

1 - General provisions: These general conditions apply to contractual relations between "the Supplier" and the client company, referred to hereinafter as "the Client". They are governed by French works contract law and, where applicable, by the French rules of the subcontracting contract, in instances when they apply to the manufacture of a product based on specifications or to a provision of service. Nevertheless, these general conditions are governed by sales law when they apply to the supply of "standard" or "catalogue" products. Any exemption to these general conditions must be subject to the Supplier's written approval, referring expressly to it.

2 - The scope of the contract: The following form an integral part of the contract: these general conditions, the Supplier's documents supplementing these general conditions, studies, quotations and technical documents accepted by the parties, special conditions accepted by both parties, the order, accepted by any written means, particularly by acknowledgement of receipt or an order confirmation, the delivery slip, the invoice.

3 - Placing of orders: The contract shall only be binding provided the Supplier has expressly accepted the order. Acceptance of the order shall be carried out using any written means.

3.1 - Closed orders: A closed order specifies the subject, quantities, price and timeframe on a firm basis.

3.2 - Open orders: Without prejudice to the provisions of article 1174 of the French Civil Code, an open order must fulfil the following conditions :

- unless otherwise agreed, it shall be deemed to have been approved for an indeterminate period and may be cancelled by the Supplier by providing six months' notice;
- it defines the product's characteristics and price;

- the conditions for the open order, particularly regarding the price and timeframe, shall be agreed to in line with the Supplier's offer, based on production rate projections.

If the corrections made by the Client to the projected estimates in the schedule for the overall open order or delivery orders vary more than 20 % above or below the amount in the aforementioned estimates, the Supplier shall assess the consequences of these variations. In this event, the parties will have to confer to find a solution to the consequences of this deviation, which is likely to shift the contract's balance to the Supplier's detriment.

In the event of an upward variation, the Supplier shall do what it can to meet the Client's demand in terms of quantities and deadlines compatible with its capacities (production, transport, sub-contracting, human resource, financial and other such capacities).

3.3 - Cancellation of an order: The order expresses the Client's irrevocable consent and therefore it may not cancel it unless expressly agreed to beforehand by the Supplier. In this event, the Client shall reimburse the Supplier for all the expenses incurred as well as for any direct and indirect consequences stemming therefrom. In addition, the Supplier shall retain the instalment already paid.

3.4 - Amendment to the contract: Any amendment to the contract requested by the Client shall be subject to the Supplier's express acceptance. In this event, the Client shall compensate the Supplier for all expenses incurred, and for all the direct and indirect consequences stemming therefrom. Any amendment, non-fulfilment or suspension of the contract which prevents the flow of inventory under the conditions set out in the contract shall lead to renegotiation of the initial financial terms enabling the Supplier to be compensated.

4 - Preparatory work and work that is ancillary to the order: All plans, studies, specifications, technical documents or quotations presented to the other party shall be forwarded for use as items on loan, the purpose of which is to allow assessment and discussion of the Supplier's sales offer. They shall not be used by the other party for other purposes, nor shall they be passed on to a third party without the Supplier's prior approval. The Supplier retains all material and intellectual property rights over the documents loaned. These documents must be returned to the Supplier upon its first demand. The samples or prototypes forwarded to the Client are strictly confidential. They may not be passed on to a third party without the Supplier's express approval.

The expenses incurred by the Supplier for the study and design of tooling and manufacturing development shall be subject to a financial contribution by the Client, for which it is invoiced separately. The Client's contribution to tooling costs gives it no other right than the one of use of this tooling in the Supplier's workshops. It does not entail any transfer of material or intellectual property rights or of know-how. The Supplier is entitled to destroy the tooling should more than three years elapse without it having received a major new order sufficient for it to justify implementation. Before destroying the tooling, the Supplier shall warn the Client via registered mail with acknowledgement of receipt. In the absence of a response from the Client, and an agreement by the parties regarding the conditions for extending the timeframe, the Supplier shall destroy the tooling three months after the Client has received the registered letter with acknowledgement of receipt which is deemed to constitute notification.

