

GENERAL PURCHASING CONDITIONS S2C-ELEC 2017

I – APPLICABLE CONDITIONS

The acceptance of the order implies that the Supplier agrees to abide by the general conditions, to the exclusion of all others. The Supplier expressly renounces to take advantage of its own general conditions of sale. However, the special conditions stated in the order or on which the parties will agree in a document called "Special Conditions" will take precedence over these general conditions.

II – ACKNOWLEDGEMENT OF RECEIPT

The acknowledgement of receipt attached to the order must be stamped and signed by the company and returned to S2C-ELEC within five (5) days following receipt of the order. If it is not returned within the time allowed the order will be considered accepted by the Supplier. Any modification to the order will only be valid if it has been expressly agreed in writing by S2C-ELEC. No production can start before the obtaining of the written authorization from S2C-ELEC on the changes made to the initial order by Supplier.

III – DEADLINES

Supplies, raw materials and/or services ordered must be delivered on the date given on the order. The agreed deadline means the delivery of the supplies, the raw materials and/or service conform to the order specifications at the place indicated in the order. This deadline is important and must be strictly respected. Delivery dates cannot be advanced or delayed except with prior written agreement from S2C-ELEC. The Supplier agrees to inform S2C-ELEC immediately in writing of any event likely to delay the fulfillment of the order. Any late delivery may cause penalties to be applied under conditions stated in the order. S2C-ELEC has the right to request, in addition to penalties, the payment of any damages resulting directly or indirectly from the Supplier's delay. The Supplier commits to notify S2C-ELEC immediately and in writing in case of any force majeure event such as defined by the French courts and to offer a new date. If the latter is not acceptable to S2C-ELEC's opinion, S2C-ELEC shall be entitled to terminate the order without any liability towards Supplier.

IV – DELIVERY

Unless otherwise stated in the order, supplies, raw materials and/or services are delivered pursuant to the incoterm DDP (Incoterm 2010) to the place stated in the order. All deliveries must be accompanied by a delivery note in two copies. This note must include the order references, the type and quantity of the equipment and/or services provided and the item or drawing number if appropriate on each parcel and all useful packaging information. S2C-ELEC has the right to refuse any incomplete or excessive delivery and to return the excess quantities delivered at the cost, risk and peril of the Supplier. As regard to partial deliveries, S2C-ELEC shall be entitled to suspend payment of the concerned invoice.

V – PACKAGING

Unless otherwise stipulated in the order, the Supplier is responsible for determining, at its expense, the type of packaging to ensure the preservation of the properties of the products, equipment and systems provided during storage, handling and transportation, and protection of the environment.

VI – TRANSPORTATION, TRANSFER OF RISKS AND OWNERSHIP

Unless otherwise stipulated in the order, the Supplier will be responsible for, at its expense, the transportation of supplies. Unless otherwise agreed, services will be considered delivered once they arrive at S2C-ELEC's premises. The transfer of risks and ownership of supplies and/or services occurs on delivery at the place stipulated on the order. The Supplier will take all necessary insurance into consideration. No ownership clause may be imposed on S2C-ELEC without prior written agreement.

VII – PRICE

Unless otherwise stipulated in the order, the prices are fixed and cannot be reviewed or updated.

VIII – INVOICING - PAYMENT

Payment of invoices may only take place after complete delivery of supplies, raw materials and/or services conform to the order. 1) Two copies of invoices must be provided addressed to the branch that appears on the order. If partial delivery has been accepted by S2C-ELEC, the corresponding invoice will be made for the sum of the mentioned delivery. Each invoice must only concern a single order specifying the order number, order line number and the delivery note reference. 2) No invoice should be sent before the delivery date of the supplies, raw materials and/or service or have a date earlier than the delivery. 3) Unless otherwise stipulated in the order, payments are made within 45 days after the end of the month in which the invoice was received. 4) Any request for an installment or advance will be considered by S2C-ELEC and will be expressly mentioned in the order. The amount of the installment or advance will be determined as a percentage of the total of the order excluding tax, and will be paid by cheque on presentation of the corresponding pro forma invoice. This payment will be attached to a guarantee unless otherwise agreed.

