

'UGIVIS SAS général sales conditions March 1 2009.

Introduction

The AFFIX has updated a guideline regarding practices and quality rules and general professional conditions (available at Paris trade court) that UGIVIS has adapted and perform according his own specifications and services.

1 – General

These General Terms and Conditions governing the supply of mechanical fastenings set out what are common practices in the profession of suppliers of mechanical fastenings and ancillary, accessory and related goods. They are in keeping with the applicable rules of contract law and competition law. They are designed to complement and clarify the common intention of the parties in all points where this has not been clearly expressed. They constitute the legal foundation of all contracts that are entered into by the profession, unless overruled by special terms and conditions agreed by the parties.

These General Terms and Conditions apply to the contractual relationship between a "Supplier" UGIVIS SAS and its "Client".

These General Terms and Conditions are themselves governed by the rules of law that are applicable to sales, inasmuch as the subject-matter involves the supply of standard products. These General Terms and Conditions are governed by the rules of law that are applicable to corporate contracts and where applicable, by the rules of law that are applicable to subcontracting arrangements, inasmuch as the subject-matter involves the production of goods based on particular specifications or the provision of services.

These General Terms and Conditions and any special terms and conditions which are agreed by the parties may be complemented by the Client's terms and conditions applicable to purchases provided that these are expressly accepted by the Supplier and provided that they comply with the applicable rules of contract law and competition law and do not run counter to these General Terms and Conditions.

Any departure from these General Terms and Conditions must be accepted expressly and in writing by the Supplier.

For the purposes of these General Terms and Conditions, the term "in writing" shall refer to any document whether drawn up on paper, electronically or by facsimile.

These General Terms and Conditions shall apply to any contract and to any ad hoc order as well as to individual orders placed under an "open order".

2 – Scope of the contract

The following shall form an integral part of the contract:

- these General Terms and Conditions,
- the special terms and conditions agreed by both parties,
- the order, accepted by any means, such as by issuing an acknowledgement of receipt or by any other method of confirming an order,
- the Supplier's documents which complement these General Terms and Conditions,
- any studies, quotes and technical documents which are exchanged and accepted by the parties prior to the signature of the main contract,
- the delivery note,
- the invoice.

The following shall not be deemed to form an integral part of the contract: any documents, catalogues, advertisements and

rates which are not expressly set out in the special terms and conditions.

3 – Procedure for placing orders

The contract shall only be completed once the Supplier has expressly accepted the order.

Orders may be accepted by any suitable written means.

Once an order is expressly accepted by the Supplier, whether it is a specific or open order, the Client shall be deemed to have accepted the terms extended by the Supplier.

3.1 – Specific orders

A specific or one-off order firmly states the quantities, prices and deadlines.

3.2 – Open orders

Apart from complying with the provisions of article 1174 of the French Civil Code, an open order must meet the following conditions:

- It must be limited in time to an agreed term
- It must set out the characteristics of the product and the price agreed by the parties
- At the time when the open order is placed and accepted, minimum and maximum quantities and lead times must be defined
- The delivery schedule must include a precise definition of the quantities and timescales involved so as to fit in with the scope of the open order

If the Client subsequently alters to the provisional estimates of the open order itself or places orders which involve an upward or downward variation in excess of 20% of the abovementioned estimates, the Supplier shall be entitled to reconsider the consequences of such variations.

In case of a downward variation, the parties shall consult one another in order to find a solution if it looks likely that the variation will alter the balance of the contract to the detriment of the Supplier.

In case of an upward variation, the Supplier shall do everything in its power to meet the Client's request by supplying whatever quantities it is able to supply within a reasonable timescale (to take into account any constraints relating to production, transportation, subcontracting, human resources, financial constraints, etc.).

3.3 - Modification of orders

Any modification of the contract which is requested by the Client must be expressly approved by the Supplier.

3.4 – Cancellation of orders

The placing of an order implies the Client's irrevocable consent to be bound by the terms of the order; the Client cannot therefore subsequently cancel the order unless the Supplier has expressly consented to this beforehand. In such a case, the Client shall compensate the Supplier for any costs which the latter incurred (such as in relation to specific

equipment, design costs, expenditure on manpower and supplies, tooling), and for all the direct and indirect consequences which might result. Moreover any down-payments which have already been made over shall accrue fully to the Supplier.

