



STANDARD TERMS AND CONDITIONS OF SALE AND SERVICE

ARTICLE 1: Definitions

“NSE” means the company NSE and its subsidiaries.

“Client” means any person acting in the course of their professional activity and wishing to purchase the Product(s) and/or Service(s) offered by NSE.

“Products and/or Services” mean(s) any or part of the range of products and/or services offered by NSE to its clients.

“Party”/“Parties” means NSE or the Client individually and NSE and the Client collectively.

“Standard terms and conditions” means these standard terms and conditions of sale and service.

ARTICLE 2: Subject matter

2.1. Any offer of sale of Products or Services made by NSE or any order placed by the Client is governed by these Standard Terms and Conditions. Any order placed by the Client constitutes unconditional acceptance by the latter, without exception, of these Standard Terms and Conditions in their entirety, subject to any specific written provisions to the contrary agreed between the Parties.

2.2. These Standard Terms and Conditions shall apply to the exclusion of any standard terms and conditions of purchase of the Client and/or any document issued by the latter.

2.3. Unless formally accepted in writing by NSE, no other special conditions may be enforced against NSE.

2.4. The fact that NSE, at any given time, fails to rely on any one of these Standard Terms and Conditions may not be construed as a waiver of its right to subsequently rely on any one of the said Standard Terms and Conditions.

ARTICLE 3: Order

3.1 In order to be valid, any order must form the subject of a written acceptance on the part of NSE and, where relevant, a payment on account must be effected pursuant to the offer.

3.2 Unless specifically indicated otherwise, the validity of the offers and quotations is limited to thirty (30) days.

3.3 Any order is deemed to be firm and final as from the date of the order acceptance sent by NSE and, where relevant, once the payment on account stipulated in the offer has been received. As from this date, no orders may be cancelled or amended.

Changes to the order may, however, be accepted by NSE, subject to agreement on the new financial terms resulting from the changes.

ARTICLE 4: Designs and quotations

4.1 In all cases, the projects, designs and documents of any nature, submitted or sent by NSE, shall continue to remain its exclusive property and are confidential; they may not be used, directly or indirectly, by the Client, unless followed up by an order.

4.2 In the event of any request for repairs, the Client shall send its request to NSE, stating the request and the malfunctions noted.

4.3 A quotation shall be sent by NSE based on the information submitted by the Client. The Client shall have a period of fifteen (15) days to accept or reject the quotation. Should the Client reject the quotation or fail to respond within fifteen (15) days, the file shall be closed. If the quotation is accepted, the Client shall be contacted in order to make the arrangements for handing over of the Product.

4.4 Certain equipment (particularly, without this list being exhaustive, assemblies or subassemblies for industry, defence or aeronautical activities) entrusted to NSE for repairs may be subject to a prior investigation and fault diagnosis. This operation is invoiced to the Client according to a tariff, flat rate or other. In all cases, the Client is informed of this tariff or flat rate, which is to be accepted by the latter before the investigation is performed. If, during the work or upon receipt of the Products, new technical facts are discovered that are likely to increase the cost of the work, NSE shall notify the Client of the new financial terms and time limits.

4.5 If, after the investigation, it turns out that the equipment cannot be repaired, the Client shall pay the flat rate for the preparation of the quotation. If the equipment can be repaired, but the client



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rejects the quotation, the diagnostics costs shall also be borne by the Client according to the time spent.

4.6 If the Client rejects the quotation or fails to respond to the quotation within fifteen (15) days or once the Product is repaired, the Product shall be made available to the Client on NSE's site.

4.7. If the Product is not collected within fifteen (15) days after notice not having been complied with, NSE shall invoice the Client for storage charges at the current rate indicated in the quotation, without prejudice to the right to sell the abandoned items, within one year, pursuant to the French Act of 31 December 1903.

ARTICLE 5: Prices

5.1. The prices are set out in NSE's offer. The prices are quoted EXW, subject to any provisions agreed between the Parties. The Products sold and the Services performed are invoiced at the current price at the date of the order, subject to any stipulations on the orders or in the confirmation of orders formally accepted by NSE.

