

CONDITIONS OF PURCHASE ARIANEGROUP SAS

APPLICABLE TO SME

Issue n°1 – 1st of July 2017

ARTICLE 1 - SCOPE

The present Conditions of Purchase applicable to Small and Medium-sized Enterprises (the "CP SME") shall govern any order for Works (as defined in Article 2 of the CP SME here under), placed by ArianeGroup SAS (hereinafter referred to as the "Purchaser") to a Supplier considered as SME as per Decree No. 2008-1354 dated December 18th, 2008 pertaining to the criteria for determining the affiliation category of an enterprise for statistical and economic analysis requirements.

Supplier's general conditions of sale, if any, constitutes the sole basis of the commercial negotiation ; the acceptance of the Order Form, as negotiated between the Parties, entails the waiver of such Supplier's general conditions of sale, even when reproduced on the acknowledgement of receipt of the Order Form or any other commercial document.

ARTICLE 2 – DEFINITIONS

Goods Entrusted: machinery, tooling, raw materials, components, equipment or any other asset or item of property made available to the Supplier by the Purchaser or designed and/or manufactured by the Supplier for the requirements of the Order Form.

Order Form: document issued by the Purchaser and sent to the Supplier, including in particular the description of the Works ordered, the time periods, price and reference to the Special Conditions and to the present CP SME.

Specific Conditions: the specific conditions as negotiated and agreed between the Parties stipulated in the Order Form, whatever their nature (technical, quality, commercial, administrative etc.). In case of contradiction, these specific provisions prevail over the present CP SME.

Derogation: written authorization from the Purchaser to use or deliver Works which depart from the requirements specified (technical specifications, technical conditions for executing the Order Form, etc.).

Background Rights: The intellectual property rights generated or acquired independently and / or prior to the date of signature of the Order Form.

Supplier: the company designated on the Order Form.

Information: means information or data regardless of the subject matter, nature, supporting medium or transmission disclosed by the Purchaser or obtained and/or developed by the Supplier directly or indirectly for the needs of the Works.

Party or Parties: collective or individual designation of the Purchaser and the Supplier.

Result: means but is not limited to the results of works, information, knowledge, inventions, know-how, software, sets of drawings, drawings, technical documents, models, mock-ups, prototypes, processes, whatever the nature and/or medium, protectable or not by intellectual property right or title generated during the execution of the Works by the Supplier.

Works: set of services and supplies to be supplied and/or performed by the Supplier in accordance with the provisions of the Order Form, including, where applicable, on the Goods Entrusted.

ARTICLE 3 - CONDITIONS FOR COMPLETION OF THE WORK

The Supplier is bound by an obligation to inform and provide the Purchaser with reinforced advice and support.

The Works shall be executed in accordance with the documents and data referenced in the Order Form and in accordance with current regulations and applicable standards. The Supplier is responsible for checking and ensuring that it has all the appropriate elements it requires (documents, data, materials, tooling, etc.) before undertaking the Works entrusted to it.

The Supplier shall also comply with the Purchaser's environmental requirements as published on its website, as well as the Purchaser's requirements for IT security as defined in the Order Form.

When applicable, the Supplier undertakes to comply with the Purchaser's requirements for the protection of personal data as defined in an appendix to the Order Form.

The assistance with which the Purchaser may provide the Supplier for carrying out the Works or the inspections which the Purchaser reserves the right to conduct, in no way exempts the Supplier from its liability over the Works.

The Supplier's contractual liability is capped to 100% of the total amount of the Order Form. Penalties for late delivery and warranty expenses (Articles 11 and 18.2) are excluded from this ceiling.

ARTICLE 4 - FORMATION OF THE ORDER

The Supplier acknowledges that it has read all the terms and conditions of the Order Form issued by the Purchaser in terms of time limits, compliance and performance.

The Supplier shall acknowledge receipt of the Order Form by returning the acknowledgment of receipt attached to said Order Form, duly signed by the Supplier, within a time period compatible with the delivery schedule stipulated in the Order Form and no later than ten (10) working days following the receipt of such Order Form. In the absence of acknowledgment of the Order Form by the Supplier within this period, any commencement of performance of the Works by the Supplier shall be deemed acceptance of the Order Form and the present CP SME.

Any derogation from these CP SME and / or the Order Form will be opposable to a Party only after prior written agreement of the latter. These derogations shall be formalized in the Specific Conditions negotiated between the Parties.

After acknowledgement of the Order Form, any modification agreed between the Parties at the request of the either Buyer or the Supplier shall be subject to a written amendment providing for the practical and financial conditions of this modification.

ARTICLE 5 – SUBCONTRACTING

In the case where the Supplier is contemplating contracting out a part of the Works, it undertakes to notify the Purchaser in writing of the name and contact details of its subcontractors and their conditions of payment, at the latest before the commencement of the Works. The Purchaser reserves the right to refuse or require a change to these subcontracting arrangements.

Subcontracting does not in any way exempt the Supplier from its liability to the Purchaser and the Supplier remains solely responsible for the performance of the Works towards the Purchaser.

