

General Conditions of Purchase (Equipment & Services)

August 2014

1 - Purpose

These general conditions of purchase govern the contracts which are executed and the subsequent orders (all together, hereafter "The Order") which are placed (except for stipulations to the contrary expressly stated in these provisions) by SNF SAS to the Suppliers (hereafter "The Supplier").

These conditions apply necessarily and exclude all other conditions, including the general conditions of sales of the Supplier.

Any supply of Goods or performance of Services for SNF SAS is subject to a prior valid written Order issued by SNF SAS by mail, fax, or e-mail.

The Supplier must acknowledge the receipt, without reserves, of the Order within two calendar days from the date of its issue. Failing this, SNF SAS will be entitled, even if execution has already begun, to either cancel the Order without any indemnity for the Supplier or to consider that it is accepted without any reserves.

On receipt of the Order, the Supplier will inform SNF SAS of the name, the business address and the contact number of the person in charge of executing the Order. SNF SAS reserves the right to request the replacement of any person whom the Supplier designates to perform the Order.

2 - Definition

In this General Conditions of Purchase, the following words shall have the same meaning as assigned to them hereafter.

"Effective Date" means the date of signing of the Order.

"Goods" means the equipments, products, machines, appliances, parts, components, hardware material, materials, manufactured or rough items, spare parts or otherwise, which the Supplier must supply according to the Order.

"Services" means the studies, software documentation, or know how, and other services such as works workshop tests, packing before packaging, packaging, loading, and weeding on the transport machine, transport, execution or supervision on the on-site works notably of : civil engineering / assembling / pipe work / cabling / commissioning.

"Supply" means the Goods which the Supplier must supply and the Services which must be carried out under the terms of the Order.

"Work site" means the end site where the Supply is used.

3 - Delivery – Delivery Time

All deliveries must be made by the Supplier, net of all costs, free from any lien, encumbrance or claim, to destination and be accompanied by a delivery note prepared in duplicate recalling the number of the Order, the references and description of the Supply, and the quantities delivered.

The Goods shall be delivered at the place and the date of delivery stated in the Order.

The Goods ordered shall travel at the risks of the Supplier.

For deliveries made prior to the contractual date, without specific request from SNF SAS, SNF SAS reserve the right to return the Goods at Supplier's costs and risks.

4 –Delay

The Supplier hereby undertakes to complete the Supply on or before the contractual date and time for all deliveries set forth in the Order.

All deliveries made after the contractual date shall give to SNF SAS the right to claim the penalties specified in article 5. In addition, SNF SAS reserves the right to require from the Supplier the payment of any penalty or damage that would be attributed to the Supplier.

Without prejudice to the Supplier's obligations, SNF SAS must be informed of any event which is likely to modify the date of delivery stated in the Order within twenty-four hours following the occurrence, whether or not this involves a case of Force Majeure.

In case of anticipated delay of delivery, SNF SAS reserves the right to cancel all or part of the Order without compensation to the Supplier.

5 – Liquidated damages

In case of delay in the delivery of the Supply, the Supplier shall automatically, without any prior notice from SNF SAS, pay the liquidated damages in the amount stipulated in the Order.

In addition, SNF SAS reserves the right to charge the Supplier with all costs resulting from late deliveries.

6 – Transfer of title and Risk

Ownership of all or part of the Supply is transferred to SNF SAS as soon as the items, subject to the Order, are identified in the premises of the Supplier and/or its Subcontractor and/or at the Work Site.

Any ownership reservation clause, which directly or indirectly aims to condition the transfer of ownership to the payment of all or part of the price of the Supply, shall be considered null and void.

Care, custody, control and risk of loss or damage of the Supply, remain with the Supplier until SNF SAS takes physical possession and accepts delivery of the Supply.

7 - Quality

Any Supply, not in compliance with the specifications of the Orders, will be rejected and be replaced by the Supplier at its own expense, within five days after the notice of refusal from SNF SAS. Failing this, the Goods will be returned to the Supplier at its own costs and risks. The payment of these costs and penalties does not relieve the Supplier of its obligations under Article 5.

8 - Sub-contracting

The Supplier shall not subcontract all or any portion of the Order without prior written approval from SNF SAS.

The Supplier must submit, the list of the main manufacturers or sub-contractors which it intends to use, and the nature of the sub-contracting which is entrusted to them, to SNF SAS for agreement before the manufacture begins. The Supplier acknowledges that SNF SAS is entitled to approve some of them. The non acceptance of a sub-contractor shall never lead to a modification of price and/or delay.

After SNF SAS accepts the names of the sub-contractors proposed by the Supplier, the latter shall be solely liable towards SNF SAS for the proper execution of the works which it assigns to its sub-contractors. To that extent the Supplier shall do the needful to ensure that the sub-contractors understand the scope of works required to them.

The orders which the Supplier places with them must expressly stipulate that SNF SAS and its customers or their agents will have unrestricted access to work-shops of manufacturers or sub-contractors, and the right to photograph the ongoing construction Goods or to demand photographs of said Goods, at any time.

