



## GENERAL TERMS AND CONDITIONS OF PURCHASE

The English version is for convenience use only. In the event of any conflict, the original French version shall be legally binding.

### 1. SCOPE

**1.1** « NSE »: means the company NSE and its subsidiaries.

**1.2** These standard terms of purchase (hereinafter referred to as “GTP”) shall govern all orders of NSE (hereinafter referred to as “Orders”) whether they relate, in particular, to the purchase of goods (hereinafter referred to as “Products”) and/or the performance of services (hereinafter referred to as “Services”). The term “Supplies” means the “Products” and/or the “Services”.

These standard terms of purchase shall be applicable in the absence of any other provisions explicitly agreed to by NSE in writing.

**1.3** Any discrepancy with the present GTP shall only be valid by prior written agreement between NSE and the Supplier.

### 2. ORDER

**2.1** NSE must issue an order for all purchases, which its duly authorised representative must sign. Unless the parties agree otherwise, a Supplier shall not begin to fulfill any order unless it has been duly accepted in accordance with the following terms.

**2.2** The Supplier shall accept the Order by sending to NSE the copy of the Purchase Order called Acknowledgement of receipt by letter, e-mail or fax, within seven (7) calendar days as from the date mentioned on the Purchase Order.

**2.3** The Purchase Order is considered as accepted by the Supplier if he does not express any reservation within seven (7) working days from the day of its reception by registered letter with acknowledgement of receipt and/or e-mail sent to the representative of the company NSE signing party of the Order and this even in the case of absence of any acknowledgement of receipt.

**2.4** By virtue of its acceptance of the order, the Supplier acknowledges that it has received all the information, needed to fulfill same. It is responsible for requesting any additional information that it deems to be necessary.

**2.5** Any amendment of the Order, even if minor, must first be approved by NSE in writing.

### 3. PACKAGING AND CONSIGNMENT DOCUMENTS

**3.1** The Supplies must be correctly and sufficiently packaged by the Supplier which shall be responsible of any and all deteriorations, failures, losses and damages caused by any insufficient packaging. The packaging must comply with the specifications defined in the Order and with trade standards and practices.

**3.2** Each delivery must be performed in accordance with the indications specified on the Order or in the absence thereof pursuant to current regulations ensuring usual protection of the Supplies and be accompanied by a delivery receipt in two copies established by the Supplier and containing any and all indications necessary for the identification of each piece of packaging and indicating amongst others:

- Reference of the Order (number and date of the Order),
- NSE’s and the Supplier’s references,
- Name of the Supplies,
- Quantity delivered and/or gross or net weight,



## GENERAL TERMS AND CONDITIONS OF PURCHASE

- Serial Number and/or Number of the manufacturing batch of Supplies delivered,
- Details of the consigned packaging or charged packaging with price and quantity indication,
- Number of pieces of packaging forming the delivery,
- Carrier (name, address, telephone, point of contact),
- The address of the place of delivery mentioned on the Order,
- The storage conditions,
- And any other notice imposed when the Order is placed.

**3.3** The Supplier must include in any and all Supplies the statements/certificates of conformity which shall be compliant with the rules and regulation in force (inter alia with the standards NF L00-015 or NF EN ISO/CEI 17050-1 and 17050-2). These have to mention the restrictions in relation with the Supplies as well as their precautions of use.

### 4. DELIVERY, FULFILMENT, DELAYS

**4.1** Unless otherwise provided, delivery schedules are mentioned on the Order. When the term of delivery is specified in terms of duration and not in terms of a fixed date, the starting point for the calculation of this term of delivery is – unless otherwise indicated by NSE – the seventh business day after the date of the Order. The delivery and/or performance schedules are binding and constitute an essential clause of the Order. The Supplier must notify to NSE, as soon as it has knowledge thereof, of any incident that is liable to jeopardize compliance with said time limits.

