

**GENERAL CONDITIONS OF PURCHASE
OF GOODS AND/OR SERVICES**

1. PURPOSE

The purpose of the present general conditions of purchase of goods and/or services (hereinafter the "General conditions") is to define the terms and conditions whereby the company VERGNET SA, whatever the site involved (ORMES, SERVIAN), and all of its subsidiaries which refer hereto (hereinafter "VSA"), entrusts the supplier (hereinafter the "Supplier"), who accepts it, to supply the goods and equipment (hereinafter the "Goods") and/or services (hereinafter the "Services").

2. FORM AND CONTENT OF THE CONTRACT

2.1. The contract (hereinafter the "Contract"), that shall govern the supply of Goods and/or Services by the Supplier to the benefit of VSA, shall consist of the following documents, listed in decreasing order of priority:

- VSA purchase order (hereinafter the "Order"),
- special conditions, supplementing and/or amending the General Conditions, indicated in the Order (hereinafter the "Special conditions")
- the present General conditions,
- the technical specifications and all applicable Schedules referred to the Order (hereinafter the "Technical Specifications"),
- the Supplier's offer when expressly referred to the Order (hereinafter the " Offer").

2.2. Any start of performance of the Contract and especially the fact of proceeding to the design, manufacture, delivery, supply or invoice of Goods and/or Services, shall involve the definitive acceptance of the terms and conditions of all of the documents stated in Article 2.1.

2.3. Upon accepting the Contract, the Supplier waive any clause included in its own documents, especially its general conditions of sales.

2.4. Only written Orders from VSA will be taken into account for the payment of invoices.

2.5. Provisional program cannot be considered as firm commitments and are therefore not Orders. Therefore, any supply which has only been included in a provisional program may be refused by VSA.

3. COMING INTO FORCE – TERM

3.1. Subject to the provisions of Article 2.2, the Contract shall come into force once VSA has received the Order acknowledgement from the Supplier. The Supplier undertakes to return to VSA the Order acknowledgement within three (3) business days of its emission by VSA. However, and if not returned within this period, the Contract shall be considered to have been concluded.

3.2. In the event the Supplier does not acknowledge the Order within 3 days, VSA reserves the right to cancel it. VSA alone may use the faculty of cancelling an Order.

3.3. Unless stated otherwise in the Contract, the date of coming into force thereof shall constitute the starting point for the performance time by the Supplier of its obligations under the Contract.

3.4. The Contract shall expire when all of the Contractual obligations of each party have been fully performed.

4. PERFORMANCE OF THE CONTRACT

4.1. The Supplier shall deliver the Goods and/or perform the Services in accordance with the Contractual terms, the applicable industry standards and the timetable for performance defined in the Contract. To this end, the Supplier commits himself to achieve performance and results under this Contract.

The performance deadlines may only be extended or reduced through an amendment to the Contract, in accordance with the provisions of Article 7.2.

4.2. The Supplier shall request from VSA, in due time, any approvals and instructions needed for the correct performance of the Contract. For its part and as the case may be, VSA shall make available to the Supplier the materials and/or perform the works identified in the Contract. It shall also provide access to the delivery site for the Goods and/or performance of the Services (hereinafter the "Site" or "Sites").

Modifiée par : BDU	Vérifiée par : FMU	Approuvée par: TGO	Certification Qualité
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4.3. By accepting the Order, the Supplier expressly acknowledges having received communication of all of the documents and information that it needs in order to assess the commitments that it has subscribed to under the Contract as well as the conditions for the performance thereof, especially concerning the safety standards in force at the Site and any possible dangers connected with the installations and/or machinery nearby, whether these have been received spontaneously from VSA, or whether it has itself solicited them in application of its obligation as a professional to solicit all of the documents and information necessary for the correct performance of its obligations under the Contract.

4.4. Throughout the term of the performance of the Contract, the Supplier shall be responsible for its staff complying with VSA's internal rules and conditions of access, health and safety rules applicable to the Site. The Supplier shall inform VSA immediately of any event that might affect the performance of the Contract, especially as regards safety.

