

Article 1 – PURPOSE AND SCOPE OF APPLICATION:

The present general conditions shall apply to any order from PCI and / or any of its affiliated companies, as well as to any amendment related to such order.

Specific conditions amending the present General Terms of Purchasing shall prevail over these specific conditions only if there is an express agreement, writing by both parties.

Article 2 – SPECIFICATIONS AND ORDER:

The Supplier's offer must comply with the present General Terms of Purchasing and the specifications or technical data sent by PCI.

The Supplier's offer shall include all Supplies, services and work necessary to the total completion of the order and to ensure the good working order of the Supply and / or the good completion of the services. If the Supplier assumes that it cannot perform a given obligation set forth in the specifications, it shall clearly mention it in its offer; otherwise, it shall be deemed to have accepted the said obligation.

The order implements the approval of the Supplier's last offer. The contract is effective as from the date set forth in the order sent by PCI to the Supplier.

Article 3 – SUPPLIER'S OBLIGATIONS:

The Supplier shall ask PCI for any clarification or explanation related to the specifications or technical data, especially in the event of any inconsistencies between the specifications and the order.

The Supplier shall deliver the Supply or provide the services to PCI in strict compliance with the conditions defined in the order, the specifications, the referenced documents, as well as in the present General Terms of Purchasing and applicable regulations.

The Supply shall be delivered together with any documentation necessary for its use, maintenance, handling, as well as any documentation requested by the regulations in force. The list of component, the valuated list of wear and / or spare parts shall be enclosed on delivery in French and in English, and this in accordance with the requirements of the specification. The Supply shall be exempt from any defect whether apparent or latent, and be in perfect functioning condition and fit its intended use.

The Supplier undertakes to provide to PCI the wear and spare parts for a duration of fifteen years following the delivery.

The order sets forth the delivery date as well as the deadlines mentioned in the specifications. The Supplier shall strictly comply with those dates and deadlines.

If the Supplier does not comply with the contractual schedule, PCI shall be entitled to apply penalties for late delivery according to the calculation method set forth in the order, without being necessary to send any formal notice. If the rate of penalties is not defined in the order, it shall be deemed to amount to 1% per week of delay, with a minimum of 150 EUR exc. tax, but in any event shall not be more than 10% of the total value of the contract. Each commenced week shall be paid. The payment of such penalties shall not exempt the Supplier from payment of liquidated damages in compensation for the damage sustained by PCI as a result of such delay.

The Supplier shall immediately notify PCI of any event likely to impair the good performance of the contract, or likely to affect in any way PCI's interest.

Considering the potential damage that could result from the Supplier's delay, PCI shall be entitled to perform or have performed by a third company all the remaining works; such works shall be carried out at the Supplier's cost. The Supplier shall pay immediately upon presentation of the relevant documents any and all expenses borne by PCI as a result of the Supplier's delay.

During the completion of the order, the Supplier shall do its utmost to propose any technical solution likely to improve, in terms of cost and quality, the manufacturing, use or maintenance of the Supply.

The Supplier shall integrate any modifications proved to be necessary to the good completion of the order.

However, those modifications shall not result in lowering the quality of the Supply or services. Before implementing them, the Supplier shall send a written request to PCI (explaining the reasons of such modifications) in a time frame enabling PCI to take a decision and notify it by written notice.

Article 4 – DELIVERY – ACCEPTANCE PROCEDURE – NON COMPLIANCE:

A delivery note mentioning the name of the Supplier’s company, the complete list of equipment, its quantity as well as the order number, and the number of the corresponding line in the order shall be enclosed in any delivery, carried out either by the Supplier itself or through a carrier.

The Supplier shall be held responsible for any defect which could occur in our plants, while using such Supply.

The Supplier shall bear any transport expenses related to defective Supply refused by PCI.

Should a Supply be refused by PCI, the Supplier shall automatically send PCI a refund without prior request from PCI. PCI shall be free to have the Supply replaced by the Supplier or by anyone else of its choice.

For supply of services:

PCI shall express its acceptance or refusal of the Supply at the end of the procedure of acceptance (set forth in the specifications as the case may be) by drawing up and signing an acceptance certificate.

