

GENERAL PURCHASING CONDITIONS (May 2018 update)

Except for particular agreement duly negotiated with the company Komori-Chambon SAS ("KCM"), the present general purchasing conditions ("GPC") apply to all orders placed by KCM, and to all amendments relating to these orders. Therefore every supplier of goods, services, or seller (hereinafter the "Supplier"), fully accepts these GPC for all orders from KCM, and thereby expressly waives their own GPC of supply, sale or services. By fulfilling any KCM order, the Supplier thus consents to these GPC. Notwithstanding any translations made by either party, only the French version of these GPC is legally binding on KCM and the Supplier. Under no circumstances shall failure at any time to exercise a right, acknowledged by the present GPC, or to demand performance of any provision of the agreement established by the said conditions, be interpreted as in any way modifying the contract or constituting an explicit or tacit waiver of the said right in the future or of the right to require the strict performance of the undertakings included in the present conditions.

Article 1 - Order

Only KCM's headed notepapers constitute a firm commitment. The acknowledgement of receipt shall be returned to KCM within 48 (forty-eight) hours. After this period, the order is deemed to be accepted by the Supplier in all its terms and conditions.

Article 2 – Price

2.1. Prices specified in orders are net prices; they are complete, firm, not subject to revision, and understood as "Delivered to agreed place" and packed, unless otherwise provided in the order.

2.2. Unless otherwise stated in the order, price is payable at 30 days end of month, on 15th, from invoice issue date, on condition goods are duly delivered or service is accomplished to the agreed dates.

2.3. In case Supplier has specified penalties for late payment and such penalties are binding and applicable, they may, under no circumstances, exceed one and a half times the official rate of interest in force in France.

2.4. Unless contrary public policy provisions, the price stipulated in the order is payable in the currency agreed by the parties and specified in the order.

Article 3 - Supplier's Obligations

3.1. The Supplier commits to fulfill the order, according to the contractual documents, complying with professional standards, regulations, and standards in force. Supplier is held to an obligation of result as for conform and on-time delivery of the goods and the documents necessary for its use and maintenance.

3.2. The Supplier owes a duty of advice to KCM. The Supplier must check all documents he receives, particularly technical specifications, drawings, etc... and give written notice, before delivery, of any errors, inconsistencies and other faults highlighted. The Supplier must also, if appropriate, make any useful proposals that could improve results.

3.3. The Supplier defines under his responsibility all means necessary to fulfill the order in good conditions. The Supplier must carry out all necessary inspections and tests during work and must produce the results of such tests whenever requested to do so by KCM. If KCM imposes certain types of materials, brands or suppliers, the Supplier is responsible for ensuring the conformity of supplies when it accepts them and for issuing in writing any necessary observation or reserve. The Supplier must give KCM written warning of any drawbacks (defects or faults) that might result from the orders received.

3.4. The Supplier shall perform himself services that are incumbent on him. KCM prohibits total subcontracting of the order by the Supplier, which is automatically equivalent to a transfer of order. Besides, the Supplier commits not to subcontract a part of the order to a third party, whatsoever, without KCM's written prior agreement. In all cases, the Supplier remains solely liable with respect to KCM, without any possible reservation, for total or partial non-fulfilment or for poor fulfilment of the order.

3.5. In return, KCM commits to communicate to the Supplier all the information useful for the development and definition of the final goods. KCM also commits to respect the Supplier's recommendations for the use of goods or services subject to the order, on condition this information has been communicated before the order is sent.

Article 4 - Lead times / Delivery / Receipt

4.1. The delivery date specified in the order is one of the main conditions of the order; the Supplier's acceptance is a formal obligation to respect it.