IX – INSPECTION

S2C-ELEC has the right to inspect the manufacture of supplies at the Supplier's premises and its sub-contractors, by its representatives and its customers' representatives who will have free access to the workshops where the supplies are manufactured. These representatives may, in particular, take whatever samples that might be necessary during production (manufacture, inspection, packaging, storage, etc.) and make investigations concerning accreditation, approval, qualification or certification. These representatives undertake to consider as confidential information and documents to which they have access during these visits. These checks do not affect the acceptance of supplies by S2C-ELEC, unless otherwise agreed.

X – ACCEPTANCE - REJECTION

Unless otherwise agreed, the acceptance of supplies and/or services is announced and notified by S2C-ELEC to the Supplier within a reasonable time after the delivery date, provided that they are conform to the order. This does not absolve the Supplier from fulfilling its obligations concerning the guarantee. All supplies and/or services that do not conform to the order specifications will be rejected and returned to the Supplier or collected by him as soon as possible, at its expense, risk and danger. The supplies and/or services refused are not deducted from the ordered quantity but must be delivered if the corresponding order has not been cancelled.

XI – GUARANTEE

Without prejudicing the application of Articles 1641 and sq and Articles 1386-1 and sq of the Civil Code, supplies and/or services are guaranteed against any design and manufacturing defects for a period of one (1) year from the delivery date. The Supplier immediately ensures the repair or replacement, at its expense, of faulty supplies and services. The guarantee covers the parts, labor, the costs of dismantling and re-assembly, of travel and overnight accommodation, transportation and insurance, and packaging, unless otherwise stipulated in the order. The repaired or replaced parts are then covered by a

guarantee under the same conditions. In some cases, a sum will be kept back as guarantee whose amount and conditions will be stated in the order.

The Supplier refrains to modify the product, his manufacturing process or the place of manufacturing without having obtained the prior written consent of S2C-ELEC. The justificatory study will have to accompany the request of evolution before the delivery of the products so modified.

The Supplier guarantees that delivered products (stemming from a subcontracting or from its own manufacturing) are not counterfeited. In case of counterfeit, the provisions of the article xvii will apply.

XII – SUSTAINABILITY OF THE PRODUCTS

In case the Supplier would decide to stop the manufacturing of all or part of the supplies, raw materials and/or services concerned by the order, for any reason whatsoever, the Supplier commits to inform S2C-ELEC at least one year in advance about this decision.

The Supplier undertakes, during a minimal duration of two (2) years after the stop of the manufacturing or the withdrawal from the catalog, to supply S2C-ELEC in reasonable conditions in particular the price and the delivery lead-times, supplies, raw materials and/or services, object of the order. The Supplier will have to propose a substitute product with the aim of its qualification by S2C-ELEC.

In any case, the Supplier commits to grant S2C-ELEC the right to place additional orders to cover his needs until replacement by S2C-ELEC of the supply, the raw material and/or the services, object of the order, to manufacture or have it manufactured. The Supplier will put at the disposal of S2C-ELEC the necessary documentation in order to exercise these rights

XIII – HAZARDOUS MATERIALS

Supplier covenants and warrants that the Goods have been designed, manufactured and sold and Services performed in compliance with all applicable local, state or provincial, national, and international statutes, rulings, regulations, ordinances and government directives including without limitation those pertaining to environment, hazardous waste disposal, employee safety and health and labor matters. Goods shall in particular comply with the bans on materials set forth in the EU Council Directive 2002/95/EU (ROHS); the bans set forth in the EU Council Regulation 1906/2006 (REACH) and with the laws, ordinances, orders, decrees and rulings as well as all other rules and regulations issued for the implementation of said Directive where applicable. Supplier agrees that its failure to comply with any and all applicable local, state or provincial, national, and international statutes, rulings, regulations, ordinances and government directives including without limitation those pertaining to environment, hazardous waste disposal, employee safety and health and labor matters and in particular the RoHS Directive, the REACH regulation or any misrepresentations thereto, material or de minimis, shall constitute a material breach of this Agreement by the Supplier. A breach of contract under this Section shall afford S2C-ELEC all of the rights and remedies available to S2C-ELEC.

XIV – SERVICES FOR ASSEMBLY, INSTALLATION, TECHNICAL ASSISTANCE AND TRAINING

The services concerning assembly, installation, commissioning, technical assistance and training, if any, will be performed by the Supplier in the conditions defined in the order.

