

GENERAL TERMS AND CONDITIONS OF SALE
MERSEN

Version January 25th, 2013

These General Terms and Conditions shall apply to any sale of MERSEN's products (the "Product(s)") and/or supply of services (the "Services") to Buyer. Any terms and conditions contained in Buyer's purchase order or other writing that represents Buyer's offer shall not apply.

1 - THE CONTRACT

Any information and/or statements and/or prices contained in MERSEN catalogues and/or documentation are only indicative. MERSEN reserves the right to change, modify any and/or all parts of its Products represented in its catalogues and/or other documentation, these Products being shown in the catalogues and/or other documentation for advertising purposes only.

Unless otherwise provided for in MERSEN's offers, MERSEN's offers shall remain valid at the most three (3) months from the date of issuance and delivery dates provided in MERSEN's offers are indicated for information only. MERSEN reserves the right to refuse any order which total value is less than 150 € HT and/or to charge for supplementary administrative costs.

MERSEN shall be deemed bound towards the Buyer :

- upon signature of the contract by both Parties or
- when upon receipt of an order, MERSEN has sent its written acceptance or
- upon delivery of the Products and/or Services by MERSEN.

Buyer shall not be allowed to waive or change the order even in the absence of MERSEN written acceptance of the order, without the prior written consent of MERSEN. In case MERSEN accepts such waiver or such change, MERSEN reserves the right to pass on to Buyer all expenses whatsoever in connection therewith.

Shall any order be placed by telephone or teletype, Buyer's confirmation of the order and/or the delivery note shall bear the mention : "confirmation of order placed by telephone or teletype". MERSEN shall not be bound by any norms, rules, specifications, prescriptions or usage, unless otherwise expressly agreed upon by MERSEN in each order.

MERSEN failure to exercise any right arising from any default of Buyer hereunder shall not be deemed to be a waiver of such right, which may be exercised at any subsequent time.
If any of these General Terms and Conditions shall be found to be totally or partly void, unenforceable or illegal this shall not affect the validity of the other terms and conditions.

2 - LEAD TIME

2.1. Lead times are specified in the contract.

2.2. Unless otherwise provided for in the contract, lead times are indicative. In any case, MERSEN observance of lead times are conditioned upon Buyer's fulfillment of its obligations (amongst others delivery on due date of any document needed by CL to perform the contract), including but not limited to payment obligation.

2.3. Lead times shall be automatically extended when due to (i) reasons not attributable to MERSEN, (ii) Force Majeure as per article 9, (iii) any delay of payment as per article 10, (iv) modification of order by Buyer.

2.4. Unless otherwise provided for in article 9 (Force Majeure), a delay can, in no event, justify termination of the contract.

If the contract provides for penalties or damages for MERSEN's delay, these penalties or damages shall be, in any case, deemed as liquidated damages and shall apply exclusively :

- after a two (2) weeks grace period and
- for causes solely attributable to MERSEN and
- if Buyer has suffered a proven loss from such failure.

3 - PRICE AND PAYMENT

3.1. Price

3.1.1. Prices are quoted net for unpacked Products made available at MERSEN factories. All packing, transportation charges and insurance costs, as well as transit handling costs and transportation fees shall be deemed not included in the prices.

3.1.2. Prices have been fixed according to the economic conditions and are subject to adjustment and/or revision without notice.

3.2. Payment

3.2.1. Unless otherwise agreed in MERSEN's Offer or in the contract, all payment shall be made within thirty (30) days from issuance of MERSEN's invoice, in the manner and at the place defined in the contract. In case of the Buyer being or becoming under bankruptcy proceedings (consumption of debts), payment shall be made cash and MERSEN shall be entitled to deliver any outstanding Products only against advance payment.

Payment shall be net and free of any deductions, withholdings or other charges. The contract shall stipulate the currency in which the payment shall be executed. It shall also state on which official conversion rates the price has been established and the conditions under which readjustments shall be made in the event of fluctuation of such rates.

Claims by Buyer shall in no event entail suspension, interruption or postponement of due payments.