4.2. If the goods or services, or part of them, are not delivered within the lead times specified in the order, or within the delivery prolongation agreed in writing, KCM, without any prior formal notice, will be entitled to:

- Cancel the order and send back to the Supplier, at Supplier's own risks and costs, all goods already delivered which cannot be used in an effective or commercial way, and recover any amount paid by KCM to the Supplier. If KCM chooses to do so, he can demand compensation for any damage resulting from delay. This compensation will be due for payment automatically and without formal notice, equals to 1% of the non-delivered goods price per calendar day of delay, these penalties not exceeding 15% of the net amount of the order. Finally, KCM will be entitled, in particular, to execute or have executed by a third party the remaining works, all risks and costs being supported by the Supplier responsible for the delay.
- To hold the Supplier responsible for all the additional transportation costs necessary to deliver the delayed goods in time at the indicated address.

4.3. Signature on a delivery note merely indicates that goods and their packing appear to be in good condition and, under no circumstances, may be considered as giving the Supplier discharge for goods delivered and/or services performed.

4.4. Packing will be made according to the rules and standards in force. They will have to ensure a sufficient protection for the goods not to be damaged during transportation and storing.

4.5. Final acceptance may only be issued after it has been established that the performance criteria defined in technical specifications, based on the order or contract, have been obtained.

4.6. If acceptance of goods or services is issued subject to reserves, the enclosed acceptance report will include the action plan to be implemented and the planned time frame. If, on expiry of the time frame, the reserves have not been withdrawn, the parties may attempt to come to an amicable solution. If no agreement is reached, KCM may perform, or have performed by a third party, the services required at the Supplier's expense without any further formalities and without prejudice to any damages that may be claimed by KCM, on presentation of the vouchers for this work.

4.7. Subject to application of special provisions of Article 3 hereinabove, KCM must perform acceptance and pay the price in compliance with the conditions and lead-times specified in the order.

Article 5 - Liabilities – Warranties

5.1. Goods and/or services must conform to the specifications agreed upon by the Parties, must be delivered free from defects (either visible, hidden and/or latent) and in good working order. In particular, goods and/or services must achieve the contractual quantitative and qualitative performance within the lead-time given in the order and/or the specifications.

5.2. If any non-conformity is detected, KCM reserves itself the right to demand that Supplier:

- replaces the faulty goods within the timeframe confirmed by the Supplier.
- pays any additional costs and compensates any prejudice suffered by KCM or its customers (for replacing, shipping, scrapping, customs, repairs, labor, production line stop, repair of tools, etc.).

5.3. The Supplier is liable towards KCM and any third parties, particularly in application of the provisions of Articles 1147 and 1641 and seq. of the French Code civil (French Civil code), for any non-performance or faulty performance of the order. Neither the assistance KCM may give to the Supplier in producing goods and/or services provided nor the inspections KCM reserves itself the right to perform may be taken as acceptance of the quality of the Supplier's goods and/or provision of services; the Supplier shall remain solely responsible. Notwithstanding any clause to the contrary having a limiting or waiving effect, the Supplier shall be liable for all direct and indirect losses, prejudice or damage, whether material, moral or bodily, resulting from its responsibility.

5.4. The Supplier commits to take out by creditworthy companies and to keep in force the necessary insurances up to a limit of an amount matching his risks and liabilities in virtue of the common law and of his contractual commitments. The Supplier will have in particular to take a general civil and professional liability insurance, which will cover, for the duration of the Order:

- His professional activity in general.
- His activity on the workplaces in accordance with the missions and works given by the buyer.
- Any damage caused to third parties.

- Damages caused to the goods lent to him by the Buyer, for the duration of the Order.

The Supplier will have to justify, at the first inquiry from KCM, the validity of the insurance policies he will have taken out by providing insurers' proofs with the nature and amount of the granted guarantees. The Supplier will have to provide, once a year, as long as his contractual obligations remain in force, the guarantee renewal proofs until their maturity. In case of non-sufficient contract, KCM will be allowed to require from the Supplier to take out complementary guarantees. It is specified that the sub-limitations and deductibles included in the insurance policies taken out by the Supplier are not opposable to the Buyer. Neither the presentation of the insurance proofs by the Supplier, nor the content of the insurance can limit the Supplier's responsibility.

