



Creil, 23 October 2013

General Terms and Conditions of Purchase (C.T.C.P.) EUREP Industries

1. GENERALITY. – The “Buyer” refers to as EUREP Industries. The “Supply” means the purpose of the Order, notably any fastener, tool, raw materials, and hardware, any equipment with or without assembly or any services or works defined in the Order. The “Supplier” means any legal entity or person undertaking in the frame of an order or contract to supply the defined Supply to the Buyer. The “Order” refers to as the bill of Order and its possible appendices or any contract between the Parties. The Supplier and the Buyer are hereinafter referred to as the “Parties”.

2. APPLICABLE CONDITIONS. – The Order shall include these present CTPC and any document annexed by the Buyer or accepted by the Buyer. Any deviation, comment, reservation to these CTPC shall be contractually binding provided that it has been previously validated in writing by the Parties and shall only apply to the relevant Order. Any other provision included in any documents exchanged prior to the Order date relating to the Supply of the Order shall be null and void and not binding. All Orders shall be written to be binding and valid.

3. ACCEPTANCE OF THE ORDER. – The Order shall automatically be deemed binding and definitive subject to Buyer's prior written acceptance, it being understood that the Supplier shall abide by these present CTPC without any reservations. The beginning of performance of the Order or the delivery shall imply unconditional acceptance of the Order in accordance with the present CTPC. The Supplier gives up taking advantage of his general terms of sale, although they would appear in his acknowledgement of receipt, in its offer or on any other document. The Supplier general terms of sale shall not apply to any Order. The Supplier recognizes that he received from the Buyer all the information necessary for the good performance of the Order. The Order shall be modifiable subject to Buyer's prior written approval and shall be considered to be concluded in the Head office of the Buyer according to the French law.

4. PERFORMANCE OF THE ORDER

4.1 Description of the Supply and modifications. – The scope and specifications of the Order (equipments, fasteners, tooling, hardware, raw materials, associate accessories or services...) relating to the Supply shall be defined in the Order and its appendices duly approved previously in writing by the Buyer. The Buyer shall be entitled to modify for any reason and in any way the Order, even during its performance, and the Supplier shall undertake to accept these modifications and is deemed to accept them without any reservations unless otherwise accepted by the Parties in writing.

4.2 Price. – In case of revision of price, the applicable formula shall be the one specified in the Order and approved by the Buyer; its applicable period shall not exceed the contractual period. In case of adjustable price, the formula shall be provided in the Order and validated by the Buyer; the application of this formula shall not exceed the contractual deadline.

4.3 Conditions of performance. – The Order includes its purpose and all related and accessory work, supply and services directly connected or not with the Order (such as in particular the preparation, approach, studies, documents, insurances, tests, commissioning, information of the Buyer and/or of the end user, guarantees, assistance, training, quality and technical department work, administrative costs), in order to perform perfectly the Order and the Supply ready with all the necessary or useful accessories, specific to its destination and for an optimal use. The Supplier shall take all appropriate measures to ensure the perfect performance of his Order, without interruption and within the stipulated time, Time is of the essence. The Supplier is bound to absolute obligations in the frame of his Order.

The Buyer and his end customer shall be entitled to examine at any time the status of implementation of the Supplier at the Supplier's premises or at his sub-contractors premises, whom shall allow free access to the Buyer, his end customer or representatives to their offices and workshops. This above control, shall not be invoked by the Supplier as a justification of delay in performance the Order and shall not exempt the Supplier from any liability and commitment towards the Buyer in any way. The Supplier shall never be entitled to suspend the delivery of the Supplies, performance of the works or other performance of its contractual obligations in case of dispute or litigation for any reason whatsoever.

The Supplier undertakes to assume towards the Buyer, without limitation, all and any liability, obligations and commitments for his account and the one of his subcontractors and own suppliers born under the Order and present CTPC. The Supplier undertakes to perform all obligations which the Buyer has towards his customer under the prime order, whereas the Buyer shall be entitled to exercise towards the Supplier all the rights which his own customer has towards him. The Supplier shall inform immediately the Buyer of any modifications affecting his legal, administrative and professional status.

In the case of supply whose completion time provided the Supplier is greater than or equal to 4 weeks, Supplier shall inform the Buyer with a coherent and detailed schedule listing the significant stages of implementation within contractual deadlines. Constantly updated, this document shall be done at any time, upon acceptance of the Order. The Buyer shall be entitled to delay the start of execution of the Order, to suspend, cancel or postpone the delivery date without compensation, particularly because of the requirements and risks of his final customer.

