

General Sales Conditions

Definitions: The Supplier hereinafter referred to as "AFS" and the customer, hereinafter referred to as the "Customer". The "Product" shall refer to the part(s) covered under the sale, manufactured according to the Customer's specifications.

1 - Offer, Purchase order and acceptance

The Customer's call for tender or order must include technical specifications which lay down the specifications designed to fully define all aspects of the Products to be manufactured, as well as the type and terms and conditions of inspections, controls and trials required for acceptance of delivery of such Products. Calls for tender, orders and technical specifications must be drawn up in writing and mention the legal or commercial entity of the customer

A supply offer may not be deemed firm unless it includes a date of validity. The same applies to all cases where the Customer makes changes to the technical specifications or the model parts which the Customer may potentially provide to AFS. The Purchase order reflects the agreement of the customer by irrevocable way. The contract will be definitely conclude after the express acceptance of the customer's purchase order by AFS. The commitments decided by the agents or representatives of AFS are made valid after its express confirmation only. The purchase order's acceptance commits AFS for their services and conditions defined in their quotes only. **The purchase order acceptance has to occur by written way.** It is expressly stipulated that any contrary clause included in the customer's purchase order will not be possible to be opposed to AFS, unless return written agreement by this one.

2 - Preparatory documents related to the order

AFS retains all intellectual/industrial property rights and know how related to all documents loaned. These documents must be returned to AFS upon first demand.

3 - Preservation of Tooling

Tooling - whether or not designed and/or manufactured by AFS remains its sole property. Except in the case of a written agreement transferring intellectual/industrial property rights or know how to the Customer in exchange for consideration, the Customer's participation in the expenses to design and manufacture the tooling shall only give the Customer the right to use this tooling in the AFS workshops. AFS has the right to destroy or to send back the tooling at the Customer's expense in the event AFS remains for more than two years without receiving a new order for a quantity sufficient to justify implementation. The costs of replacement, repair or refurbishment due to wear and tear shall be at the Customer's expense.

The Customer agrees to contract an insurance policy covering all damage caused to tooling it owns when stored on AFS premises.

4 - Intellectual Property and confidentiality

Intellectual/industrial property rights inherent in the documents provided, manufacturing processes, methods, inventions, tooling, as well as know how acquired prior to or during the manufacturing process by AFS shall remain the exclusive property of AFS. These rights may only be transferred to the Customer on the condition a written agreement is signed which includes financial consideration. Each Party shall guarantee and hold harmless the other Party against any claims from a third party relating to intellectual/industrial property rights to the extent the Party providing such guarantee holds or claims to hold the intellectual/industrial property rights to the Products or items concerned.

The Parties hereby agree on a reciprocal basis to a general obligation of confidentiality covering all items exchanged in connection with the preparation and the execution of the order.

5 - Delivery, transport, verification and acceptance of delivery of the Products

Delivery times are mentioned on AFS's order acknowledgments of receipt. They just represent an approximate information of the shipment date of the goods. The postponements will in no case involve any deduction or indemnity, nor lead to the purchase order cancellation, or to the reject of the goods.. Delivery shall be deemed to have been performed when the merchandise is handed over to the Customer. The risks shall be transferred to the Customer once delivery has been performed, without prejudice of AFS's right to claim for the benefit of the property reserve clause or its retention's right.

The Customer is under the obligation to accept delivery of the Products on a legal basis, by way of which the Customer acknowledges that the Products are in compliance with the order. Any dispute related to apparent defects must be notified within ten days as of delivery. Acceptance of delivery shall be valid as acknowledgement that there are no apparent defects.

A delay in delivery shall not give rise to penalties or damages and interest.

6 - Force majeure

If a *force majeure* event making it impossible to proceed with the order occurs, AFS will be able at convenience to suspend, postpone or cancel the order. AFS will not be responsible of its delay or failure.

By express convention are namely considered as relating to *the ForceMajeure* unexpected events as the production stopping, labor-raw material and equipment shortage, the non supply in due time of the material and parts ordered from our suppliers..

7 - Price and Payment

Prices are set on a pre-VAT, "ex-works" basis. They may be revised in order to take into account changes in the prices of raw materials which may occur between the date of the offer and the date of the delivery. Prices shall be invoiced according to the conditions set in the order. The price corresponds exclusively to those Products and services specified in the offer. Payments shall be made in the currency specified on the invoice.

Unless an express, special agreement provides otherwise, payments shall be made on the **30th day after the issue date of the invoice**, event if the issue date is before the 25th of the month. Payment dates agreed to contractually may not be unilaterally challenged by the Customer, including in the event of a dispute. Advance payment shall be made, without discounting, unless expressly agreed otherwise.

All late payments shall give rise to a payment penalty equaling to three (3) times the legal applicable rate. The delay penalties are due without any reminder sending. If AFS deems fit, any late payment of an invoice shall render immediately payable all invoices that were not yet due. Late payment of a single invoice may lead to all new deliveries being stopped.