PCI shall mention within the acceptance certificate all the reservations which have to be removed as soon as possible, and as the case may be, at the latest, at the date defined with PCI.

If the Supplier does not comply with this date, PCI is entitled without any prior injunction or notification, to correct or have corrected by any third party the defect. The Supplier, in this case, shall bear the costs of such corrections upon presentation of the relevant justification.

Article 5 – TRANSFER OF TITLE – TRANSFER OF RISKS:

PCI is the owner of the Supply as from the delivery date or progressively according to each installment paid. As from the payment of the first installment, PCI is the owner of the drawings and studies carried out by the Supplier for PCI.

The risks shall be transferred to PCI upon signature of the acceptance certificate. Until the transfer of risks occurs, the Supplier shall be liable for any damage, whether direct or indirect, material or immaterial, or any others caused to or by the Supply or part of it, even if the transfer of ownership to PCI has already occurred.

Article 6 – WARRANTY:

The Supplier is the warrantor with regard to PCI that the Supply is free from any defect, latent or not, and strictly complies with the requirements defined in the specifications.

Under this warranty, the Supplier undertakes to repair or replace for free any part and / or service in order to enable the proper functioning of the Supply and to reach the performances defined in the specifications for three-shift work. The supplier shall bear all expenses resulting thereof, and especially, the cost of parts, labour, as well as dismantling, transport and, reassembling expenses whether borne directly by itself, by PCI or any third party.

The duration of this warranty shall be twelve months from the Final Acceptance by PCI’s customer, or twenty-four months from its delivery date. Based on a written notification from the client, the intervention or replacement of faulty parts must be done under maximum 48 hours, apart from public holidays.

The defective part that has been replaced shall be guaranteed for another period of twelve months from the date of replacement. The defective parts become the property of the supplier. Warranty for latent defects shall not be limited.

Article 7 – LIABILITY:

The Supplier shall be held liable for any non completion, partial completion or wrong completion of the order, such as, but not limited to : defects in design, non compliance, manufacturing defects, running defects or defect in the performance of the Supply and / or the services.

The Supplier shall hold PCI harmless from any and all losses, or damage whether direct or indirect, material, moral or physical resulting from its liability.

Article 8 – INSURANCES:

The Supplier shall subscribe to and keep in force all insurance policies necessary to cover its liabilities as described in article 7, especially for professional liability and “product” liability.

The Supplier shall provide an insurance certificate evidencing it has paid the premium for the current year and indicating the amount covered per damage and per year.

Article 9 – INTELLECTUAL PROPERTY RIGHTS:

PCI shall remain the exclusive owner of the industrial and / or intellectual property rights it owns, and that the Supplier may come to know or use in performing the order.

PCI shall be the exclusive owner of any results related to studies carried out within the frame of the order. The Supplier grants PCI the right to reproduce and modify the plans, studies and calculations completed by the Supplier, and the right to disclose them to its subcontractors.

Unless otherwise agreed in writing, any patent application related to any invention made on the occasion of the completion of the order, shall be submitted by PCI acting on its own behalf and shall be its exclusive property.

Within the frame of the studies and / or carrying out of the order, the Supplier grants PCI for a free license including the right of use, for the purpose of maintenance or evolution of the project, of the software which is its property and which is integrated in the supply with or without any adaptation. This license shall include the right to reproduce and adapt the plans for the purpose of maintenance or evolution of the project. PCI shall be able to assign this right to any subsidiary.

The Supplier undertakes not to use third party intellectual property rights without such third party prior written consent. Any fees or other payments which would be due for such use shall be borne exclusively by the Supplier.

The Supplier shall hold PCI and its final customer harmless from any claim, whether or not brought before the courts by any third party, based on intellectual property rights.

PCI shall immediately notify the Supplier of any such claim.

In case of a claim, whether justified or not, the Supplier undertakes to take part in the lawsuit or proceedings in the name and on behalf of PCI and / or its final customer. Any expenses borne by PCI for any reason whatsoever, notably costs, fees, damages, shall be fully reimbursed by the Supplier to PCI.

In such a case, the Supplier shall, at its own costs, either obtain for PCI and / or its final customer the right to continue to freely use the Supply or replace or modify it, so that the rights of use can no longer be disputed.

