

General Conditions of Purchase

1. Preamble

These general terms and conditions of purchase determine the rules to which are subject all studies, supply of equipment, works and services carried out to order from the company INITIAL-PRODWAYS (hereinafter the "purchaser").

The expression "supplier" refers to the company which undertakes to execute the order. These terms and conditions govern the order of which they are an integral part.

They prevail over all other conditions and, in particular, the supplier's general terms and conditions of sale, unless modified or cancelled by particular clauses or conditions specific to the order.

The supplier is deemed to accept the same without reservation, unless special written derogation therefrom is agreed by all parties.

2. Acknowledgement of receipt

Within the 8-day period following the date of receipt of the order, a duly signed acknowledgement of receipt must be sent to the purchaser; once this period has elapsed, the order is treated as accepted by the supplier in all its special or particular conditions contained therein and in these general terms and conditions.

All forms of acknowledgement of receipt issued by the supplier are binding upon the latter, it being understood that the general conditions of sale shown on the front and back of any documents issued by the supplier and which may be in contradiction herewith, shall be deemed null, void and non-binding on the purchaser.

Only requests for change issued in writing within the above period and formally accepted by the purchaser shall be retained.

3. Changes in the supplier's legal status

The supplier undertakes to inform the purchaser of any changes that might arise in the composition of its share capital such as a change in majority, merger, takeover, and any judgment or court order to which the company may be subject such as turnaround procedure or judicial liquidation.

4. Supplier's third party liability

- the supplier shall be deemed to have third party (civil) liability towards the purchaser and is bound to hold legal liability cover.

- the supplier is solely and entirely liable towards the purchaser for its products and all works comprised in its order whether carried out by itself or by third parties.

- the supplier shall take all the measures necessary to prevent accidents that might occur to its officers, those of the purchaser or any other person, either during performance of the works, or on the occasion of that performance, accidents for which all consequences shall be entirely at its charge.

- the supplier shall be liable for all damage caused by performance of the works or on the occasion of carrying out its works, to the existing structures and installations or to works in progress and to the property belonging to third parties.

- in the case of accidents or damage occurring on the occasion of carrying out the works and due to the personnel or equipment of the purchaser which the

latter may have put at the supplier's disposal, the latter shall be liable as casual principal or custodian of the thing entrusted.

5. Supply

The supply that is the subject of the order shall be delivered accompanied by the documentation necessary for its proper use, storage and maintenance; it must comply with the laws, standards and regulations in force in France on the date of delivery.

It falls to the supplier to obtain in good time all the particulars which it requires for the proper performance of the order in accordance with best industry practice.

No changes may be made to the specifications or drawings supplied or approved by the purchaser and, generally, to any document having served as the basis for drawing up the order, without the purchaser's prior written agreement.

Supplying the plans to the purchaser or their approval by the purchaser in no way discharges the supplier from its liability in respect of the order in case of error.

6. Tooling or goods loaned or entrusted

Any tooling manufactured by the supplier on behalf of and at the expense of the purchaser in whole or in part, and any property or tooling made available to the supplier by the purchaser shall be used for carrying out the purchaser's orders only. Custody and maintenance of these goods and tooling shall be provided by the supplier at its expense, risk and liability. The supplier undertakes to take out all the insurance policies necessary for this purpose and to provide proof thereof. These assets and tooling remain the property of the purchaser and if not already identified, must be permanently marked or given an owner's identity plate as such by the supplier. The supplier undertakes to return the same in good condition at the purchaser's first request.

7. Patents - Infringements

The supplier warrants that it has free enjoyment of all the patents and licenses pertaining to the equipment to be supplied.

In all cases of complaint or claim from third parties pertaining to the infringement of rights arising from patents and/or licenses, the supplier undertakes that the purchaser shall be free of all liability and remain harmless and not required to bear any costs in this regard.

8. Confidentiality

Documents, including handwritten papers such as in particular diagrams, drawings, sketches, calculation notes etc., passed by the purchaser to the supplier are the purchaser's property.

The supplier is bound by a strict obligation of confidentiality and must take all measures to ensure that neither all nor any part of any specifications, formulas, drawings or details of manufacture relating to the order is or are reproduced, passed on or disclosed to third parties, either by itself or by its agents or suppliers.