5.2. The prices are quoted in euros, excluding VAT. VAT is additionally invoiced at the current statutory rate at the date of invoicing.

ARTICLE 6: Revision of prices

6.1 NSE reserves the right to change the prices of the Products and Services offered in its catalogue at any time. The prices invoiced shall be those in force at the time of acceptance of the order by NSE.

6.2 For any Service performed by BU SERVICES over the course of more than a year, the Parties acknowledge that the Price shall be automatically revised at the anniversary date of the Contract, according to the following formula, subject to any specific provision stipulated in the order acceptance:

$$P' = P (S')/S \text{ where}$$

P' = new price applicable

P = last price prior to revision

S = the value of the index of labour, wage and social security costs in industry, construction and the tertiary sector published at INSEE (National Institute for Statistics and Economic Studies) on the date of signature of the Contract

S' = the value of the same index at the date of revision of the price.

Where the indices used are no longer published or available, the replacement indices published by INSEE shall automatically be taken as the basis. In the event of disagreement as to the new index to be used, this new index shall be chosen by the President of the Commercial Court of Clermont-Ferrand to which the matter was referred by the party first making the application.

ARTICLE 7: Payment

7.1 Subject to any provision to the contrary agreed to by NSE, invoices are payable by the Client, at the address stipulated in the quotation or order, within 30 days as from the invoice date, net and without any discount or deduction of any nature. No discount shall be granted for early payment.

7.2 Any complaint from the Client may not, under any circumstances, have the effect of delaying or suspending payments.

7.3 For payment from France: at the time of the first order, subject to any special case specified by NSE, the Client shall open an account in NSE's books and pay for the first order in advance on the basis of the pro forma invoice issued by NSE. For subsequent orders, invoices are payable by cheque, bank transfer or by an accepted bill of exchange, pursuant to the terms set out in the quotation or the order acceptance.

7.4 For payment from abroad: the invoices are payable by bank transfer or irrevocable letter of credit confirmed pursuant to the conditions set out in the quotation or the order acceptance.

7.5 If there is any change in the Client's situation whatsoever, NSE shall have the right to amend the payment terms or demand guarantees.

7.6 If payment is not made within the payment terms, the Client shall be liable, as a matter of law and without any prior notice, for penalties for delay equal to 5% of the sums due per day of



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delay (but may not be less than three times the current statutory rate of interest) up until the actual date of payment in full, without prejudice to damages.

Furthermore, the Client, where in default of payment, shall, as a matter of law, owe NSE lump-sum compensation equal to forty euros for the costs of collection. Where the collection costs incurred are greater than the amount stipulated, NSE shall be entitled to claim additional compensation on providing proof thereof.

7.7. In the event of default of payment of all or part of the invoice, NSE shall also have the right to:

- Suspend or terminate any other outstanding orders as of right;
- Demand, as of right, that all sums remaining due from the Client be immediately paid in full;
- Terminate the contract of sale, as of right, one month after sending the Client, by recorded letter with acknowledgement of receipt, notice to comply with his obligations. In this context and without prejudice to damages, the Client, in addition to his obligation to return the Products not yet paid for, shall be liable for any costs arising from the termination of the contract (designs, supplies, equipment, etc.).

7.8. Under no circumstances may the payments due to NSE be suspended or subject to any reduction or compensation without the written agreement of NSE.

ARTICLE 8: Reservation of title

8.1. All Products sold by NSE are sold subject to reservation of title: the transfer of ownership is subject to payment of the price in full, at the agreed due date, by the Client, notwithstanding the passing of the risk at the delivery date.

8.2. In the event of default of payment at the due date, NSE shall recover possession of the Products of which it has retained ownership and may, at its discretion, rescind the contract by ordinary registered letter sent to the Client.

8.3. The Client is prohibited from transforming, incorporating or assembling the Products until they have been paid for.

8.4. The Client must store the Products sold subject to reservation of title, such that they cannot be confused with products of the same description from other suppliers.

8.5. The risks pass to the Client as from delivery of the goods, under the terms of the Contract, notwithstanding reservation of title.