4.4 Deadline. – Time is of the essence and the Supplier shall therefore be committed to an absolute obligation and shall take any measures to respect these deadlines. The Supplier can anticipate a delivery only following Buyer's previous agreement in writing. In case the completion time of the Supply exceed or is equal to 4 weeks, Supplier shall inform Buyer with a coherent and detailed schedule listing the significant stages of performance of the Supply within the contractual time schedule. Constantly updated, this document is due at any moment, upon acceptance of the Order. Buyer shall be allowed (particularly due to his final client's requirements and risks) to delay the start of execution of the Order, to suspend it, cancel it or postpone the delivery date without suffering compensation or damages of any kind. If delivery delays are predictable, or not preventable, and in all cases of delay of the contractual schedule, the Supplier shall notify the Purchaser within 24 hours from the occurrence of such delay and take all necessary steps to remedy the situation. Otherwise, the Buyer may enforce the order by another supplier at Supplier's entire expense or inform the Supplier of its decision to terminate or not the Order without any compensation whatsoever of any nature. In case of delay for which the Supplier wishes to invoke force majeure, the Supplier shall notify the Buyer in writing within 48 hours upon occurrence of the event, otherwise this action will be barred under penalty of foreclosure. In this case, the duration may be modified according to the Parties' prior written agreement and subject to acceptance and recognition by the Buyer of the said force majeure event. In case of exceeding the contractual period or in case of total or partial breach of the Order, the Buyer shall be entitled to either (1) reject all or part of the supply without the Supplier being entitled to any compensation or (2) require its shipment by the fastest means of transport subject to deduction of such costs upon Supplier's payment, or (3) to enforce the performance of the order by a third party at Supplier's sole and entire costs and risks. The penalty for delay shall not preclude Buyer's right of refusal stated above in § (1).

4.5 Penalties. – Non-compliance by Supplier of contractual deadlines shall cause, ex officio, the application of penalties against him. The Supplier is given notice only given and upon expiry of contractual deadline, without further formality. The delay is calculated by a simple comparison of the dates specified in the Order and the actual delivery date, starting from the first day of delay. Even in case of partial performance of the obligation, the penalty shall be totally due. Unless otherwise provided in the Order, the penalties shall be 1% of the Order price without taxes by day of delay, a week started being due in full, and amounting to at least € 200,000 in respect of repair of Buyer's disruptions notably in the management of administrative costs. The application of penalties is independent and shall not prevent Buyers to require payment of any and all other direct or indirect damages resulting from delay attributable to Supplier, such as penalties or other financial consequences applied to the Buyer by his own client.

4.6 Inspections and recips. – Any Supply ordered shall be subject to one or more inspections or revenue workshop and in any other premises, during and/or after manufacture, by the Buyer or his authorized representative and / or a representative of his client. Failing any express agreement between the Parties, which could only relate to very specific testing, these actions shall not imply additional compensation from Supplier, whom take at his costs all means of control and testing, given that it shall not in any way release the Supplier from his liability for any breach, failure, error or non-compliance that were not detected or reported during these operations.

4.7 Delivery. – Shipments shall comply with the provisions of the Order and shall be at the Supplier's costs and risks to the address specified by Buyer. The possible support of the cost of transport by Buyer shall not imply the transfer of risks to him. Supplier shall submit documents such as: packing slip in at least two copies (at least 1 shall accompany the Supply, the second shall be attached to the invoice, packing list, ...). All deliveries shall be accompanied by a packing slip indicating: the date of shipment, the number and references of the Order, the nature, quantity, the net and gross weight, the type of packaging of the Supplies, and the complete destination. The Supplier shall not be deemed delivered in accordance with this article as long as all the above documents and any other documents specified in the Order and/or necessary have not been delivered to Buyer. The Supplier shall be deemed delivered following the signature by the Buyer of the packing slip without any reservations. The acceptance by Buyer of the Supply shall not imply compliance with all requirements of the Order and with rules of the trade. By express agreement, any Supply rejected by Buyer shall be, at Buyer's choice, either (1) taken back by the Supplier within 5 days of the notice given by Buyer at Supplier's costs and risks; or (2) be immediately returned by Buyer at Supplier's costs and risks. In the case of delivery ex works, the Supply shall be loaded and locked to vehicle or on any other means of transportation and, concerning hardware; it shall be prepared and protected against any alteration during transport. Supplier shall be liable for ensuring that Supplies are prepared & protected against any alteration during transportation.