ARTICLE 6 - INVOICING AND CONDITIONS OF PAYMENT

The Supplier shall draw up an invoice per Order Form, in duplicate, from the date of acceptance of the Works, as provided for in Article 8 of the CP SME. In addition to the legal required statements, the invoice shall state the Order Form number, the item number, the precise name of the Works, the currency, the bank references, the numbers and the dates of the delivery notes to which it refers.

Subject to acceptance of the Works by the Purchaser, the payments are made by commercial transfer in Euros, within thirty (30) days end of month, the 10th, from the date of issue of the invoice. These terms may not exceed sixty (60) days from the date of issue of the invoice.

In case of late payment, late payment charges are due and payable with effect from the next day after the date of payment shown on the invoice, without a reminder being necessary. In this case, the interest rate on the late payment charges shall be equivalent to three (3) times the legal rate of interest applying in France. Moreover, in

the event of late payment, the Purchaser is also legally liable for a fixed-rate charge for recovery costs amounting to € 40.

ARTICLE 7 - ACCESS TO THE SUPPLIER'S PREMISES

Subject to the internal regulations of the Supplier and/or its subcontractors and/or suppliers, the representatives of the Purchaser and of the Official Services or the delegated officers shall have access during working hours to the premises in which the Works are being carried out, whether in the Supplier's premises or at those of its subcontractors and suppliers. This right of access is particularly granted to the representatives charged with monitoring performance of the Works, the audits, investigations or inspections necessary for the Supplier's qualification.

ARTICLE 8 - ACCEPTANCE OF THE WORK

The Works are accepted by the Purchaser as per the provisions on the Order Form.

Unless the Purchaser notifies the Supplier of its rejection in writing, final acceptance of the Works shall be deemed to take place thirty (30) calendar days after delivery. In no case may acceptance of the Works by the Purchaser be interpreted as a waiver of or as impacting on the extent of the warranties or other commitments of the Supplier in respect of hereof or of any legal warranty.

In case of rejection of the Works, the Supplier is bound to carry out all actions (replacements, repairs, etc.), at its expense, necessary to ensure compliance of the Works with the requirements on the Order Form within time periods compatible with the needs of the Purchaser.

The Works rejected by the Purchaser under the terms of this Article 8 shall be deemed not delivered. The transfer of ownership takes place upon acceptance the Works by the Purchaser.

ARTICLE 9 - DELIVERY CONDITIONS

Any delivery of Works shall be made in accordance with the "Delivery At Place" (DAP - Incoterm® CCI 2010) terms, at the Supplier's expenses and risks, at the place and within the time period stipulated in the Order Form.

The Works are shipped with sufficient protection and packaging so that they do not suffer any deterioration during transport and storage. It is the Supplier's responsibilities to ensure that the packaging conforms to current regulations and standards in force.

The Supplier bears all liability, whatever the cause, for any damage to or loss of the Works until unloading at the delivery place. The Supplier commits that all delivery will be made to the Buyer together with:

- (I) the declaration or certificate of conformity pertaining to the Works and any other document specified in the Order Form, duly signed by the Supplier.
- (ii) a delivery note stating the Order Form number, the address and telephone number of the correspondent indicated in the Order Form, the item numbers, quantities, measurements or weights delivered, the nature and reference numbers of Work in accordance with the wording of the Order Form including accompanying materials and documents, and the value of the delivered Works.
- (iii) any document relating to the Works such as an instruction leaflet in French and affixed conformity mark (CE) to the Works in question in a legible fashion.

All documentation accompanying the Works must be accessible without damaging the packaging or the Works themselves.

Where the Works or products used in such Works have specific conditions of use or have a limited period of validity, the Supplier shall specify in Works' accompanying documents the date of manufacture and the remaining period of validity before use, counted as from the date of delivery and shall display on the part of the packaging which serves directly to contain, support or protect the product, in an appropriate and indestructible way:

- the provisions to be taken for their use (including storage and transportation) while guaranteeing preservation, and

- the use-by date, such as the Purchaser has a validity before use residual period to at least 75% of the total period of validity as at the date of delivery.

ARTICLE 10- LATE DELIVERY

Meeting delivery times is considered an essential clause of the Order Form.

In case of delay, the Supplier shall notify the Purchaser, as soon as possible and undertakes to use every resource to minimize these delays. It shall inform the Purchaser of the corrective measures.

Except as agreed between the Parties, any delay in delivery will result in the application of a penalty as defined in the Special Conditions of the Order Form. Where the Order Form is silent, , the applicable penalty shall be set at 1/3 000 of the amount of the Works overdue for each calendar day behind schedule. This amount is limited to 10% of the value of the Works overdue.

If the Supplier's delay has become incompatible with the Purchaser's programmatic constraints, the Purchaser may terminate, for fault of the Supplier, all or part of the Order Form, under the conditions of Article 18.1 of the CP SMEs.

Penalties may be invoiced by the Purchaser to the Supplier if, within fifteen (15) calendar days, the Supplier has not challenged the grievance in writing, or has not already paid the Purchaser the amount claimed.

ARTICLE 11- Warranty

11.1 Duration of the Warranty

Without prejudice to the application of the legal guarantees, the Supplier guarantees from the receipt, for a period defined in the Order Form, that the Works are:

- (i) in accordance with the Order Form (including its applicable documents), as well as good workmanship and prior art;
- (ii) adapted to the Purchaser's needs as set out in the Order Form;
- (iii) free of any design defect (if the Supplier is responsible for the defect) and any defect in the product.