3.5 - Modifications of the contract – Effects on stocks

The Supplier is likely to build up stocks (of raw materials, tools, half-finished goods and finished goods) based on the Client's stated requirements and in the Client's interest, either pursuant to an express request by the Client, or on the Supplier's own initiative in order to meet the Client's stated provisional requirements.

Any modification, non-performance or suspension of the contract which does not enable the Supplier to dispose of the stocks as initially provided in the contract must therefore be followed by a renegotiation of the initial economic terms so as to compensate the Supplier appropriately.

4 – Preparatory and ancillary work carried out prior to fulfilling the order

4.1 – Blueprints, designs, descriptions

In order to avoid any misunderstanding, UGIVIS will produce and arrange a drawing of the special part required by customer who have to fulfil it for agreement..

Any drawings, blueprints, descriptions, technical documents or quotes which are provided to the other party shall be provided on the basis of a loan for the purpose of assessing and negotiating the Supplier's commercial offer. They should not be used by the other party for any other purposes. The Supplier shall retain full intellectual property rights and material title over the documents which are loaned. These documents must be returned to the Supplier immediately on request.

4.2 – Provision of samples

Any samples or prototypes which are provided to the Client shall be covered by a strict confidentiality obligation. They may only be disclosed to third parties with the Supplier's prior express authorisation.

4.3 – Property of the tools

The Supplier may request that the Client shoulder part of any costs which the Supplier incurs in order to design or create tooling and set up a production line.

Given that the tools are designed by the Supplier and are intended to be adapted to its methods and equipment, they shall remain the Supplier's property and shall remain in its workshops.

The Client's participation in the cost of producing the tools shall only give it a right to use said tools in the Supplier's workshops. It shall not result in any transfer of material title or of any intellectual property rights over the tools, not of any know-how in connection with same.

5 – Characteristics and status of the goods ordered

5.1 – Suitability of the goods for their stated purpose

The goods which are delivered shall comply with the applicable technical regulations and with the technical standards which the Supplier expressly stated that the goods are designed to meet.

The Client shall be responsible for using the goods under normal and foreseeable conditions of use and in accordance with all rules and regulations governing health and safety and

the working environment that must prevail at the place of use as well as the best practices in its profession.

Specifically, the Client shall be responsible for selecting a product which meets its technical requirements and its implementation process where applicable, and for checking with the Supplier whether the product is suited to the planned application.

Save where this is expressly mentioned on the goods itself, the goods shall be deemed to be unsuitable to be placed in direct contact with food or to be used within a potentially explosive atmosphere.

5.2 – The packaging of the goods

The packaging, for which no deposit is charged, will not be retrieved by the Supplier. All packaging shall meet the applicable environmental rules and regulations depending on the stated purpose of the goods. The Client pledges to dispose of the packaging in keeping with the prevailing local environment regulations.

5.3 – Provision of information concerning the goods

The Client pledges to provide all useful information concerning the use of the goods to any person to whom the goods are resold. The Supplier shall ensure that the goods are traceable until they are delivered to the Client.

6. – Intellectual property and confidentiality

6.1 – Intellectual property and know-how inherent in the documents and goods

All intellectual property rights as well as any know-how that is contained in or disclosed by the documents which are disclosed, the goods which are delivered and the services which are provided, shall remain the exclusive property of the Supplier.

Any transfer of intellectual property rights or know-how may only take place under a separate contract signed by the Supplier.

The Supplier alone shall be entitled to dispose of its know-how and of the outcome of its own research and development work.

The Supplier's provision of blueprints or technical documents to the Client shall not result in a transfer of title thereto nor of the rights that are attached thereto. The blueprints or technical documents shall be provided on loan for the Client's use in connection with the goods and must be returned immediately on demand or at the end of the contract.

Any clause of the Client's which provides for an automatic assignment of rights as a result of the mere existence of a commercial relationship between the parties or as a result of placing an order shall be deemed to be null and void.

6.2 – Confidentiality

The parties hereby mutually pledge to abide by a general obligation of confidentiality in connection with any elements which are exchanged between them as part of the preparation and performance of the contract (such as documents whatever the medium on which they are recorded, minutes and reports of discussions held between the parties, blueprints, samples, exchanges of computer data, etc.).

However, the following shall not be covered by a confidentiality obligation:

- any information which was already in the public domain at the time when the contract was signed
- any information which was already lawfully known by the other partner to the contract prior to the signature of the contract and prior to the preparatory work which preceded the signature of the contract.

