

GENERAL TERMS AND CONDITIONS OF SALES

GENERAL TERMS AND CONDITIONS OF SALES OF ARAYMOND ENERGIES SASU**1 - General information**

These General Terms and Conditions apply to the contractual relationship between the supplier ARAYMOND ENERGIES SASU (hereinafter "Supplier" or "ARAYMOND ENERGIES") and the Customer company (hereinafter "Customer").

The Customer's general terms and conditions expressly agreed by ARAYMOND ENERGIES can apply in addition to the present General Terms and Conditions and the Particular Conditions, insofar as these Customer's general terms and conditions are not in contradiction with these terms and comply with contract law and competition law.

The present General Terms and Conditions apply to all contracts, all orders and all open orders.

It is expressly agreed that all references to Customer's documents on any documents, including on an Internet site, referring to another document, shall not be agreed by ARAYMOND ENERGIES without its written and prior agreement. No website usage agreement or any other click through agreement on a website will have any applicability or binding effect whether or not Supplier clicks on an "ok", "I accept" or similar acknowledgment.

Any derogation to the present General Terms and Conditions shall be confirmed in writing.

The term in "writing" means any document drawn up on any paper, electronics medium or by fax.

Conversely any order or any acceptance of the Products constitutes full and entire acceptance of these General terms and all the terms of the ARAYMOND ENERGIES offer including the SPECIFICATIONS. The SPECIFICATIONS means all Products' characteristics defined in the SPECIFICATIONS, including, the Product Data Sheet and Instructions Manual provided by ARAYMOND ENERGIES to the Customer. The first order from the Customer shall be considered as an acceptance of last SPECIFICATIONS provided by the Supplier.

2 - The contract's scope of application

The following documents are part of the contract in the order shown below:

- (i) The present General Terms and Conditions,
- (ii) The Offer accepted by any means, in particular by acknowledgment of receipt,
- (iii) The SPECIFICATIONS completing the present General Terms and Conditions,
- (iv) The delivery order,
- (v) The invoice.

The following documents are not part of the contract: documents, catalogues, advertising, "Written" fees not mentioned and not expressly agreed by the Parties in the particular conditions.

3 - Method used to place orders

The contract is only valid after express agreement of the order by ARAYMOND ENERGIES in the event that this order will have different terms from the Offer.

The order shall be accepted by any written means.

Any order expressly accepted by ARAYMOND will be deemed to entail the Customer's acceptance of ARAYMOND ENERGIES' Offer.

Any order strictly in conformity with the Offer could not be the subject of confirmation and will *de facto* be regarded as accepted.

Any request of the Customer to recover his orders via a portal or any other means shall be subject to the agreement of ARAYMOND ENERGIES. In any event, even though ARAYMOND ENERGIES would have accepted this practice, the Customer will have to make sure that ARAYMOND ENERGIES recovered the aforementioned orders. In this respect, in the absence of verification by the Customer, ARAYMOND ENERGIES will not be held liable.

3.1 - Order

The order specifies the quantities, prices and timeframes in a closed manner.

3.2 - Amendment of the orders

Any modification to the contract requested by the Customer is conditional upon ARAYMOND ENERGIES' express acceptance.

3.3 - Cancellation of order

The order expresses the Customer's irrevocable consent; the Customer cannot cancel such order without the prior and express consent of ARAYMOND ENERGIES. In this case, the Customer shall indemnify ARAYMOND ENERGIES for all of the expenses incurred (in particular specific equipment, research's costs, labour's and supplying's expenses, tooling) and for all direct and indirect

consequences resulting thereof. In addition, the deposit already paid shall remain at ARAYMOND ENERGIES.

4 - The order's preparatory and ancillary work**4.1 - Plans, researches, descriptions**

All the technical plans, descriptions, documents or quotations given to the Customer are communicated within the framework of a loan for use whose purpose is the evaluation and the discussion of the commercial offer of ARAYMOND ENERGIES. They will not be used by the Customer for any other purposes. ARAYMOND ENERGIES keeps all of the material and intellectual property rights on the documents loaned. These documents shall be sent back to ARAYMOND ENERGIES upon first request of ARAYMOND ENERGIES.

4.2 - Handing-over of samples

The samples or prototypes transmitted to the Customer are covered by a strict confidentiality. Samples may only be furnished to a third party with ARAYMOND ENERGIES' express authorisation.