In the silence of the Order, the Works are guaranteed one (1) year from the acceptance of these in accordance with article 8.

11.2 Implementation of the warranty

In the event of a non-conformity or defect as provided for in Article 11.1 of the CP SME, the Supplier undertakes, at the option of the Purchaser (which shall however take into account the constraints of the Supplier):

- either to repair or replace defective Works at the expense of the Supplier,
- to reimburse the Purchaser for the defective Works.

Such remedial measures shall be implemented within a timeframe agreed by the Parties and taking into account the programmatic constraints of the Purchaser.

If the Works consist of several sub-assemblies, the Supplier shall, at its own expense, correct the anomalies and damages occasioned by such a defect or malfunction on the other subsets of the said Works.

11.3 Except as otherwise provided in the Order Form or as agreed upon by the Parties in accordance with the provisions of Clause 11.2 above, replacements or repairs to the Work under the safeguards provided for in this Article shall be made within a maximum period of forty (45) calendar days from the written notification by the Purchaser of the defect or malfunction.

ARTICLE 12 - QUALITY, SAFETY AND ENVIRONMENT

12.1 Requirements on “Quality Management Systems”

The Supplier shall be able to provide evidence of the existence and application of a Quality Management System (hereinafter “QMS”) corresponding to the current standard ISO 9001, for as long as contractually or statutorily required.

In addition, for all products classified “FLIGHT or assimilated to FLIGHT” as defined by the Order Form, the Supplier’s QMS shall meet the requirements of the following standard and obtain the corresponding certification:

- EN 9100 (AS 9100, JISQ 9100) “Requirements and Quality systems in design, development, production, installation and servicing”, or
- EN 9120 “Requirements for stockist distributors”.

12.2 Requirements on “Completion of the Works”

The Supplier shall keep an up-to-date list of its suppliers and/or subcontractors, whatever their ranking in the contractual chain, who perform and implement special processes as defined in the standard specified in paragraph 12.1 above. Prior to any implementation, the Supplier undertakes to notify the Purchaser of:

- any change of definition,
- any significant development in the manufacturing or control process,
- development of any special processes,
- transfer of manufacturing to another site.

The Supplier shall demonstrate and guarantee the same performances and the same level of quality of the Works.

12.3 Requirements on “Identification and Traceability”

Traceability is a requirement. The Supplier therefore undertakes to take all necessary measures to maintain, warrant, preserve and identify traceability of the Works at any level, for as long as contractually or statutorily required.

12.4 Requirement on “Conformity of the Works”

The Supplier shall draw up and implement a procedure ensuring that the Works comply with the requirements of the Order Form. This procedure must also describe the means by which non-compliant Works may be identified and overcome. The Purchaser shall be informed without delay of any non-compliance of the Works.

Without prejudice to the other provisions in these CP SME, any non-compliance in the Works will entail reimbursement by the Supplier of a part of the administrative costs connected with the Purchaser opening a file to deal with this non-compliance, in accordance with the following scale of charges:

- Non-conformity identified on delivery at the Purchaser’s premises: 500 euros exclusive of taxes,
- Non-conformity identified at the assemble/incorporation phase at the Purchaser’s premises: 1000 euros exclusive of taxes,
- Non-conformity identified at the premises of the Purchaser’s customer: 7200 euros exclusive of taxes.

The Supplier accepts that the Purchaser deducts this contribution from the amount due to the Supplier pursuant to the Order Form.

12.5 Requirements on “Safety and Environment Management System”

The Supplier shall prove the existence and application of a safety management system (equivalent to OHSAS 18001) and an environmental management system (equivalent to ISO 14001).

12.6 In the event that any certification is suspended, withdrawn, not renewed or invalidated, the Supplier shall inform the Purchaser thereof in writing at the earliest opportunity and provide the necessary supporting evidence. The Purchaser reserves the right to suspend the Works or cancel the Order Form by right, at no compensation for the Supplier.

ARTICLE 13 - REQUESTS FOR DEROGATIONS

13.1 It is an absolute condition that any request for a Derogation made by the Supplier in the course of manufacturing or developing the Works or at the point of acceptance, is made in writing, at the very earliest opportunity, to the Purchaser personnel designated on the Order Form. This request for a Derogation must include technical evidence to support the acceptability of the non-compliance referred to by the Supplier as well as the measures implemented to avoid any new non-compliance.

13.2 To be binding on the Purchaser, any request for a Derogation covering all or part of the Works must be accepted by the Purchaser in writing before any implementation. The Supplier will bear all the consequences ensuing from this Derogation. Furthermore, the Purchaser is authorized to renegotiate the price of the Works that are the subject of the Derogation. The contractual delivery time for Works benefiting from a Derogation remains unchanged.

ARTICLE 14 - RISK MANAGEMENT

The Supplier is responsible for managing risks so it is able to control the technical, program, calendar and financial constraints inherent in the Works throughout the whole period of performance thereof.

14.1 The Supplier shall notify the Purchaser in writing of any event occurring while the Works are being carried out, without forty-eight (48) hours of becoming aware thereof.