**4.2** Supplies may not be delivered early or partially without NSE's prior written consent.

**4.3** The Supplier undertakes to promptly inform NSE of any event that is liable to cause a delay in delivery, and to take all necessary measures to avoid or limit such delay.

**4.4** Without prejudice to NSE's right to terminate the Order and damages that it may claim on this account, the Supplier shall bear, after a period of seven (7) calendar days from the date of the notification by NSE on, for any delay in delivery or performance of the Supply, a penalty for late delivery of 0,3% of the price of the Supply delayed per calendar day late capped at 15% of the price of the Supply delayed.

NSE undertakes to notify the amount of the incurred penalties for late performance from their value date, and unless a response from the Supplier within thirty (30) days from the receipt of the notice, the amount of said penalties may be deducted from payments that NSE owes the Supplier.

**4.5** For any delay over one month, unless said delay is attributable to NSE or a force majeure event, NSE reserves the right to terminate the Order in accordance with the terms of article 15 of the present GTP.

### 5. ACCEPTANCE

**5.1** The Supplies shall be free from any defect and compliant with any and all requirements stated on the Order, as well as on the drawings, standards, technical, performance or other specifications or any other document referred to by the Order and with all rules and regulations in force.

These compliance obligations are performance obligations (“obligations de résultat”).

**5.2** NSE may check the advancement of the execution of any Order before the acceptance of the Supplies, without however said right decreasing the Supplier's warranties.

**5.3** In accordance with article 226-3 of the criminal code, the Supplier must possess a ministerial authorization for the commercialization of the technical equipment and devices



## GENERAL TERMS AND CONDITIONS OF PURCHASE

defined by the Decree of July 4, 2012 and capable to compromise the private life of third parties.

### 6. NON-CONFORMITY, REFUSAL OF SUPPLIES

**6.1** NSE is entitled to refuse delivery of Products or acceptance of Services if the Supplies are not in compliance with the terms defined in the Order, by ordinary letter, by e-mail or fax, describing the reasons for said refusal.

NSE shall not owe the Supplier any payment for any Supplies refused.

**6.2** The Supplier may check non-compliances and propose remedial measures during a seven (7) day period as from NSE's notice of refusal.

After said period and unless NSE accepts the remedial measures, the Supplier must take back the Product of which delivery was refused at its expense and risks within the next seven (7) days.

**6.3** In case of a refused delivery, NSE shall have the right, at its sole discretion, and without abandoning its right for contractual penalties or any other compensation :

- Either to cancel partially or totally the Order after having informed the Supplier about it.
- Or to ask the Supplier who commits itself for the repair or replacement of the refused Supplies as quick as possible at the initial conditions of the Order. No time limit shall harm NSE.
- Or to execute or let execute the Order by a third party, at the Supplier's expenses.

**6.4** In case of a refused delivery as a consequence of a non-conformity of the Supplies due to the Supplier, NSE shall have the right to claim in addition to any other compensation a fixed compensation of an amount of 100 € from the Supplier when the non-conformity is discovered at the reception of the Supplies and limited to ten (10) % of the amount of the Supplies concerned. This amount shall be of 300 € when the non-conformity is discovered during the production process and limited to ten (10) % of the amount of the non compliant Supplies.

### 7. PRICE, INVOICING AND TERMS OF PAYMENT

**7.1** The prices of Supplies are set in the Order. They are firm, fixed and not subject to change and are paying the Supplier for all its costs, outlay, expenses, constraints and/or obligations of any kind. The prices are quoted, for Products delivered to the specified place of delivery, carriage, packaging and all duties and taxes paid (DDP to the specified in the Order – ICC 2010 Incoterms).

**7.2** The Supplier shall draw up two (2) copies of invoices and they must be sent to the Suppliers Accounts Department at the address specified in the Order.

Invoices must mention the following information: the reference of the Order, the number of the Order line, the full description, the number of items ordered and delivered, the series number, the currency compliant with the Order, the country of origin and the customs code, where applicable, the date and references of the delivery slip as well as the itemized price of each Supply. Moreover, the invoices shall mention the due date of payment and the rate of penalties for late payment.