4.5. The Supplier shall be responsible for implementing all of the necessary resources for the performance of its obligations under the Contract, with the exception of those specifically mentioned in the Contract as being under the responsibility of VSA. The Supplier shall have all of the materials and tools needed for the performance of the Contract and shall allocate qualified staff in sufficient numbers to perform the Contract within the contractual deadline.

4.6. The Supplier shall be responsible for matters of scheduling and staff and agrees to comply with labor legislation especially that concerning working hours, weekly rest and possibly additional rest periods and annual or other leave and shall be responsible for paying all of the contributions relating to its staff.

4.7. The Supplier shall fulfill at its own expenses, all formalities and obligations imposed by the Regulation (EC) no 1907/2006 concerning the registration, evaluation, authorization and restrictions of chemicals (REACH). It shall also undertake to ensure that its own suppliers will comply with the Regulation. Pursuant to Article 8 of this Regulation, the Supplier, based outside the European Economic Area, shall appoint an exclusive representative, at its option, based in Europe, who will be in charge to proceed to all formalities and obligations imposed by the Regulation. The Supplier shall provide VSA the representative's name and address. The Supplier shall provide VSA, upon its request, a certificate establishing its conformity with the Regulation's terms and conditions. In the event of non-compliance with the formalities imposed by the said Regulation, the Supplier shall undertake to compensate any damage that may result thereof.

5. FREE DISPOSAL OF MATERIAL BY VSA

5.1. Materials such as components, machinery, tools, models, moulds, jigs and fixtures, accessories or others which may be made available to the Supplier by VSA for the purposes of the Contract shall be in the Supplier's custody who shall take out insurance against any damage that they might suffer and it shall clearly mark them and record them as being the property of VSA.

5.2. The Supplier agrees to refrain from using such materials other than for the purpose of the Contract; it shall keep them in good working order, except for normal wear and tear and it shall take on the risks relating thereto throughout the period when they are made available to it.

5.3. Any damage or deterioration that such materials may suffer due to improper use or negligence by the Supplier shall be repaired at the latter's cost. Without prejudice to the other rights of VSA, the Supplier shall return such materials upon first request.

5.4. Ownership of tools manufactured or acquired by the Supplier especially for the purposes of the Contract such as models, moulds, jigs and fixtures, accessories or others, shall be transferred to VSA at the time of their manufacture or acquisition by the Supplier. The Supplier shall return the tools to VSA by the end of the performance of the Contract at the latest.

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6.1. Should certain Goods or products that are to be respectively supplied or used on the Site, under the terms of the Contract, contain hazardous substances or require the taking of special safety precautions during handling, transport, storage or use, the Supplier shall provide VSA, before delivering or using them, in writing with the necessary information relating to the nature of these substances and the precautions to be taken. The Supplier shall ensure that before dispatch, the appropriate instructions and warnings are clearly displayed on the Goods or products in question and on the packaging in which they are placed.

6.2. In particular, and without this provision being restrictive, the Supplier shall provide VSA in writing with any indications, instructions and warnings necessary in order to comply with the legislative or regulatory provisions applicable for health and safety considerations.

7. MODIFICATIONS

7.1. The Supplier shall accept any modification that VSA may legitimately require of it as regards the subject of the Order, the Technical Specifications, or Contractual deadlines. The related price may be adjusted in order to take into account the said modification, based on the rates and prices indicated in the Contract or, if these are not applicable, on the basis of what is fair and reasonable.

7.2. Any modification to the Contract shall only be binding upon the parties if the said modification has been formalized through an amendment to the Contract.

8. CONTROLLING - TESTING

8.1. VSA, who may be accompanied by any person appointed by the latter, may at any time make any controlling visit that it considers necessary to the premises where the Goods and/or Services are to be performed, during normal working hours, in order to ensure the correct performance by the Supplier of its contractual obligations.

The Supplier shall promptly remedy any defects relating to the Goods and/or Services found during the abovementioned visits as well as any defect notified to it by VSA concerning performance of Contract.

8.2. The Supplier shall inform VSA in writing, with a minimum of seven (7) calendar days notice, of the date on which testing is to be performed. VSA and any person appointed by it shall have the right to be present during the tests. The Supplier shall provide VSA with official reports of the corresponding tests.

