

ORDER REFERENCE

The number indicated at the top of the order shall appear on all documents or correspondence relating thereto.

1) PREAMBLE

The purchase forms part of the legal relationship deriving from the sale agreement between purchaser (TCEM) and supplier, any reference to this relationship shall be termed a sale.

2) ORDER

The acceptance of the present order automatically involves the acceptance of the general conditions of purchase hereinbelow, notwithstanding any clause to the contrary, even of a later date, appearing on any document emanating from the supplier, except in the event of a derogation specially expressly mentioned by TCEM on the order or a modification endorsement.

Any derogation to this clause obligated by TCEM shall not constitute any substitution of legal obligation and shall not bring about any renunciation of the present conditions.

The contract shall be deemed to have been fully complied with when, further to an order, the supplier sends a written acceptance, possibly within the period laid down by TCEM. The commitments entered into by the agents or representatives of TCEM will be valid only insofar as accepted and confirmed in writing. With respect to foreign markets the agreement is finalized after written acceptance and when the foreign trade documents required for performance have been issued.

Should the supplier not execute the TCEM order he has accepted, any amount owed by TCEM to the supplier shall definitively become TCEM's property as contractual indemnity. However, the penalty will be reduced prorata to the interest having accrued to TCEM as a result of partial execution.

3) CANCELLATION OF ORDER

All or part of the order and any endorsements may be cancelled outright by TCEM without legal formalities and without the supplier or his successors in title being able to claim any indemnity :

– should the supplier fail to comply with one or several clauses of the order,

– should the supplier be the subject of the appointment of any person entrusted with the safeguard of the interests of creditor or of an amicable arrangement or of a composition with the general body of creditors, or of an application to the court for winding-up, or any similar procedure, or has stopped payment,

– should the supplier cease his activities or be dissolved,

– should one of the cases of force majeure referred to in paragraph 14 bring about a delay in delivery exceeding one month,

– in the event of an international conflict or a decision by any public authority suspending trading or financial relations between TCEM and the supplier or the final user customer of TCEM, or in the event of cancellation of all or part of his order by the latter.

The cancellation of the order is notified by TCEM to the supplier by registered letter. It makes the cancellation immediately enforceable. In all the events of cancellation defined hereinabove the supplier undertakes, further to a simple written request by TCEM, to return to TCEM any amount received by virtue of the cancelled order.

In the event of the cancellation relating to goods already delivered, TCEM may effect the return of the said supplies at the supplier's expense.

4) INSPECTION

The equipment or the supply, the subject of the present order, may, at TCEM's request, be subjected during the carrying out of the order, and before leaving the supplier's stores, to inspection by TCEM's control department or by an official body appointed by TCEM. In this event, inspection costs will be for the supplier's account, the fees and the certificates issued by the appointed body being for TCEM's account.

On reaching destination, TCEM may demand an inspection of the equipment or of the supply on the same terms during the four following months. Inspected equipment or supplies, even if declared in good order on receipt, remain subject to the guarantee clauses and responsibility mentioned below.

5) NOTIFICATION OF AVAILABILITY

The supplier shall send to TCEM a notification of availability as soon as the equipment or supply is ready for inspection or for shipment.

6) TRANSFER OF RISKS

The moment when the risks are transferred is determined as follows unless otherwise agreed by the parties :

a) in the case of sale ex works, the risks are transferred from the supplier to TCEM at the time when the equipment or the supplies have been made available to TCEM under the agreement. It being understood that the supplier shall inform TCEM in writing of the date from which the latter may take delivery of the equipment or of the supplies. Notification by the supplier shall be given sufficiently in advance to enable TCEM to take the steps normally required for the purpose.

b) in the case of sale on truck, lorry, barge (agreed departure point), the risks go from the supplier over to TCEM at the time when the loaded means of transport is taken over by the carrier.

c) in the case of a FOB or CIF sale, the risks go from the supplier over to TCEM at the moment when the equipment or the supplies have actually passed over the side of the ship at the agreed port of shipment.