These provisions shall not impede the Supplier's right to freely use its own know-how and technology developed as part of the performance of the contract unless the parties specifically agree otherwise. Neither shall these provisions prevent the Supplier from freely disposing of patents covering inventions.

Should the parties sign a confidentiality agreement, the latter shall not be valid if drawn up in the sole interest of either one of the parties.

No confidentiality agreement may be signed which provides for or results in the automatic transfer or appropriation of one party's development results or intellectual property rights by the other.

6.3 – Warranty against infringements of intellectual property rights

The Client hereby warrants that at the time of the signature of the contract the content of the blueprints and of the specifications and the conditions governing their implementation do not rely on intellectual property rights or know-how belonging to third parties. The Client hereby warrants that it is free to dispose of them without infringing any contractual or legal obligations.

The Client hereby guarantees the Supplier against the direct or indirect consequences of any civil liability or criminal proceedings which might be brought against the Supplier, such as lawsuits for infringement of intellectual property rights or unfair competition for instance.

7. - Delivery, transportation, verification and acceptance of the goods

7.1 – Delivery lead times

The delivery timescales shall run as of whichever of the following dates occurs latest:

- The date on which the Supplier acknowledges receipt of the order
- The date on which all the Supplier receives all the materials, equipment, tools and instructions which the Client must provide
- The date on which the Client performs its preliminary contractual or legal obligations
- Acceptation of first samples

The lead times that are agreed by the parties are an important element which must be stated in the contract, as must their nature (i.e. whether they constitute a timescale for making the goods available to the Client, a timescale for acceptance of the goods, a delivery deadline, a legal deadline for acceptance of the goods, etc.). The stated lead times shall however only be indicative and may be set aside in the event that circumstances occur which are beyond the Supplier's control.

7.2 – Delivery terms

The goods shall be deemed to have been delivered upon being made available to the Client at the Supplier's plants or warehouses. The risks shall be transferred to the Client upon delivery notwithstanding the Supplier's right to subsequently avail itself of the retention of title clause.

The goods shall be deemed to have been delivered

- pursuant to the issuing of the notification informing the Client that the goods are available for collection
- or, if the contract provides for this, once the goods have been handed to a third party or to a transportation contractor designated by the Client
- or, if the contract provides for this, once the goods have been delivered to the Client's plants or warehouses.

Should the Client have retained a transportation contractor and should the Client be paying the cost of same, the Client shall bear the financial consequences resulting from any direct action brought by the transportation contractor against the Supplier.

7.3 – Transportation, customs clearance and insurance

Unless the parties agree otherwise, the Client shall be in charge of transporting, insuring, clearing through customs, handling and conveying the goods to site at its own expense and risk. It is up to the Client to check any consignments of goods on arrival and to raise any claims against the transportation contractors even if the consignment was sent post-paid.

Should the Supplier dispatch the goods to the Client, they shall be sent carriage forward at the lowest cost, unless the Client expressly requests otherwise, in which case the additional transportation costs shall be billed to the Client.

7.4 – Checking of the goods

The Client must check or commission others to check at its own expense and under its own responsibility that the goods comply with the terms of the order.

7.5 – Acceptance

The Client must legally accept the goods, which is tantamount to acknowledging that they comply with the terms of the contract. By accepting the goods, the Client implicitly acknowledges that they are not tainted by any apparent defects.

7.6 - Claims

Any complains regarding apparent or physical nonconformities of delivered products are to report into a precise self explanatory at least two weeks after delivery date. For a quick action and solution, customers or anyone else have to keep out of audit evidence process fulfilling all facilities required during investigations. In any case, the client may not ship back goods without a previous and formal agreement with the supplier.

7.7 – Handling and storage

The Client must abide by all recommendations and guidelines concerning the storage and maintenance of the goods, such as, but not limited to, the re-packaging of pallets, the discarding of any goods which fall to the ground, or the management of the goods' modification indexes.

8. – Acts of God and force majeure

8.1 – Acts of God

Should an Act of God occur which is beyond the control of the parties and which compromises the balance of the contract to the extent that one party's performance of its obligations under the contract would cause that party undue prejudice, the parties hereby agree to negotiate changes to the contract in good faith. The following events shall be deemed to constitute Acts of God: the level of customs duties levied the exchange rates, or the applicable laws.