Payment shall be made at 45 days from the end of the month or 30 days for orders related to the transport sector within the meaning of Article L441-6 of the French Commercial Code.

In the event of late payment, NSE shall pay to the Supplier penalties for late payment calculated at a rate equal to three times the legal interest rate in force in France and a lump



## GENERAL TERMS AND CONDITIONS OF PURCHASE

sum for collection fees equal to forty (40) euros for year 2013 or any other updated amount for subsequent years in accordance with the provisions of Article L441-6 of the French Commercial Code.

Payment time begins as from the issue date of the invoice, which must be issued as from the completion of the sale or the provision of the service (the issue date of the invoice may not be earlier than the date of delivery or the completion of the Supply, in accordance with the specifications of the Order).

**7.3** In the event of non-compliance with the requirements of the Order, NSE shall be entitled to refuse an invoice. In such cases, the invoice may be returned to the Supplier with a description of the non-compliances. In this case, the Supplier shall issue a new invoice. Payment shall begin as from the issue date of the new invoice.

### 8. WARRANTY

**8.1** The Supplier warrants that the Supplies are compliant with the specifications and terms of the Order.

**8.2** The Supplier's acceptance of the Order implies a contractual warranty applicable to all Supplies that are partly or completely defective. The contractual warranty period is twenty-four (24) months as from the delivery date. The contractual warranty consists at NSE's discretion in the replacement or free repair of the Supplies (parts and labour). The Supplier shall bear all the relevant costs as well as the transport costs (round trip). The Supplier undertakes to replace or repair within seven (7) days as from the defect being reported. If the Supplier breaches its obligations in this regard, NSE reserves the right to carry out or have a third party carry out its obligations at the Supplier's expense and risks.

**8.3** The aforementioned warranties shall apply again to any repaired or replaced Supply for a twelve (12) month period.

**8.4** The Supplier shall be liable for any loss related to defective Supply that NSE and/or its customers sustain.

### 9. INTELLECTUAL PROPERTY RIGHTS

**9.1** The results generated by the fulfillment of the Services of any type, including studies arising from the fulfillment of the Order and whether or not they may be protected by intellectual property rights become the exclusive property of NSE, to which the Supplier undertakes to deliver them, as and when the Services are fulfilled.

**9.2** In this respect, if the results include copyright, the Supplier shall assign all financial copyrights attached to said results to NSE on an exclusive basis and definitely for the legal copyright period and for the whole world. Said rights include the rights of reproduction, representation, modification, adaptation, translation and marketing in all forms, in all or part, by all means and on all known or future media.

**9.3** The Supplier assigns to NSE all rights to file patents on inventions that it could generate while performing the Services. For this purpose, the Supplier undertakes to give NSE, and if applicable, to have its employees give all necessary authorizations to file, in France and abroad, any patent whatsoever related to the Services that NSE wishes to file.

In counterpart, NSE grants the Supplier a free and non exclusive licence of said patents for an use in fields that are out of NSE's scope, as specified in the Reference Document duly filed each year by NSE to the Financial Markets Authority.



## GENERAL TERMS AND CONDITIONS OF PURCHASE

**9.4** The Supplier undertakes not to invoke its intellectual property rights against NSE insofar as they might be needed to use the Supplies, covered by the Order.

**9.5** To perform the Order, the Supplier undertakes not to use a third party's intellectual property rights without said third party's prior permission. The Supplier shall exclusively bear the expense of duties or fees that may be owed for such use.

**9.6** The Supplier shall hold NSE fully harmless against any claim brought against NSE in any place whatsoever by a third party or third parties related to the infringement of intellectual property rights generated by the Supplies covered by the Order and/or their use. NSE shall immediately notify the Supplier of any claims of such kind. In the event of a disputed claim, whether substantiated or not, the Supplier undertakes under the aforementioned hold-harmless obligation, at NSE's discretion, either to cooperate with and actively assist NSE during proceedings or to intervene voluntarily and promptly in proceedings and to manage the legal action. In the event of a non-contentious claim, whether substantiated or not, the Supplier undertakes to take all necessary measures to settle the dispute with a third party and to keep NSE informed.