If the test results do not comply with the Technical Specifications and/or performance requirements (Quality Assurance Plan, industry standards, etc.), the Supplier shall immediately carry out the necessary measures and shall repeat the planned testing at its exclusive expense, and under conditions that are compatible with the deadlines stipulated in the Contract.

8.3. Controlling and testing performed shall not release the Supplier from its liability and shall not be considered as an acceptance of the Goods and/or Services by VSA, the latter retaining all of its rights and contractual remedies and in particular those stated in Articles 12, 13, 14 and 21 hereinafter.

9. TRANSPORTATION – PACKAGING

9.1. Whatever applicable incoterm, even if the goods are sold EXW (according Incoterms 2010 version), it is the responsibility of the Supplier to ensure that the products are packed, loaded, stowed so adapted to the type of goods supplied and the mode of transport, ensuring the integrity of the latter to the end place of delivery, respecting as minima the specifications SEILA and ISPM15.

9.2. Should there be no special stipulation relating thereto in the Contract, deliveries on the premise(s) mentioned in the Contract shall be made “Delivered Duty Paid” (“DDP” according to INCOTERM, 2010 version).

9.3. Any delivery of Goods shall be accompanied by the Supplier’s delivery note, dated, bearing references of the Contract and indicating in particular the details of the Goods delivered (VSA article number, VSA designation, quantity), the contents of the parcels therein, their gross and net weight, method of transportation, date of dispatch.

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9.4. The technical documents such as compliance or control certificates for the supplies and test reports must also be attached to the delivery note.

9.5. In the case of deliveries to an address other than the one of the site having issued the Order, a copy of the delivery note shall be sent to the issuer preferably by fax

10. DELIVERY AND LEAD TIME

10.1. The date(s) or deadlines for the performance of the Services and/or delivery of the Goods specified in the Contract are ABSOLUTE DEADLINES; they shall constitute a substantial condition of the Contract.

10.2. If the delivery of the Goods and/or performance of the Services is likely to be delayed, the Supplier shall inform VSA accordingly as soon as possible and shall specify in writing the measures it has adopted or proposes in order to minimize the consequences of such delay.

11. DELAY DAMAGES

11.1. If the Supplier fails to comply with the dates or deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to VSA, the latter is entitled to apply penalties, without any prior official notification, from the moment any date or deadline has been reached.

11.2. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added Tax per week's delay, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added Tax . Each week started gives rise to the application of penalties for the week in question.

As an alternative, VSA reserves the right to pass on to the Supplier damages applied to VSA by its own customers as a result of the Supplier's delay.

11.3. It is expressly agreed that these delay damages shall be applicable without prejudice to any other rights and remedies of VSA under the Contract. They shall be the subject of an invoice.

As soon as they are applicable, the delay damages may be applied at any time, at VSA's option.

12. COMPLIANCE REQUIREMENTS

12.1. The Goods and/or Services shall comply with the Technical Specifications and be suitable for the use they are expected. They shall also satisfy the usual quality criteria as well as the current standards and legislation. The Goods shall be delivered in a state of full completion with the complete documentation associated therewith as well as all instructions, recommendations and other indications necessary in order for them to be used correctly and under the appropriate safety conditions. Goods or Services that do not meet all of the previous requirements shall be considered as non-compliant.

12.2. If the Supplier is not certain that the results of the Services or Goods that it shall deliver comply with the requirements defined in Article 12.1, it shall inform immediately VSA thereof in writing, providing all the needed indications concerning the risks of non-compliance and the measures that the Supplier intends to take in order to remedy the situation. VSA shall notify the Supplier in writing as soon as possible of its acceptance or rejection of the Supplier's proposals.

12.3. If VSA assesses on its part that the Supplier is not performing the Services and/or supplying the Goods in accordance with the Contract, it may require the Supplier to indicate to it, in writing, the measures that the Supplier intends to take to remedy the situation. VSA shall notify the Supplier in writing as soon as possible of its acceptance or rejection of the Supplier's proposals.

13. NON-COMPLIANCE – REJECTION OF DELIVERY

13.1. If, when they arrive at VSA's premises or any other place agreed between the parties, the Goods and/or the result of the Services are considered as non-compliant, VSA may reject all or part of them. The delivery shall then be considered as not having been made.

