

MTS General Conditions of Purchase

I. Preamble

This order constitutes a purchase agreement and the supplier's acceptance of this vouches for the acceptance *ipso jure* of the specific conditions stated on the said order as well as the General Conditions of Purchase. These General Conditions of Purchase prevail over any general or specific conditions of sale of the supplier not accepted in writing by MTS. Any dispensation or modification to these conditions are subject to MTS' agreement in writing.

I. Acknowledgement of receipt of order

By way of an essential obligation, the supplier undertakes to return the said acknowledgement of receipt, signed, within 8 days of the date shown on the order. Beyond this period, the terms of the order shall be deemed as accepted by the supplier.

II. Advanced delivery and extra quantities

With regard to deliveries made earlier than scheduled, the purchaser reserves the right to return the goods to the vendor at its expense or to withhold payment until the applicable binding date. The purchaser reserves the right to return extra quantities not ordered to the vendor at its expense, the value of the goods would then be directly withheld from the payments.

III. Price and Price Conditions

The prices shown on the order are duty-free with exception of the VAT, binding and not revisable for a supply including packaging, packed, delivered in compliance with the incoterm stated on the order.

IV. Delays in delivery

The delivery dates accepted by our suppliers must be stringently adhered to. In the event of a delay relating to partial or total deliveries, we reserve the right, without notice or indemnity, to reduce or cancel the orders not executed within the agreed delivery times and to refuse the delivery of them. The purchaser reserves the right to procure the goods covered by the order from any other supplier, at the expense of the defaulting supplier, subject to any other right and damages.

V. Intellectual and material property

The drawings, sketches, patterns, specifications, specific documents, production tooling, inspection tooling and various means made issued or paid to the supplier are and remain the exclusive property of MTS, may only be used exclusively for the production of MTS orders and must be made available upon simple notice of one (1) working day. They must neither be destroyed, altered or passed on to third parties, nor used or reproduced for another execution without our written agreement. The supplier shall be considered as keeper of the above elements and shall insure the liability from any damage, theft, disappearance or partial or total destruction likely to be incurred by the said elements. The supplier shall take out any insurance policies likely to cover them for this purpose. The said elements shall be returned in good working order upon simple request from our company.

VI. Confidentiality

The supplier is under the obligation of keeping the information supplied to it secret. It undertakes to make all provisions to prevent information received for the execution of an order from being revealed. The drawings, sketches, patterns, specifications, specific documents, production tooling, inspection tooling and the various means forwarded to the supplier, or for which it has had knowledge, are and remain the exclusive property of MTS.

VII. Acceptance and inspection of products

The products supplied are subject to acceptance by MTS. Acceptance by MTS is not final before quantity and quality inspections have been performed by our quality department, or our technical departments for services, if required. Unless otherwise specified on the order, the refusal of products supplied shall be notified by MTS to the supplier within a period of 60 working days from the delivery. The refusal of a delivery or enforcement of the warranty clause may take place at any time, even in the absence of reservations from MTS on taking over packages. Any product not in compliance shall be returned at the expense and risk of the supplier. Any delivery not accompanied by the documents stipulated on the order and the corresponding delivery note can be refused by MTS and be subject to a return of the products at the expense and risk of the supplier. In the event of a return of products for a non-compliance, MTS reserves the right, either to request the replacement or reworking of the said products under the initial conditions of the order or to deduct the justified prices from the payments due to the suppliers, caused by obtaining the contractual compliance for instance, as a non-exhaustive example : costs for identification and marking, carriage, reworking in our works. In the case where our company was in the obligation to obtain procurements from another source for all or part of the order, the defaulting supplier shall, *ipso jure*, bear the difference of the cost ascertained between the new order and the initial order from the defaulting supplier.

VIII. Quality and Monitoring

The supplier is responsible for the quality of the supplies and services and sets up a quality control and management system adapted to the criteria laid down in the technical documents. With regard to the parts or raw materials, the supplier must become familiar with the « MTS supplier quality assurance » document which is issued to it by MTS before any first order and conform to this. In the event of an obligation to supply initial samples or master parts, the order is placed subject to them being accepted by MTS.