14.2 At any time after the Supplier has been notified, the Purchaser or any person designated by the Purchaser, including its customers or the official services, have the right to carry out audits (technical quality, etc.) in the premises of the Supplier or of its subcontractors and/or suppliers. For this purpose, the Supplier undertakes to make available to the Purchaser or to the people designated by the Purchaser, the information and resources necessary to carry out this audit, at no additional cost, it being understood that the files pertaining to executing the Works and the production and logistics resources must be kept at the disposal of the Purchaser. Before conducting any audit, the personnel in charge of the audit in question shall, where necessary, sign a personal confidentiality undertaking.

14.3 The Supplier undertakes to supply the parts and/or spares connected with the Works, for the period specified by the Purchaser or failing which for as long as they are used by the Purchaser or its customers, in the conditions below. The Supplier shall alert the Purchaser to any foreseeable developments relating to the Works as well as of any halt in manufacture, as soon as it is aware thereof and at the earliest opportunity. In this case, the Supplier undertakes to ensure continuity in supply of the product so long as this is materially possible and to propose an equivalent or replacement product.

ARTICLE 15 - GOODS ENTRUSTED

15.1 Some Goods Entrusted may be supplied directly to the Supplier by the Purchaser to carry out the Order Form. These Goods Entrusted shall then be treated as being loaned pursuant to articles 1875 et seq. of the Civil Code. These Goods Entrusted are identified, quantified and preserved in a store reserved for the Purchaser and its customer.

15.2 In regard to the Order Form, Goods Entrusted may also be designed and/or manufactured by the Supplier, in accordance with current legislation in force. The total price shown on the Order Form includes payment for these Goods Entrusted which thereby become the property of the Purchaser or of the customers or the Purchaser. The Goods Entrusted are identified and marked as such in accordance with the conditions specified by the purchaser.

15.3 An inventory of the Goods Entrusted list shall be compiled by the Supplier. It shall be kept up to date and transmitted to the Purchaser upon each change.

15.4 For the Goods Entrusted which it produces or has produced by others, the Supplier provides the Purchaser with the specifications, design drawings and plans and, generally speaking, all particulars relevant to the design, manufacture, implementation and maintenance of the said Goods Entrusted. These documents must be stamped exclusively with the wording below or, failing that, with the wording specified in the Order Form: “This document is the property of ArianeGroup. □ - ArianeGroup SAS (date of publication); it may not be communicated to any third parties and/or reproduced without its written authorization. Its contents may not be disclosed.” These documents must be delivered as soon as they are prepared or no later than on the Goods Entrusted being put into service. The Supplier shall manage the documents to comply with changes in the Goods Entrusted and deliver all such updates to the Purchaser.

15.5 The Supplier is the keeper of and is entirely liable for all the Goods Entrusted that are required to carry out the Order Form. In this capacity, it shall bear all costs arising from the following obligations, unless provided otherwise in the Order Form:

- a) keeping and maintaining the Goods Entrusted in perfect working condition and state of preservation as well as checking and/or calibrating them periodically according to their type and the standards and requirements which apply thereto,
- b) replacing any Goods Entrusted that are missing subsequent to their deterioration or loss,
- c) replacing the Goods Entrusted which present abnormal or excessive wear and tear,
- d) on expiry of the Order Form and once the warranty period has expired, returning them to the Purchaser on first request within eight days, in perfect working order.

15.6 The Goods Entrusted remain at the Supplier’s disposal in its premises solely for the purpose of carrying out only those Works that are the subject of the Order Form placed by the Purchaser. Any change of location of the Goods Entrusted and/or any use other than that specified in the Order Form shall be subject to the prior written consent of the Purchaser. The Supplier undertakes to store the Goods Entrusted belonging to the Purchaser or to its customers in specific premises and not to dispose of all or part thereof without the prior written agreement of the Purchaser.

15.7 In the event the Supplier has a right of retention over the Goods Entrusted by operation of the law, it hereby expressly renounces this right of retention.

15.8 If modifications or adjustments are needed to be made to the Goods Entrusted by the Purchaser for the Supplier to use them, these may only be done with the written authorization of the Purchaser who shall define the condition in which the Goods Entrusted thus modified are to be returned to it.

ARTICLE 16 - MANAGEMENT OF RAW MATERIALS - PARTS AND EQUIPMENT

16.1 Raw materials, products, parts and equipment supplied to the Supplier by the Purchaser or by the Purchaser’s customer.

The definition of requirements for the Works entrusted to the Supplier is drawn up and kept up to date regularly by the Purchaser. Reject rates shall be fixed and agreed jointly by the Purchaser and the Supplier. However, the Supplier may be asked for evidence of consumptions in support thereof.

The Supplier shall use the raw materials, parts and equipment supplied by the Purchaser for carrying out the Works. The Supplier undertakes not to draw from its own stocks for any raw materials, parts and equipment necessary to carry out the Order Forms. However it may do so exceptionally with the prior written consent of the Purchaser which, in this case, undertakes to replace or pay the Supplier at cost price for the raw materials, parts and equipment used, and the Supplier shall provide a written warranty that the items taken meet the conditions of the Order Form.

The Supplier is bound to inform the Purchaser of all rejects as soon as these occur and to identify them physically.