4.8 Final acceptance. – Delivery on site – According to the case, the Supply and his possible related services shall be subject to a written procedure at the place specified in the Order. The “Acceptance” shall always be performed by the Buyer and in writing and shall take place following entire performance of Supplier's obligations, at the place of destination of the Order, and/or when all requirements regarding the Acceptance's proceeding will be fulfilled. The Acceptance of Supplies shall be effective subject to the fulfillment of the following cumulative conditions: Acceptance shall be (i) total/global/final/definitive and not partial (ii) definitive (iii) without reservations (iv) validated in writing by Buyer following validation by Buyer of all reservations. Every partial Acceptance shall be validated by Buyer previously and in writing; No partial Acceptance shall be allowed. The possible reservations shall be repaired by Supplier as soon as possible so as not to cause damages to Buyer. The delivery of Supplies and acknowledgement of receipt of the Supplies shall not entail or imply Acceptance such as is defined here above nor shall it imply the validation of the reservations. The final Acceptance will generate the payment, transfer of risks and starting of the warranty of the Supply.

4.9 Data, documentation, drawings, notices. – Except if otherwise provided for, Supplier shall supply to Buyer a minimum of 2 copies of all plans, maintenance handbooks, user manual and data of safety & security necessary for the study, assembly, good performance and conformity of the Supply and its related accessories, devices and/or equipments. In case of failure to supply these above mentioned data and documentations, Buyer shall be allowed, without notification or any formalism, to suspend payments.

5. COMPLIANCE WITH REGULATIONS. – Supplier undertakes to abide by any regulation, standards, laws in force including those relating to the aircraft business whether they are local or international.

6. WARRANTY. – The warranty period shall run from the date on which Buyer receives the Supply duly validated by he Buyer and without reservations. Notwithstanding legal warranties and except if otherwise stated in the Order, Supplier guarantees the Supplies in the same terms and conditions which link Buyer to his own client and Supplier will also be responsible for all the other guarantees between Buyer and his own clients. The duration of the warranty shall, in any case, be less than 24 months from the acceptance date of the work or Supplies by the end customer of the Buyer. This warranty should in no case be an obstacle to the guarantees of common law, notably where hidden defects are concerned. During this period of warranty, the constitutive elements of the Supply or the raw materials where prejudicial defects could be identified shall be repaired, modified or replaced at no charge by Supplier and within the shortest delay fixed by Buyer. All transport costs related to these works and efforts shall be borne by the Supplier. If the importance and type of these recorded defects present a systematic threat, the dispositions above shall apply to all Supplies and Supplier shall be responsible for all consequences incurred by Buyer. This warranty includes the obligation for the Supplier to intervene at the request of Buyer, at his own expense and without delay, at the place of final delivery in order to remedy these mistakes/disorders and all consequences arising from them. In case of any doubt, Supplier, presumed liable, shall primarily address the disorders and establish evidences which can exonerate his liability. The substituted or modified Supplies shall be subject to a new warranty time-limit of the same duration. In case of the failure of Supplier, Buyer shall be entitled, 8 days after notifications to proceed remaining fully or partly without effect, proceed himself to the works or entrust the works to any third party of his choice at Supplier sole costs.

7. TRANSFER OF OWNERSHIP AND RISKS. – The transfer of ownership shall be effective on the date of partial delivery of the Supply to the Purchaser and the transfer of risks shall be effective from the Supply final acceptance without reservations date, duly recorded by the Buyer. No reservation of ownership by the Supplier shall be valid.

8. INVOICING – PAYMENT. – Except if otherwise expressly stated by the Parties, each Order shall have its own invoice. This invoice shall be sent in a single copy at the place indicated on the purchase order/order form. The Order shall contain all references stated on a head of the order form (notably the Order number) and shall gather the information stated on packing slip and on the Order. The invoice shall comply with the formality imposed by article L 441-3 of the French Commercial Code or any other international rules. Failure to comply with this provision implies the return of the invoice to Supplier. The issuance of the invoice and its payment shall take place right after validation by the Supplier of the following conditions: (i) full performance of the Order, (ii) Written Acceptance by Buyer of the entire Supply without any reservations; (iii) recognition by Buyer that the invoice is “for payment”. Unless otherwise specified by Buyer in the Order, payment shall be made within 45 days from the end of the month following the date of issue of the invoice recognized “for payment”. In case of late payment, Buyer shall pay a late payment penalty which interest rate will be equal to three (3) times the applicable legal interest rate. However, in case of occurrence of any interprofessional agreement applicable to Buyer for fixing a period of payment exceeding 45 days, this new payment period shall be applicable starting from its entry into force. A retention 5% of the Order shall be made by the Buyer on the progress of deliveries. This amount deducted by he Buyer shall be released at the end of the warranty period defined in Article 6 here above.

