the performance of the Contract to the point of rendering prejudicial to a party's performance of its obligations, the parties agree to negotiate an amendment to the Contract in good faith. Such events shall include, but not

limited to, lack of raw materials, change in customs duties, change in the exchange rates and changes in legislation.

8.2 - Force majeure

8.2.1 Neither party to this Contract shall be held liable for its delay or its failure to perform any of its obligations under the Contract if this delay or failure to perform is the direct or indirect effect of a *force majeure* event, such as:

- occurrence of an act of God;
- earthquake, storm, fire, flooding, etc.;
- armed conflict, war, dispute, attacks;
- industrial conflict, total or partial strike by either party's workforce;
- industrial conflict, total or partial strike at the Supplier's, service providers, carriers, post office, public services, etc.;
- imperative injunction by the public authorities (ban on importing, embargo); or
- operating accidents, machine breakdown and explosion.

8.2.2 Each party shall inform the other, without delay, of the occurrence of *force majeure* of which it is aware and which, in its opinion, may affect performance of the Contract.

8.2.3 If the *force majeure* continues for more than ten (10) business days, the parties shall consult with one another within five (5) business days following expiration of the period of ten (10) business days in order to examine, in good faith, whether the Contract is to continue or to be terminated.

Condition 9 - Establishment of price

9.1 Prices are established net of tax "Ex-Works" (as defined by INCOTERMS 2000) and shall and be invoiced pursuant to the conditions of the Contract.

9.2 The prices correspond exclusively to the Products and services specified in the Order. Only the proper delivered quantity of the Products will be invoiced by the Supplier to the Client.

9.3 Payment shall be made in the currency as defined in the acknowledgement of receipt of the Order or as otherwise agreed between the parties.

9.4 The Client benefiting from specific taxation conditions (e.g. with regards to VAT) shall (i) demonstrate such conditions and (ii) ask for such specific taxation conditions when confirming the Order. The Client will indemnify, defend and hold harmless the Supplier and its officers, directors, employees, agents, shareholders or members, successors, assigns and affiliates against any and all claims, actions, suits, liabilities, losses, damages, fines, penalties, fees, costs and expenses, including, without limitation, tax adjustment, reasonable attorney's fees and costs and other litigation fees, costs and expenses resulting from or in connection with any false statement.

Condition 10 - Payment

10.1 – Term of payment

10.1.1 Unless otherwise agreed, payment shall be made by the Client to the Supplier within thirty (30) calendar days from the invoice date .

10.1.2 The contractually agreed payment dates cannot be called into question unilaterally by the Client for any reason whatsoever, including in the event of dispute.

10.1.3 The Client shall not be entitled to discount for any early payment made by the Client unless otherwise agreed by the Supplier.

10.2 – Delay of payment

10.2.1 Any delay of payment may result in the application of an interest charge on the overdue amount at an interest rate equal to the most recent refinancing rate of the European Central Bank increased by ten (10) points.

10.2.2 In the event that the Client defaults on all or part of a payment, the Supplier reserves the right to:

- claim the whole amount due immediately from the Client;
- suspend work on the Order concerned and, at the Supplier's discretion, all Orders outstanding with the Client;
- cancel the Order concerned after a formal demand has been served by registered letter with notice of receipt which has not been acted upon by the Client within eight (8) calendar days from receipt and, at the Supplier's discretion, cancel all Orders outstanding with the Client;
- ask for guarantees of payment from the Client if the Supplier considers it necessary;
- keep all advances received by way of indemnity, without prejudice to any other damages and costs.

10.2.3 The fact that the Supplier might exercise one or more of the options listed above provisions does not deprive it of the option of implementing the 'reservation of title' Condition stipulated in Condition 11.

10.3 – Setoff of payments

10.3.1 All payments to be made under these Conditions by the Client shall be paid in full without any set-off or counterclaim and free from any deduction or withholding whatsoever. The Client shall not perform any illicit practices of debiting or automatic credit notes, or bill the Supplier for any sum that might not have been agreed in writing by the Supplier.

10.3.2 Any automatic debit shall constitute a sum outstanding and shall result in application of the provisions of Condition 10.2.