1) in the case of CIF sale, the insurance policy shall cover all risks, theft, war and mines,

2) in the case of sale FOB stowed, the risk will be transferred after stowing.

d) in the case of "delivered-to-frontier" sale (without further precision) or sale "delivered to the frontier of the exporting country", the risks go from the supplier over to TCEM. when the customs formalities at the frontier of the exporting country have been finalized.

e) in the case of a "delivered" sale, the risks go from the supplier over to TCEM as soon as the equipment or the supplies reach the agreed point, and from the moment when TCEM is obliged to take delivery.

f) in the cases provided for in b), c), d) and e) above, the supplier shall advise T.C. of the shipment of the equipment or the supplies in good time beforehand so that TCEM may have enough time to take the necessary steps.

g) when no indication is given in the agreement concerning the chosen method of sale, the equipment or the supplies are deemed to have been sold "delivered".

Unless agreed by TCEM in writing, no reservation of ownership clause will be accepted.

7) DESPATCH NOTES

All packages shall be accompanied by a despatch note which must quote the complete references of the order. In the event of a delivery direct to TCEM's client, two copies of this note shall be sent directly by mail, on the very day of shipment, to the TCEM office which issued the order.

8) CONTROL DOCUMENTS

Except for particular agreements specified in the order, the supplier shall automatically supply the documents to enable a check to be made. He guarantees that the equipment or the supplies delivered conform to technical specifications. The control documents shall, in accordance with the indications on the order, accompany the supplier's delivery notes, or be sent to TCEM.

In the absence of such documents, the starting date of the debt will be held up until the documents are received, and the due date for payment will be set accordingly.

9) RAW MATERIAL

In the event of the raw material required for the making of the equipment, the subject of the order, being supplied by TCEM, the said raw material, as well as the equipment resulting therefrom, shall be the exclusive property of TCEM who may dispose of it at any time.

The supplier undertakes to take all necessary steps for the identification of the raw materials and equipment resulting therefrom belonging to TCEM and for the protection of the rights of TCEM thereon.

10) SUB-CONTRACTING – SUPPLIES

The supplier shall be able to sub-contract the manufacture of the equipment or supplies the subject of the order only after having secured TCEM's prior agreement.

The supplier will be able to obtain supplies of equipment and supplies the subject of the order only from producers approved or designated by TCEM.

11) INDUSTRIAL PROPERTY - PLANS

The supplier stands surety for TCEM against the consequences of any action in which TCEM might become involved in connection with the exercise of an industrial property right that is the subject of any dispute whatsoever relating to the equipment or the supplies covered by the order.

12) PACKING

This shall be appropriate for the type of equipment or supply, the method of transport used and the destination, so as to ensure the protection of the product.

13) SHIPMENT

The concepts of "EX WORKS" or "CARRIAGE FREE" prices are methods of payment but bear no relation with the concepts of risk or liability.

For the equipment or supplies of French origin contracted at an EX WORKS price, and in the absence of special instructions, shipment shall be made CARRIAGE PAID at the lowest rates, by post, by road or by rail, at the supplier's choice, and according to the weight carried.

The cost of transport, in this case, will be reflected on the invoice for the equipment or supply. For the equipment or supplies of foreign origin, contracted at a FOB or FAS or "delivered free to frontier" price, the method of transport used outside the country of origin will be defined by forwarding agents approved by TCEM whose name and address will be notified to the supplier on receipt of his notification of availability, or after receipt, if appropriate. The marking of the packages, the packing lists and the documents shall fully conform to the schedule appended to the order. In the case of a "FOB stowed" sale, the stowage costs will be for the supplier's account.

14) DELAYS IN DELIVERY

Any delay shall be notified in writing to the TCEM office from which the order emanated, at the latest eight days before the contractual delivery date and, in any event, as soon as the fact which caused the delay comes to the supplier's knowledge. Such a notification does not constitute an acceptance of the delay by TCEM who reserves the right of cancelling the order without indemnification and of passing on to the supplier the penalties for late delivery and the damages for which TCEM might be liable vis-

à-vis his own customers, except in cases of force majeure duly evidenced by the supplier.

