



GENERAL TERMS OF PURCHASE

Reference: **FORM GRP 0026**

Index: B

Date: 21/07/2017

GROUP

Originator: Operations Department

Per: "Supply Chain"

1. GENERAL

These general terms of purchase apply to the purchase of any goods and services by the companies of the KEP Technologies group ("KEP" or "KEP company").

- "PRODUCT" or "PRODUCTS" means any goods or services purchased by KEP.
- "CUSTOMER" or "KEP" means the KEP Company, a party to the CONTRACT.
- "SUPPLIER" means any person or entity accepting an order from KEP for the purchase of any of its PRODUCTS.
- "CONTRACT" means any PRODUCT-supply contract signed between the SUPPLIER and KEP.

These general terms of purchase shall apply to the CONTRACT provided that (i) they have been agreed to beforehand in writing by the SUPPLIER and (ii) the CUSTOMER has not accepted the SUPPLIER's general terms of sale.

1.1 Order acceptance

All order acceptance documents must be dated, bear the name and contact information of the person overseeing the order, and be returned by the SUPPLIER to the CUSTOMER within five (5) business days from the date of the order or earlier, whichever is specifically requested by the CUSTOMER. If any provisions in the order acceptance document sent back by the SUPPLIER are contrary or in addition to those incorporated herein, the CUSTOMER reserves the right to either cancel the order or notify the SUPPLIER that it refuses said provisions. Said provisions shall, under no circumstances, change the terms and conditions of the order without the CUSTOMER's prior written consent. Any price changes shall be approved beforehand by the CUSTOMER. It is the responsibility of the SUPPLIER to check that the technical documentation and any other documents and equipment placed at its disposal by the CUSTOMER are complete and suitable for satisfactory execution of the order. The SUPPLIER shall in particular ask the CUSTOMER without delay for information or clarifications on any points that seem imprecise or could have several interpretations.

1.2 Confidentiality and ownership

The SUPPLIER is bound to keep the order and the CONTRACT strictly confidential. It shall more specifically take all necessary measures to ensure that the specifications, drawings and manufacturing details relating to the CUSTOMER orders are not communicated or disclosed to third parties. The tooling manufactured by the SUPPLIER on behalf and at the expense of the CUSTOMER in whole or in part, and the assets and tooling placed at the SUPPLIER's disposal by the CUSTOMER, shall only be used for the execution of the CUSTOMER' orders. These assets are the property of KEP Technologies and shall be returned at the first request from KEP Technologies. An inventory of the supplies (products, components, materials, etc.) provided by the CUSTOMER shall be available at all times and the SUPPLIER undertakes to declare the exact stocks in its possession.

The Supplier shall obtain the prior written authorization from the CUSTOMER before destroying any product or component provided by the CUSTOMER.

The CUSTOMER reserves the right to invoice the product at the standard cost in the event of loss, damage or unauthorized destruction.

1.3 Subcontracting

The SUPPLIER UNDERTAKES NOT TO SUBCONTRACT ANY ORDER, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN AGREEMENT OF THE CUSTOMER.

In the case of authorized subcontracting, the SUPPLIER SHALL RETAIN FULL RESPONSIBILITY AND UNDERTAKE to indemnify the CUSTOMER for any damage that might be caused to equipment while in its care, and on any account whatsoever.

Items of tooling that belong to the CUSTOMER or its customers and are being kept on the premises of the SUPPLIER's subcontractor SHALL BE REGULARLY MAINTAINED AND INSURED FOR A SUM EQUIVALENT TO THEIR REPLACEMENT VALUE.



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1.4 Insurance

The SUPPLIER SHALL HOLD AN INSURANCE POLICY COVERING ALL DAMAGE ASSOCIATED WITH EXECUTION OF THE CONTRACT, damage that can be caused to persons and property. This insurance policy shall be taken out with a reputedly solvent insurance company and the SUPPLIER SHALL BE ABLE TO PROVIDE KEP, at all times.

2. DELIVERY

2.1 Transport

Unless otherwise specified by KEP Technologies, all orders shall be delivered to our plants **all charges paid**; THE GOODS ARE SHIPPED AT THE SUPPLIER'S RISK.