8.2 - Force majeure

Neither party to this contract shall be held liable for any delay or failure to perform its obligations under this contract if this delay or failure is directly or indirectly due to circumstances of *force majeure*, this term being interpreted in a wider way than as per France's case law in the matter, to cover such events as:

- natural disasters
- earthquakes, storms, fires, flooding, etc.
- armed conflicts, wars, conflicts, terror attacks
- labour disputes, total or partial strikes affecting the Supplier or the Client
- labour disputes, total or partial strikes affecting the parties' suppliers, service providers, transportation contractors, the postal authorities, public services, etc.
- imperative injunctions issued by the authorities (prohibition on imports, embargo)
- operating accidents, machine breakdowns, explosions

Each party shall notify the other without delay of any occurrence of circumstances of *force majeure* which it becomes aware of and which in its opinion is likely to affect the performance of the contract.

If the duration of the hindrance caused by circumstances of *force majeure* exceeds 10 working days, the parties shall get together within 5 working days of the expiry of this timescale of 10 working days to determine in good faith whether the contract should be pursued or should be rescinded.

9. – The prices quoted for the goods

The prices quoted shall be factory gate prices, net of tax. The prices shall be billed to the Client as per the terms of the contract.

The prices quoted shall cover only the goods and services specified in the Supplier's offer.

Payment must be made in euros unless the parties agree otherwise in the contract.

10. – Payment

10.1 – Payment deadlines

According to the economic law of modernisation (ELM) N°2008-776 dated August, 4 2008 (article L441-6 of trade code regulation in force), the payment deadlines agreed between supplier and client could not exceed 45 days end of the month or in alternative 60 days of invoicing.

In observance with the Article L442-6 (trade regulation in force) which prohibits the abusive termination of commercial relationships, may lead to a condemnation of the author of the abusive termination to substantial damages (euro 2,000,000)

A "termination" Within the meaning of that provision may result from any "official" termination of a given contract, but it may also consist in a de facto termination

- **Asking abusive termination of Relationships not in accordance with legal terms of law.**
- **asking without any reason to delay invoicing**

The payment deadlines are established unless otherwise agreed in 45 days end of month according usual agreements between supplier and client. The two parts could also agree at their convenience a term under this dealines. The law in force will not influence any previous agreement of shorter payment terms.

The Client may not unilaterally alter contractually agreed payment dates under any circumstances and on any grounds, even in case of a dispute.

Early payments shall not give rise to a rebate unless this is expressly agreed by the parties beforehand.

10.2 – Late payment

In accordance with France's law no. 2001-420 of 15 May 2001 and European Directive EC 2000/35 of 29 June 2000, any late payment shall give rise to the accrual of interest for late payment at the most recent refinancing rate quoted by the European Central Bank plus seven points.

Any late settlement of a payment instalment may result, at the Supplier's sole discretion, in all payment terms lapsing and any outstanding moneys becoming payable immediately.

Should the Supplier avail itself of any one or more of these provisions this shall not prevent it from availing itself of the retention of title clause featuring in article 10.6 below.

10.3 – Deterioration of the Client's financial position

Should a financial establishment note that the Client's financial position has deteriorated and should this be demonstrated by a significant delay in payment, or should the Client's financial position differ significantly from the data which was provided initially, the Supplier shall only deliver the goods in return for immediate payment on delivery.

In case of a late payment, the Supplier shall have the right to avail itself of a retention of title clause over any goods and ancillary supplies earmarked for / delivered to the Client

Should the Client sell, transfer, pledge or vest its business assets and goodwill or a significant proportion of its assets and / or equipment, or should the Client's bill of exchange not be returned as accepted within seven days of being sent for payment, the Supplier shall be entitled to proceed with any of the following steps without notice:

- to declare that any terms of payment have lapsed and therefore request immediate payment of any moneys which are still owed to it in any capacity whatsoever
- to suspend delivery of any consignments
- to rescind all pending orders, to appropriate all down-payments, tools and parts which are in its possession, until appropriate compensation has been agreed and paid.

10.4 – Cross-compensation of payments

The Client shall be barred from unlawfully cross-compensating any moneys that are due to it against the moneys that it owes to the Supplier or from invoicing to the Supplier any moneys for which the latter has not expressly acknowledged responsibility.

Any unilateral cross-compensation of moneys by the Client shall be deemed to constitute a payment default and shall be dealt with in accordance with the provisions of article 10.2 above concerning late payment.

The parties shall however be entitled to proceed to cross-compensate moneys owed by either side lawfully or by contractual arrangement.