Force majeure is exclusively limited to earthquakes, cyclones, war, riots and general strike throughout the supplier's territory.

15) INVOICES

Invoices must be sent to the registered office of TCEM. They are issued in duplicate (in triplicate for foreign suppliers) and they shall quote all the references on the order. Failure to quote this information may lead to substantial delays with verification and settlement. The invoices shall show :

• the amount net of taxes of the supply,

• the amount of the taxes,

• the amount inclusive of all taxes.

– comprise generally all compulsory indications which legal provisions or regulations require,

– conform to the indications of any schedule enclosed with the order.

Their earliest date can only be that of the corresponding shipment.

16) PAYMENT

Unless specially agreed otherwise, payment is made 90 days from the end of the month of delivery, on the 10th day of the following month, free of interest, by cheque, bill of exchange or transfer.

In the case of payment by drafts, the latter are issued by TCEM and sent direct to the supplier.

Notwithstanding any provision to the contrary, invoices are payable to the registered offices of TCEM, and no method of payment, even by promissory note or draft, shall constitute a derogation to this clause or a substitution of legal obligation.

No delegation, subrogation, transfer of claim, etc..., shall be accepted by TCEM.

17) GUARANTEE

The inspection does not exonerate in any way the supplier from his guarantee on his equipment or supplies. This guarantee covers all defects observed with respect to the specifications required or any obvious failure to abide by the rules of the art commonly accepted in the trade.

For obvious defects the supplier gives to TCEM a guarantee of one year from the day of delivery. The guarantee covers the outright replacement of the equipment or of the supplies and the taking over of the costs resulting therefrom, and the prejudicial consequences suffered by TCEM or his customers.

With respect to hidden defects, the supplier shall be unrestrictedly liable for the prejudicial consequences suffered by TCEM or his clients. The supplier shall insure his liability and that of the product with a solvent insurance company. He shall supply a certificate of insurance at the latest on the finalization of the order. Filing this, TCEM may take out, at the supplier's expense, an insurance policy intended to cover the said liability, the premiums for which will be debited against the payments to be made to the supplier.

The supplier undertakes to provide after sales service in accordance with established practice for the type of goods in question.

18) JURISDICTION

In any dispute the only competent courts will be those in LE HAVRE, even in the event of plurality of defendants, unless the parties agree to resort to arbitration procedure, the conditions of which will be determined by mutual agreement.

The law governing this agreement is FRENCH law.

19) SUSPECTED FRAUD, SUSPICIOUS PRACTICES, COUNTERFEITING RELATED TO NUCLEAR SAFETY ACTIVITIES - OBLIGATION OF INFORMATION & MEASURES

In case of a suspected fraud, suspicious practices or counterfeiting committed in by a Sub-Supplier, the Supplier is obliged to provide TCEM with a list of the part numbers and orders concerned.

If cases of fraud, suspicious practices or counterfeiting are detected or suspected in its own activities or in its subcontracting chain, the Supplier shall:

- inform TCEM, assess the extent of such practices (duration, volume, etc.) and their causes, and take all the corrective action needed to avoid them recurring.

The Customer, and where appropriate the Safety Authority, must be notified forthwith of the results of these assessments and the corrective action taken by the Supplier.

- at the earliest opportunity after a case of fraud, suspicious practices or counterfeiting is reasonably established, replace the supplies and/or services affected in order to bring them into compliance with the stipulations of the Contract.

20) INFORMATION RELATED TO NON-CONFORM PRODUCTS/SERVICES AND ACCESS TO MANUFACTURING SITES

IN RELATION TO ACTIVITIES IMPORTANT TO NUCLEAR SAFETY: The Supplier is required to inform and obtain approval from TCEM for arrangements concerning non-conforming products or services or changes in manufacturing/subcontracting location. The Supplier also authorizes TCEM and third-party organizations, including regulatory bodies, to access the relevant manufacturing sites and areas in the event of a requested audit.

20) FRENCH TEXT : The present General Conditions of Purchase are a free translation of the French official text which is the only one applicable. Article related orders and activities important for nuclear safety