**9.7** If NSE has to discontinue using all or part of the Supplies, without prejudice to NSE's right to terminate the Order, the Supplier undertakes to immediately implement one of the following solutions, in any event at its sole expense:

- Either obtain the right for NSE to freely use the Supply;
- Or replace it or alter it so that user rights may no longer be contested.

Note that the Supplier undertakes at its sole expense to take back any infringing stocks of Supplies that have already been delivered. In any event, the aforementioned alterations and/or replacements must fully comply with the contractual documents of the Order.

In relation to the above claims, any amounts/expenses that NSE has to bear in any respect whatsoever, in particular, for costs, fees, damages shall be fully and promptly reimbursed to NSE at its first request by the Supplier.

**9.8** The price mentioned in the Order shall include the assignment price of the rights mentioned in Article 9.1, as well as in particular all other commitments of the Supplier by virtue of this Article 9 including the provision related to the non opposition proceeding as described in Article 9.4.

### **10. CONFIDENTIALITY/ADVERTISING**

**10.1** During the fulfillment of the Order and for a ten (10) years period after its expiry or termination, unless NSE's express permission the Supplier undertakes not to disclose to anyone other than those who need to know in order to fulfill the Order, the documents, specifications, plans or other written and/or verbal information, in any form and/or medium whatsoever obtained at the time of fulfilling the Order and designated as confidential and/or proprietary by an appropriate stamp, legend or any other written notice. The Supplier undertakes to take all necessary measures with its personnel and with regard to individuals and/or companies with which it is in contact to ensure that said prohibition is strictly complied with.

**10.2** The Order, its purpose and its conditions shall be considered by the Supplier as NSE's confidential information.

**10.3** Aforementioned point 10.1 shall not apply to documents clearly identified and marked as industrial secrets which shall be protected without limitation in time against any unauthorized disclosure.



## GENERAL TERMS AND CONDITIONS OF PURCHASE

### 11. TRANSFER OF TITLE AND RISKS

Title and risks to the Products shall be transferred upon the delivery.

### 12. FORCE MAJEURE

**12.1** The Supplier shall inform NSE in writing, with supporting evidence, of any force majeure event that makes it impossible to fulfill the Order within five (5) working days as from the occurrence of the force majeure event and specify the foreseeable duration thereof.

**12.2** In particular, industrial conflicts (apart from general strikes) increase in the prices of raw materials shall not be deemed to constitute force majeure events.

**12.3** In the event all or part of the Supplies is delayed on account of a force majeure event, for a period of over thirty (30) days, NSE shall be entitled to automatically terminate the Order by sending a registered letter.

### 13. LIABILITY

The Supplier shall be liable for any bodily injury, and/or damage to property and/or consequential damage caused to NSE on its account or third parties, on account of its officials or employees, its subcontractors, suppliers and service providers.

### 14. INSURANCE

**14.1** Without in any way limiting the Supplier's liability hereunder, the Supplier shall take out and/or maintain insurance policies with appropriate covers and capital, having regard to the risks incurred and for the total duration of said risks, with creditworthy insurers. It shall cover damage sustained by its assets, its personnel, as well as damage caused to NSE and to third parties, etc. that it is responsible for hereunder (third party liability prior to delivery, third-party liability after delivery, professional third-party liability, defective product liability etc.). This is not a closed list.

**14.2** The Supplier shall produce before the Order takes effect and at each annual expiry date, all insurance certificates drawn up and signed by its insurers for all insurance policies signed and attesting to the existence, validity and the match between covers and risks incurred.

**14.3** The Supplier shall inform the NSE of any change that is liable to alter the extent of insurance covers applicable to the Order and any amendments to the Order.