4.3 - Conservation of tooling

The expenses incurred by ARAYMOND ENERGIES for the research, the creation of tooling and the adjustment of manufacture shall be the subject of the Customer's financial participation.

Tools which are designed by ARAYMOND ENERGIES and adjusted to its methods and its equipment shall remain ARAYMOND ENERGIES sole property.

The Customer's participation in tooling expense shall not entail any transfer of material or intellectual property rights or know-how.

5 - Characteristics and status of products ordered**5.1 - Usage of the products**

The delivered products shall comply with the SPECIFICATIONS at the time of delivery in accordance with the Incoterms (see Article 7.5 - Reception) and with the technical regulation and the technical standards as mentioned in the SPECIFICATIONS.

The Customer is responsible for ensuring that the product is used in normal foreseeable conditions of use and in accordance with all regulations in effect at the place of use, including but not limited to safety and environmental legislation, as well as with industry practice.

The Customer is solely responsible for determining whether such product is fit for a particular purpose and suitable for Customer's method of application.

Unless express provision mentioned on the product, the delivered product shall not be intended to be put in use for aeronautical purpose.

5.2 - Packing of the products

Packages not consigned shall not be taken back by ARAYMOND ENERGIES. The Customer undertakes to dispose of packages in accordance with local environmental legislation.

5.3 - Transmission of the information concerning the product

The Customer undertakes to transmit to any sub-buyer any information that is useful to using the product. ARAYMOND ENERGIES shall be responsible for the product's traceability, up to the date of delivery to the Customer.

6 - Intellectual property and confidentiality**6.1 - Intellectual property and know-how of the documents and the products**

All drawings, know-how, designs, specifications, inventions, devices, developments, processes, copyrights, trademarks, patents and applications therefore, and other information or Intellectual Property whether registered or not, disclosed, handed over or otherwise provided to the Customer by the Supplier and all rights therein shall be collectively referred as "Intellectual Property" of the Supplier. Intellectual Property will remain the property of Supplier and will be kept confidential by Customer in accordance with these terms and conditions. Customer shall have no claim to, nor ownership interest in, any Intellectual Property and such other information, in whatever form and any copies thereof, shall be promptly returned to Supplier upon written request from Supplier. Customer acknowledges that no license or rights whether express or implied of any sort are granted to Customer hereunder in respect of any Intellectual Property, other than the limited right to use the Supplier's proprietary Products purchased from Supplier. Unless specifically provided for and itemized for payment as agreed to by Supplier, the sale of Products or Services by Supplier to Customer does not include any design, development or related services associated with the Intellectual Property of the Supplier.

Mentioning, incorporating of the Customer's title block, or any other Customer's detail in the drawing shall not be construed as any

assignment whatsoever to the Customer of any IP and/or know-how rights attached the Drawing and the norms shown in the Customer's title block shall not in any case represent, or be interpreted as an endorsement by ARAYMOND ENERGIES.

6.2 - Confidentiality

The parties enter into with one another a general obligation of confidentiality concerning the components (documents on any media whatsoever, discussion reports, plans, exchanges of computerised data, etc.) exchanged within the framework of the contract preparation and implementation.

However the following information shall not be subject of an obligation of confidentiality:

- Information belonging to the public domain at the time of the conclusion of the contract
- All information that is already lawfully known by a Party prior to the conclusion of the contract, or prior to the preliminary works to the conclusion of the contract.

These stipulations shall not impede ARAYMOND ENERGIES' option to use its know-how and its own technology developed during the contract, in the absence of a specific agreement concluded between the parties. These provisions shall not impede ARAYMOND ENERGIES' option to protect his achievements.

6.3 - Guarantee in the event of infringement

When design, drawing, technical information ("Data") is provided by the Customer, the Customer guarantees that such Data and their use do / will not infringe third party intellectual property rights or know-how., Customer further warrants that ARAYMOND ENERGIES can use it freely without infringing a contractual or legal obligations.

The Customer shall hold ARAYMOND ENERGIES harmless from direct or indirect consequences of any civil liability proceedings or criminal liability proceedings resulting from infringement or unfair competition proceedings.