In the case of orders for studies, the purchaser shall acquire full and beneficial ownership of the results

of the order, including in particular, any packages, technical notes, drawings, models, prototypes, tooling, etc., and of any element of the know-how necessary to obtain the results ordered.

In the event that results are eligible for industrial protection, the purchaser alone may file for industrial property title under its own name and at its own expense.

The supplier undertakes to exhibit goods manufactured according to the purchaser's designs, models and technical specifications only with the latter's written agreement. In no case and in no form whatsoever may the order give rise to any direct or indirect advertising without the purchaser's written authorisation.

9. Control

The supplier's services comprise, inter alia, all the audit checks and tests defined in the order. The costs relating to inspection, acceptance or approval services of any qualified certification body appointed by the purchaser or imposed under current legislation are at the supplier's charge.

The agents of the purchaser, its customer or their authorised representatives shall at all times have free access to the supplier's places of business and those of its subcontractors. The supplier must provide all the resources and personnel necessary to carry out the inspections and verification procedures provided for in the order.

Any technical acceptance procedures that may be carried out at the supplier's premises by the purchaser's agents in no way discharge the supplier from its liability in respect of the order.

10. Packaging

Besides any additional specifications stipulated in the order, packaging must be designed and produced so as to maintain the equipment in good condition throughout the various handling-, shipping and transport operations and for the whole foreseeable period of storage within the purchaser's places of business.

If the packaging has to be returned to the supplier, it will be returned "carriage due", at no liability on the part of the purchaser.

11. Shipping

Failing any particular provisions in the order, the supplier is liable for shipping and insuring the equipment carried to the place of delivery; transport is carried out at the supplier's risk and liability.

12. Delivery

The terms and conditions of delivery are specified in the order. The equipment delivered must be accompanied by a delivery note compiled by the supplier and containing all the particulars necessary to identify the said equipment, in particular order reference numbers, purchase order item, quantity and description of the equipment, complete packing list data and the carrier's name.

The purchaser reserves the right to refuse any delivery that exceeds or is surplus to order. The return of any surplus goods shall be at the supplier's cost, risk and liability.

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13. Time periods

Unless specified otherwise in the order, the delivery dates and times stated in the order are mandatory and understood to be for delivery in the purchaser's places of business.

The obligation to meet contractual deadlines applies to the complete and compliant delivery of the equipment, to the completion of the works and the delivery to the purchaser at the place of delivery agreed by contract, of all technical and/or administrative documents provided at point (5) and in the order of which they are an integral part.

In case of delay, the purchaser may require shipment by the quickest means, at the supplier's expense.

The supplier is obliged to report all causes of delay to the purchaser as soon as they become apparent, so as to enable it to take all useful measures.

14. Penalty charges for late delivery

With the exception of cases of force majeure (according to articles 1147 and 1148 of the French Civil Code; Article 1147: A debtor shall be ordered to pay damages, if there is occasion, either by reason of the non-performance of the obligation, or by reason of delay in performing, whenever he does not prove that the non-performance comes from an external cause which may not be ascribed to him, although there is no bad faith on his part. Article 1148: There is no occasion for any damages where a debtor was prevented from transferring or from doing that to which he was bound, or did what was forbidden to him, by reason of force majeure or of a fortuitous event.), any overrun of the contractually agreed delivery time renders the supplier liable, as a matter of law, to incur penalty charges for delay.

The amount of these penalty charges, deducted from settlements as stated at article (20) below, is either equivalent to what the purchaser himself incurs due to the supplier's default as the case may be, or equivalent to 0.5% of the amount of the supply behind schedule per calendar day's delay.

Furthermore, in addition to these penalty charges the purchaser reserves the right to ask the supplier for payment of all other losses or damage that might be the direct or indirect consequence of the delay attributable to the supplier.

15. Refusal

- in case of non-compliance with the requirements of the order or of failure to meet contractual performance targets, the purchaser reserves the right to refuse the equipment at issue.

- in case of refusal, the purchaser informs the supplier and will keep the said equipment at its disposal for collection for 5 working days; after this period, the purchaser reserves the right to return the equipment refused to the supplier, debiting it for all packing and carriage costs.

- the refused equipment is to be replaced by the supplier; in the contrary case, its value will be deducted from the total of the corresponding invoice or paid back where settlement has already been made.

- all supply refused shall be treated as undelivered and subject to penalty charges. Furthermore, the purchaser

reserves the right to claim reimbursement of the costs incurred and claim damages and compensation if defects appear in the course of implementation.