XV – CONFIDENTIALITY

The studies, drawings, diagrams, specifications, software, calculation manuals, operating sequences, prototypes and any information of a technical, commercial or other nature, that are communicated by S2C-ELEC or of which the Supplier has knowledge as part of fulfillment of orders, are strictly confidential and must not be copied, reproduced or communicated by the Supplier or his representatives to third parties without S2C-ELEC's prior written authorization. The Supplier is responsible for ensuring that its suppliers, subcontractors and transferees respect this commitment of confidentiality. No publicity shall be made either directly or indirectly, in any form whatsoever, concerning the supplies manufactured and the services performed according to S2C-ELEC's drawings, diagrams and specifications, and, more generally, concerning orders, without S2C-ELEC's prior written authorization.

XVI – TOOLS AND OTHER GOODS GIVEN TO THE SUPPLIER

The tools, models, inspection means and measurement instruments given to S2C-ELEC or produced by the Supplier or its subcontractors for fulfillment of the orders are and shall remain S2C-ELEC's property and must not be copied or used by anyone without S2C-ELEC's prior written authorization. These tools and goods must be marked by the Supplier, if they have not been already, with permanent indication that they belong to S2C-ELEC. The storage and maintenance of these goods is the Supplier's responsibility who will take out all necessary insurance for this purpose. Unless otherwise specified, calibration is also the Supplier's responsibility. The Supplier shall return these goods, should S2C-ELEC so request, in proper working order.

XVII – INTELLECTUAL PROPERTY

The drawings, diagrams, specifications, software, calculation manuals, operating sequences and any other items supplied by S2C-ELEC remain S2C-ELEC's exclusive and non-transferable property and the Supplier undertakes to use them for the sole purpose of fulfilling the order. The studies, drawings, specifications, prototypes and any other items specifically produced by the supplier or its subcontractors for fulfillment of the order are S2C-ELEC's property, who may, if applicable, register in its name and at its expense, an application for industrial property. The Supplier guarantees S2C-ELEC against all claims made by third parties concerning industrial and intellectual property, for the supplies and services provided, and shall bear all financial consequences resulting from this for S2C-ELEC. This guarantee does not cover claims made by third parties asserting that the supply and service specifications constitute an infringement of their right of intellectual property, when these specifications have been provided by S2C-ELEC. Besides, the Supplier commits to bear the costs needed to adapt supplies, raw materials and/or services concerned by the order which would infringe third parties' property rights or to replace them by supplies, raw materials and/or services which will be similar or equivalent to the ones concerned by the order. In the cases, it would not be possible, S2C-ELEC shall be entitled to cancel the order, without prejudice of the damages to which S2C-ELEC could aspire.

The substituted or modified supply will have to be in any case compliant with the documents describing the expecting specifications and will be submitted to S2C-ELEC's acceptance before starting serial production. The Supplier also commits to bear all the costs linked to the resumption of the controversial supplies' stock available at S2C-ELEC's premises.

The Supplier will indemnify S2C-ELEC for all the damage undergone by S2C-ELEC in relation to a complaint for infringement of third parties' rights and for losses suffered due to the disturbances brought in S2C-ELEC's production and/or S2C-ELEC's customers' production and the total or partial non-fulfillment of agreements between S2C-ELEC and his customers.

XVIII – LIABILITY

The Supplier certifies on his honor that the supplies and services shall be carried out by employees working on a regular basis as defined in articles L620-3, L143-3 and L143-5 of the Employment Code. Moreover, the supplier certifies that he has ensured that all his sub-contractors also respect this rule.

XIX – CODE OF CONDUCT

The Supplier undertakes to fully comply with the terms and conditions enacted by the Labor Code in particular those ones related to the Hidden work.

19.1 As such, the Supplier commits to communicate to S2C-ELEC, both at the date of the conclusion of the present CGA and every 6 (six) months till the end of the execution of the present, and if his head office is situated in France, one of the following documents:

- Certificate of supply of social statements, emanating from the body of social welfare in charge of the collection of the national insurance contributions falling to the Supplier and dating less than year;
- Tax notice relative to the business tax for the previous exercise;
- Certificate of financial guarantee planned in the Labor code for the companies of temporary work;
- For lack of documents mentioned in has, b and c above, for persons or institutions having begun their activity since less
- An extract of the registration in the Register of Companies or a certificate of posting of statement with a center of formalities of companies if the Supplier began his activity for less than year.
- An affidavit established by this Supplier guaranteeing that the work will be realized with employees working on a regular basis with regard to the Labor code.