8.6. The Client undertakes to insure the Products, for the benefit of the party concerned, against all risks that may incur as from the delivery.

8.7. The Client undertakes to properly maintain the Products sold subject to reservation of title and shall bear the costs of reconditioning if they are to be returned in the event of default of payment.

8.8. The Products not paid for shall be returned by the defaulting Client at the latter's own risk and expense, on receipt of notice from NSE by recorded delivery with acknowledgement of receipt.

8.9. Should NSE claim the Products, it shall be exempt from refunding the payments on account received on the price where they may be offset against damages due from the Client (for costs of return or reconditioning).

8.10 This reservation of title clause applies to components and spare parts integrated by NSE in the Products entrusted by the Client in the course of the Services. NSE shall remain the owner of the components and spare parts until payment of the Services in full and shall be entitled to recover them in the event of default of payment.

ARTICLE 9: Right of retention

9.1. NSE has a right of retention of all goods entrusted by the Client for repairs. NSE may retain the goods until receipt of full payment for the repairs.

9.2. At the end of the work, or where the Client refuses to sign the repair quotation and/or where the latter fails to respond within the period of validity of the said quotation, the Client shall receive notification that the Products have been made available on NSE's site. The Client alone is responsible for risks and expenses relating to the return of its Products. If the said Products are not collected within 15 days after notice not having been complied



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with, NSE shall invoice the Client for storage charges at the current rate indicated in the quotation, without prejudice to the right to sell the abandoned items, within one year, pursuant to the French Act of 31 December 1903.

ARTICLE 10: Delivery

10.1 Subject to contrary provisions agreed between NSE and the Client, the delivery times are given for information only and are understood to mean from the date of acceptance of the order and/or from receipt of the payment on account.

10.2 If, for any reason not attributable to NSE, the delivery is delayed or hindered, the Products shall be stored and the date on which the Products were put into storage shall be considered as the date of delivery. The storage costs shall be borne by the Client.

10.3 The Products shall be packaged by NSE. Unless provided otherwise, packaging shall not be recovered.

10.4 The Products shall be transported at the Client's own risk, subject to any written provisions to the contrary agreed to by NSE.

10.5 NSE's Client shall be responsible for any formalities relating to import authorisation.

10.6 NSE may not be held liable for any delays caused by late delivery of supplies from the Client or delays arising from an event of force majeure.

10.7 NSE may not be held liable for any delivery delays caused by Third Parties such as for example its Suppliers.

NSE shall inform the Client, as soon as possible, of any foreseeable delay in delivery as well as the remedial measures taken.

In any case, delivery cannot be made within the time limits if the Client has failed to meet its obligations to NSE, regardless of the reason therefor.

Delivery delays, particularly for Products manufactured according to specifications, shall not entitle the Client to revoke the sale or refuse the goods. They may not give rise to any retention, compensation, penalty or damages.

ARTICLE 11: Receipt – Complaints – Acceptance test

11.1 The Client is responsible for carrying out any checks, making any reservations on delivery of the Product and, where applicable, exercising any remedies against the carrier within three (3) days of delivery.

11.2 Any complaints concerning the Products are to be indicated to NSE, within this same time limit, by recorded delivery with acknowledgement of receipt. Failing this, delivery shall be deemed to have been accepted unconditionally and any loss or damage attributable to transportation may not be subject to compensation.

11.3 Any return of the Product must form the subject of a reasoned request made to NSE and the Product may only be returned with the latter's express consent. The costs of return and conditioning shall be borne by the Client.

11.4 If the contract provides for a final stage of the acceptance test between NSE and the Client, and if, subject to any other express written agreement by NSE, the Product delivered by NSF is found to have been used by the Client before this acceptance test has been fully and comprehensively performed, then the Product shall be deemed to have been accepted by the Client.

ARTICLE 12: Client's obligations

12.1 Maintenance – Repairs

12.1.1. The Client certifies that the latter is the owner, or has authorisation from the owner, of the Products entrusted to NSE for repairs or maintenance.

12.1.2. The Client guarantees NSE against any third-party claims concerning the goods entrusted thereto for repairs or maintenance.