5 - Characteristics and status of the products ordered: The Client is responsible for the implementation of the product under the normal conditions foreseeable for its use and in accordance with the safety and environmental legislation in force at the place where it is used, as well as in accordance with its sector's professional standards. Unreturned packaging will not be collected by the Supplier. The Client undertakes to dispose of packaging at its own expense in accordance with local environmental legislation.

6 - Intellectual property and confidentiality: All intellectual property rights, as well as the know-how incorporated in the documents forwarded, the products delivered or the services provided shall remain the Supplier's exclusive property. Any transfer of intellectual property rights or know-how must form the subject of a contract with the Supplier. In all cases, the Supplier reserves the right to have its know-how and the results of its own research and development work at its unrestricted disposal. The parties hereby make a reciprocal commitment to a general confidentiality obligation regarding all oral or written confidential information, whatever it may be and whatever support it may be on (discussion reports, plans, exchanges of computerised data, activities, installations, projects, know-how, products etc.), which is exchanged under the framework of preparing and executing the contract, except for information which is generally known to the public or information which will become public information other than due to an act or error by the Client. Consequently, the parties make a commitment to: keep all confidential information strictly secret, and in particular to never divulge or pass on either all or part of the confidential information in any way, shape or form, whether directly or indirectly, to any third party whatsoever without the other party's prior written approval; refrain from using either all or part of the confidential information for purposes or an activity other than the execution of the contract; refrain from copying or imitating all or part of the confidential information. The Client undertakes to take every step necessary to ensure that this confidentiality obligation is observed throughout the term of the contract, and even after it has elapsed, and shall ensure that this obligation is observed by all of its employees. This obligation is assessed on the basis of results.

The Client guarantees that at the time when the contract was concluded the content of the plans and specifications and their implementation conditions did not use intellectual property rights or know-how held by a third party. The Client guarantees the Supplier against the direct or indirect consequences of any liability action, particularly as the result of pirating or unfair competition.

7. - Delivery, transport, checking and acceptance of products: Delivery times run from the latest of the following dates: the date of acknowledgement of receipt of the order, the date of receipt of all the materials, hardware, equipment, tooling, and execution details to be provided by the Client, the execution date for preliminary legal or contractual obligations. The delivery times stipulated are only of an indicative nature and may be called into question should circumstances beyond the Supplier's control arise. Delivery is deemed to have been carried out at the Supplier's factories or warehouses. Consequently, risks are transferred to the Client upon delivery without prejudice to the Supplier's right to invoke the benefit of the title retention clause or to avail itself of its right of retention. Delivery is completed by providing notification of the products' availability or, if the contract makes provision for doing so, by presenting the products to a third party or a carrier designated by the Client or, if the contract makes provision for doing so, by delivery to the Client's factories or warehouses. Unless otherwise agreed, all the operations of transport, insurance, customs, handling and bringing the products to the base of the works are the responsibility and at the expense of the Client which shall verify shipments upon arrival and exercise, if any, its recourse against the carriers, even if the shipment was "free". At its own expense and under its responsibility, the Client must either check products' compliance with the terms of the contract or have them checked. Acceptance is deemed to constitute recognition that there are no apparent defects.

8. - Hardship and force majeure: Should an event occur which is beyond the control of the parties and which compromises the contract's balance to the extent of making execution of its obligations prejudicial to one of the parties, the parties agree to negotiate in good faith a contract amendment. In particular, this refers to the following events: variations in the prices of raw materials, changes to customs duties, changes in foreign exchange rates, and legislative changes. None of the parties to the contract may be held liable for its lateness or failure to execute one of its obligations under the contract if this delay or failure constitutes the direct or indirect effect of a case of force majeure. Each party shall immediately inform the other party of the advent of a case of force majeure when it becomes aware of it and when, in its view, it is of such a nature that it would affect execution of the contract.

9. - Determining prices: The prices are determined excluding taxes, on an "ex works" basis. They are invoiced in accordance with the contract's conditions. Under no circumstances shall the supply of forged products be subject to a fixed price contract.