10.5 – Legal payment guarantee in case of subcontracting

Where the contract between the parties forms part of a chain of corporate contracts as per France's law no. 75-1334 of 31 December 1975, the Client shall have a legal obligation to ensure that its own principal approves the Supplier. The Client

shall also have a legal obligation to ensure that its principal approves the Supplier's terms of payment.

Should the Client's principal not be the end-client, the Client pledges to demand that its principal abide by the formalities stipulated by France's law of 1975.

In accordance with article 3 of France's law of 1975, should the Client fail to present [the Supplier to its principal] or to secure its principal's approval of [the Supplier], the Client shall be barred from invoking the provisions of the contract against the Supplier. This bar shall apply among other things to claims concerning any non-compliance of the goods with the specifications. However, in accordance with the aforementioned article, the Client shall remain bound to perform its contractual obligations towards the subcontractor.

For the purposes of these General Terms and Conditions, France's law of 1975 shall be deemed to be an internationally enforceable set of provisions that are applicable through the Client to any end-clients based abroad.

10.6 – Retention of title clause

The Supplier shall retain full title over the goods covered by the contract until all components of the price thereof, both principal and accessory, have been paid in full. Any failure to pay even a single payment instalment may result in these goods being claimed back by the Supplier. Nevertheless, the Client shall be responsible for all damage which the goods may cause or incur as of the date on which they are delivered.

11 - Liability

11.1 – Definition of the Supplier's liability

The Supplier's liability shall be strictly limited to respecting the specifications set by the Client and accepted by the Supplier.

This is because the Client, acting in its capacity as the "commissioner", shall be deemed to be able, owing to its professional competence in its field of activity and owing to the industrial production resources which it possesses, to accurately define the specifications of the goods in accordance with its own industrial requirements or with those of its clients.

The Supplier shall be responsible for performing the work requested by the Client in keeping with the standards of its profession.

The Supplier shall not be liable for

- faults or defects arising from materials supplied by the Client
- faults or defects arising from a design created by the Client
- faults or defects arising from a design created by the Client any abnormal or unusual use of the goods or any use of same which does not comply with the stated purpose of the goods, with common practice or with the Supplier's guidelines or recommendations
- any loss of traceability of the goods by the Client.

11.2 - Limitations of the Supplier's liability

The Supplier's liability shall be limited to direct tangible damage caused to the Client as a result of a faulty or defective performance of the contract by the Supplier.

The Supplier's civil liability for all causes with the exception of physical injury and the consequences of gross negligence on

its part shall be limited to a sum of money amounting to the sale price of the batch which the defective part formed part of.

The Supplier shall not be responsible for repairing the deleterious consequences of faults committed by the Client or by third parties in connection with the performance of the contract.

The Supplier shall not be liable for damage arising from the Client's use of technical documents, information or data originating from the Client or imposed by the latter.

Under no circumstances shall the Supplier be liable for compensating any indirect or intangible damage such as: loss of production, loss of earnings, loss of opportunity, commercial damage, and loss of revenue.

Should any specific penalties and/or compensation have been agreed by the parties beforehand, these shall be deemed to constitute full and final compensation to the exclusion of any other remedy or compensation.

The Client hereby guarantees the Supplier that it has secured an undertaking from its insurers and from third parties with whom it maintains a contractual relationship not to bring claims against the Supplier or its insurers in excess of the abovementioned limits and exceptions.

12 – Amicable settlement of disputes

The parties hereby pledge to endeavour to settle any disputes which may arise between them amicably prior to resorting to the courts.

Should any dispute of a technical nature arise concerning the Supplier's goods or work, and should the parties be unable to settle this dispute amicably among themselves, whether or not in the presence of their respective insurers, the parties shall activate a "formal amicable expert survey" procedure whereby they shall seek the opinion of an expert who is registered with the law courts and courts of appeal, in accordance with the rule of France's *Commission nationale des ingénieurs diplômés experts* [national commission of expert engineers] (Cnideca).

13 – Applicable law – Settlement of disputes

Should the parties be unable to settle any disputes that arise between them amicably, it is expressly agreed that any dispute which arises in connection with this contract shall be dealt with under French law and shall be submitted to the exclusive jurisdiction of the courts of the place where the Supplier's domicile is located, even in case of an appeal or joint and several defendants.

14 – Annexe

The quality agreement updated and registered by the Affix Is available at bureau des expertises et usage professionnels at Paris trade court.