12.1.3. Where third-party software is used to carry out the order or perform the contract, the Client declares that he has the necessary user rights and particularly the rights to carry out such maintenance.



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12.2 Storing of data

12.2.1. The Client alone is responsible for saving data. The Client shall ensure that, prior to entrusting its property to NSE, he has created the necessary data backups.

12.2.2. Under no circumstances may NSE be held liable for loss or damage to data or damage relating to this data or even any loss of turnover, profit or opportunity.

12.3 Catalogue Products

The Client undertakes to check that the Products ordered meet its requirements. NSE must be informed of any specific use, which must first be accepted by NSE.

12.4 Customised Products

The Client shall provide NSE with all plans, documents, specifications or any other necessary information for carrying out the order, and shall do so in good time. Under no circumstances may NSE be blamed for any errors, particularly in the design or manufacture, resulting from a fault in the plans, documents or information provided by the Client.

12.5 Work on the Client's site

For work carried out on the Client's site, the Client undertakes to facilitate NSE's access to the site, to provide the latter with any access authorisation, site rules and all documentation applicable for work on site (company's rules and regulations, security aspects letters, etc.), and to inform NSE of all its obligations arising therefrom.

ARTICLE 13: Specified destination of the Products: War equipment

13.1. Where Products forming the subject of the order or contract are subject to French regulations on the export of war equipment, the Client undertakes not to sell, lend or deliver the Products forming the subject of the order or contract to any third party, on any basis whatsoever, whether for consideration or free of charge, whether temporarily or definitively, without the prior written consent of the French government (this also applies to documentation, instructions and information of any nature relating to the order or contract). The Client undertakes to sign, on the effective date of the order or contract, the end user certificate / undertaking of non re-exportation, as well as any other current document relating to war equipment. The Client shall also comply with all export restrictions under foreign regulations applicable to the Products.

13.2. In any case, NSE may not be held liable for any failure on the Client's part to comply with particular regulations applicable to the war equipment. The latter shall therefore compensate NSE for any action brought against it for breach of the Client's obligations.

ARTICLE 14: Warranty

14.1 Warranty for Products designed, manufactured and sold by NSE

14.1.1. The Products designed, manufactured and sold by NSE have a warranty of one (1) year as from the date of delivery or signature of the acceptance report, subject to contrary provisions duly accepted in writing by NSE.

14.1.2. If a fault emerges during the warranty period, the Client shall inform NSE in writing thereof, within three (3) days of discovering the fault, and providing the necessary information to identify the nature of the fault reported. The Client must provide NSE with every facility for ascertaining the fault and remedying the latter.

14.1.3. The warranty only covers operating faults and defective results with regard to the specifications approved by NSE.

14.1.4. During the warranty period, NSE shall have the option of modifying, repairing or replacing the Products that it acknowledges to be defective. NSE has the option of carrying out the works resulting from the warranty obligation either on the Client's site or in its plant. For this purpose, the Client shall send the Product or its faulty parts back to NSE. The parts being replaced become the property of NSE, subject to an express written request from the Client.

14.1.5. The following costs shall be borne by the Client where no failure is established:

- The costs of analysis and of any disassembly rendered necessary by the Products' operating conditions
- The costs of return
- The costs of travel and accommodation of NSE's employees when working on the Client's site.



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14.1.6. Any repairs, modifications or replacement of parts during the warranty period shall not have the effect of extending this warranty period.

14.2 Manufacturer's warranty (products not designed or manufactured by NSE)

14.2.1. The Products sold, installed or integrated by NSE are covered by the manufacturer's warranty featuring on or within the Product. The Client is responsible for familiarising himself with the warranty, particularly the applicable warranty exclusions.

14.2.2. NSE provides no warranty other than that provided by the manufacturer.

14.3 Warranty specific to the repair of aircraft equipment

14.3.1. The services relating to overhaul and repairs are provided with a warranty of six months or three hundred hours (depending on which threshold is reached first) as from delivery. The warranty only relates to repairs actually carried out.

14.3.2. In the event of a failure covered by the warranty, the equipment, together with an explicit request for warranty work, must be received by NSE within 15 days of discovering the fault. The request must include a description of the failure.