Modifications in the supply and / or replacements supplies shall, in any event, offer functions and performances which are at least equivalent to those expected from the Supply concerned.

Article 10 – PRICE – TERMS OF PAYMENT:

The prices are fixed, firm and final. Prices are in Euros, net of VAT. They include the cost of insurance, transportation, packing, customs clearance and the risks of transportation fall to the Supplier or DAP –INCOTERM 2010 (Delivery At Place: see the place of delivery on the order). The price stated in the order compensates the Supplier for all its costs, expenses, supplies, charges and obligations of any and all kinds. It shall be deemed to take into account any and all particularities of completion of the order.

The invoice shall be payable, according to the conditions stipulated in the order, at 45 days, and of the month from the date of invoice.

Whenever an advance payment is stated in the order, such payment shall be made upon sending of an advance payment demand guarantee released by a bank.

In the event of services, the advance payment and retention money bond shall be paid only after agreement from the Purchasing Department and Technical Department of PCI and upon presentation of a request for payment or advance payment.

Payments made on delivery of the Supply or services shall be made after acceptance of the Supply or services by PCI and upon presentation of an invoice.

Any request for advance payment as well as any invoices shall be sent to the address stipulated on the order and shall specify the date and number of the orders as well as the date and number of the dispatch note.

Article 11 – MODIFICATIONS:

Any modification to the technical or commercial provisions stated in the order, initiated by either Party, shall be agreed by both Parties in a prior written document stating the consequences of such modification on costs, delivery time and performances.

Article 12 – INTUITU PERSONAE:

The Supplier shall in no event be entitled to transfer the order without PCI's prior written consent. The order may be terminated without prior notice in case the Supplier transfers such order without PCI's consent.

Article 13 – FORCE MAJEURE:

In case any event occurs, which is beyond a party's control and which is absolutely unforeseeable and unavoidable, the affected party shall notify the other one, without any delay. Each party shall take all necessary measures in order to minimize the consequences of the event of force majeure. In case the event of force majeure lasts more than six (6) weeks, the order may be terminated by either party.

Article 14 – SUBCONTRACTING:

The Supplier shall perform the order in person. In any case, the Supplier remains liable towards PCI for any partial or total non performance or bad performance of the order.

However, subject to PCI's approval and compliance with the provisions of the law published on 31 December 1975, the Supplier may subcontract part of the order. In the event where subcontractors are used, the Supplier shall obtain, in favour of the subcontractor, the securities stipulated under Article 14 of the above-mentioned law and send a copy to PCI.

The Supplier undertakes, during the completion of the order, to notify in writing PCI of all subcontractors it will use. PCI shall be entitled to reject any sub-contractor without any justification. Any sub-contractors which would not have been notified to PCI shall not be deemed accepted by PCI.

Article 15 – CONFIDENTIALITY:

The supplier shall keep secret any information and data, such as, but not limited to know how, manufacturing processes... as well as economical and commercial data, which were disclosed to it during the preparation of its offer and / or during the completion of the resulting order.

Unless subject to PCI agreement, the Supplier shall not cite PCI as a commercial reference.

Article 16 – TERMINATION :

In the event where the Supplier fails to perform its contractual obligations, PCI shall be entitled to terminate the order totally or partially without prejudice to its rights to any damages, eight (8) days after the defaulting party has been ordered to remedy its non performance by registered letter with acknowledgement of receipt and has failed to do so.

The Parties agree that PCI shall be entitled to compensate the sums due to the Supplier with the sums due by it.

Article 17 – DISPUTES:

French law shall be exclusively applicable for the application of the present General Terms.

The Parties declare that their common objective is to maintain a continuous level of quality and to maintain their business relationship. Therefore, the Parties undertake to seek an amicable solution

Without amicable solution, and in the case of an exchange inside of the European Union, exclusive competence will be attributed to court of SAINT ETIENNE (42 – France) to settle the dispute.

Without amicable solution, and in the case of an exchange outside of the European Union, any dispute arising from the execution or the interpretation of the order will be submitted to the International Court of Arbitration of International Chamber of Commerce (ICC) and will be definitively settled following the rules of International Chamber of Commerce by one or several referees appointed in accordance with this regulation. Arbitration place: SAINT ETIENNE (42 – FRANCE). Arbitration language: English.