- a) In the case where items are rejected as being faulty after delivery to the Supplier, the corresponding replacement is at the charge of the Purchaser, being drawn either from the stocks it holds, or from those held at the Supplier’s premises and in the latter case, with the agreement of the Purchaser.
- b) In the event of rejects caused by the Supplier's negligence and not taken into account in the reject rate defined by the Parties, and unless authorized otherwise by the Purchaser, the rejects must be kept by the Supplier pending a decision by the Purchaser, in such conditions as to avoid any deterioration, confusion or substitution.

The Supplier shall bear the financial burden arising from replacing the rejected items, calculated on the basis of the cost of the procurements plus consignment costs and, as the case may be, plus the cost of any works and time already spent by the Purchaser on the said procurements.

- c) In all cases, rejects returned to the Purchaser shall be the subject of a special delivery note. Satisfactory parts and rejected parts must not be enclosed in the same consignment.

Where the Supplier loses raw materials, parts and equipment supplied by the Purchaser or its customer, replacing the lost elements is at the Supplier's charge in the financial conditions specified at article 20.1 of the CP SME.

16.2 Raw materials, products, parts and equipment provided by the Supplier

The raw materials, parts and equipment supplied by the Supplier must meet the conditions of the Order Form (including technical specifications), as well as current standards, directives, laws and regulations in force. The Supplier undertakes to provide the Purchaser and customers of the Purchaser with raw materials, parts and equipment that contain no products prohibited by law, in any form whatsoever. The Supplier undertakes to give the Purchaser written confirmation, with a certificate from the relevant authorities if necessary, that the raw materials, parts and equipment contain no products prohibited by law, in any form whatsoever.

16.3 The Supplier undertakes to:

- a) implement all the measures necessary, in establishing its supply chains, so as in particular the following materials and equipment:

- tantalum,
- tin,
- tungsten,
- gold,

do not originate from a country within an area of conflict and high risk, and

- b) provide, when asked, information on the said supply chains.

ARTICLE 17 - FORCE MAJEURE

The Supplier putting forward an event of force majeure is under an obligation to inform the Purchaser thereof in writing within five (5) working days of its occurrence, describing the event relied on precisely, its foreseeable duration, and disclosing any element relating to this event allowing its impact on the performance of its contractual obligations to be fully assessed.

An event of force majeure suspends the performance of the obligations rendered impossible during the event. No Party shall be liable for compensation or penalties in respect thereof, the contractual periods being extended by a period corresponding to the case of force majeure

If the effects of the event of force majeure last for more than one (1) month, the Purchaser may cancel the Order Form in accordance with article 18.2 of the CP SME, unless the Parties agree otherwise after consulting one another.

Provided that the Supplier is informed of this, the Purchaser is entitled during the period of force majeure, to substitute itself or substitute a third party to the Supplier.

ARTICLE 18 - TERMINATION - SETTLING THE ORDER FORM

18.1 Termination for breach of contract

In the event of the breach on the part of the Supplier to perform all or part of the conditions of the CP SME or the Order Form, the Purchaser may terminate all or part of the Order Form at the Supplier's fault, after formal notice given by registered letter with proof of receipt which has had no result within fifteen (15) calendar days,

without prejudice to any compensation and damages which may be claimed against the Supplier by the Purchaser.

In case of Supplier's default as stated above, the Purchaser is entitled to substitute itself or a third party for the Supplier to perform all or part of the outstanding Works.

For the purposes of substitution, the Supplier undertakes to grant to the Purchaser and / or the substituted third party all the intellectual property rights which it possesses and which would be necessary for the continuation of the Works.

18.2 Termination without Default

In the absence of fault by the Supplier and at any time subject to thirty (30) calendar days prior notice, the Purchaser may terminate all or part of this Order Form by registered letter with proof of receipt.

In the event that:

- the Supplier has a certification suspended, withdrawn or not renewed, or
- an export licence pertaining to the Works would be suspended, withdrawn, not renewed or invalidated, even where the event the Supplier has used every care and attention,

The Purchaser may legally terminate all or part of the Order Form by registered letter with proof of receipt, with immediate effect.

In the event of such a termination and except as otherwise stipulated in the Order Form, the Purchaser is under an obligation to pay the Supplier:

- (i) the contractual value of the Works delivered and received, or in the process of being delivered at the date termination is notified,
- (ii) at a fair and reasonable price, the Works in process of manufacture and/or tooling serving for the manufacture, except those which the Supplier wishes to retain, by agreement with the Purchaser.
- (iii) a compensation equal to 4% of the amount of the terminated part of the Purchase Order. This amount will be reduced by the amounts identified in (i) and (ii).

In no case shall the Supplier be paid an amount exceeding the costs incurred for meeting contractual delivery schedules, nor an amount exceeding that which would have been due to it had the Order Form been completed in full.

18.3 Procedures for termination of the Order Form

Upon receipt of notification of termination, the Supplier halts all operations connected with the cancelled Order Form, both in its own workshops and those of its own suppliers and/or subcontractors. The Supplier shall send the Purchaser a report on the progress of the Order Form without delay, accompanied by all documents justifying the expenditure incurred by the Supplier, as at the date of termination and the amount of money already paid by the Purchaser. The Supplier undertakes to return the Goods Entrusted by the Purchaser or its customers and/or procured under the Order Form, to the premises of the Purchaser.