19.2 If the head office of the Supplier is not located in France, the latter commits to communicate to S2C-ELEC, both at the date of the conclusion of the present CGA and every 6 (six) months till the end of the execution of the present, the listed documents or in a) or in b) below, namely:

A) Document mentioning the identity and the address of the legal representative of the Supplier, appointed towards the French tax authorities, as well as a document giving evidence of the regularity of the social situation of the Supplier with regard to the regulation (EEC) N 1408-71 of June 14th, 1971 or the international agreement of Social Security, or, failing that, certificate of supply of social statement emanating from the French body of social welfare in charge of the collection of the national insurance contributions with a date of less than 3 months.

B) A certificate of financial guarantee as stated in the Labor code or any document giving evidence that the company of temporary work established abroad and exercising partially its activity in France satisfies in the country where it is established in the equivalent regulations of effect if this one exists.

Besides, when the registration of the Supplier in a professional register is compulsory in the country of establishment or address, this one commits to communicate to S2C-ELEC, both at the date of the conclusion of the present CGA and every 6 (six) months till the end of the execution of the present, one of the following documents:

- A document emanating from authorities maintaining the professional record or a document equivalent certifying this registration;
- An estimate, an advertising document or a professional correspondence, provided that the name or the company name, complete address and the nature of the registration in the professional register are specified;
- For companies in course of creation, a document dating from less than three months emanating from the authority entitled to receive the registration in the professional register and giving evidence of the request of registration at the so called register.

Finally, when the Supplier employs employees, this one commits to communicate to S2C-ELEC, both at the date of the conclusion of the present and every 6 (six) months till the end of the execution of the present, an affidavit established by this Supplier guaranteeing that the work will be realized with employees regularly employed in conformity with the Labor code or with rules of equivalent effect on the country in which they are connected.

Documents and certificates listed by this provision must be drafted in French or be accompanied with a translation in French.

XX – INSURANCE

The Supplier undertakes to take out and justify when requested by S2C-ELEC all necessary insurance policies covering his civil liability as part of fulfillment of the orders for damages caused to people and property, that are ascribable to his activity and to the supplies and services provided: this shall apply even if all or part of the order is subcontracted.

XI – SUB-CONTRACTING – TRANSFER

The Supplier can only subcontract to third parties, in full or in part, production of supplies or performance of services with S2C-ELEC's prior consent. The Supplier can only transfer, directly or indirectly, in full or in part, its rights and obligations as part of the orders with S2C-ELEC's prior consent.

XII – ECONOMIC INDEPENDENCE

The Supplier commits to diversify his market shares with other customers concerning supplies, raw materials and/or identical services or not to those concerned by the order or the contract referring to the present CGA. The Supplier has to inform immediately S2C-ELEC should there be any risk of economic dependence.

XIII – TERMINATION

Should the Supplier be unable to meet the technical requirements of the order or should he fail to meet his contractual obligations or to respect contractual deadlines, S2C-ELEC reserves the right, following formal notice by registered letter with acknowledgement of receipt, remaining without effect after seven (7) days, to terminate in writing without further notice this order in full or in part and to claim, in addition to the penalties due, the reimbursement of all sums, including advances and installments, already paid to the Supplier, the repair in full of the prejudice resulting directly and indirectly from this for S2C-ELEC and in particular the payment of all expenses resulting from the need to have the order carried out by another Supplier. Furthermore, S2C-ELEC shall be entitled to terminate all or part of the orders accepted and in progress by registered letter with acknowledgement of receipt, should the Supplier discontinue his activity, become bankrupt or go into receivership, according to applicable legal measures. Should S2C-ELEC cease or cut down on its manufacturing or should there no longer be a need, S2C-ELEC reserves the right to terminate at any time the order, in full or in part, by registered letter with acknowledgement of receipt, in return for payment to the Supplier of compensation to be agreed on.

XIV – LEGAL ATTRIBUTION

Any disputes that cannot be solved out-of-court will be brought before the Rodez law courts who are awarded exclusive competence in this respect, even in event of appeal in guarantee or plurality of defendants. French law will be the applicable law.