

## **BONTAZ CENTRE: STANDARD PURCHASING TERMS**

### **Article 1: Purpose and scope**

The standard terms shall apply unless some form of special agreement has been negotiated between the parties.

The standard terms are used in conjunction with a set of contractual documents which govern relationships with the supplier, including Form 0008, Form 0090 and Form F0042 (Requirements for Suppliers).

### **Article 2: Invitation to tender stage**

Invitations to tender are issued by the purchasing department. The department sends the same requirements documentation to the suppliers which it has selected for consultation.

The issue of an invitation to tender to a supplier does not constitute any commitment on the part of Bontaz Centre to negotiate or enter into a contractual relationship with the supplier concerned.

It is assumed that suppliers submitting bids accept these standard purchasing terms.

The existence and content of invitations to tender and bids are strictly confidential.

### **Article 3: Order**

Unless agreed otherwise, the supplier is to acknowledge receipt of the order within 48 hours of receipt of the Purchase Order. The acknowledgement of receipt constitutes acceptance of the order.

It is understood that the supplier agrees with all of the terms and conditions associated with the order if no reply is received within the specified time limit.

### **Article 4: Changes to the order**

Any changes to any of the requirements specified in the order must be negotiated between the parties in all cases and such changes are to be applied within the agreed time limit: this time limit is subject to the approval of our company.

The price will be adjusted to take account of the change made.

### **Article 5: Quality**

The product must fully comply with the requirements specified in the order documents, including drawings, specifications, standards, special requirements and so on.

The supplier is responsible for the quality of the products supplied and for ensuring that the products comply with the requirements of the order.

The fact that material is inspected upon arrival does not release the supplier from the obligation to supply a product which complies with specified requirements and contains no defects or errors.

### **Article 6: Packaging**

All shipments must be suitably packaged, marked and released at the supplier's cost, in accordance with the instructions given by Bontaz Centre.

## Article 7: **Delivery**

The delivery times indicated in orders must always be observed: no additional costs will be accepted. The supplier is to deliver the material by standard methods.

The supplier shall inform us immediately in writing if there is a possibility that delivery will be delayed. In the event that the delivery times specified in the order are exceeded without the agreement of both parties, Bontaz Centre reserves the right to take the action indicated below:

- Require delivery by express delivery at the supplier's expense, without prior notice.
- Reduce or cancel part or all of the order and obtain material from another supplier, without prior notice.

Early deliveries will not be accepted unless they are agreed in advance.

Any excess material delivered will either be stored at the supplier's expense and risk or will be returned to the supplier.

## Article 8: **Methods of delivery**

All goods supplied by the supplier must be delivered to the place indicated on the order. Delivery notes must always accompany goods delivered.

Signatures on Delivery Notes and Consignment Notes merely signify that the packages have arrived, and the supplier remains liable for compliance with the order and for the goods covered by the order.

## Article 9: **Conditions of acceptance**

We reserve the right to give notification, by any of means, if any loss, damage or nonconformity is observed when the products are unpacked or during subsequent inspection.

Bontaz Centre reserves the right to take the action indicated below:

- Cancel all or part of the order, by any means, without accepting any claim for compensation which may be made by the supplier.
- Require the supplier to replace or rectify defective products and/or to supply missing material, at the supplier's expense.

## Article 10: **Liability**

The supplier is liable for the product supplied and for services provided to Bontaz Centre.

The supplier shall hold our company harmless against latent or patent defects and/or any faults in the products supplied, by application of articles 1147 and 1641 of the French Civil Code.

In the event that the products are found to contain a defect of the kind mentioned or any other fault, we may require the supplier to take the following action, without prejudice to the our rights and remedies which are available to us:

- repair or replace the products as rapidly as possible, at the supplier's own expense and at their own risk.
- reimburse all monies paid in connection with these products.
- pay compensation for any consequences which the faults or defects may cause to our customers, to ourselves or to both.

We and our customers shall in all cases be entitled to return faulty or defective products to the supplier, at the supplier's expense, particularly in relation to shipping costs, and at the supplier's risk.

#### **Article 11: Special tools and equipment**

Special tools ordered by Bontaz Centre shall remain the property of Bontaz Centre. These tools shall be marked by the supplier to show the Bontaz Centre name. In the event that Bontaz Centre loans special tools to the supplier for use, such tools shall be employed exclusively for Bontaz Centre's requirements, under the terms stipulated by our company (i.e.: the tools may not be transferred, modified or destroyed without Bontaz Centre's prior permission in writing). Suppliers bear all risk associated with the safekeeping of these tools and shall insure them for their replacement value, maintain them and replace them at their expense.

#### **Article 12: Transfer of ownership and risk**

Unless agreed otherwise by both parties, the goods travel at the shipper's risk. Delivery marks the point at which transfer of property and risk begins, with delivery taking place at the moment the goods arrive within our premises and when then goods have been accepted by functions concerned.

