

General Terms and Conditions of Sale

1. – General

The following terms and conditions shall be, except as otherwise expressly set forth herein, the sole terms and conditions governing the sale of goods by the seller of the goods (“Supplier”) to the purchaser of such goods (“Customer”). The identity of Supplier, Customer and the goods being purchased, the quantity of the goods being purchased, delivery information and other material information applicable to the sale of the goods shall be set forth in Customer’s purchase order (the “PO”) delivered to Supplier. These terms and conditions are incorporated into and made a part of each such PO.

2. – Scope of the Agreement

Upon the earlier of Supplier’s written acceptance of the PO or acceptance by Customer of goods furnished by Supplier in response to a PO, the PO, the written acceptance, if any, and these terms and conditions shall be the complete and final agreement (the “Agreement”) between Supplier and Customer with respect to the sale of goods identified in the PO. No preprinted or form language contained in the PO shall be part of the Agreement. Supplier’s acceptance of any PO is expressly made conditional upon Customer’s acceptance of these terms and conditions, and Supplier expressly objects to any additional or different terms and conditions, whether set forth in the PO or otherwise. Supplier will not be deemed to have waived these terms and conditions if it fails to object to provisions contained in Customer’s PO or other forms. Any other documents, catalogues, advertising material, and price lists not expressly included as part of the Agreement as provided above do not form part of the contract between Customer and Supplier. The Agreement, including these terms and conditions, may not be cancelled or changed except in writing signed by both Supplier and Customer.

3. – Purchase Orders

All purchase orders for goods are subject to minimum quantities and extended delivery policy as determined by Supplier from time to time. Pricing is subject to change by Supplier without notice unless otherwise agreed. Customer is not entitled to terminate any PO without Supplier’s written consent. If Supplier consents to any termination requested by Customer, Supplier may condition such consent on the payment by Customer of reasonable termination charges computed by Supplier. Any changes to a PO requested by Customer shall be subject to Supplier’s consent and equitable price adjustment and such other conditions as Supplier may impose. For any PO cancellation, Customer will pay at least the Work In Process concerned goods costs and liquidated damages to be calculated based on the time period between the PO cancellation date compared with the concerned goods delivery date as following :

- twenty per cent (20%) of the concerned goods price if the PO is cancelled more than six (6) months before their delivery date
- forty per cent (40%) of the concerned goods price if the PO is cancelled between six (6) months and three (3) months before their delivery date
- seventy per cent (70%) of the concerned goods price if the PO is cancelled less than three (3) months before their delivery date

4. – Work Preparatory and Accessory to the Order

All plans, descriptions, technical documents or estimates remitted to the other party shall be communicated as loaned material, for the sole purpose of evaluating and discussing the sale of goods by the Supplier to Customer. The Supplier maintains all rights on material and intellectual ownership of all loaned documents and prototypes. These items must be returned to the Supplier upon request and may not be communicated to any third party without the formal consent of the Supplier. Expenses incurred by the Supplier for designing and creating any tool and for perfecting manufacturing may be subject to a financial participation by the Customer. Tools designed by the Supplier and adapted to its methods and equipment shall remain the Supplier’s property and shall stay in its workshops. The Customer’s participation in tooling costs does not entitle Customer to transfer of material or intellectual property rights or know-how, all of which belong to Supplier. The Supplier has the option of destroying the tools in the event that they should remain more than two (2) years without receipt of a new order of sufficient size to justify putting it to use.

5. – Inspection, Acceptance and Rejection

Customer will make adequate inspection of the goods promptly after receipt, and in no event later than thirty (30) days following receipt. Any rejection of goods shall specify the reasons for the rejection. Customer’s failure to properly reject goods within thirty (30) days from Customer’s receipt of such goods shall constitute Customer’s waiver of any nonconformity or defect. Rejected parts must be returned to Supplier for analysis, and when possible will be reworked. Further processing or assembly of unsatisfactory parts, material, etc., by Customer or any other party shall constitute a waiver of any liability on Supplier’s part. Credit will only be processed on non-conforming goods that are returned to the

Supplier in a timely manner. Any claim by Customer relating to shipped quantity has to be made within ten (10) days from delivery thereof. Except for orders of less than 100 pieces, the quantities stated in Supplier’s PO acceptance or acknowledgement are for technical reasons approximate. Only the real quantity manufactured will be invoiced. The usual industry tolerance is more or less ten percent (10%).

6. – Intellectual Property and Confidentiality

All intellectual property rights as well as know-how incorporated into the documents transmitted, the goods delivered and the services performed shall remain the sole property of the Supplier. The parties are bound reciprocally by a general obligation of confidentiality concerning the information (documents on any media whatsoever, reports on discussions, plans, exchanges of computerized data, etc.) exchanged in connection with the preparation and performance of the Agreement.

7. – Delivery and Transportation

Delivery times are mentioned for information only, unless otherwise specified. Notwithstanding any express provision on delivery times, a delay in delivery will not result in payment of damages, nor allow cancellation of the order. All transport, insurance, customs, import/export, handling and preparation operations are under the responsibility and at the expense, risk and peril of the Customer. The cost of transportation and risk of loss shall be borne by Customer and EXW Supplier’s place of business unless otherwise specified.