General Conditions of Purchase (Equipment & Services)

August 2014

9- Documents review

SNF SAS shall have the right to review and acknowledge drawings, specifications, methods, data, unpriced purchase orders and subcontracts and any other document related to the Supply. However, such review and acknowledgement shall in no way be considered as a variation order, nor relieve the Supplier from its responsibilities, obligations or liabilities under these General Conditions of Purchase or the Order.

10 – Price – Invoicing - Payment

1/ Invoicing

Each invoice must be sent in duplicate within 5 days after delivery and must correspond to an Order. The invoice must mention the full references of the Order and will reproduce the order number, the place of delivery, and the price. Incomplete invoices will be returned unpaid to the Supplier.

2/Price

Prices of Supplies are fixed in the Order form. Prices include all of the costs resulting from the execution of the latter, especially the charges, the subscriptions, the taxes and the rights of any kind, which are directly or indirectly connected with the performance of the Order. No increase in price can be applied without the prior written consent of SNF SAS.

3/Payment

Unless stated in special conditions, SNF SAS shall pay the price at sixty (60) days after delivery of compliant goods together with all documentations required under the contract and the subsequent invoice.

11- Warranty

Supplier warrants to SNF SAS that the Supply fully complies with the technical specifications set forth in the related Order or in any annex/appendix of SNF SAS.

Supplier warrants to SNF SAS that the Supply is fit for its intended purpose.

Supplier shall warrant the good performance of the Goods for the period stipulated in the Order, from the day of delivery of the Goods or, in case of multiple deliveries, from the day of the last delivery.

12 – Liability

Supplier agrees to indemnify and hold SNF SAS, its subsidiaries and affiliates, officers, directors, employees and agents harmless from and against any and all losses, liabilities, damages, actions or claims (including, without limitation, amounts paid in settlement and reasonable costs of investigation and reasonable attorneys' fees and disbursements) (collectively "Claims"), arising from (i) a breach of representations and warranties made by the Supplier in the Order or in these General Conditions of Purchase; (ii) bodily injury and property damage arising out of or resulting from the failure of the Supply to meet the Requisitions, including but not limited to the cost of any recall retrieval or consumer or trade notification regarding SNF SAS products attributable to such failure as SNF SAS, in its sole reasonable judgment in accordance with customary commercial practices determines is necessary; (iii) loss, injury or damage incurred by third parties or by SNF SAS personnel or damage to such persons' property while on the premises of Supplier; (iv) any act or omission by Supplier with respect to the Supply; and (v) any claim that the Supply, or the use or sale of Supply, infringes any patents or other proprietary rights of a third party, including without limitation, trade secrets, trademarks and copyrights; (vi) a breach of any of the obligations arising from this Agreement.

13 – Intellectual property rights

All information and know-how including drawings, specifications and other data provided by SNF SAS in connection with the contract shall remain at all times SNF SAS's property and may be used by the Supplier only for the purpose of performing the contract. The supplier shall keep the information and know-how confidential and shall return them to SNF SAS upon request.

The Supplier shall indemnify SNF SAS (except in respect of designs provided by SNF SAS) against all claims arising from infringement of intellectual property rights in relation to the goods or services which are the subject of the contract.

The Supplier shall neither quote nor supply parts made with SNF SAS's tool or materials, or SNF SAS's patterns, drawings, specifications or designs, to any third party without SNF SAS's prior written consent

Any inventions, patents, copyrights, design rights and other intellectual property rights arising from the execution of the order shall become the property of SNF SAS and Supplier shall not disclose the same to any third party. The Supplier shall do all things and execute such documents as may be necessary to assign such property to SNF SAS.

14 – Force Majeure

External events, which are unforeseeable and unstoppable, which make it impossible to execute the contractual obligations within the stipulated deadlines are considered to be cases of Force Majeure, and are able to modify the contractual clauses. Any technical manufacturing accident such as notably, the rejection of material, the supplier's delay or deficiency, or that of his manufacturers and/or his sub-contractors cannot be considered to be case of Force Majeure, despite the Supplier's efforts.

The Supplier must immediately inform SNF SAS when it claims force majeure and provide to SNF SAS the proof of a case of force majeure within seven calendar days following the occurrence of the event relied upon. Failing this, the Supplier will be deemed to have accepted all of the consequences of the said case of Force Majeure.

If such a case of Force Majeure occurs, the postponed deadline for the part of the Supply, which is affected by the Force Majeure, will be at least equal to the circumstances which had an indirect effect on the time for executing the Order.

15 - Hardship

In the event that during the period of the Order the general situation and/or the data on which the Order is based are substantially changed so that either party suffers severe and unforeseeable hardship, they shall consult each other and show mutual understanding with a view to making such adjustment as would appear to be necessary and such revisions as would be justified by circumstances which could not reasonably be foreseen, as of the date on which the Order was entered into, in order to restore the equitable character of this Order.

