

TERMS OF PURCHASE OF GDI SIMULATION

ARTICLE 1: DEFINITION

The "Client" refers to the company that has placed the order.
The "Supplier" refers to the vendor.

ARTICLE 2: ESSENTIAL CONDITIONS

The acceptance of orders from Client implies the unreserved acquiescence with these Terms of Purchase: the Supplier hereby explicitly waives the application of its own Terms of Sale.
Nevertheless, the order specifies the technical, commercial and administrative conditions to which the Supplier is subjected, which conditions are the special conditions which overrule these Terms of Purchase.
The supplies must be delivered accompanied by the documentation required for their correct utilization, storage and maintenance: they must be in compliance with the standards and regulations in force in France on the delivery day.
In their absence, the supplies cannot be checked and signed for.

ARTICLE 3: ACCEPTING ORDERS

The acknowledgement of receipt accompanying the order form must be returned to the Client duly approved and bearing the stamp of the Supplier in the ten (10) days following the reception of the said order, otherwise the latter shall be held to be fully accepted by the Supplier.

All the forms of acknowledgement of receipt issued by the Supplier bind the latter, it being understood that the Terms of Sale featuring on the back of letters, invoices and other documents sent by the Supplier and which are in contradiction with these Terms of Purchase are regarded as null and void and inapplicable to the Client.
Any technical or commercial modifications made to the order must be officialized by an amendment signed by both parties hereto.

ARTICLE 4: PACKAGING

Packaging invoices or deposits shall be accepted only if included in the order.
Any packaging deposit accepted by the Client must be mentioned on the delivery slips.

ARTICLE 5: DELIVERY

All the expeditions must be free of all charges to the destination place. They must be covered by a delivery slip that accompanies the merchandise and which mentions the order number, the work station numbers, the complete name and the quantities. The Client reserves the right to refuse any delivery that exceeds the order quantity. Excess deliveries will be returned at the Supplier's expense and risk.

ARTICLE 6: TRANSPORT, RECEPTION AND TRANSFER OF OWNERSHIP

The supplies shall be delivered at the Supplier's own risk. The Supplier binds itself to take out the requisite insurance cover, particularly in view of the fact that the times within which the notice of loss must be submitted are not opposable to the Client who needs only do so with normal promptness.
The transfer of risks and ownership takes place only after the Client has checked the quantities and quality of the deliveries and signed for them; and any technical reception operations made on the Supplier's premises do not constitute a definitive transfer of ownership to the Client.

ARTICLE 7: DELIVERY DEADLINES /PENALTIES

These deadlines cover the physical delivery to our premises in Elancourt (France). The delivery shall be made according to the specific terms mentioned on each order. If the delivery deadlines are not respected, the Client reserves the following rights:

- To maintain the order and apply a penalty of 5% (five per cent) to the Supplier per week of delay on the total value of the goods; the Supplier may be required to pay compensation if the delay has harmed the interests of the Client.
- To cancel the order by letter, fax or telex.

ARTICLE 8: INSPECTION - QUALITY ASSURANCE

The Supplier is responsible for verifying and certifying that the supplies are in compliance with the conditions that apply to them. The inspections carried out by the Official Services and the checks made by the Client's departments do not release the Supplier from this responsibility. The Supplier must set up a Quality Assurance system if the Client deems it necessary to guarantee the quality of its products.

ARTICLE 9: REFUSED ACCEPTANCE

Delivered goods not complying with the specifications of the order shall be refused for acceptance and must be taken back by the Supplier within fourteen (14) days following the refusal notice; after this deadline, the goods shall be returned by the Client to the address of the shipper and at the latter's risk. A credit note is issued for any refused supplies.

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Any refused delivery is regarded as a non-delivery and subject to penalties. The replacement delivery shall be covered by a new invoice, as the penalties and warranty time are linked to its reception date. Furthermore, the Client reserves the right to claim the expenses borne and any damages, if the deficiencies occur in the course of the implementation.

ARTICLE 10: WARRANTY

GENERAL CONDITIONS

The Supplier guarantees that the delivered goods shall be capable of fulfilling all the specified services and functions and that they have been manufactured according to the prevailing standards of the industry. Independently of the special conditions specified in the order, the Supplier must, in the framework of the warranty which it gives to the delivered goods and should the delivered goods turn out to be defective, immediately ensure their replacement or make them suitable for the uses to which they are intended and at no expense to the Client. Otherwise, penalties shall be applied.

PRODUCTS WITH A LIMITED STORAGE STABILITY.

In the case of deliveries of products with a limited storage stability or equipment containing such products, the Supplier must specify:

- The measures to be taken to store the products in such a way as to guarantee their preservation,
- The total validity period, before use, counting from the date of their manufacture,
- The use-by date, printed appropriately and indestructibly on the part of the packaging which is used directly to contain, support or protect the product and so that the user shall retain at least 80% of the total useful life of the product.

ARTICLE 11: SUPPLIER'S CIVIL LIABILITY

The Supplier shall be regarded as liable to the Client and obliged to guarantee this liability.

- a) The Supplier is solely and totally liable to the Client for his products and all the work included in his order, whether executed by him or third parties.
- b) The Supplier shall take all the necessary measures to prevent accidents happening to his own personnel, those of the Client or to any other person during or owing to the work, and the financial consequences of these accidents shall be entirely borne by him.
- c) The Supplier shall be liable for all the loss and damage caused, when the work is being carried out or owing to the work, to any existing structures or facilities or to those being installed, and to any property belonging to third parties.
- d) If any accident or damage occurs during the work and is caused by the personnel or equipment that might have been put by the Client at the disposal of the Supplier, the latter as temporary principal or guardian of the things entrusted to him shall be liable.