The whole goods will indeed become the customer property only when they will have been completely and integrally paid, being understood main supply and accessories. Until this date, AFS keeps the full property of their goods which remains nontransferable by the customer and without getting hold by the creditors of this later.

The lack of payment of any invoice at the due date may lead to the goods reclaiming at the buyer's expenses and risks. The return of goods further to the customer payment's failure does not involve the AFS's right to claim for all the costs and charges due to the impossible goods resale or their depreciation. The fact to AFS to prevail one/or some clauses, does not prevent them to apply the property reserve clause.

8 - Change in the Customer's situation

In the event the Customer sells, transfers, pledges or contributes its business to a company or a significant portion of its assets or its equipment, in the event a bank draft is not returned thirty days prior to the maturity date or in the event of a deterioration of the Customer's financial position and/or its failure to communicate financial statements, AFS hereby reserves the right without prior, formal notice to:

- terminate the contract in advance and require immediate payment of all outstanding amounts due,
- suspend all shipments,
- officially acknowledge on the one hand, termination of all current orders and on the other hand, retain the amount of all down payments received, tooling and parts in its possession until potential compensation has been set.

9 - Legal obligation to guarantee payment in the event of sub-contracting

When this Contract is part of a chain of works contracts (*contrats d'entreprise*), the Customer has the legal obligation to have this Contract accepted and AFS' payment conditions approved by its own principal.

10 - Sales warranty and liability

AFS hereby guarantees that the Products delivered to the Customer shall be:

- (a) in compliance with the Customer's technical specifications and quality instructions;
 - (b) free of all manufacturing defects of any origin whatsoever; affecting manufacturing processes or resulting from lack of compliance with the order.
- AFS guarantees that the Products delivered will only include new materials and articles, recently manufactured and good average quality. AFS in no event guarantees that the Products delivered match a specific application. The warranty period under standard storage conditions is 6 (six) months as of the date the Products are delivered to the Customer. AFS does not provide any warranties other than those set forth herein.

The Customer is responsible for implementing the Product under normal, expected conditions of use, as well as in line with the trade practices in its sector of business. In the event of a flaw or defect, the Customer agrees to give notice thereof in writing during the relevant warranty period. No returns of Products are authorized without having first obtained a return number [Return Material Authorization (RMA)] provided by the Quality Department. AFS has sole authority to judge whether or not it is necessary to return the Product after a Customer has declared a disorder. If the RMA is not obtained, any Products returned will be sent back to the Customer at the Customer's own expense.

AFS' warranty is limited to:

- (a) repair or replacement of (not including the costs to uninstall and install) the Products that are not in compliance with the specifications or are defective; or
- (b) repayment of the part of the purchase price corresponding to the Products that are not in compliance or are defective;

Administrative expenses related to costs to process compliance failures declared by the Customer shall not be borne by AFS.

Liability

AFS shall in no event be held liable for loss or damage resulting totally or partially from the Customer's negligence or any incorrect intervention/installation, abuse, incorrect use of any Product by any other person than AFS. The same is true for any defect caused by a *force majeure* event and making it impossible to use the Products affected for their intended use. Each Party shall only be liable for direct damages and losses covered under the guarantee. In no event may either Party be held liable towards the other Party for consequential damages or losses (including, *inter alia*, operating losses, loss of clientele, suspension of business activities, etc.).

The Customer agrees to keep a traceability record for the Products delivered by AFS used in its production or assembly chains, those of its sub-contactors or its customers.

11 - Hygiene, Environment, Safety

Each Party hereby agrees to apply the legal and regulatory provisions in force applicable to Health, Safety, Hygiene and the Protection of the Environment.

The Customer agrees to comply with the provisions contained in Recommendation 182 of the International Labour Organization.

12 - Import - Export Regulations

Certain Products are subject to foreign, European or national regulations applicable to import and export. Unless otherwise agreed, AFS agrees to take the measures necessary to obtain the required export documents. The Customer agrees to supply AFS with all documents requested by the competent authorities. AFS may not be held liable in the event an export license is not granted or is subsequently withdrawn.

The Customer agrees not to export the Products delivered by AFS to a country which is on the list of countries placed under embargo by the American and/or European authorities.

13 - Jurisdiction

If the Parties fail to reach an amicable settlement, the Court having jurisdiction over the location of AFS' legal entity which accepted the order per this contract shall have exclusive jurisdiction to hear all disputes which may arise in connection with this contract. French law shall apply.

14 - Validity of the present general conditions of sale

The Customer is deemed to be a well-informed business professional who is familiar with these General Conditions. These present general conditions cancel and substitute contrary previous documents or conditions.

Unless expressly agreed otherwise between the Parties, All the sales are exclusively governed by the these whole general conditions of sale with express exclusion of Customer's general conditions of Purchase and more generally all other provisions non compatible in whole or in part directly or indirectly being represented in its own documents however they may be.

All drawings, descriptions, details on weight and size given with our offers, as well as the illustrations contained in our catalogues or any other information given with advertising are not contractually binding.

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