#### **Article 13: Price - Payment**

The order price is the price indicated on the Purchase Order. The price is firm and non-revisable, unless the parties agree otherwise in writing. Payment terms may be negotiated between the parties. Nevertheless, the amount payable will not be settled within less than 90 days from the end of the month in which the goods were delivered or the required service was performed, and shall be by means of recovered bill of exchange or promissory note. Any bank charges applied to payment operations will be divided as follows: 50% for Bontaz Centre's account and 50% payable by the supplier.

#### **Article 14: Insurance**

The supplier undertakes to take out a Third Party Liability Insurance policy [*Assurance Responsabilité Civile Produits après Livraison*] to provide sufficient coverage for the product following delivery. However, such insurance shall not constitute a limit to the supplier's liability, under any circumstances.

#### **Article 15: Supplier's undertakings**

The supplier shall provide Bontaz Centre with full information and advice. The supplier shall advise our company and keep our company informed of any event which could impede the execution of the order or have a negative impact on the products. The supplier shall give our company permission to enter the supplier's premises for marketing purposes, audits and so on. The supplier also undertakes to maintain a safety stock equivalent to fifteen days' production at all times. Bontaz Centre has to be informed of any process modifications ( for example : delocalisation, production plant moving, news machines etc....).

#### **Article 16: Industrial and intellectual property - Confidentiality**

The supplier shall keep documents and data confidential and shall return these items to us as requested. The supplier shall ensure that no information is disclosed in connection with our engineering and design department or external sub-contractors which may be prejudicial to our interests. The supplier shall not allow our orders to be used for any form of direct or indirect promotion under any circumstances, without our prior permission in writing.

In the event that the supplier fails to observe these undertakings, we reserve the right to cancel any current order without compensation and without prejudice to any rights of recourse or other rights available to us.

#### **Article 17: Cancellation**

In the event that the supplier fails to fulfil any of the basic undertakings made by the supplier, for whatever reason, except in the case of force majeure, we reserve the right to cancel all or part of the order without prejudice to any rights of recourse or other rights available to us.

#### **Article 18: Force Majeure**

The following are held to be force majeure or fortuitous events: events beyond the control of the parties, which they could not reasonably be expected to foresee and which they could not reasonably prevent or overcome, inasmuch as their occurrence makes satisfaction of the obligations completely impossible.

The following events are, in particular, considered to be force majeure or fortuitous events: strikes by all or part of our company's personnel or by its customary carriers, fire, flooding, war, production stoppages due to fortuitous breakdowns, the impossibility of obtaining supplies of raw materials, epidemics, road closures due to thawing snow, road blocks, utility company strikes or supply disruptions.

In such circumstances, the contract between the supplier and Bontaz Centre will be suspended as a matter of right without compensation, as from the date of occurrence of the event.

Were the event to last longer than 12 months, which would cause complications for the co-contracting parties, the purchase agreement entered into may be cancelled by the first party to take action without either party being able to claim any damages.

This cancellation shall come into effect on the date of the initial presentation of the registered letter with acknowledgment of receipt announcing the withdrawal from the said purchase agreement.

#### **Article 19: Documentation and manuals**

If requested by the customer, the supplier shall provide full technical documentation relating to the products delivered to enable the quality of the products to be assessed properly and to allow the user to operate and maintain the equipment correctly. This documentation will include drawings, diagrams, servicing instructions, operating instructions, equipment software, safety data sheets and so on.

All documentation is to be in French.

#### **Article 20: Sub-contracting**

The supplier shall not assign the order to a third party or sub-contract the execution of the order without our prior permission in writing.

If such permission is granted, the supplier shall remain liable to this company.

#### **Article 21: Disputes**

All disputes with respect to the implementation of these standard terms of purchase and their interpretation, their performance and all purchasing agreements entered into by our company, or with respect to payment of the price, shall be governed by French law and brought before the commercial court of the place where the head office of our company is located, namely before the Bonneville Commercial Court, whatever the place of the order, delivery, payment and payment method may be, and even in case of introduction of third parties or multiple defendants.

Assignment of jurisdiction is general and applies whether it is a matter of a main claim, an incidental claim, an action on the merits or a summary hearing.

With regard to disputes with third parties, if a third party attempts to take action against our company in connection with the performance of the contract by the supplier or in connection with products or services supplied under the terms of the contract, the supplier shall join us as defendant in the court concerned and pay associated costs.

#### **Article 21: Changes to the supplier's legal status**

The supplier undertakes to inform us within fifteen days of the occurrence of any changes in the composition of the supplier's capital resources, management, legal form or financial structure and of any court ruling applied to the supplier, such as legal redress or the disposal of the company's assets.