When Intellectual Property rights are owned by Supplier, it warrants that the Parts manufactured under the contract do not directly infringe any third party intellectual property rights published at the time of the Supplier's offer and in the place of production. If a claim under this section results, or is likely to result, in an injunction or other order that would prevent Supplier from supplying or Customer from using Parts for their intended purpose, Supplier will at its option and expense either (i) secure a license of the Intellectual Property Right that permits Supplier to continue supplying the Parts to Customer, or (ii) modify the Parts so that they become non-infringing, or (iii) replace the Parts with non-infringing but practically equivalent Part.

Supplier will have no liability under this section unless Customer provides Supplier with full information, cooperation, and assistance regarding, and authority to defend, a claim covered by this section. Supplier will have no liability under this clause if and to the extent that a claim of infringement is based on (1) a Part modification made by Customer or a third party, (2) a Part modification made by Supplier at Customer's request, (3) use or interconnection by Customer of the Part in combination with other products not made or sourced by Supplier.

7 - Delivery, transport, inspection and acceptance of products

7.1 - Delivery timeframe

The delivery timeframe shall commence as of the latest of the following dates:

- the date of the order's acknowledgment of receipt,
- the date of receipt of all of the materials, equipment, tools, and execution details due by the Customer,
- the fulfilment date of prior contractual or legal obligations due by the Customer.

The agreed delivery timeframe is an important element which is specified in the Offer. However, timeframes stipulated are given for information purposes only and can be reconsidered if circumstances that are beyond ARAYMOND ENERGIES' control occur.

7.2 - Delivery terms

The risks are transferred to the Customer upon delivery (Legal Acceptance), without prejudice to ARAYMOND ENERGIES' right to rely on the benefit of the reservation of title clause or to make use of its right of retention.

The delivery is carried out in accordance with the Incoterms (INCOTERMS 2010).

In the event that the Customer has the initiative of the transport and bears the transport's cost, the Customer shall be responsible for all financial consequences for direct action of the carrier against ARAYMOND ENERGIES.

7.3 - Transport, customs, insurance

Unless otherwise agreed, all operations involving transport, insurance, customs, maintenance, and bringing to the site shall be carried out and paid by the Customer, at its own risk. The Customer shall be responsible for the Legal Acceptance and for exercising, if need be, remedies against carriers, even if shipping has been done carriage free.

7.4 - Checking of the products

The Customer must, at its expense and under its responsibility, check or make check the product's conformity to the SPECIFICATIONS at the delivery time.

Any claim based on defects of quantity, quality or internal defects of the products, shall be made in a written notice to ARAYMOND ENERGIES at the delivery time.

7.5 - Reception

The Customer is required to carry out the Legal Acceptance of the Products by which it acknowledges said Product's conformity to the SPECIFICATIONS. The Legal Acceptance is deemed as recognition of the absence of visible defects.

7.6 - Handling and storage

The Customer shall respect the recommendations relating to storage and handling including, but not limited to, reconditioning of pallets, change of conditioning by the non-utilization of the products fallen on the ground, or the inventory turnover to ensure the availability of the last index in force of the modification of the Products.

8 - Case of hardship and force majeure

8.1 - Clause of hardship

The Parties recognize that the ARAYMOND ENERGIES Offer constitutes a reasonable and equitable basis of their co-operation. If the data on which this contract is based are modified with the result that ARAYMOND ENERGIES encounters serious and unforeseeable difficulties (for example but not limited to the following, significant increases in raw material's prices ...), then ARAYMOND ENERGIES, after prior written notification, will make the adjustments, which are necessary in consequence of the circumstances and which were not reasonably foreseeable at the time of the Offer, in order for the contract to be balanced.

8.2 - Force majeure

The occurrence of an event of force majeure will lead to the suspension of ARAYMOND ENERGIES' obligations with regard to the Customer. However ARAYMOND ENERGIES will inform the Customer as soon as possible of the occurrence of a case of force majeure. ARAYMOND ENERGIES will endeavour to remedy the situation, which has thus arisen, as soon as reasonably possible. It is expressly agreed that the Parties shall meet in order to agree as to the postponement of ARAYMOND ENERGIES' obligations, which are affected by the event of force majeure, and to the rescheduling of the instalment schedule. Should this event continue for a period longer than 10 calendar days, and in the absence of an agreement 15 days following notice of the occurrence of the event of force majeure, either Party may terminate the contract without prior notice. Pursuant to this contract, it is expressly agreed that events of force majeure shall be, in particular: the occurrence of incidents, as upheld by effective legislation or by case law, but also strikes or other blocking labour unrest, paralysing bad weather, blocking road accidents or incidents, fires, shortage of raw materials, or generally, the fact, in spite of all due care taken, of not being able to make the delivery in accordance with the instalment dates as a result of a ban on, or non-receipt, of carriage authorisations by the relevant authorities for all the plants concerned by the issuance.