3.2.2. Invoices issued by MERSEN cannot be discounted.

3.2.3. Payments may not be refused, postponed or interrupted for any reason whatsoever. Without prejudice to any right or remedy of MERSEN, and without the present article constituting a waiver of the terms of payment, MERSEN shall be entitled to apply, without prior written notice, on any amount not paid to MERSEN on due date an interest for each day such amounts are not paid at a rate equal to the most recent fixed rate used by the European Central Bank for its refinancing operations, increased by 10% (the applicable first half year interest rate shall be the one in force as of the 1st January of each year and the applicable second half year interest rate shall be the one in force as of the 1st July of each year). In accordance with French law a lump sum of 40 euros shall be due by Buyer to MERSEN to cover the cost of recovery when the due amount is paid after the due date, without prejudice to the right for MERSEN to be indemnified for a higher amount subject to justified additional cost related to such recovery.

3.2.4. Taxes and duties. Prices indicated in MERSEN quotation do not include any taxes, duties, rates of any kind, which may be levied by any authorities on the scope of supply, in particular (but not limited to) custom duties. These duties, taxes, rates shall be borne by Buyer who shall pay them directly or reimburse MERSEN of any disbursement.

4 - DELIVERY

4.1. Unless otherwise specifically provided for in the contract, delivery dates are given ex-works as per INCOTERMS (ICC) 2010. In the absence of specific delivery provision in the contract, delivery is deemed to be completed on MERSEN notification that the Product is available for delivery. Delivered quantities may vary from the quantity ordered by plus or minus 5% (five per cent). As a consequence thereof, no claim shall be admissible if variations do not exceed 5% (five per cent).

4.2. Furthermore, if shipment is delayed for reasons not attributable to MERSEN, Products may be stored at Buyer's expenses and risks, without modification of the terms of payment.

4.3. **Packing:** Packing is in any event non-returnable. Unless otherwise provided for in the contract, the cost of packing shall be borne by the Buyer. Without written packing specific instructions in the contract, MERSEN will use packing cases in conformity with the Rules of Art for the corresponding Product. Buyer shall bear any and all obligation and any and all costs related to or in connection with packing local legislation or regulations.

4.4. **Shipment:** The Buyer shall, within 48 (forty eight) hours after delivery of the Products, make reserves on defect of Products which may be revealed on delivery. The Buyer shall take any necessary actions against the carrier. The Buyer shall send, in the same time, a copy of its claim to MERSEN.

5 - TITLE AND RISK

5.1. Risk of loss or damage of the Products shall pass to Buyer upon delivery as defined under article 4.1 hereabove.

5.2. **Title to the Products shall pass to Buyer after complete payment of the contract price.**

6 - WARRANTIES AND REMEDIES

6.1. Except as otherwise provided for under the contract, MERSEN warrants that any and all Products supplied by MERSEN under the contract shall be free from defects in design (unless such design is prescribed by the Buyer), material or workmanship, for a period of two(2) months from MERSEN notification that the Product is available for delivery.

However, MERSEN guarantee for tools, accessories or any Product which are not manufactured by MERSEN, shall not exceed the extent of guarantee MERSEN has obtained from its suppliers.

6.2. If, within the warranty period, the Product supplied by MERSEN hereunder is shown not to conform to this warranty, and Buyer promptly gives notification thereof in writing after becoming aware of the defect, MERSEN shall, upon the Buyer making the Product available for correction, correct any non-conformity under this warranty at MERSEN expense, either at its option, by repairing any non-conforming Product, or by making available ex-works repaired or replacement Product in conformity with this warranty.

The Buyer shall not, directly or indirectly, carry out any repair or replacement of the defective part of Product, without MERSEN prior written consent. Any such modification, repair or replacement or any other work carried out on the Product without MERSEN prior written consent, shall render null and void guarantee.

6.3. Warranty conditions

6.3.1. The warranty and remedies set forth herein are conditioned upon the proper receipt, transport, handling, storage, maintenance, installation by the Buyer of the Product furnished by MERSEN hereunder, and upon such Product not having been operated beyond their respective rated capacities, and in all respects having been operated and maintained in a normal and proper manner under competent supervision and not having been subjected to accident, alteration, abuse or misuse. As long as any Product is covered by warranty under this article 6, the Buyer shall ensure that MERSEN representatives are given such access as they consider necessary to the equipment and material, facilities and documents and other data of the Buyer or any other entity, for the purpose of examining the conditions of receipt, handling, storage, maintenance, installation and operation as aforesaid.