14.3.3. The decision to repair the equipment under the warranty shall be made by NSE, which shall notify the Client of this in a technical examination report stating the repairs covered and those not covered. If the Client accepts the findings of the report, he shall send NSE confirmation to proceed with the repairs. If the Client does not accept the findings of the report, NSE shall invite the Client for an investigation in the latter's presence. In any case, the costs of investigation shall be invoiced to the Client.

14.3.4. Any work by NSE on another part of the equipment is excluded from the warranty.

14.4 General warranty exclusions

14.4.1. The following are excluded from the above-mentioned warranties:

- Faults arising from either a design required by the Client or from the materials, documents or information provided or required by the Client;
- The consequences of the equipment being assembled or installed by the Client or a third party;
- Damage to the Products due either to negligence, lack of surveillance or maintenance, defective installation, faulty operation attributable to anyone other than NSE, or due to any use not complying with the specifications;
- In the event of unsuitable storage or storage not complying with the specifications, or if the Product has been repaired or overhauled in the meantime by a company other than NSE;
- Incidents resulting from events of Force Majeure;
- The warranty does not apply to repairing damage caused by events of force majeure, accidents, deliberate tortious intent, unusual use departing from the operating instructions, unintentional movement, modifications, work carried out on the equipment, and operation not complying with the user and maintenance manuals.

14.4.2. Furthermore, NSE shall not be under any obligation to carry out Warranty work:

- If warranty work is rendered necessary due to an accident, an incident or any other unforeseeable cause (such as a storm), an act of negligence, improper use, failure in the electricity network or air conditioning system, an incident relating to defective packaging attributable to the Client, or any other cause not falling within the scope of normal use of the Product; or
- If the equipment has been maintained or repaired, or if maintenance or corrective repairs have been attempted by anyone other than NSE or without the latter's prior authorisation; or
- If the failure of the equipment is due to the use of supplies not complying with the specifications of the equipment manufacturer; or
- If the Product is not or is no longer sufficiently up to date to allow NSE to perform the services.

14.4.3. Any services provided by NSE at the request and/or with the agreement of the Client, where NSE was not under any obligation to provide such services, shall be invoiced to the Client based on the current NSE tariff.

14.4.4. Furthermore, the IT support Services provided by NSE shall not include:

- The analysis of system performance and advice on optimising its operation.



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- Assistance in operating the system or the network on which the qualifying software is installed.
- The supply of licences, updates, media or documentation, subject to a specific supplementary agreement.
- The installation of application software.
- Support in developing tools and development of the Client's specific applications or programs.
- On-site support.

14.4.5. NSE is entitled to call on third parties to assist in performing the Services.

14.4.6. At all events, all NSE employees assigned to perform the Services remain NSE's employees and are therefore under the hierarchical and disciplinary authority of NSE.

14.5 After-sales service (non-warranty repairs)

For any non-warranty repairs, the Client shall send its request to NSE, pursuant to article 4.

Articles 14.1 to 14.4 do not apply to after-sales services for non-warranty repairs.

After-sales services for non-warranty repairs are to be paid for and are subject to special provisions.

ARTICLE 15: Liability

15.1. Under no circumstances may NSE be held liable to the Client, or the latter's agents, employees, successors or persons claiming through the Client, for any indirect or immaterial loss of any nature whatsoever, including, but not limited to, losses, costs, damage, loss of income or profit suffered by the Client or any third party on account of an absence or loss of use of all or part of the Product or on account of any default on the part of NSE in the performance of the Services and in performance of its contractual obligations generally.

15.2. NSE's total cumulative liability in performance of the order or the contract may not under any circumstances exceed ten per cent (10%) of the amount of the order or of the contract.

Unless provided otherwise, NSE is subject to a best endeavours obligation.

ARTICLE 16: Insurance

16.1. NSE is covered by insurance against damage to property and professional indemnity insurance.

16.2. Besides the limitation of liability provided for under article 15, NSE shall also not be liable beyond the limits covered by the said policies. It is therefore up to the Client is to personally take out insurance for his own Products.