9 - Establishment of the price

The prices are indicated in the Offer. They are invoiced in the Offer's conditions. The price corresponds exclusively to the products and services specified in the Offer. The payments are made in Euros unless specific provisions in the contract.

10 - Payment

10.1 - Terms of payment

Unless otherwise expressly agreed in a specific agreement, payments are made in accordance with the payment terms as stated in the Offer. As a reminder, the applicable law prohibits any negotiation of compensation due to the change of payment term.

Any clause or request to fix or to obtain a payment timeframe exceeding this fourteen five (45)-day end of month period which represents common practice in the mechanical industries, and unless objective reason, explained by the Customer, may be considered as excessive pursuant to Article L. 442 of the Commercial Code, resulting from the law n° 2001-420 of May 15th, 2001 and the European directive 2000/35 EC of June 29th, 2000.

The dates of payment agreed upon in the contract shall never be unilaterally reconsidered by the Customer for whatever reasons, even in the event of litigation.

The advance payments are made without discount, unless otherwise agreed in a specific agreement.

10.2 - Delay of payment

Any delay in payments will automatically entitle ARAYMOND ENERGIES to the application of interests which shall equal to, at least, three times the French legal interest rate.

Any delay in payments within due date shall automatically entitle ARAYMOND ENERGIES to obtain from the Customer a fixed sum of EUR 40 as compensation for recovery costs and, at ARAYMOND ENERGIES' sole discretion, may withhold shipment of products, institute new terms of payment, cancel any order and not liable for direct or indirect consequences arising from such actions.

In addition, ARAYMOND ENERGIES shall be entitled to obtain reasonable compensation from the Customer for any recovery costs exceeding that fixed sum and incurred due to the customer's late payment.

10.3 – Modification of Customer's situation

In the event of deterioration of the Customer's situation noticed by a financial institution and attested by a significant delay in payments or when the financial position differs appreciably from the given data, the delivery will have place only in consideration of renegotiated terms of payment.

In the event of delay in payments, ARAYMOND ENERGIES has a right of retention on the manufactured products and its accessories.

In the event of sale, of transfer, of handing-over in security or in the event of capital invested of his goodwill, or of a significant part of his assets or of his material by the Customer, also in the event that the bill did not return with acceptance within the seven days following its sending, ARAYMOND ENERGIES reserves the right without injunction:

- to pronounce the termination of the contractual term and consequently the immediate payability of the sums still due
- to suspend all shipments
- to note on the one hand the annulment of all the current contracts and to practice on the other hand the retention of the received down payments, the held tooling and parts, until the determination of the possible indemnity.

10.4 - Compensation of the payments

The Customer undertakes not to engage into any illicit debiting or crediting or not to invoice ARAYMOND ENERGIES for any amount that has not been expressly acknowledged by the latter as being its responsibility. Any automatic debit shall constitute an outstanding payment and shall give rise to the application of the provisions of Article 10.2 with respect to delay in payments.

10.5 - Legal warranty of payment in the event of subcontract

When the contract concluded is part of a series of service contracts pursuant to the law n°75-1334 of December 31st, 1975, the Customer shall be legally obligated to have ARAYMOND ENERGIES accepted by its own ordering party. The Customer is also obligated to have the ordering party accept the ARAYMOND ENERGIES' payment terms.

If the ordering party is not the final Customer, the Customer undertakes to require compliance with the formalities of the law of 1975.

In accordance with article 3 of the law of 1975, the lack of presentation or approval shall lead to the impossibility for the Customer to claim the contract against ARAYMOND ENERGIES; this impossibility aims in particular for the calling into question relative to the possible defects of conformity with the specification. However, pursuant to the said article, the Customer is responsible to the subcontractor for fulfilling his contractual obligations.

Under the present General Terms and Conditions, the law of 1975 is regarded as a law of police applicable via the Customer to the foreign final customers.