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13.2. In this case, VSA reserves the right (i) to require the Supplier to replace or repair the rejected Goods and/or the result of the Services, within the deadline laid down by VSA, or (ii) to itself perform or have performed by a third party of its choice the said replacement or repair, in accordance with the provisions of Article 13.3, or (iii) to retain the Goods and/or the result of the Services subject to a rebate, or (iv) to terminate the Contract in whole or in part in application of Article 25. In all cases, the totality of the costs and risks shall be borne by the Supplier.

13.3. In the case defined in Article 13.2 (ii), VSA may choose to remedy the non-compliances by itself and/or to assign to a third-party company of its choice for the repairing or remedying, at the Supplier's cost and risks, after an official notification to remedy the non-compliance addressed to the Supplier by registered letter with five (5) days notice has remained unfruitful. The Supplier shall then facilitate the interventions of VSA or third-party company in optimum conditions and especially to remit to them the tools, drawings, studies and any other documents already created and necessary for the production of the Goods and/or Services.

14. GOODS OR SERVICES SUBJECT TO ACCEPTANCE

14.1. If the Contract provides acceptance tests for Goods and/or Services after their completion and/or delivery to VSA, the acceptance shall only be considered as definitive when such tests have demonstrated the compliance of the Goods and/or Services to the requirements defined in Article 12.1.

14.2. Where the Contract provides for an acceptance procedure in the presence of both parties, at the end of such procedure, the parties shall sign an acceptance certificate if they agree on the compliance of the Goods and/or Services with the requirements of Article 12.1. Such acceptance certificate shall be produced in two (2) originals.

14.3. Signature of the acceptance certificate without any reservations by the parties shall authorize the Supplier to invoice VSA under the terms of payment due on acceptance date.

14.4. VSA may pronounce the acceptance of the Goods and/or Services, subject to reservations for all or part of the Goods and/or the result of the Services in question depending on the circumstances under the sole assessment of VSA and if the non-compliances are revealed to be of an insignificant nature, especially if they do not affect the safety and/or use of the Goods and/or their environment. The Supplier undertakes to remedy any non-compliance revealed in the certificate within the deadline that it is stipulated therein. In such case part of payment due upon acceptance date may be withheld by VSA until it has been established by both parties that the Goods and/or Services in question have been made compliant.

15. TRANSFER OF TITLE – TRANSFER OF RISKS

15.1. Notwithstanding any other provision, the ownership of the Goods and/or result of the Services shall be transferred to VSA at the latest upon their actual delivery to VSA or to any other place agreed between the parties. No title retention clause specified by the Supplier shall be binding upon VSA. The Supplier agrees that no title retention clause may be stipulated by its own suppliers at the time of delivery of the products to VSA.

15.2. The risks relating to the Goods shall be transferred to VSA according to the Incoterm specified in the Order. The risks relating to the Services shall be transferred to VSA upon the date of their acceptance by VSA.

16. PRICE – PAYMENT

16.1. The prices indicated in the Order shall be firm and definitive for the term of the Contract. They shall be stipulated including of all taxes except Value Added Tax.

16.2. Unless otherwise stipulated in the Contract, the payment of the amounts due to the Supplier shall be made in euro, as the currency of both the account and of payment.

16.3. Invoices shall indicate the complete references of the Contract, VSA article number, VSA designation, quantity, delivery date, and shall be addressed to the Order emitter premise. Invoices shall be issued by the Supplier (in one original) in accordance with the due dates stipulated in the Contract, subject to the complete performance by the Supplier of its corresponding obligations.

16.4. Unless stipulated otherwise in the Contract, the invoices issued by the Supplier shall be paid by VSA within forty-five (45) days end of the month, from the date of their issuance that complies with the provisions of article 16.3.

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16.5. In the event of an early delivery of the supplies, not requested by VSA, the due date for payment of the invoice shall be determined on the basis of the agreed Contractual delivery date. VSA reserves the option of refusing delivery of the supplies.

16.6. As long as the Supplier has not fully fulfilled its obligations, VSA is authorized to retain all or part of the corresponding payment of the price.