10.3.3 However, the parties reserve the right to resort to legal or contractual setoff of receivables.

10.3.4 Any Client willing to pay by bank transfer shall bear all fees related to such transfer.

Condition 11 - Reservation of title

11.1 The Supplier shall retain title to the Products and any property forming the subject of the Contract until effective payment of the full price in principal and incidental costs. Default on payment of any one of the due dates can result in a claim by the Supplier for the Products and the Supplier reserves the right to repossess and resell any Products to which it has retained title. The Supplier's consent to the Client's possession of the Products and any right the Client may have to possession of the Products shall in any event cease.

11.2 Failing payment of the full price, the Client undertakes to return, at its own cost, the Products sold at the Supplier's request, served by registered letter at the Client's principal place of business.

11.3 Notwithstanding reservation of ownership, the Client shall bear all risks connected with the

Products supplied from the moment of delivery on the contractual terms. Until payment of the full price, the Client shall maintain the Products with the greatest care and shall insure the Products in favour of the Supplier against all risks which they may incur from the date of delivery. The Client shall not mix the Products with other products or goods and shall, in addition, keep the Products identifiable as the Supplier's Products.

11.4 The Client is not entitled to pledge or in any way charge by way of a guarantee or security for any indebtedness any of the Products which remain the property of the Supplier but if the Client does so, all moneys owing by the Client to the Supplier (without prejudice to any other right or remedy of the Supplier) forthwith becomes due and payable. In case of seizure or any other intervention by a third party, the Client shall immediately notify the Supplier.

Condition 12 – Warranty - Liability

12.1 - Warranty

12.1.1 The Supplier's warranty is strictly limited to compliance with the Client's specifications stipulated in the Conditions and accepted in writing by the Supplier.

The Supplier's liability period shall be limited to one (1) year starting from the shipment of the Products.

12.1.2 The Client, acting in the capacity of "principal," is in a position, due to its professional competence in its specialty and in accordance with the industrial means of production at its disposal, to define the work with precision in accordance with its own industrial data or those of its clients. The Supplier shall not be liable for the design, authorization of marketing of the Product and certification for final consumption, those processes being the responsibility of the final Client.

12.1.3 The Supplier commits to comply with the specific manufacturing processes approved by the Client. The Supplier shall perform the work requested by the Client in accordance with the state-of-the-art rules of the trade.

12.1.4 The Supplier makes no other warranty whatsoever, whether express or implied, relating to the Products, and specifically disclaims any and all other warranties, express or implied, including the warranty of merchantability and the warranty of fitness for a particular purpose.

12.1.5 The Supplier shall not be liable:

- for defects in materials/products provided by the Client;
- for defects in a design provided by the Client and/or any technical data given by the Client to the Supplier;
- for defects resulting in full or in part from normal wear and tear of the part, from deteriorations or accidents attributable to the Client or to a third party;
- for defects that could not be discovered according to the state of scientific and technical knowledge at the time the Product was put into circulation; in case of abnormal or atypical use or use that is non-compliant with the intended purpose of the Product, with state-of-the-art rules or with the Supplier's suggestions or recommendations.

12.2 - Limitation of the Supplier's liability

12.2.1 The Supplier's entire liability in contract, tort (including negligence and breach of statutory duty), misrepresentation, restitution or otherwise, shall be limited to the direct material damages caused to the

Client that might result from any breach attributable to the Supplier in performance of the Contract and such liability in any event, shall be limited to the price of the Products to which such breach relates.

12.2.2 The Client's right to damages shall be limited, at the Supplier's choice, to the replacement of the delivered Products or to a credit amounting to the purchase price for the delivered Product.

12.2.3 Under no circumstances will the Supplier be liable to the Client for any consequential or indirect loss including, but not limited to, operating losses, loss of profits, loss of opportunity, commercial loss, loss of earnings and any claims for consequential compensation whatsoever (howsoever caused) which arises out of or in connection with the Contract.

12.2.4 Where stipulated penalties and compensation have been agreed upon by mutual consent, they apply as all-inclusive payment in full and are exclusive of any other sanction or compensation.