ARTICLE 19 – CIVIL LIABILITY OF THE SUPPLIER

19.1 It is agreed that the Supplier shall be liable for damages incurred in connection with the Works, and for all consequences which may be legally imposed on him.

In particular, the Supplier shall be responsible for:

- (i) the consequences of the acts of its personnel, its servants or subcontractors,
- (ii) damages to existing works or installations and to property belongings of the Purchaser or third parties,

(iii) accidents or damages incurred in connection with the Works of its personnel (or any equipment made available by the Buyer), except for the willful misconduct of the Buyer's personnel or the defect of the directly attributable equipment imputable to the Purchaser,

(iv) any damages caused as a result of its Works, Products, Subsets or Fabrications and, more generally, for all consequences which may be legally imposed on him.

19.2 The Supplier is accountable for the waste it produces up until its complete disposal. The intervention of a third party does not reduce the Supplier's liability. The transport, storage and elimination of such waste and more generally all intermediary operations must comply with the regulations and standards in force, at the Supplier's cost, without further charge being billed to the Purchaser. The Supplier shall comply with the rules and regulations in force on products at the end of their life. The Supplier shall carry out the Order Form to comply with legislative and regulatory provisions and current regulations and standards in force insofar as concerns the environment. As such, it shall take all necessary measures to prevent any environmental accident and/or pollution. The Supplier shall be liable for any pollution which results from the performance of the Order Form.

ARTICLE 20 - INSURANCE

The Supplier is bound to take out insurance cover in particular against the following risks:

20.1 Damage to entrusted goods

The Purchaser relieves the Supplier of all liability over and above € 150,000 per claim for the Goods Entrusted by the Purchaser, except in cases of malicious intent, gross negligence, inexcusable fault or wilful misconduct attributable to the Supplier. It is the responsibility of the Supplier to insure the Goods Entrusted for up to this amount (or for their actual value if this is lower than the above threshold). This insurance shall cover the Goods Entrusted against all insurable risks or damage for their as-new value. However, if the Supplier has cover exceeding the above amount, it undertakes to advise the Purchaser thereof and not to reduce its coverage.

On penalty of losing all rights under this paragraph, the Supplier undertakes to have means for the prevention, protection and fighting fire and explosions in its workshops adapted to its risks, that meet the APSAD regulations (APSAD = Plenary Association of Damage Insurance Companies).

For all lifting or handling equipment, pallet trucks, self-propelling trolleys, forklift trucks etc, placed at the disposal of the Supplier by the Purchaser and for any vehicle lent by the Purchaser, the Supplier shall first take out insurance covering its public liability in accordance with the French law n° 85-677 dated 5th of July 1985 and the French Code des assurances (article L211-1 and seq.), and second, shall remain liable for the damage caused to the equipment/vehicles.

20.2 Professional Public Liability for Work at the Purchaser's premises

The Supplier shall provide evidence of having taken out and effectively paid the premiums of public liability insurance covering direct and indirect loss and damage caused to the Purchaser due to the presence of the Supplier's agents and employees within the Purchaser's premises. Such insurance shall provide for cover of at least € 1,000,000 per claim in the event of damage to property and other assets and consequential damage; above the said sum the Purchaser's insurers will not exercise any recourse against the Supplier. Any malicious act, gross negligence or wilful misconduct shall deprive the Supplier of the benefit of the waiver described above. If the Supplier has cover in excess of € 1,000,000, it undertakes to advise the Purchaser thereof and not to reduce its coverage.

20.3 Diverse

The Supplier is under the obligation to report any incident to the Purchaser within twenty-four (24) hours of its occurrence, it being specified that should the Supplier's insurer disqualify the latter for any reason, the Supplier shall be liable for the whole of the burden of the claim.

The Supplier undertakes to obtain from his insurers their complete adherence to the above-mentioned provisions.

Upon request by the Purchaser, the Supplier shall send to the Purchaser the insurance certificates corresponding to all the policies subscribed and justify the payment of the premiums.

ARTICLE 21 - INTELLECTUAL PROPERTY

21.1 Background Rights

Each Party shall retain the ownership of its background intellectual property rights, generated or acquired independently and/or prior to the date of signature of the Order Form, subject to any rights of third parties (hereinafter "Background Rights"). The Supplier grants the Purchaser a right to use, reproduce, represent, adapt, modify and translate over its Background Rights that are necessary to implement the Results. The price of this assignment is included in the price of the Order Form as a lump-sum.

21.2 Ownership of the Results

The Purchaser acquires the full and exclusive ownership of the Results generated during the performance of the Work by the Supplier according to the following provisions.

21.2.1 Author's Rights

The Supplier hereby grants to the Purchaser as and when payments are made under the Order Form, all the copyright and intellectual property rights over the Results (including software and databases) for the whole period of legal protection of the intellectual property rights worldwide. This price of this assignment is included in the price of the Order Form.

In this capacity, the Purchaser acquires the rights to use, reproduce, represent, adapt, modify, translate, distribute, work on commercial grounds, without limitation, over all or part of the Results on any medium whatsoever, for the period of legal protection of the intellectual property rights worldwide. It may also assign or sub-licence all or part of these rights to a third party.