The party which considers that the condition set forth in the here above paragraph are met, shall give notice thereof to the other party by registered letter, return receipt requested which will specify the date and nature of the events which caused the change alleged by it, an evaluation of the hardship which is or will be suffered and the proposal made by it to remedy that change. Any notice given more than 12 (twelve) months after the date of occurrence of the event that caused the change alleged by the party giving the notice shall be of no effect.

16 – Insurance

The Supplier shall subscribe and maintain at its own expense the following insurance:

General Conditions of Purchase (Equipment & Services)

August 2014

- General civil liability insurance covering bodily injury, property damages and consequential losses offering minimum coverage of 10 million Euros per claim and per year. This insurance shall cover the Supplier's liability as specified in article 11, including "Civil Liability: Product", "Civil Liability: Employer" and "Civil Liability: Professional";
- The Supplier shall maintain a Property Insurance policy covering the Goods under care, custody and control of the Supplier for their replacement value, removal
- All legally required health coverage applicable to its personnel;
- All mandatory insurance according to applicable laws.

The Supplier shall provide SNF SAS with all related insurance certificates.

Any guarantee limits that may be indicated in the above policies shall not be considered as limitations of the Supplier's liability. It is the Supplier's responsibility to take out any other insurance, which it considers necessary to fulfill the Purchase Order.

17 - Hazardous Goods

If any of the goods to be supplied under the contract contain any hazardous substances or require any special precautions to be taken to ensure safety in handling, transport, storage, or use, the Supplier shall prior to their delivery provide SNF SAS with written notice about the nature of those substances and the precautions to be taken and shall ensure that before dispatch appropriate instructions and warnings are clearly and prominently marked on the goods or securely attached to them and to any containers into which they are packed.

In particular (but without limitation) the Supplier shall provide in writing SNF SAS with all such data, instructions and warnings as are required to comply with applicable legislation relating to health and safety and shall indemnify SNF SAS against any and all liabilities, claims and expenses which may arise from the Supplier's failure to do so.

18 – Safeguard

In the event of Supplier, for any reason whatsoever, not being able to begin or to complete the Supply as per the schedule stated in the Order, and after (30) thirty days of delay, Supplier undertakes to transfer the totality of execution documents (drawings, schematics, bills of materials, calculation sheets, orders placed with sub-suppliers, etc ...) related to the Order to SNF SAS.

In such a case, Supplier shall transfer the Supply that are ready for delivery or in the process of being manufactured to SNF SAS so as to allow SNF SAS to resume and complete the work, without Supplier having the right to claim any compensation other than the price of Supply so transferred.

19 - Termination

SNF SAS may terminate the contract if :

- An event of Force Majeure does or is likely to delay performance more than thirty days (30), or
- The Supplier is in breach of its obligations and does not remedy the breach within thirty (30) days from notice to do so, or
- Delay in delivery is over thirty (30) days, or
- The Supplier becomes bankrupt or insolvent or (being a Company) makes an arrangement with the creditors or has the receiver or administrator appointed or commences to be wound up.
- The control of the Supplier is materially altered whether by a change in the ownership of the shares or otherwise ;

To the extent SNF SAS subcontracts to the Supplier part of a contract executed with one of its own customers (the Main Contract), SNF may terminate the subcontract if the Main Contract is terminated. In such

event, and provided that the Supplier is in compliance with the obligations under the contract, SNF SAS shall pay to the Supplier for the work already performed before the termination. In no event may Compensation exceed the subcontract price.

20 – Jurisdiction

Any disputes relating to the validity, the execution or the interpretation of Contracts concluded under the present conditions of purchase shall be subject to the exclusive jurisdiction of the Courts of Saint-Etienne (France) and shall be interpreted according to French Law (excluding any conflict of laws). The parties exclude the application of the United Nations Convention on contracts for the international sales of goods.

21 – Notices

21.1 Any communication given, pursuant to the Order, shall be in English, in writing and may be delivered personally or by fax, e-mail, courier or registered mail.

21.2. Unless there is evidence that it was received earlier, a notice is deemed given:

- if delivered personally, when left at the address referred to in the Order;
- if sent by air mail, seven (7) days after posting it;
- if sent by fax, on completion of its transmission.
- if sent by e-mail upon receiving an acknowledgment of its receipt by the other party.

22 – General provisions

22.1 The Order, these terms and conditions and any other document that would be part of this Order, represent the entire agreement between the Seller and SNF SAS, thus superseding and replacing all other prior written or oral agreements between the parties pertaining to the same subject.

22.2 In case of inconsistency between the Order, these terms and conditions and the annexes/appendices, the Order would prevail on the terms and conditions which would prevail on the annexes/appendices.

22.3 If any provision of the Order becomes illegal, invalid or unenforceable, such provision shall be deemed to be separate from the Order and the remaining of the Order shall continue to be in full force and effect.

22.4 The Order shall always be signed in English. If it is signed in another language it would also have to be signed in English and the English version shall prevail.