12.2.5 The Client stands surety for waiver to recourse by its insurers or third parties in contractual relations with it, against the Supplier or its insurers above the limits and exclusions set out hereinabove.

12.2.6 All warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.

Condition 13 – Termination

13.1 The Supplier shall be entitled by notice in writing to terminate the Contract without prejudice to any claim or right the Supplier may otherwise have or exercise where:

13.1.1 the Client is in material breach of any term, condition or provision of the Contract or in breach of applicable law;

13.1.2 the Client (i) has a petition for its winding-up presented; or (ii) has an administration order made against it; or (iii) passes a resolution for voluntary winding-up (other than for the purpose of a bona fide amalgamation or reconstruction); or (iv) enters into an arrangement or composition with its creditors; or (v) has a receiver or manager appointed over all or any of its assets;

13.1.3 any distress is levied upon any of the Client's property.

13.2 In the event of termination of the Contract in accordance with Condition 13.1 above, the Client shall indemnify the Supplier for all expenses incurred (in particular, for specific equipment, stocks, engineering costs, labor costs and provision of supplies, tools) and for all direct and indirect consequences resulting therefrom.

Condition 14 – Import/Export

14.1 The Client shall inform the Supplier in due time in the event the Product is used for military purposes or for both military and civil purposes, so as to enable the Supplier to initiate the adequate national procedure for exports of defence-related products, if applicable. Should the Client fail to do so, the Client will indemnify and hold harmless Supplier from any all and claims, actions, judgements and any other prejudice that may arise from or be related to the breach of the foregoing provision.

14.2 The Client shall take each and every required measure to comply with every rule pertaining to imports of defence-related material. Should the Client fail to do so, the Client will indemnify and hold harmless the Supplier from any all and claims, actions, judgements and any other prejudice that may arise from or be related to the breach of the foregoing provision.

Condition 15 – Applicable law and jurisdiction

15.1 If at least one of the parties has its registered office in France, the Contract shall be governed by French law, to the exclusion of any rules on the conflict of laws.

15.2 If neither party has its registered office in France, the Contract shall be governed by the law of the country where the Supplier has its registered office.

15.3 The laws, statutes and regulations applicable to the performance of the Agreement shall be those applicable in France, or in the country where the Supplier has its registered office if neither party has its registered office in France.

15.4 The parties shall attempt to settle their disputes amicably before referring the matter to the competent court of law.

15.5 All disputes arising out of or in connection with the Contract shall be submitted to the exclusive jurisdiction of (i) the competent court of Paris (France) if at least one of the parties has its registered office in France; or (ii) the competent court of the country where the Supplier has its registered office if neither party has its registered office in France.

Condition 16 – Indemnity

The Client shall indemnify, defend and hold harmless the Supplier and its officers, directors, employees, agents, shareholders or members (collectively "Representatives"), successors and assigns, affiliates, and their respective Representatives, successors and assigns and affiliates against any and all claims, actions, suits, liabilities, losses, damages, fines, penalties, fees, costs and expenses, including, without limitation, reasonable attorney's fees and costs and other litigation fees, costs and expenses (collectively "Losses"), resulting from or in connection with (i) any claim of infringement of any patent or any other intellectual property right in connection with the processing of any Products for the Client pursuant to the Client's instructions and specifications regardless whether such claim is valid, (ii) designs, drawings or specifications given to the Supplier by the Client for the production of Products for the Client; (iii) defective materials or products supplied by the Client to the Supplier and incorporated by the Supplier into Products produced for the Client, or (iv) the improper incorporation, assembly, use, processing, storage or handling of Products by the Client or its customers.

Condition 17 - Compliance with applicable laws

The Client shall comply with all applicable laws, directives and regulations, particularly with, but not limited to, anti-bribery and corporate duty of vigilance, including the Supplier's Anti-Bribery Code of Conduct and with the support of a whistleblowing open line (www.lisi-group.com). Any violation of this condition, as determined solely by Supplier, shall be deemed a material breach of this Contract and Supplier may terminate any and all of its obligations under this Contract.