16.7. VSA is entitled to deduct at any time from amounts due to the Supplier in consideration of the performance of its obligations, any amount for which the Supplier shall be made liable under the Contract, especially in application of the provisions of Articles 5; 11; 13, 14 and 21.

16.8. In case of late payment by VSA, the Supplier may apply penalties. The rate of interest applicable to such penalties shall be restricted to three times the French legal rate of interest.

17. CONFIDENTIALITY

17.1. The Supplier undertakes to comply with the confidential nature of any documents, models, plans, drawings, specifications, information, data and other items of information that shall be transmitted to it by VSA or which may come to its knowledge in the context of the performance of the Contract (hereinafter the "Confidential Information") and agrees to refrain from disclosing them to third parties, reproducing them or using them for purposes other than for the performance of the Contract, without prior written consent from VSA.

17.2. The term "Confidential Information" shall not apply, however, to information for which the Supplier may provide proof that such information:

- a) was already in the public domain, or
- b) had become accessible to the public, other than through the Supplier having failed in its contractual obligations, or
- c) had been legally received from a third party who was completely at liberty to disclose it to the Supplier, or
- d) was in the Supplier's possession at the time it was disclosed by VSA.

17.3. The Supplier shall only communicate or disclose Confidential Information to those members of its staff or subcontractors who are directly involved in the performance of the Contract and bound by confidentiality requirements to the same extent as those contained in the present Article.

17.4. The Supplier shall not copy nor reproduce, in full or in part, any Confidential Information supplied by VSA without the prior written consent of VSA, with the exception of copies or extracts that may reasonably be necessary for the performance of the Contract.

17.5. The Supplier shall in no case use the existence of the Contract for advertising, promotional or similar purposes, without the prior written consent of VSA.

17.6. The provisions of the present Article shall remain in full force throughout the term of the Contract and for five (5) years after the end of the Contract, regardless of the reasons why the Contract may end.

18. INTELLECTUAL PROPERTY

18.1. All intellectual property rights relating to results developed and/or obtained as part of the performance of the Contract (hereinafter designated as the "Results"), regardless of the nature of such Results, such as technical information and/or solutions, results of measurement, analysis, simulations, modeling, mock-ups, specifications, databases, software (including documented source codes), drawings, models, plans, sketches, tooling and equipment as well as all the documentation associated therewith, shall be the exclusive property of VSA as soon as they are obtained by the Supplier.

18.2. More specifically, with respect to copyright associated with Results, the Supplier assigns to VSA on an exclusive basis, for the legal term thereof and for all countries, all of the representation and reproduction rights, for any purposes and for all uses, direct or indirect. These rights shall notably include and in the widest sense: (a) the temporary or permanent reproduction right, by any means, on any media (newspapers, internet, and digital media, etc.) and at any site, (b) the right of identification and marking by any means, (c) the representation right by any procedures, (d) the right of correction, adaptation, evolution, enhancement, modification, addition or creation of derivative works, (e) the right of publication and commercial usage whether against payment or not.

The rights thus assigned shall apply to any applications and may be assigned by VSA to any third party of its choice.

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18.3. VSA shall be solely entitled to decide to protect the Results or otherwise, in whole or in part, in its own name, without any consideration or compensation of any nature whatsoever being due to the Supplier in addition to the price stipulated in the Contract for the Goods and/or Services in question.

18.4. The Supplier specifically undertakes, on its own behalf or any of those involved for its part, such as, without this list being exhaustive, representatives, agents, service-providers or sub-contractors, to perform all of the necessary formalities, where applicable, to cause the provisions of the present Article 18 to become effective.

18.5. The Supplier shall guarantee VSA against any claims, legal action or administrative proceedings that might be directed against VSA by a third party alleging the existence of the infringement of a patent, design, trademark, copyright or any other existing intellectual property right, relating to the Goods and/or Services. To this end, the Supplier shall indemnify VSA for any consequences (including damages, costs and expenditure of any nature, comprising related attorneys' costs and fees) for which it may be made liable.

18.6. Should proceedings be brought or a claim directed against VSA in the context mentioned above, VSA shall advise the Supplier accordingly, and such Supplier shall conduct these proceedings or claim at its own expense. At the request of the Supplier and its expense, VSA shall provide the necessary reasonable assistance.