2.2 Packaging

The packaging used must be marked such that its contents may be identified from the outside and must not require any special storage precautions. All PRODUCTS SHALL BE DELIVERED CLEAN AND FREE OF CONTAMINATION.

The SUPPLIER SHALL GUARANTEE THAT ALL NECESSARY MEASURES ARE TAKEN TO ENSURE THE PRESERVATION OF THE PRODUCTS (CORROSION, SCRATCHES, etc.) DURING HANDLING AND TRANSPORT TO THE DELIVERY SITE.

The SUPPLIER SHALL TAKE RESPONSIBILITY FOR ALL THE FINANCIAL CONSEQUENCES OF ANY DAMAGE that might be caused to all or part of any PRODUCT AS A RESULT OF NONCOMPLIANCE WITH THE PRESENT.

The SUPPLIER shall strive to use as many recyclable packaging and packing materials as possible. Deliveries may not be split without KEP's prior written approval.

2.3 Delivery documents

The deliveries shall comply with the general and particular conditions stipulated on the order. All deliveries shall be accompanied by a delivery note printed on the SUPPLIER's letterhead, a declaration of conformity and any other document specified in the contract or the order.

The delivery note shall indicate:

- The date,
- The full reference of the order,
- The number of packages,
- The reference (Supplier and KEP) and designation of the PRODUCTS concerned and, if applicable, the designation of the operation,
- The quantity, length or weight delivered,
- The number(s) of any concessions or nonconformities,
- Any information requested by the Purchasing Department.

If KEP accepts any nonconformities, a copy of the acceptance documents (concession or other) must be attached to the delivery note. No invoices shall be processed if these documents are not provided. The contractual delivery period for work benefiting from a concession remains unchanged. The SUPPLIER shall keep on file adequate records tracking manufacturing and inspection operations as well as all documents proving the conformity of the PRODUCTS and process until KEP authorizes the destruction of said records and documents.

2.4 Reception

Goods are not considered delivered until the day they are effectively received in the KEP Technologies' plants. This date serves to determine the delivery times and the payment due dates. Under no circumstances is KEP bound to accept any deliveries made before the dates agreed to in the CONTRACT. However, if KEP agrees to early delivery in writing, payment shall be made according to the initial payment schedule set forth in the CONTRACT.



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2.5 Delivery deadlines

The SUPPLIER shall inform KEP of any causes of delay as soon as they arise so that KEP can take all necessary measures with full knowledge of the facts before the contractual delivery date.

KEP reserves the right to cancel any order not delivered within the agreed times, and to refuse any delivery that does not comply with the set conditions, and this without prejudice to the damages that KEP might be entitled to claim.

2.6 Late delivery penalties

In the event of exceeding a deadline that has not been the subject of an extension agreement, KEP Technologies reserves the right to re-invoice to the SUPPLIER the exceptional transport costs and part of the lateness penalties paid to the customer if the SUPPLIER's lateness has had a direct impact on a particular customer.

The penalties shall not be applicable if the late delivery can be attributed to the supply of components by KEP.

If delays on the SUPPLIER's part are incompatible with KEP's scheduling constraints, KEP reserves the right to:

- terminate, due to fault on the SUPPLIER's part, all or part of the order by operation of law and/or
- purchase, from another supplier and at the SUPPLIER's expense and liability, goods and services for all or part of the order in question.

3. PRICES AND CONDITIONS OF PAYMENT

Prices are firm, definitive, non-revisable and exclusive of VAT and other taxes.

Unless otherwise specified, invoices are paid by check or bank transfer on the 15th of the month falling 30 days after the end of the month of invoicing.

The invoice for each delivery, drawn up in duplicate, shall be sent to the address indicated on the purchase order. Each invoice shall indicate the order number and the number and date of the corresponding delivery note.

4. QUALITY REQUIREMENTS

See "Quality Requirements for Suppliers" – **FORM GRP 0056**.

5. ILLEGAL LABOR

The SUPPLIER undertakes, for the execution of the order, to comply with French legislation relative to illegal or undeclared labor.

6. APPLICABLE LAW

All the CONTRACTS and orders are governed by the provisions of French law.

7. SETTLEMENT OF DISPUTES

All disputes concerning the validity, interpretation or execution of the CONTRACT shall be settled by the Commercial Court having jurisdiction over the CUSTOMER's headquarters.