**14.4** The Supplier undertakes to comply with all of its obligations with regard to the insurer so as to secure the maintenance and application of its insurance covers. In particular, the Supplier shall report the exact and complete nature of its activities to its insurers and pay its premiums. Any failure to comply with these modalities is constitutive of a non-performance of Supplier's obligations and therefore subject to termination under the conditions mentioned in article 15 of the present GTP.

### 15. TERMINATION

**15.1** NSE may, without prejudice to damages that it might claim, terminate, by registered letter, all or part of any Order in the event the Supplier breaches all or part of any of its obligations under said Order, following formal notice served by registered letter, which has not been cured, upon the expiry of a thirty (30) day period as from its receipt, extended by mutual agreement, if need be.



## GENERAL TERMS AND CONDITIONS OF PURCHASE

**15.2** In the event of the termination of the Order under the conditions referred to in Article 15.1 above, the Supplier undertakes, at NSE's request, to assign to him the stock of raw materials in process and/or finished or semi-finished Products and/or the buffer stock that it uses to fulfill the Order and that it holds on the date of termination and/or study in progress.

**15.3** In the event one of its customers terminate the contract, NSE may terminate all or part of the Order, at any time, by informing the Supplier of its decision by registered letter, subject to one (1) month's notice.

The parties will discuss together how to assess the consequences of this termination towards the Supplier.

### 16. EXPORT CONTROL

**16.1** The Supplier undertakes to comply with any regulations applicable to export control and that all export control classification information relating to the Supplies that it delivers is complete and exact.

**16.2** Before each Order takes effect, the Supplier shall notify to NSE (using the "Commodity Export Classification Certificate" for the United States), if all or part of the Supplies are governed or not by any export control regulations whatsoever.

**16.3** The Supplier undertakes to obtain, prior to each delivery, all authorizations needed to export or to re export Supplies within the allowed delivery times.

**16.4** The Supplier undertakes to inform NSE, as soon as the information is available, of all terms and limitations of authorizations that could have an impact on NSE's right to use, re-transfer or export Supplies and check that said information clearly appears on the delivery documents.

**16.5** In the event of a change in rules for the application of authorization or classification after the Order comes into effect and which affects the use, re-transfer or exportability of Supplies, the Supplier undertakes to immediately notify, as soon as the information is available, all information needed to assess the new and re-export restrictions. The parties undertake to open negotiations in order to determine the consequences of these changes on the order.

**16.6** The Supplier undertakes to pass a set of its obligations on to its own subcontractors and suppliers.

**16.7** The Supplier shall be responsible for any and all damages, losses and/or obligations caused to NSE because of the non-conformity by the Supplier of its obligations under the present GTP.

### 17. COMPLIANCE WITH ENVIRONMENTAL PROVISIONS AND PREVENTION OF RISKS IN TERMS OF SECURITY

**17.1** The Supply must comply with international, European and national Regulations and standards applicable to health, safety and environment matters, inter alia in relation to hazardous substances and preparations (Regulation (EC) n° 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), RoHs, asbestos, etc.), including the transport of hazardous substances, waste (packaging, Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (DEEE), etc.), energy consumption and natural resources, carbon footprint, noise, electrical protection, fire,



## GENERAL TERMS AND CONDITIONS OF PURCHASE

electromagnetic, ionising, optic radiation, vibrations, any personal safety rules, as well as any other pollution or nuisances. The same applies for the performance of the Supplier's activities.

**17.2** The Supplier undertakes to inform NSE of any breach of the regulations as mentioned above and shall hold NSE harmless in relation to any consequences resulting from the Supplier's breach of the obligation described in this article. Specific recommendations/instructions related to these eventual breaches will need to be provided to NSE in order to ensure the safety of use and scrapping of Supply throughout its life cycle, including end of life.

**17.3** In the event of a delivery in the European Community, if the Supplier is located outside the European Community, it nevertheless shall ensure the compliance of its Supply with regulations and directives, and shall produce the required accompanying documents, unless otherwise explicitly clarified by NSE.