18.7. If use of an intellectual property right is judged as constituting an infringement, and if VSA so requests, the Supplier shall modify or replace at its own expense the infringing item, provided that such amendment or replacement shall not affect the destination, value, usage or performance of the Goods and/or Services.

18.8. Any Supplier's specific item covered by Supplier's intellectual property right, and used to manufacture the VSA products (tools, plans, technical documentation, ...) shall be kept for 15 years following delivery of the last Order.

19. HEALTH AND SAFETY

19.1. The Supplier shall comply with the laws and regulations in force determining the health and safety instructions applicable to the work performed pursuant to the Contract.

19.2. The Supplier shall also comply with the internal rules at VSA's site(s) where it may have to work for the purpose of performance of the Contract.

20. ILLICIT EMPLOYMENT

Under the performance of Services, in accordance with laws and regulations in force concerning the prevention and the control of illicit employment, the Supplier shall submit to VSA, as soon as the Contract comes into force and upon first request, the corresponding certificates and any additional document that may be required in the Order.

21. WARRANTY

21.1. General Provisions

The product warranty is only one facet and not a limitation of the Supplier's liability.

The Supplier warrants that the Goods and supplies incorporated into or used for Services, provided under an Order, are brand new, recently manufactured, and compliant with the contractual specifications and use for which they were intended as expressly defined in the contract.

Under normal operating and maintenance conditions as defined in the Contract, the Goods and/or the result of the Services shall be free of any apparent or hidden defects, manufacturing errors, material, construction or assembly defects or errors during commissioning. To that effect, and without prejudice to the legal provisions applicable, the Supplier guarantees the Goods and/or the result of the Services against any failure and/or defect resulting from a faulty design, a material, manufacturing, construction or assembly defect or an error during commissioning.

During the warranty period, the Supplier shall cure any defect or non-compliance with the specifications, contractual plans, norms or standards, applicable rulebook and industry principles in force and applicable to the Supplier's business, at its own expense and by such means as it may deem appropriate, within a reasonable period of time as from the date of VSA's formal notice. To this end, it shall apply the most appropriate solution between repair, replacement of the defective part in the Good, or re-design of the Good or Service, after VSA has consented thereto. Replacement, repair or re-design operations shall cover all Goods / Services delivered and / or to be delivered in the context of a same Order, including spare parts. The Supplier shall also cover the costs of labor,

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packaging, transport, customs, removing and refitting, commissioning, restarting, tests on the system or product from VSA incorporating the Goods / Services, on their place of final installation, at no cost to VSA.

For avoidance of doubt, it has been agreed that the Supplier will have fulfilled its warranty obligations only if, after his intervention as mentioned above, each Good / Service concerned is again in perfect operating condition on the place of final installation.

The Supplier's warranty does not include defects resulting from normal wear and tear on the Goods, usage not compliant with the associated documentation or negligence demonstrated by the Supplier attributable to VSA and/or its staff.

Should the Supplier fail in the performance of its warranty obligation, VSA may itself remedy the failing and/or assign a third party of its choice to perform the remedy, at the Supplier's cost and risks, after an official notification by registered letter has remained unfruitful for seven (7) calendar days. The Supplier shall then do everything possible to facilitate the intervention of VSA or the third-party company under the most favorable conditions and especially it shall remit to them the tooling, plans, studies and any other necessary documents.

Any replacement or repair, even partial, of/to a Good / Service affected by a defect shall give rise to the application of a new warranty period covering the Good / Service concerned for a period of twenty-four (24) months from the date of the repair or replacement.

Furthermore, the Supplier undertakes to ensure to further VSA orders, that the Goods will remain available, as well as depending on the case, their sub-sets, components or spare parts, in compliance with the Technical Specifications and this shall be for a period of ten (10) years from the date of the Order. Should the Supplier be unable to fulfill such a commitment, it undertakes to transmit to VSA, free of charge, all of the drawings, specifications documentation, specific tools, documents and other information, regardless of the medium they are on, in order to enable VSA to find an alternative source of manufacture, sale, repair and/or maintenance relating to the Goods, their sub-sets, components or spare parts.