21.2.2 Industrial property

In the case where the Works lead to Results eligible for industrial protection, only the Purchaser is entitled to file an application for an industrial property title over the said Results, in its name, for its account and at its expense.

In this respect, the Supplier undertakes not to file any application for an industrial property title over the Results. To this effect, the Supplier undertakes that each of its servants, agents and/or employees cited as inventor shall carry out all the formalities necessary to enable the industrial property title to be lodged in accordance with the terms and conditions defined in this article.

21.2.3 Trademark

The Purchaser is the sole owner of all trademarks, names, signs, logos, colours, graphics or any other signs which may be generated in performance of the Order Form, whether their creation is intentional or not.

21.3 Infringement

The Supplier warrants peaceful enjoyment of the intellectual property rights transferred to the Purchaser pursuant to the Order Form, and in particular agrees to hold the Purchaser harmless against all third party claims on grounds of intellectual property over the Works it delivers, and shall be liable for all consequences and financial claims that the Purchaser might suffer as a result. In addition, the Supplier shall at his own expense, either (1) obtain the right to continue to use the Results of the Works, (2) replace or modify the Works so that they no longer constitute an infringement while ensuring they still retain the functions initially specified by the Purchaser, or (3) if the above is difficult to achieve, take back the Works and replace them with equivalent works defined by the Supplier in agreement with the Purchaser, without prejudice for the Purchaser to make a claim for damages.

21.4 All the stipulations in this article 21 shall be flow-downed by the Supplier to its co-contractors, subcontractors and/or suppliers.

ARTICLE 22 - CONFIDENTIALITY

22.1 Any and all Information is treated as strictly confidential without it being necessary for the Purchaser to specify or state the same. In order to ensure Information is secure, the Supplier shall take all precautions necessary for its protection.

The Information remains the property of the Purchaser which formally prohibits use thereof for purposes other than the performance of the Order Form, for a further period of ten (10) years from normal expiry or early termination thereof.

22.2 The Supplier undertakes to respect and ensure the confidentiality of the Confidential Information by its personnel and / or of its suppliers and subcontractors who need to know about the realization of the Works.

In the event that Information disclosed by the Purchaser is the property of a third party, the most restrictive confidentiality requirements which this third party were to impose over its Information will be flow-downed to the Supplier.

22.3 On the expiry of the Order Form for any reason whatsoever, the Supplier undertakes to return all the Information to the Purchaser without delay or to destroy all or part thereof with the prior authorization of the Purchaser and not to retain any copy of the said Information.

ARTICLE 23 - SPECIFIC RULES ON EXPORT AND/OR IMPORT

23.1 The Supplier undertakes to comply with the laws and regulations on export and import controls (hereinafter the "Export Regulations") that might apply to the Works (including its component parts), as well as to any software, information and products which the Parties might deliver to one another within the framework of the Order Form.

23.2 At all events, the Supplier states that it has identified and given the Purchaser notice of all the components of its Works which are subject to Export Regulations, as at the date of signature of the Order Form. The Supplier undertakes to inform the Purchaser of the export control classification of the Works and undertakes to notify it promptly of any change in status or classification of these Works or their components or of the Export Regulations which apply thereto. The Supplier undertakes to give the purchaser every assistance required to enable it to achieve compliance following such changes.

23.3 It is understood that insofar as concerns each of its Works and components thereof subject to Export Regulations, the Supplier agrees to use its best efforts and at no extra cost to the Purchaser, to obtain all necessary authorizations, approvals or licences in timely fashion, for the Purchaser and its subcontractors and co-contractors, to export, import, use, incorporate the Works and to deliver the same to the customer of the Purchaser or the end user specified in the Order Form, as well as their use by the said customer or end user (hereinafter "Export Licences"). It is the essence of the Order Form to allow the Purchaser to use the products according to the intended uses. The Supplier undertakes to notify the Purchaser without delay of the issue of an export licence by the competent government authorities or that there is a dispensation and to provide the Purchaser with a copy of such licence or a certificate describing all restrictions applicable to the re-export or re-transfer by ASL to a third party of all or part of the Works.

23.4 The Supplier undertakes to put all necessary measures in place to avoid transferring by any means whatsoever any information supplied by the Purchaser and identified as being subject to Export Regulations, to any person not authorized to access such information, by any exemption or export licence granted by the appropriate government authorities. The Supplier shall ensure that the Purchaser requirements on Export Control are flow down to each subcontractor and implemented at every contractual level.

23.5 It is understood that the ability of the Supplier to deliver the Works and associated services to the Purchaser together with all the Export Licences required, constitutes an essential obligation for the Supplier. In the event that despite its due care and attention the Supplier is unable to obtain the necessary Export Licences, the Supplier undertakes, at no additional cost to the Purchaser and within a time-frame compatible with the obligations placed on the Purchaser in terms of its own upstream contract, to replace or modify the components or technologies incorporated into the Works, with the prior written authorization of the Purchaser, without altering the features thereof as defined in the Order Form.

23.6 The Supplier must clearly indicate on the delivery notes, invoices, and each of the controlled plans and documents (in electronic or paper version) and for each delivery the classification number of the Export Regulations as well as the reference of the Authorization applicable to delivery.