6.3.2. If it becomes necessary for MERSEN to repair or provide replacement parts for Product, under a warranty, the Buyer, without cost to MERSEN, shall (i) provide reasonable access to the defective part(s) and remove, disassemble, replace and reinstall any Product, structures and other interference to the extent necessary to enable MERSEN to carry out its warranty obligations and (ii) make available to MERSEN Buyer's personnel, facilities equipment and tools on site to assist in any repair and other activities by such warranties.

6.3.3. If the contract provides for performance penalties or damages, these penalties or damages shall be, in any case, deemed as liquidated damages and shall not apply until MERSEN has demonstrated that it is unable to adjust satisfactorily the Product within a reasonable period of time. In any case, the payment by MERSEN of the performance penalties or damages shall release MERSEN from any performance guarantee obligation.

6.3.4. The parts, repaired or replaced under this guarantee, are not covered by any specific guarantee beyond the initial guarantee period as defined in article 6.1.

6.3.5. The guarantee does not apply to :

- the wear parts or parts subject to fire or corrosive agents,
- to deterioration or accidents due to lack of care, lack of surveillance or maintenance, or misuses of the supply,
- in case of deficiency resulting either from materials supplied by the Buyer, or from a modification to the supply made by the Buyer without MERSEN's consent,
- when the Buyer has replaced parts of MERSEN supply by parts from other origin,
- when a repair or modification carried out by the Buyer affects other parts than those repaired or modified,
- for incidents due to fortuitous events or force majeure, or attributable to acts of God including avalanches, landslides, excessive accumulation of snow, frost, dust, etc.

6.3.6. It is expressly agreed between the parties that the Buyer shall not have the benefit of the guarantee until he has fully complied with the payment terms specified in the contract.

6.4. Exclusivity and limitation of warranties and remedies

The express warranties set forth in this article shall constitute the sole and exclusive warranties and guarantees made by MERSEN to the Buyer, and are exclusive and in lieu of all other warranties or liabilities of any kind, whether statutory, express or implied, including all warranties of merchantability, fitness for a particular purpose, or arising from course of dealing or usage of trade. Furthermore, the remedies expressly set forth in this article shall constitute the sole and exclusive remedies of the Buyer for any failure by MERSEN to comply with its said warranties, and are exclusive and in lieu of all other remedies of any kind, whether statutory, express or implied, and whether any claim by the Buyer is based in contract, in tort (including negligence) strict liability or otherwise. Upon the expiration of the said warranty periods, all obligations of MERSEN on account of the said warranties shall terminate.

7 - LIABILITY

7.1. The total cumulative liability of MERSEN and its agents or employees, arising from or in connection with the contract from any cause whatsoever, whether based on contract, or tort (including negligence), strict liability, under any warranty or otherwise, shall, in no event and under no circumstances, exceed the total payments made by the Buyer pursuant to the contract, and effectively received by MERSEN at the time of Buyer's claim.

7.2. In no event and under no circumstances, whether as a result of performance or breach of contract, or tort (including negligence), strict liability, under any warranty or otherwise, shall MERSEN its suppliers, subcontractors, agents or employees be liable to the Buyer for any incidental, special and/or consequential damages of any nature whatsoever such as (but not limited to) loss of profit or revenues, loss of production, loss of property, loss of equipment....

7.3. Buyer shall waive any claim against MERSEN and shall indemnify and hold MERSEN harmless for any claims from any third party in connection with the contract .

8 - PROPRIETARY INFORMATION AND NON-DISCLOSURE

MERSEN has a proprietary interest in all of the drawings, designs, samples, specifications, documents, information or know-how which may be furnished pursuant to the contract and in any know-how, improvement, discovery or invention which may be made, developed, or conceived in the performance of the contract, or which may arise or result therefrom. Buyer shall maintain, and shall ensure that its employees, agents, maintain all said proprietary information in confidence and shall not, directly or indirectly, use, copy, reproduce, release, disclose, or publish, in any manner, or allow access to or possession of said proprietary information to any third party, without the prior written consent of MERSEN.

Said proprietary information shall remain the property of MERSEN and shall be deemed to have been loaned to Buyer only for the purpose specified in the contract.