**17.4** The Supplier undertakes to respect NSE's internal security regulations in case of any mission in one of NSE's facilities.

**17.5** The Supplier undertakes to require that its own suppliers and subcontractors comply with the same obligations as those described above.

### 18. COMPLIANCE WITH LABOUR LAW

**18.1** In any event, the Supplier undertakes not to put products on sale that might have been manufactured in violation of the ban on illegal work, work of underage children or the International Labour Standards defined by the International Labour Organization.

**18.2** In accordance with French law, the Supplier certifies on its honor that it has not committed the offence of hiring undocumented labour, illegal subcontracting (*marchandage*), illegal lending of labour, employing a non national without a work permit, slavery or traffic in foreign labour.

**18.3** The Supplier shall attend to the management, training, administration and remuneration of all the personnel that it is liable to hire under its responsibility to fulfill the Order. However, the Supplier's personnel, when it works in NSE premises, must comply with the internal regulations (apart from the provisions applicable to the nature and scale of penalties), with the safety and control rules applicable within the relevant NSE premises.

**18.4** The Supplier undertakes, in particular, to provide its own employees with a safe and healthy working environment, in accordance, in particular, with the legal and regulatory standards applicable to health, safety and non-discrimination.

**18.5** The Supplier undertakes to impose the same obligations as those above on its own Suppliers and subcontractors. NSE reserves the right to carry out an audit if necessary.

**18.6** The Supplier shall be fully responsible for all consequences of its violation of said provisions and shall bear all compensatory expenses and other expenses that NSE has to assume in this regard, where applicable.

### 19. INSPECTIONS

NSE, for its own account or for the account of its customers and / or any official authority, shall have the right, after having notified the Supplier within a reasonable time, to conduct or to get conduct during the fabrication of the Supplies and during the usual working hours the inspections which it deems necessary in the factories of the Supplier and of its subcontractors. These inspections shall under no circumstances be considered as an acceptance of the Supplies under fabrication.





## GENERAL TERMS AND CONDITIONS OF PURCHASE

The Supplier shall observe any and all obligations regulated by law with regard to the supplier quality insurance, and implemented by any entity designated by NSE, in particular : its customers as well as the official authorities in the concerned field (“DGA”, “EASA” etc....).

The Supplier shall :

- respect the supervision provisions included in the orders concerning the supplies supervised by these entities,
- authorize the access of its offices to these entities or to their representatives (for example “OSAC” for the “DGAC”),
- facilitate transparently any audit, survey, investigation requested by these entities and provide them with any and all pertinent technical information in the framework of the requested supervision,
- inform NSE about the actions that it might take in this regard.

### **20. ASSIGNMENT – SUBCONTRACTING**

Apart from the assignment of trade receivables, the Supplier undertakes not to assign, transfer or subcontract all or part of the rights and obligations under the Order to a third party without NSE’s prior written consent.

### **21. JURISDICTION – GOVERNING LAW**

**21.1** The Order is governed by French Law.

**21.2** Disputes, controversy or claims arising at the time of or in connection with the Order shall be submitted to the Commercial Court of Cusset.

### **22. MISCELLANEOUS**

**22.1** Duty of Advice: The Supplier must provide NSE with all the information and advice essential for use of the Supplies covered by the Order. It must check that the specifications are sufficient and relevant for it, inform NSE of any non-compliance of specifications with current regulations.

**22.2** Severability: If one of the terms of the Order were for any reason whatsoever invalid or inapplicable, the other terms shall not be affected by said invalid or inapplicable term. The parties then undertake to renegotiate said invalid or inapplicable term so as to find a term that is as close as possible to the original intent of the parties and is in compliance with the applicable laws.

**22.3** Waiver: The fact that a party has not applied at any time a term of the Order or has not requested that the other party apply such term may not under any circumstances be deemed to constitute a waiver of said term or any other term, even affect the validity of the Order or the right of each party to subsequently claim the application of said term or the Order itself.