21.2. Warranty applicable to production Goods or Services, means included in a system or product from VSA

Unless the Contract provides otherwise, the contractual term of the warranty shall be twenty-four (24) months from the date of commissioning on the place of final installation of VSA's system or product which incorporate the Goods / Services, or thirty-six (36) months as from delivery of the latter according to the Incoterm, whichever comes first.

21.3. Warranty applicable to non-production Goods or results of Services

Unless the Contract provides otherwise, the contractual term of the warranty shall be twenty-four (24) months (i) from the date of acceptance when the Goods / Services are subject to the provisions of Article 14 or (ii) from the date of delivery to VSA's Site in the other case.

21.4. Endemic defects

"Endemic Defect" shall mean the same defect affecting at least (5%) per cent of Goods / Services, delivered by the Supplier to VSA under a Contract or under different Contracts including the same Good / Service, measured over a continuous period of twelve (12) consecutive months, from the date of Delivery of the first Good / Service until three (3) years after the date of delivery of the last Good / Service to VSA.

Throughout the warranty period defined above, the Supplier shall provide an analysis and action plan to correct any Endemic Defect that shall be notified to it by VSA, within a period not exceeding one (1) week from the notification thereof sent by VSA. This action plan shall be implemented within a reasonable period, to be defined mutually between the Parties in relation to the nature of the Endemic Defect.

If an Endemic Defect affects the same Good / Service as above defined, the Supplier shall repair or replace all of the identical Goods / Services that are the subject of such Order(s). The Supplier shall also cover the costs of labor, packaging, transport, customs, removing and refitting, commissioning, restarting, tests on the system or product from VSA incorporating the Goods / Services, on their place of final installation, at no cost to VSA.

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If an Endemic Defect is repaired, the warranty period covering the Good / Service shall be extended for a period of twelve (12) months, from the date of receipt by VSA of the Good / Service thus repaired.

21.5. Reliability

Reliability targets (MTBF) are defined in the Technical Specifications attached to the Contract. Notwithstanding any possible application of penalties relating to reliability defined in the Special Conditions, Goods shall remain covered by the warranty defined in Article 21 of the Contract as long as the reliability commitments have not been reached.

22. LIABILITY

The Supplier shall indemnify VSA, whether during or after the performance of the Contract, for :

any damage, material or non-material, suffered as the result of partial or total non-performance or poor performance of the Contract for any reason for which it is liable,

any loss or damage, materiel or non-material, resulting from acts or omissions of the Supplier, as well as any death and for any physical injury caused by the Supplier.

The Supplier's liability shall include its sub-contractors, representatives and agents. The above compensation shall cover, where applicable, the related costs and court orders resulting from any proceedings or trial.

The Supplier' staff shall be at all times recognized as representing the Supplier and shall remain under its administrative and hierarchical control.

The Supplier's liability may in no circumstance be limited by the Supplier to the amount of the Order.

23. INSURANCE

23.1. The Supplier shall hold, with a notably solvent insurance company, insurance policies and meeting the following criteria:

- Covering claims arising out of Supplier's liability for any loss or damage to physical property or bodily injury or death to any person arising out of Supplier's performance of the Contract, or that Supplier's negligence, civil fault, breach of statutory duty, omission or default;
- Covering claims arising out of a Party's liability for loss of, damage to and full reinstatement or repair of all or part of the Goods or results of Services that is a defective condition, is lost or damaged due to a defect in its design, materials or workmanship;
- Covering claims arising out of a Party's liability for the Goods / Services that it manufacturers and/or supplies.

Satisfying an insured amount of minimum 1 million euro (1.000.000,00€) per event.

The Supplier shall supply, upon first request from VSA, certificates of insurance to cover the corresponding risks. These certificates shall indicate the amount and extent of the warranties as well as their term of validity and shall state that the payment of premiums relating thereto has been made.

23.2. The Supplier undertakes to keep its insurance policies in force as long as it is under an obligation under the terms of the Contract. Any change during the performance period covering the extent of the warranties and/or capital covered shall be notified without delay to VSA and shall be the subject of a new certificate that shall be sent to VSA.