8. – Warranty; Liability

Supplier warrants that the goods sold to Customer will, at the time of shipment, be free from defects in material or workmanship. Such warranty is limited to twelve (12) months from the date of shipment to Customer. The defects due to a negligence in the handling, storage and installation of the products without compliance with the specifications and instructions of the Supplier and/or with normal usage are excluded from the warranty. The Supplier’s sole liability, and Customer’s sole remedy, with respect to defective or improperly manufactured goods shall be limited to having such goods repaired or replaced, or if the Supplier determines repair or replacement is not reasonably possible, refunding amounts paid for such goods. The Supplier shall not, under any circumstances, be liable for any special, incidental or consequential damages, including, but not limited to, damage or loss of property or equipment, loss of profits or revenue, injury directly or indirectly arising from the installation or use of its parts. **SUPPLIER MAKES NO WARRANTY THAT THE GOODS WILL BE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSES. SUPPLIER MAKES NO WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS SET FORTH IN THESE TERMS AND CONDITIONS.**

9. – Payment

Unless otherwise agreed, payment shall take place on the thirtieth (30th) day following the date of delivery. Early payments are made without discount, unless otherwise agreed. Any delay of payment results, if the Supplier so sees fit, in forfeiture of the contractual term, the total amount of the sums due becoming immediately payable. The Supplier reserves the right, at any time, to claim payment before consignment of the goods and the right to invoice the goods put at the disposal of the Customer, for which the instructions for shipment would have been received.

If payment is not made to Supplier in accordance with the payment terms set forth therein, Supplier may add a five percent (5%) charge to the amount of any unpaid invoice and the Customer shall be liable to the Supplier for all reasonable attorney fees and costs the Supplier incurs to effect collection of any invoice unpaid in whole or in part. In addition, if Customer fails to make any payment in a timely manner, Supplier may suspend all future shipments to Customer until all payments have been made and adequate security for future payments (letter of credit or the like) is provided.

10. – Assignment

Customer may not assign the Agreement to a third party without the written consent of the Supplier. The Agreement may be assigned by Supplier at anytime and following such assignment Supplier shall have no further obligations hereunder.

11. – Force Majeure

Supplier will not be liable for delays in filling any PO or failure in the performance of any of its obligations under the Agreement between Customer and the Supplier caused by accidents, labor disputes or disruptions, strikes, shortages of labor, materials, fuel or power, fires, floods or other acts of God, acts of terrorism or war, acts or omissions of Customer, restrictions imposed by law or any other matter beyond Supplier's control.

12. – Termination

In the event Customer fails to make payments in a timely manner as required by the terms of the PO and the Agreement, and Customer does not bring current all delinquent payments and provide security for future payments to the satisfaction of Supplier, or if Supplier is the subject of a bankruptcy or similar action or becomes insolvent, Supplier may terminate any and all of its obligations to make future shipments and any of its other obligations under the PO and the Agreement.

13. – U.S. Foreign Trade Controls Compliance

Customer understands and agrees that goods sold and any technical data or services provided hereunder may be subject to export and other foreign trade controls restricting resales and/or transfers to other countries and parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States. Any other provision of this Agreement to the contrary notwithstanding, Customer agrees that no goods, technical data or services provided hereunder will be sold, reexported or transmitted except in full compliance with all relevant governmental laws and regulations, including U.S. foreign trade controls requirements. Customer agrees to and does assume all responsibility for obtaining any required licenses related to the export or reexport of the goods, technical data or services, including any licenses for their export from the United States and their import into any other country.

Customer further agrees that it will not export or reexport any of the goods, technical data or services of U.S. origin or containing U.S. content provided hereunder to any country, government, person, entity, organization or end-user subject to U.S. foreign trade restrictions and, in particular, that it will not export or reexport the goods, technical data or services to:

- (i) any country to which such goods, data or services may not be transmitted without prior specific authorization of the Directorate of Defense Trade Controls, U.S. Department of State, pursuant to the International Traffic in Arms Regulations (22 C.F.R. Parts 120 through 130); or
- (ii) any country to which such goods or data may not be transmitted without prior specific authorization of the Bureau of Industry and Security, U.S. Department of Commerce, pursuant to the Export Administration Regulations (15 C.F.R. Parts 730 through 774); or
- (iii) any country, government, person, entity, organization or end-user against which the United States government has imposed any other foreign trade restrictions, including, without limitation, economic sanctions or an economic embargo or the denial of export privileges.

Any violation of this Section, as determined solely by Supplier, shall be deemed a material breach of this Agreement and Supplier may terminate any and all of its obligations under this Agreement.

14. Choice of Jurisdiction

Any dispute with respect to the Agreement shall be resolved in the courts of Los Angeles County, California, which shall solely have jurisdiction, regardless of the place of delivery, even in cases of claims for indemnities or in the case of plurality of defendants, unless the parties agree to arbitration proceedings whose terms shall be agreed by the parties. The Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding those relating to choice or conflicts of law and excluding the United Nations Convention on Contracts for the International Sale of Goods