ARTICLE 12: CANCELLATION

If the Supplier becomes incapable of or refuses to perform totally or partly the contractually accepted orders or fails to comply with one or more of the special or general conditions of the orders, the Client shall have the right, after sending formal notice by registered letter with acknowledgement of receipt and receiving no reply within thirty days, to notify the Supplier in writing that all or part of the concerned order is cancelled to the latter's fault, and to reserve the possibility of claiming damages for the loss suffered. Moreover, the Client shall have the right, without any compensation to be paid to the Supplier, to cancel all or part of the duly accepted orders and/or those being executed by registered letter with acknowledgement of receipt if the Supplier ceases operations or is put into receivership or goes into liquidation.

In all the above-mentioned cases, the Client shall have the right to replace the defaulting Supplier and freely use the studies carried out, the tools, the delivered supplies, the ordered parts already completed or in the process of being completed, and to freely use the patents concerned owned by the Supplier and at his expense.

If the Client decides to stop or reduce the mass production of parts or if the contract on which his order is based is cancelled wholly or partly, or if the Supplier owing to an act of God finds it impossible to fulfill his obligations or if a breakdown resulting from an act of God hinders the execution of the Client's programmes, the Client shall have the right to cancel the order by giving thirty days notice, and the Supplier shall have no right to claim damages. A settlement may be negotiated to take into account the expenses already incurred by the Supplier up to the cancellation date.

ARTICLE 13: TECHNICAL DEFAULTING OF THE SUPPLIER

Should the Supplier become incapable of meeting the technical requirements of the order that he has accepted, the Client reserves the right to ask the Supplier to refund the amounts already paid or the expenses that it shall have to incur to make up for the defaulting of the Supplier, and the Client also reserves the right to claim damages in this case.

ARTICLE 14: PRICES

Unless otherwise specified in the order, the prices are definitive. Should the order allow for a price adjustment, it will apply within the limit of the contract time-frame in compliance with the legislation on prices and the regulations in force.

ARTICLE 15: INVOICES

The invoices shall be sent to the Client in three copies, for the attention of the Supplier's accounting department. Each invoice shall refer to a single order. These invoices must give: the order number, the articles, units, unit price and total amount per workstation. The date of each invoice must not precede the delivery date of the equipment.

ARTICLE 16: PAYMENT

The invoices are settled only when an order to pay is made out for the value of the goods accepted by the Client. The payments are made by electronic bank transfer sixty (60) days from the date the invoice is issued, and the Supplier waives the right to avail himself of the provisions of law 80-335 dated 12 May 1980 relating to the reservation of title.

ARTICLE 17: LOANED OR ENTRUSTED TOOLS AND PROPERTY

The tools manufactured by the Supplier on behalf of and at the expense of the Client, totally or partly, as well as the property and tools put at its disposal by the Client, must be used only to carry out the orders of the Client. The Supplier must safeguard and maintain this property and tools at its own expense and risk. The Supplier binds itself to cover this liability with all the insurance policies necessary and to provide proof of having done so. This property and tools continue to be owned by the Client and the Supplier must mark them with a permanent mark or small plate indicating this ownership, if they are not already marked. The Supplier binds itself to return them in good condition at the first request of the Client or if the Supplier ceases operations in process under the orders.

ARTICLE 18: SECURITY - CONFIDENTIALITY - INDUSTRIAL, LITERARY OR ARTISTIC PROPERTY

The Supplier is bound to follow any instruction given by the Client concerning the security and protection of the secrecy of the orders. The Supplier must respect the obligation of "professional secrecy" and must take all the necessary measures to ensure that the specifications, formulas, drawings or manufacturing details relating to the orders of the Client are not communicated or divulged to third parties by itself, its personnel or its Suppliers.

The Supplier guarantees the Client against any claims made by third parties with respect to the industrial or intellectual rights of the items that it delivers and binds itself to assume all the consequences and financial sanctions that may be imposed on the Client. When a study is ordered, the Client acquires the full ownership of the results of this order, including the documents, plans, technical notes, drawings, models, prototypes, tools, etc. and all the know-how necessary for obtaining the results of the study ordered. If the industrial rights of these findings need to be protected, only the Client shall have the right to apply for the patents, in its own name and at its own expense.

ARTICLE 19: ADVERTISING

The Supplier binds itself not to expose the parts manufactured according to the drawings, models or technical specifications of the Client except without the latter's written authorization.

The orders cannot be directly or indirectly advertised in any case or in any form without the written permission of the Client.

ARTICLE 20: SPECIFICATIONS

Insofar as the order is placed in the framework of a procurement contract between the French State and the Client, the Supplier recognizes and accepts that the order is regulated by the specifications, clauses and general conditions relating to contracts signed between the French State and the Client. These documents shall be communicated to the Supplier at its request.

ARTICLE 21: APPLICABLE LAW-JURISDICTION

These Terms of Purchase and the orders governed by their conditions are regulated by the French law.

The parties hereto agree hereby that, if a dispute arises on the interpretation and/or execution of the order and/or its cancellation, they shall first endeavor to settle it amicably within thirty (30) days after the date of the notification by one party of such dispute to the other party.

Failing this, the dispute shall be submitted to the French competent courts. The bills of exchange can create no dispensation from or substitute the obligation of this jurisdiction clause.

ARTICLE 22: MODIFICATIONS IN THE LEGAL SITUATION OF THE SUPPLIER

The Supplier binds itself to notify the Client of any modifications that may occur in the composition of its company's capital such as a change in the majority shareholder, a merger or takeover, and any legal sentence imposed on his company such as receivership or liquidation.