23.7 In addition if one or more Agreements (technical assistance agreement, manufacturing licence agreement, etc.) or Non-Transfer and Use Certificates (DSP83) are required by the US administration to perform the Order Form, the Supplier must submit the wording of the Agreement or the DSP application form to the Purchaser for prior approval, as the case may be, before submitting the same to the US export authorities for approval. The Purchaser shall be provided with a copy of the US Export Licence and related provisos imposed by the American export authorities, for the Works which are of concern to them. No Agreement may be terminated without the prior approval of the Purchaser. The American supplier shall provide the Purchaser with a prior notification of sixty (60) days period of time before the expiration of any approval.

23.8 The Supplier undertakes to cooperate with the Purchaser in case of action or proceedings by the relevant authorities in regard to export controls. At all events, the Supplier shall be liable for all harmful consequences arising for the Purchaser from the Supplier's failure to fulfil its commitments under this article.

ARTICLE 24 - COMPLIANCE WITH EMPLOYMENT LAW

The Supplier undertakes to comply with the legal and regulatory obligations in force in the country in which the Works are to be carried out, in particular the provisions of the French Code du travail to on moonlighting and the hiring of foreign labour.

With effect from acceptance of the order and thereafter every six (6) months throughout performance, the Supplier undertakes to provide the Purchaser with all the documents referred to in articles D 8222-5, D 8222-7, D 8222-8 and D 8254-2 of the French Code du travail. The documents shall be addressed to the Purchaser's correspondent designated in the Order Form.

The Supplier undertakes to comply with the legal and regulatory provisions relating to the protection of the workforce, health and safety and working conditions. In addition, where performance of the Works requires it to intervene on one of the Purchaser's site, the Supplier undertakes to comply with the purchaser's rules on health and safety.

The work equipment (as defined in article R 4311-4 of the French Code du travail) supplied within the framework of the Order Form must comply with the legal provisions in force.

ARTICLE 25 - ETHICS AND SOCIAL RESPONSIBILITY

The Supplier confirms that it has read and understood the Purchaser's Suppliers' Ethics Charter published on its website. The Supplier undertakes to comply with all provisions in force as at the date of signature of the Order Form and, in this respect, to put measures in place in each country in which it conducts its activities, no later than by the date of signature of the Order Form, to ensure compliance by itself, its personnel, subcontractors and suppliers, with the rules applying on combating corruption, anti-competitive practices, respect for and protection of persons, protection of personal data and the protection of the environment.

Observance of these provisions constitutes an essential obligation for the Supplier and a criterion on which it was selected.

The Purchaser reserves the right to conduct all relevant checks including audits, to verify compliance with this article by the Supplier. Failing provision of the necessary proofs or in case of non-compliance with these obligations, the Purchaser reserves the right to suspend the Works or take all the appropriate measures, at no compensation for the Supplier.

ARTICLE 26 - ASSIGNMENT AND TRANSFER - MODIFICATIONS IN SUPPLIER'S LEGAL SITUATION

The Order Form placed on the Supplier being "*intuitu personae*" i.e. placed in consideration of the quality of the Supplier, performance thereof and the rights and obligations pertaining thereto may not be transferred and/or assigned in whole or in part by the Supplier, except with the prior written agreement of the Purchaser. The Supplier undertakes to notify the Purchaser of any modification of its share capital and/or any change in its direct or indirect control (as defined in article L233-3 of the French *Code de commerce*) before such modification/change becomes effective. In the event of such modification/change, the Purchaser may terminate the Order Form, at no fault of the Supplier, in the conditions of article 18.2 of the CP PME.

The Supplier undertakes to inform the Purchaser by registered letter with acknowledgement of receipt of:

- any alert issued by the auditors, employee representatives, shareholders or partners or, as the case may be, “*groupement de prévention agréé*”, relating to the Supplier’s situation,
- any request filed by the Supplier to open proceedings for safeguard procedure, voluntary liquidation or an application for the appoint of a temporary or *ad hoc* administrator,
- the filing of any declaration of cessation of payment.

ARTICLE 27 - LANGUAGES

In the event of conflict between the French-language version of these CP SME and any other versions in a foreign language, the French-language version shall prevail.

ARTICLE 28 - GOVERNING LAW AND SETTLEMENT OF DISPUTES

These CP SME, the Order Form and the relations between the Parties are governed by French law, and exclude the application of the Convention of Vienna on the International Sale of Goods.

In case of any dispute relating to these Conditions of Purchase and/or the Order Forms and their continued effects, the Parties will use their best efforts to resolve their dispute amicably.

Any dispute which the Purchaser and the Supplier, having its registered corporate seat inside the European Union, are unable to resolve failing an amicable agreement within one (1) month from notification thereof, shall be subject to the competence of the courts within the jurisdiction of the Paris Court of Appeal, notwithstanding multiple defendants or actions to enforce a third-party guarantee.

Any dispute which the Purchaser and the Supplier having its registered corporate seat outside the European Union are unable to resolve failing an amicable agreement within one (1) month from notification thereof, shall be finally settled through arbitration under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules, notwithstanding multiple defendants or actions to enforce a third-party guarantee.