24. FORCE MAJEURE

24.1. If the performance of a contractual obligation is prevented, restricted or delayed by a case of force majeure[as defined by the French courts, that is to say an event is both unpredictable, irresistible and external to the Party that invokes force majeure], the party on whom the obligation is incumbent shall, subject to the provisions covered in Article 24.2, be exempted from any liability resulting from this prevention, restriction or delay in question and the deadlines it shall be liable with shall be extended accordingly . The other party will also be exempt from its obligations during the period.

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24.2. The party that is a victim of an event of force majeure shall so inform the other party in writing within five (5) working days from the occurrence of the event that constitutes force majeure and shall take every reasonable step to minimize the consequences of such a situation, especially to avoid or limit a possible delay in delivering the Goods and/or performing the Services.

25. SUSPENSION - TERMINATION

25.1. VSA reserves the right to suspend the performance of the Contract at any time through notification made by registered letter with acknowledgement of receipt sent to the Supplier. In such a case, the Supplier may claim compensation that shall be restricted to the additional expenditure duly proven that has been directly caused by the suspension, to the exclusion of any indirect damage including loss of profit.

25.2. Either of the parties may terminate the Contract as of right, without prejudice to the exercise of its other rights and remedies, in the case where:

- a) If an event of force majeure occurs that is of such a nature as to delay the performance of the Contract by more than ninety (90) calendar days, without further formality other than the dispatch to the other party of registered letter with acknowledgement of receipt or.
- b) The other party fails in any of its obligations under the Contract and shall not have remedied this defect within fifteen (15) calendar days following receipt of an official notification sent by registered letter with acknowledgement of receipt from the non-defaulting party.

25.3. VSA may terminate the Contract for convenience with one (1) month's notice, merely by sending a registered letter with acknowledgement of receipt to the Supplier.

25.4. VSA may terminate the Contract if there is a corresponding contract that exists between VSA and the end-user of the Goods and/or Services and that this contract has been terminated.

25.5. In the circumstances covered in Articles 25.3 and 25.4 above, the Supplier may claim compensation from VSA on condition that it has complied with its contractual obligations, representing direct, reasonable and justified costs, legitimately incurred in the performance of the Contract until the termination thereof and that the Supplier shall otherwise have no other means of avoiding or recovering them. In no case may this compensation exceed the amount of the Contract.

25.6. The Supplier shall introduce into its own Orders or sub-contracting contracts linked to the Contract, similar provisions to those contained above in order to minimize the potential financial impact of the application thereof.

26. TAXES AND DUTIES

26.1. The Supplier shall be responsible for the payment of all taxes, duties and levies of any kind for which it may be liable due to the delivery of the Goods and/or the performance of the Services.

26.2. VSA shall have the right to deduct from the payments due to the Supplier under the terms of the Contract, any taxes or levies, and similar charges if the Supplier fails to remit to VSA the necessary certificates covering exemption from such deductions.

27. ASSIGNMENT AND SUB-CONTRACTING

27.1. The Contract having been entered into intuitu personae, the Supplier, without the specific prior consent of VSA, may not assign it, in full or in part.

27.2. The Supplier may not sub-contract the production of the Goods and/or Services unless VSA has provided its consent in writing and in advance. The abovementioned restriction shall not apply, however, in the case of sub-contracting materials or minor elements nor to parts of the Goods for which the sub-contractor is designated in the Contract. Even though covered by such consent, the Supplier shall remain solely liable for all of the Goods supplied and/or the Services performed by it and all of its sub-contractors.

27.3. VSA Site issuing the Order reserves the right to have its rights and obligations under the Contract performed by itself or any other Company in the VERGNET SA Group.

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28.1. The Contract shall be subject to French law.

28.2. The parties shall attempt to settle amicably any disputes that may arise between them concerning the validity, interpretation and/or performance of the Contract. Should they be unable to reach an amicable settlement, the parties shall assign exclusive jurisdiction to the Commercial Court of Orléans – France and this shall include the case of any emergency injunction.

28.3. Application to the Contract of the United Nations Convention on contracts for the international sale of goods, signed in Vienna in 1980 is expressly excluded.