5.5. In addition, the Supplier grants KCM a guarantee free of charge covering any repair of goods or correction of the services provided to ensure their correct operation and achieve the performance defined in the specifications and/or orders. The Supplier shall pay all costs resulting therefrom, particularly the cost of parts and labor, dismantling and reassembly costs and carriage costs whether incurred by itself, by KCM or a third party. The said guarantee shall be valid for at least one year and, unless the order contains any provision to the contrary, it shall come into force on the date of final acceptance without reserves. Replacement or repair of any faulty component during the warranty period shall mark the start of a new warranty period equivalent to the time for which the component could not be used due to its failure. In case of installation and commissioning of the material at the end customer, by KCM or by the Supplier, the guarantee starting date is set at the acceptance at customer's plant by the KCM personnel.

Article 6 - Transfer of ownership and risks

Unless otherwise specified in the order, goods are supplied "Delivered to agreed place" (INCOTERMS ICC Version 2010). Transfer of risks takes place after unloading onto the agreed dock and shall be notified by signing the Supplier's detailed delivery note. Transfer of ownership shall take place upon full payment of the price by KCM.

Article 7 - Amendments

Any request by either party to amend the technical or commercial terms of an order must be stated in writing. Any amendment made by the Supplier that is not authorized by KCM may result, at the Supplier's expense, in any demolition, correction or repair necessary to bring the performance into compliance with the order, without prejudice to any damages that may result from the effects of the said modification on the final quality of the order and third party services, and on deadlines.

Article 8 - Termination

In respect of dispensatory provisions of Article 4.2 hereinabove, if the Supplier breaches its obligations, and 15 days after official notice to comply sent by recorded delivery letter has failed to remedy the situation (no such notice being required in urgent cases), KCM may, if it sees fit, cancel an order in whole or in part, notwithstanding any damages it may be entitled to claim for direct or indirect prejudice suffered. KCM may, consequently, take any measures it considers appropriate, including issuing new orders to other Suppliers of its choice to have the cancelled order filled.

Article 9 - Industrial and intellectual property – Confidentiality

9.1. KCM retains the ownership and exclusive use of all industrial and/or intellectual property rights that belong to it, and with which the Supplier may have to become acquainted or which said Supplier might have to use in fulfilling its order. Any use of an industrial and/or intellectual property right belonging to KCM by the Supplier is subject to prior written authorization from KCM.

9.2. The Supplier guarantees KCM against any action that might be taken against it by third parties based on industrial and/or intellectual property rights, or any other legal causes, relating to supplies, materials, means and/or products used by the Supplier in its services for KCM, in particular based on patents, designs, models and trademarks. The Supplier is responsible, where applicable, for obtaining from the owners of the aforementioned rights the transfers, grants of licenses or authorizations necessary, and for bearing the cost of royalties, license fees or duties related thereto, or for altering at its expense the services so that they can be freely used by KCM. In the event of a claim by a third party, regardless of whether it is justified, the Supplier shall also reimburse KCM for all of costs that it incurs, including the costs for its defense.

9.3. KCM and the Supplier undertake to keep strictly confidential and not to divulge or allow to be divulged or passed on to anyone whomsoever documents, data, know-how, prototypes, information, tools or software passed on within the frame of the order, or with which they became acquainted during the course of their commercial or contractual relations.

9.4. Unless otherwise specified in the order, the confidentiality obligations provided in the present article will remain in force during the whole time allowed for the execution of the order and for ten (10) years from the end of the Supply guarantee period end, it being stipulated that concerning the data subject to intellectual property rights, the confidentiality obligations will remain in force during the whole time allowed for the execution of the order and during the whole legal protection time linked to the intellectual property rights.

9.5. On its side, KCM commits to respect the same confidentiality obligations concerning the information coming from the Supplier and expressly specified as being confidential.

Article 10 - Governing Law - Jurisdiction

Relations between KCM and its Supplier shall be governed by and construed in accordance with French domestic Law, to the exclusion of any international agreement. All disputes arising between the parties concerning validity, construction, interpretation, or effect of these GPC, or rights and obligations created hereunder shall be settled by jurisdiction of ORLEANS Commercial Court (Loiret, 45, France), even in the event of multiplicity of proceedings or parties, activation of guarantee or summary procedures.