16. Transfer of ownership

Ownership of the equipment sold transfers only upon the purchaser giving quantitative and qualitative acceptance thereof. Any technical acceptance procedures carried out at the supplier's premises do not amount to acceptance thereof by the purchaser.

Unless provided otherwise, ownership (title) transfers in accordance with the ordinary law on sales, notwithstanding any retention of title clause which shall not be enforceable or binding against the purchaser unless it is signed by one of its authorised representatives.

17. Transfer of Risks

Risks transfer, unless otherwise provided, upon delivery of the equipment to the place stated on the order.

18. Warranties

- The supplier guarantees its equipment against all defects of design, construction and material. It certifies that the equipment supplied comply with the specifications of the order and that it has been produced in accordance with best industry practice.

- The warranty period for the supply is one year, unless specified otherwise in the order. For this whole period, the supplier undertakes to repair or replace any part (or component) which is part of the equipment or any equipment acknowledged to be defective, entirely at its own expense and at the earliest opportunity.

- In the case of the supply of products with a limited shelf-life or of equipment in which such products are a component, the supplier must specify:

- what arrangements should be made for storage ensuring preservation,
- the total period of validity, before use, counted from the date of manufacture,
- the "use before" expiry date, affixed in an appropriate and indelible manner on the packaging.

- In the case where the supplier were found to be incapable of providing the intervention requested, the purchaser reserves the right to make or have a third party make such intervention, at the supplier's expense, without prejudice to the application of article (21) below. The latter may not rely on the intervention of the third party or the purchaser to limit or exclude its liability in respect of contractual warranties.

19. Prices

Unless specified otherwise in the order, the prices stated therein are firm and final, not subject to revision, understood to be ex VAT and net (packing, insurance and carriage free to place of delivery).

20. Billing - Settlement

- unless specially provided otherwise in the order, invoices are issued in a single (1) copy and sent to the purchaser's "suppliers' accounts" department. They must contain the order reference numbers, the purchase order items, the complete description and quantities delivered, the value excluding taxes, the

amount of VAT and the value all taxes included, in accordance with current regulations.

- invoices shall be raised only after the supply or services is complete and compliant. Unless expressly excluded, equipment delivered before the delivery date stated on the order may only be invoiced for after that same date.

- invoices are paid at the value accepted by the purchaser. Unless specifically provided otherwise in the order, settlement is made in accordance with the French Law on the Modernisation of the Economy (LME), at 45 days end of month in which the subject of the order or invoice was received, whichever is the later, on the 15th of the following month, by promissory note, cheque or bank transfer, it being understood that the amount paid takes account of all late payment charges calculated in accordance with the article (14) above.

- in case of partial delivery of an item ordered without the purchaser's prior agreement, the due date for settlement for the whole of the item shall be calculated with effect from the date on which the balance of the item is received.

- any part- or advance payments according to any special provisions on the order are paid by the purchaser subject to the proper performance of the order and on presentation by the supplier of a first demand joint performance bond (bank guarantee) that may be called in by the purchaser at no cost.

21. Cancellation

In case of non-performance by the supplier within the periods laid down of all or part of its contractual obligations arising from the order, or in the case where during performance thereof the supplier finds itself unable to meet the technical requirements of the order, the purchaser may cancel the order as a matter of law after formal notice has remained without effect for a period of 15 days, without prejudice to its right to claim damages and compensation.

In addition, the purchaser may claim reimbursement of the sums it has already paid to the supplier or of the costs it has to incur to make up for the supplier's default.

If the contract and/or job in respect of which the order was given to the supplier were to be totally or partially cancelled, or if the supplier were to find it impossible to fulfil its obligations because of a case of force majeure, or where default ensuing from a case of force majeure were of a nature to compromise performance of the order, the purchaser shall have the right to cancel the order, provided it observes a 15-day prior notice period, and the supplier shall not be entitled to claim damages or compensation. A cancellation account may be negotiated to take account of expenditure rightfully incurred by the supplier as at the date of cancellation.

The purchaser may furthermore cancel the order in case of bankruptcy proceedings or liquidation of the supplier's assets.

22. Governing Law and settlement of disputes

The order is governed by French law. Any disagreement that cannot be settled amicably shall be of the jurisdiction of the courts at the purchaser's registered office.