Buyer shall indemnify and hold MERSEN harmless from any liability or loss suffered by MERSEN or its subcontractors as a result of Buyer's disclosure to third parties or improper use of said proprietary information.

In case MERSEN's tender for a specific order is not successful, Buyer shall return to MERSEN any and all drawings, documents, etc. (including any and all copies eventually made by Buyer) issued by MERSEN within fifteen (15) days from Buyer's decision not to retain MERSEN's tender.

9 - FORCE MAJEURE

9.1. MERSEN shall not be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligations is hindered, prevented or delayed by Force Majeure.

9.2. Force Majeure shall mean any cause existing or future, which is beyond MERSEN reasonable control including but not limited to acts of God, storm, fire, flood, earthquake, strike, lock-out or any combination of workmen which may interfere with the commencement or progress of the work, equipment failures, interruptions of or delay in transportation, power of energy failures, steelworks stoppages, shortages of raw materials, faulty castings or forging, embargo, prohibition of trade, sabotage, interference by civil or military authorities, acts (including delay or failure to act), regulations or orders of any governmental authority, acts of war (declared or undeclared), hostilities.

9.3. Acts or failure to act of Buyer or its agents, employees, suppliers and subcontractors shall also exonerate MERSEN from any liability for non performance hereunder, without prejudice to any other rights and remedies thereby accruing to MERSEN.

9.4. Promptly upon the discovery of the occurrence of any of such causes, MERSEN shall give to the Buyer written notice thereof and contractual delivery dates will be extended by such period of time which is reasonably necessary to reflect the delay, and MERSEN shall be entitled to the reimbursement of costs and expenses, reasonably and necessarily incurred as a result of the delay, or in overcoming the effect of such delay.

9.5. In the event that any cause of Force Majeure has existed for three (3) months or more, then each Party may terminate the contract by giving written notice thereof.

In such event, Buyer shall reimburse MERSEN of any costs engaged by MERSEN for the performance of the contract and shall pay to MERSEN all Product completed at the time of termination.

10 - SUSPENSION - TERMINATION

10.1. In the event Buyer fails to perform or breaches any of its obligations under the contract or fails to pay any sums due to MERSEN in accordance with the terms of payment, then MERSEN shall have the right to suspend or terminate the contract by giving written notice thereof to the Buyer.

Suspension may be prorogated until full payment of the price agreed upon in the contract, and time for completion of MERSEN's obligations shall be extended accordingly, and MERSEN shall be entitled to an equitable adjustment of its prices to reflect additional costs and risks reasonably and necessarily incurred by MERSEN in suspending or extending the work, and in reactivating the work, as well as any interest as per article 3.2.4 of the present General Terms and Conditions.

In no event and under no circumstances, shall such suspension by MERSEN be deemed as termination for MERSEN's breach and Buyer shall not be entitled to any indemnification or other rights in this respect.

10.2. Either party may, at any time, terminate the contract for material breach from the other party, upon thirty (30) days prior, but unsuccessful, written notice.

11 - SEVERABILITY

11.1. **Language - weight and measures:** Except as may be specified otherwise, the English language shall be used as the official language in all communications or documents exchanged between Buyer and MERSEN. However, some documents may be written in French if not readily available in English.

Weights and measurements shall be shown in the metric system of units.

11.2. **Licenses - permits and authorizations:** Buyer shall be responsible for all dealings with governmental agencies in its own country, and will obtain and maintain at its own expense, any licenses, permits and authorizations that may be required for the performance of the contract.

11.3. **Assignment:** In no event, Buyer may assign any of its rights, interests or obligations under the contract without MERSEN prior written consent.

11 - TOOLING COST

11.1. The tooling costs paid by the Customer are only a contribution to the development or purchase costs incurred by the Supplier for the tools required to manufacture the products ordered by the Customer. As a result, MERSEN remains the sole and exclusive owner of the tools and free to use them. MERSEN may in particular, in the absence for a period of 3 years of any order for a product whose manufacture requires the use of tools, scrap said tooling.

14 - APPLICABLE LAW

The present General Terms and Conditions of sale and the contract shall be interpreted and operated in all respects in accordance with the laws of Seller's country and shall be subject to the jurisdiction of Seller's country.