

Terms and Conditions of Purchasing

LFoundry Rousset S.A.S.

1. GENERAL TERMS

Our orders are based on our Terms and Conditions of Purchasing. Other conditions will not become content of the contract, even if we do not contradict explicitly. Acceptance of a delivery or service of the supplier shall not be regarded as acceptance of its delivery terms.

2. PURCHASE ORDER

- 2.1 Only orders placed in written form shall be legally binding. Orders placed verbally or by phone as well as modifications thereof and additions thereto have to be confirmed by us in writing to be valid.
- 2.2 If the supplier does not acknowledge our purchase order within 10 days in writing we shall be entitled to revoke our order.
- 2.3 Purchase orders, orders on call as well as modifications thereof and additions thereto may also be placed by remote data transmission or by machine-readable data carrier.

3. DELIVERY DATES AND TERMS

- 3.1 Agreed delivery dates and terms are binding. The date of arrival of the goods at the designated place of reception or processing respectively the timely availability of the goods/service shall be decisive for the compliance with the delivery dates and terms.
- 3.2 Provided the supplier has to enter our premises in order to execute an order for us, the supplier will be pre-informed by us and agrees upon our procedure to submit the identity card as well as the address of all persons who have to enter our premises to our security service staff. If the supplier omits to submit these data to us, we would be entitled to refuse the entry to our premises. In this case the supplier is in default with his contractual obligations.

4. LATE DELIVERY

- 4.1 If and as soon as the supplier realises that he will not be able to observe an agreed delivery date for whatsoever reasons he shall forthwith inform us to this effect indicating the reasons of such delay, expected duration of the delay and any countermeasures initiated by him.
- 4.2 The supplier shall be liable for any and all direct and indirect damage caused by the delay.
- 4.3 If the agreed delivery date cannot be observed for circumstances the supplier is to be held liable for and after a period of grace granted to him has expired without delivery we shall be entitled at our discretion to damages for non-performance, to obtain a replacement delivery from a third party and/or to withdraw from the contract.
- 4.4 In case of force majeure and labour disputes the parties to the contract shall be released from their respective obligations during the duration of the disturbance and to the extent of the effects thereof. The contractual parties are obliged to reasonably forthwith provide the necessary information and to adjust their obligations to the changed circumstances in good faith. If the delivery / service from economical points of view cannot be used any more because of the delay caused by force majeure or labour disputes we shall wholly or partially be released from our obligation to accept the delivery / service ordered and shall be entitled to insofar withdraw from the contract.

5. SHIPMENT

- 5.1 Unless otherwise agreed, the shipment shall be made carriage paid to our goods receiving department / Works Rousset packing and freight insurance included.
- 5.2 The risk shall pass with delivery of the goods to the required dispatch address respectively the place of use.
- 5.3 The supplier shall enclose a delivery note evidencing kind of product, quantity and weight to each single shipment. Delivery notes, bill of lading and all relating correspondence have to show our order no.
- 5.4 The goods have to be packed in a way to avoid transport damage. Packing material shall be restricted to the extent required to ensure that purpose. Only environmentally favourable and recyclable packing material may be used. The supplier's obligation to take back packing material shall be in accordance with the statutory regulations.

6. WARRANTY PROVISIONS

- 6.1 The supplier guarantees and assures that all deliveries / services have the agreed or otherwise assured characteristics unless higher qualities have been agreed in an individual contract. He further warrants that they meet the latest state of the art, the relevant legal provisions, the rules and guidelines of relevant authorities, professionals and trade associations, in the country of origin as well as the country of distribution. The tasks and duties arising from it (e.g. preparation of hazard assessment or execution of safety instruction) have to be fulfilled and the documentation has to be submitted to us on request.
- 6.2 Should it be necessary to deviate from such regulations in an individual case the supplier shall have to obtain our approval in written form.
- 6.3 Defects in deliveries/services of which notice has been given during the guarantee period such as the non-achievement of guaranteed data or the

lack of assured characteristics have to be forthwith and free of charge including all extra costs cured by the supplier on our request and at our discretion by repair or replacement of the defective parts.

Apart therefrom we are entitled to all legal rights, especially entitled to rescission, reduction in price and replacement. Furthermore the supplier shall be liable for all direct and indirect damage caused by the defective delivery / service including our loss of profit.

- 6.4 If the supplier negligently fails to observe his warranty obligation within a reasonable time period granted to him, we shall be entitled to take all necessary measures ourselves or have them taken by a third party at the expense and risk of the supplier without prejudice to his warranty obligation.
- 6.5 Unless explicitly agreed otherwise the warranty period shall be two years. It begins to run at the date of the delivery. In case of devices, machines and facilities the warranty period begins to run at the date of successful acceptance. The warranty claim shall become statute-barred six months after notice of defect has been given within the warranty period but not before its expiry.

7. PRODUCT LIABILITY / THIRD PARTY INSURANCE

- 7.1 In case the supplier is responsible for a product damage he is obliged to hold us harmless at first request from compensation claims raised by third parties insofar as the reason for the damage is to be found under his area of control or organisation and he himself is liable vis-a-vis third parties.
- 7.2 Within the scope of his liability for cases of damage as described under par. (1) the supplier shall further be obliged to re-imburse according to Sections 683, 670 German Civil Code and Sections 830, 840, 426 German Civil Code, any expense caused by or in relation to a recall initiated by us. We will inform the supplier as far as possible and reasonable about the kind and scope of recall measures to be taken and give him the opportunity to comment thereon. All other legal rights shall remain unaffected.
- 7.3 The supplier commits to keep a product liability insurance covering at least a lump sum of 10 million Euro for each case of personal injury / damage to property. Any further claims for damages we may be entitled to shall remain unaffected.

8. INVOICING AND PAYMENT

- 8.1 Original invoices have to be submitted in duplicate after shipment with all documents and data relating thereto. Particularly our order no. has to be shown on each invoice. Incorrect invoices shall only be deemed accepted on that date they have been corrected.
- 8.2 Unless explicitly agreed otherwise payment will be effected in the usual commercial way either within 45 days end of month, after delivery / service and receipt of invoice.
- 8.3 In case of defective delivery we shall be entitled to withhold payment on a pro rata basis until due fulfilment.
- 8.4 In case of advance payments the supplier on request has to give sufficient security, e.g. a bank guarantee.

9. INTELLECTUAL PROPERTY RIGHTS

The supplier warrants and assures that all deliveries are free from intellectual property rights/claims of third parties and that by the delivery and use of the products delivered no patents, licences or other intellectual property rights of third parties are infringed.

10. SECRECY OBLIGATION

- 10.1 The contractual parties agree to treat as a business secret all commercial and technical details not publicly known which are disclosed during and through the business relationship.
- 10.2 The supplier shall have to treat the conclusion of the contract confidential and may only point out business relations with us in advertising material after having received our written approval.

11. FINAL PROVISIONS

- 11.1 If individual parts of these terms and conditions of purchasing are legally invalid, the validity of the remaining provisions shall thereby not be affected.
- 11.2 The supplier shall not be entitled to pass on the order or essential parts thereof to third parties without our previous written approval.
- 11.3 The contractual language shall be English. Should the contractual parties communicate in any other language, the English wording shall still prevail.
- 11.4 Landshut shall be the venue for all disputes between the contractual parties arising from this contract.
- 11.5 Exclusively German law shall supplementarily apply to this contract. The application of the uniform law on international sale of goods (CISG) is explicitly excluded.