16.3. For any complaints relating to the property entrusted, it is for the Client, as the owner of this property, to expressly inform the latter in writing of the insured values of these goods before entrusting them to NSE, otherwise, in the event of a claim, indemnification cannot be greater than the value according to expert opinion, within the limits of the insurance policy concerned, without exceeding the limits of the insurance cover and the limitation of liability provided for under article 15.

ARTICLE 17: Intellectual property

17.1. The drawings, designs, patents, software, plans and generally all documents of any nature submitted or sent to the Client by NSE are the exclusive property of the latter or its suppliers and therefore may not be implemented or reproduced without the express written prior consent of NSE, nor may they form the subject of any claim to any intellectual property right whatsoever.

17.2. The sale of Products or Services does not entail any transfer of technology or know-how to the Client. The technology and know-how, whether patented or not, remains the exclusive property of NSE.

17.3. The intellectual property rights in designs, processes, dies and tools may only be acquired by the Client if the relevant Service is provided for and payment has been made, and if this is specifically stipulated on the order of which NSE has acknowledged receipt to the Client.

17.4. In any case, NSE shall remain the exclusive owner of its know-how.



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ARTICLE 18: Confidentiality

18.1. The Client shall maintain any given information, technical formula or concept of which he may acquire knowledge during the contract in the strictest confidence and is prohibited from disclosing any such information. In the application of this clause, the Client shall be liable for his employees as well as himself. However, the Client shall not be held liable for any disclosure where the information disclosed was in the public domain or if the Client was already in possession thereof or legitimately acquired this information from third parties.

18.2. Similarly, NSE undertakes to maintain the information acquired in the performance of the contract strictly confidential.

ARTICLE 19: Suspension / Termination

19.1.1 NSE is entitled to suspend performance of the Contract where the Client fails to make payment (or where there is a risk of the Client failing to make payment) by the due date. Performance may be suspended until receipt of payment of the outstanding invoice. The time limits for performance shall be prolonged, as of right, by the period of delay in payment by the Client, with this payment being increased by the amount of the costs incurred by NSE on account of suspending performance and by default interest pursuant to article 7.6.

19.2 In any case, if the delay in payment exceeds thirty (30) days, NSE shall be entitled to terminate the Contract pursuant to article 7.7.

19.3 Should one of the Parties commit a serious breach of one of its obligations, the other Party may send the defaulting Party notice, by recorded delivery with acknowledgement of receipt, to remedy this breach of obligations. If, thirty (30) days after this notification, the defaulting Party has not taken steps to remedy the breach, the other Party shall be entitled to terminate the Contract by recorded delivery with acknowledgement of receipt. The Contract shall be terminated as of right on the date on which the above-mentioned recorded letter was received.

19.4 If an event of Force Majeure continues for more than three (3) months, either one of the Parties may, as of right, terminate the Contract by letter sent by recorded delivery with acknowledgement of receipt. In this case, any part of the Products produced at that date shall definitively become the Client's property. The latter undertakes to reimburse NSE for any costs incurred in performing the Contract.

ARTICLE 20: Assignment – Subcontracting

The Client may not assign all or part of its rights and obligations under the Contract without NSE's prior written consent.

NSE reserves the right to entrust all or part of the manufacture of Products or performance of Services to a third party.

ARTICLE 21: Non-solicitation of employees

Subject to a prior agreement in writing, the Client waives the right to directly or indirectly make any offer of employment to one of NSE's employees assigned to perform the services forming the subject of the contract or the order, and waives the right to employ him in any capacity whatsoever, for the entire term of the contract and for two years as from the end of the contract.

Non-compliance with this clause shall give entitlement to compensation equal to one year's salary, including all social security charges for the employees concerned.

ARTICLE 22: Applicable law – Settlement of disputes – Language of the contract

22.1 This Contract is governed by French law.

22.2 The Parties expressly agree that any dispute arising from the interpretation or performance of this Contract shall, in the absence of any amicable settlement, be referred to the Commercial Court of Cusset.

22.3 The language of the Contract is French. The standard terms and conditions are available in English. In the event of any problems in interpretation, the French version shall prevail.