10. - Payment: Payment shall be made on the 30th day of the month following the delivery date, unless there is special express agreement otherwise. Any clause or request aimed at setting or obtaining a term of payment that is longer than this thirty-day period, which reflects trade practices in the mechanical engineering industries, or than the agreed time period, may be considered obviously unfair, as defined in Article L 442-6-1, 7° of the French Commercial Code. The payment dates agreed to by contract may not be called into question unilaterally by the Client under any pretext whatsoever, including in the event of a dispute. Any lateness in paying shall give rise to the application of late payment interest ten points higher than the European Central Bank's most recent refinancing rate. For any amount remaining unpaid after the due date, the Client is also as of right debtor to the Supplier of a fix sum of 40 euros as compensation for its recovery costs. At the discretion of the Supplier, any lateness in paying an instalment shall lead to the acceleration of the contract's term, with all sums owed becoming payable immediately. Should the Supplier avail itself of one and/or the other of these provisions, this shall not deprive it of being entitled to apply the title retention clause stipulated in Article 10.6.

Should it be ascertained that the Client's situation deteriorate, delivery shall only be made in exchange for immediate payment. In the event of late payment, the Supplier shall benefit from a right of retention over the products manufactured and related deliverables. The Client shall refrain from any illicit practice of debiting or invoicing the Supplier automatically for any sum which is not expressly recognised by the latter as being its responsibility. Any automatic debit shall constitute an outstanding payment and shall give rise to the application of the provisions in Article 10.2 regarding late payments.

When the contract is part of a chain of works contract within the meaning of French Law No 75-1334 of 31 December 1975, the Client has a legal obligation to have the Supplier accepted by the end customer. It also has an obligation to have the terms of payment of the supplier accepted by the end customer. If the Client is not the end customer, the Client undertakes to demand compliance with the formalities of the 1975 Law by the end customer.

Retention of title: The Supplier retains full title over the goods forming the subject of the contract until payment of the full price in principal and accessories is actually made. Failure to pay any one of the instalments whatsoever could lead to these goods being claimed. Nevertheless, from delivery onwards, the Client assumes responsibility for damage that these goods may have undergone or caused.

11 - Liability: The Supplier's liability is strictly limited to fulfilling the Client's specifications, as stipulated in the technical specifications. The Supplier shall not be responsible for non-compliance due to materials supplied by the Client, non-compliance due to a design produced by the Client, or due to the technical choices imposed, non-compliance which are the result, either partly or in whole, of normal wear and tear of the product, deterioration or accidents attributable to the Client or a third party and in the case of abnormal or atypical use, or a use which does not match the product's purpose, rules of art, or the Supplier's recommendations. The Supplier's liability will be limited to direct property damage the Client experiences as a result of faults attributable to the Supplier in the execution of the contract. The Supplier is not obliged to set right the harmful consequences of the faults committed by the Client or third parties in relation to the execution of the contract. Under no circumstances shall the Supplier be required to provide compensation for intangible and consequential damage such as operating losses, loss of profits, loss of chance, commercial losses or a shortfall in earnings. In the event the penalties and compensation foreseen have been jointly agreed to, they shall constitute lump-sum compensation providing full discharge and shall be exclusive of any other sanction or compensation. The Supplier's civil liability for all reasons, with the exception of physical injuries or gross negligence, shall be limited to a sum with a ceiling set at the amount invoiced and collected for the faulty deliverable. The Client shall guarantee renunciation of proceedings by its insurers or third parties that have contractual relations with it against the Supplier or its insurers, above and beyond the limits and exclusions stipulated above.

12 - Amicable settlement of disputes: The parties hereby make a commitment to try to settle their disputes amicably before referring them to the competent Court.

13 - Assignment of jurisdiction and applicable law: Should an amicable agreement not be reached, it is expressly agreed that any dispute relating to the contract shall fall exclusively under the authority of the court in the jurisdiction where the Supplier has its domicile, even in the event of guarantee call or several defendants.

Only the French law shall govern the contract.