We reserve the possibility of delegating a representative to monitor the execution of our order in the workshops of the supplier or its sub-contractors where free access during working hours and all facilities shall be provided in order for it to fulfil its assignment.

IX. Documents accompanying deliveries

The supplier is under the obligation of enclosing with the dispatch, a legible and accessible detailed delivery note, resuming, in addition, the packing list and the type of packing, the indications shown on our order as well as the order number to allow for identification and a quantity check.

X. Responsibility and Warranty

The supplier maintains the responsibility of the correct performance of this order and all the consequences likely to result from this under the conditions of the common law. The acceptance of samples or master parts, the payment of invoices by the purchaser, do not alter this responsibility under any circumstance. MTS may avail of this responsibility even if non-compliances or defects went unnoticed during its inspections and were only revealed at the time of commissioning or use of the supplies. The same applies in the absence of inspection by MTS, when the responsibility of the inspections was entrusted to the supplier within the scope of the Quality Assurance. As a consequence, the supplier shall reimburse the supplies not in compliance or defective, as well as the return or sorting costs, if any. Furthermore, the supplier shall indemnify MTS for any bodily injury, material or consequential damage which would be the consequence of defects or non-compliances. For this purpose, the supplier shall be insured as a consequence. The supplier guarantees MTS against any claims which could be filed wherever by third parties, relating to the supplies, based on patents, licences, trademarks or models.

Unless otherwise stipulated in the order or under agreement, the warranty relating to machined parts, machines and installations starts to run from the day of the delivery and terminates twelve (12) months following the commissioning of the equipment. The warranty relating to raw materials and semi-finished products runs from the day of delivery without a time limitation. In the event of the warranty entering into force, the supplier undertakes to replace the defective goods or the equipment without delay and to indemnify MTS for any direct or indirect prejudice it may have incurred due to the defects. In the event of failure from the supplier, MTS reserves the right to have repairs made at the expense of the supplier. In the event of replacement of parts or equipment, the parts or equipment replaced shall be guaranteed for a new period of twelve (12) months running from the day they are installed. The replacement of the defective equipment or goods shall be substituted by the reimbursement of the price, if MTS requests as such.

XI. Invoices and Terms of payment

The invoices must be sent to the address of the company issuing the order, for the attention of the "Supplier Accounts" in duplicate, at the same time as the supply and include our order number, references and number of the supplier's delivery note as this information is vital to enable us to identify and check them. We reserve the possibility of returning any invoice which did not feature these indications. Any dispute over the prices invoiced, the supplies delivered (quantity and quality) or the services made, may be subject to a debit note, the amount of which shall be deducted from subsequent payments or which shall be reimbursed depending on the decision from MTS. Any specific wording on the invoice contrary to the binding provisions of the order and these general conditions shall be null and void.

The payments shall be made by MTS in compliance with the stipulations shown in the "TERMS OF PAYMENT" chapter of the order. Unless otherwise specified and expressly accepted by MTS, no payment may take place if :

- The acknowledgement of receipt of order has not been returned by the supplier
- The delivery has not been made in conforming conditions, including the documentation and certificates relating to the equipment

XII. Labour legislation

The supplier declares being in compliance in terms of labour legislation and more particularly with regard to the provisions relating to illegal work.

XIII. Jurisdiction – applicable law

Any disputes likely to arise from the execution of this order shall be of the sole competence of the Commercial Court of Saint -Étienne deciding according to French law, even in the case of impleader or plurality of defendants.

If the supplier is foreign, all the disputes resulting from the order shall be settled on a final basis in accordance with the conciliation and arbitration regulations of the International Chamber of Commerce, by one or more arbitrators appointed in compliance with these regulations. The French law shall be applicable and the arbitration shall take place in Paris.