9. UNICITY OF THE CONTRACT. – In case of failure by Supplier to perform his obligations hereof, Buyer shall be entitled to consider all of his debts and receivables as a single contractual commitment. Accordingly, Buyer shall be allowed by rights to compensate Supplier's debts & penalties directly by deducting them from payments. It is Supplier's absolute right.

10. LIABILITY - INSURANCE. – The Supplier undertakes to assume, within the frame of the Order, all risks of any nature and all costs related to the Supply until its acceptance without reservations by the Buyer. The Supplier shall take all sufficient and relevant insurances to cover the above-mentioned risk and his civil liability and shall, at any time, prove the existence of these insurances following the Buyer's a simple request. The failure to justify their existence shall enable the Buyer to defer, suspend or stop the payment of the presented invoices and/or to terminate the Order without any compensations or allowances.

11. CONCEALED/HIDDEN WORK. – Supplier shall undertake to respect and abide by all local national and international regulations and laws regarding labor law and protection of the employees and that shall be liable in case of any breach of such rules and principles.

12. TERMINATION. – The Order can be totally or partially terminated by Buyer especially in case of breach or negligence of Supplier's obligations. In such case, the Order shall be liquidated, following completion of the Supply, which shall be performed depending on Buyer's choice, whether by the Supplier himself or by another supplier appointed by Buyer at Supplier's costs and risks; it is understood that Buyer shall additionally be entitled to the payment of penalties by the Supplier and of contractual and legal damages and any other additional costs suffered by the Buyer resulting notably from the completion of the Supply by another supplier and resulting from this termination for fault. The Order may also be terminated at the convenience of Buyer without breach of the Supplier's obligations. In this case, the termination shall take into account the progress of the Supply at the date of termination. It is understood that any supply duly delivered and accepted without reservations by Buyer shall be paid to Supplier, after deduction of previous payments. No other compensation shall be paid to Supplier unless prior written agreement between the Parties. The Order shall also be terminated by the Buyer in the event of Force Majeure. Lack of staff, temporary work interruptions, weather, strikes, etc... shall be considered as normal hazards that the Supplier shall entirely assume. The Buyer shall be entitled to terminate the Order if the Force Majeure event last for more than 30 days, without any compensation for the Supplier or without any claim of any kind.

13. MANAGEMENT OF QUALITY, PREVENTION AND ENVIRONMENT.

Supplier undertakes to abide by and meet all national and international requirements of quality management, prevention and environment, according to ISO standards and any other particular requirements defined in the Order and which are specific to the aircraft industry. Supplier undertakes to accept any visit or intervention of the Buyer in his premises and to answer to any audit led by the QPE (Quality, Prevention, and Environment) department of the Buyer.

14. INTELLECTUAL PROPERTY RIGHTS. – Supplier shall defend Buyer against any actions brought by the owners of patents, licenses, brands and other rights of intellectual property (“IP rights”) and shall be liable of any direct and indirect damages suffered by Buyer resulting from infringement on such IP rights. The Order implies the transfer of these IP rights to the benefit of Buyer, notably if his own final customer requires such IP rights. Any right of reproduction or advertising of the plans, models, and documents of Supplier's Supply shall be granted to Buyer in particular if his end customer requires them. Supplier shall not use the data received from Buyer, including plans, drawings, and technical documents, computer files provided by Buyer or any Buyer's property to achieve directly or indirectly other works. Buyer shall be entitled to use the documents, models, data, etc of the Supplier for the needs of the performance of the Order and for the supply of spare parts, which the Supplier undertakes to supply as long as the end customer of the Buyer requires them.

15. NON DISCLOSURE. – Supplier shall abide by and comply with professional secrecy in all his relations with Buyer. As all the information communicated by Buyer are confidential, the Supplier shall take all measures so that (this list shall not be restrictive) the specifications, formulae, drawings, commercial plans, conditions relative to the Order shall not be communicated, nor revealed to a third party by himself, or by his employees, suppliers or subcontractors.

16. APPLICABLE LAW – SETTLEMENT OF DISPUTES. – The Order is governed by the French Law, which applies for all Orders. Any dispute shall be settled amicably by the Parties. In case of failure to reach an amicable agreement, the dispute shall be settled by the relevant jurisdiction of Creil (60 100 France). Supplier can however be called by the Buyer before any court or institution of arbitration for any case in which the Buyer is involved and which involves the Supply.

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