10.6 - Reservation of title

ARAYMOND ENERGIES keeps full ownership of the properties that are the subject of the contract until the effective payment of the entire price in principal and ancillary amounts. The non-payment of any of the due date could lead to the claim of these products. However, as of delivery, the Customer assumes liability for any damages that these properties could suffer or cause.

11 - Responsibility/Liability

11.1 - Definition of ARAYMOND ENERGIES' liability

ARAYMOND ENERGIES' responsibility is strictly limited to complying with the SPECIFICATIONS.

Indeed, the Customer, as a professional in his field of competency, shall be able to define with precision the specifications according to his own industrial data or data of his customers and consequently shall be able to appreciate that the SPECIFICATIONS fully corresponds to its expectations. The sole remedies of non-conformity of Products to the SPECIFICATIONS at the delivery time are, at ARAYMOND ENERGIES' sole discretion, either the replacement of the nonconforming Product with conforming Product or the repair of nonconforming Product.

ARAYMOND ENERGIES shall not be liable:

- for defects resulting from materials furnished by the Customer,
- for defects resulting from design carried out or recommended by the Customer,
- for defects that result partially or completely from normal wear and tear of the product, damages or accidents attributable to the Customer or to a third party,
- In the case of abnormal or atypical use or use that is inconsistent with the product's intended use, industry practice, or ARAYMOND ENERGIES' advice or recommendations, in case of loss of traceability of the product by the Customer.
- If the Customer refuses to participate in a product recall, whether initiated internally or imposed by authorities, it will indemnify and hold ARAYMOND ENERGIES harmless against any expense, claim or legal action resulting from any delay or failure to conduct the recall.

11.2 - Limitation of ARAYMOND ENERGIES' liability

ARAYMOND ENERGIES' liability shall be limited to direct material damages caused to the Customer that result from fault attributable to ARAYMOND ENERGIES in implementing the contract.

ARAYMOND ENERGIES shall not be required to compensate harmful consequences due to the faults of the Customer or of third parties in connection with the implementation of the contract.

ARAYMOND ENERGIES shall not be liable for damages resulting from the Customer's use of technical documents, information or data from the Customer or imposed by the latter. Under no circumstances will ARAYMOND ENERGIES be required to compensate immaterial or indirect damages, included but not limited to: losses in productivity, losses of chance, losses of benefit, commercial damage, shortfall, punitive damages.

If penalties and compensations planned were agreed by mutual agreement, these penalties and compensations have the value of fixed compensation, are in full discharge and are exclusive of any other sanction or compensation.

ARAYMOND ENERGIES' civil liability, all causes taken together except for personal injuries and for gross misconduct liability, is limited to the amount of the selling price of the batch to which belongs the non-conform product.

The Customer guarantees waiver of remedy by its issuers or third parties in a contractual relationship with it, against ARAYMOND ENERGIES or its insurers that is above and beyond the aforementioned limits and exclusions.

Notwithstanding anything contained in this agreement or any other document, Supplier's liability shall not exceed insurance coverage taken by the Supplier.

12. Termination

12.1 - Supplier's right to terminate for Breach

Supplier reserves the right to terminate all or any part of the order, without any liability of Supplier to Customer or any other third party if Customer repudiates, breaches, or threatens to breach any of the terms.

12.2 - Supplier's right to terminate for Convenience

In addition to any other rights of Supplier to terminate all or any order, Supplier may, at its option, immediately terminate all or any part of the order at any time and for any reason by giving written notice to Customer.

13 - Amicable resolution of disputes

All disputes, controversies or differences that may arise between the parties hereto, out of or in relation to or in connection with contractual relationship or for the breach thereof, shall be settled amicably through negotiations in good faith.

14 - Applicable law - Attribution of jurisdiction

In the absence of amicable agreement, it is expressly agreed that any dispute relating to the contract shall be subjected to the French law and shall be of the exclusive competence of the commercial Court of Grenoble, FRANCE, even in the event of appeal and of plurality of defendants.

15 – Miscellaneous

In the event that any clause of these Terms and Conditions or other elements of the contract should be or become invalid this shall not affect the validity of the remaining clauses.

None of the terms or conditions of these Terms and Conditions shall be deemed or construed to have been waived by any Party unless such waiver is set forth in a written instrument properly signed by such Party.