



GENERAL CONDITIONS OF SALE VERNET US January 2020

GENERAL COMMENTS

1 - The present General Conditions of Sale define the reciprocal rights and obligations of VERNET US ("VERNET") and its Client, whatever the nature of the contract. All orders placed with VERNET imply Client accepts these General Conditions of Sale and waives his own general conditions of purchase. This acceptance is deemed to have been given if no reservations are expressed by Client within 10 days.

2 - Modification of these General Conditions of Sale is prohibited except with the prior written authorization by VERNET.

3 - Unless otherwise stated, prices are valid for 45 days from the date they are given. Extension of a price offered by VERNET requires the express written consent of VERNET.

4 - In the case of articles manufactured specially for the Client outside the range of VERNET's standard products, to the specifications or plans of the Client, the Client warrants that it holds all the industrial property rights over those products. Client agrees to defend, indemnify, and hold harmless VERNET against any and all claims brought against Client or VERNET for the manufacture of an item in violation of a third party's intellectual property rights, patents, registered trademarks, models, or other trade secrets. If such claim is brought, Client guaranty shall fully defend and indemnify VERNET against all costs, fees, and damages resulting from such legal action.

TOOLS

5 - The tools lent to VERNET by its Clients remain Clients' exclusive property in VERNET's workshops. Therefore, they may be returned to Client at any time after the remaining orders in progress have been completed and paid for. The maintenance, running repairs and the proper working order of these tools are the responsibility of VERNET, at no cost to Client. However, normal wear and tear may require the repair or replacement of all or part of the tool in which case such costs shall be borne by Client.

Client, who has full responsibility for the tool which it owns, shall insure its tools in amounts sufficient to cover its deterioration or destruction while on VERNET's premises, and name VERNET as an additionally insured on that policy insuring Client's tools. As a result, Client renounces any and all claims against VERNET as a result of damage to its tools while on VERNET's property, provided that such damage is not caused by VERNET's negligence, recklessness, or willful and wanton destruction of Client's tools. Further, Client extends this waiver on behalf of the insurers of its tools.

6 - Tools made by VERNET on the Client's account, even if they are invoiced for, can only be acquired by Client under the following conditions:

- After completion and payment of any outstanding orders,

- When the tool has produced a minimum number of items equivalent to depreciation specified in the price estimate, and when an additional payment is made by Client to compensate VERNET for the cost of designing and producing this tool; these costs are never included in the invoice price of the tools nor in the price of the items sold.

7 - The handover of tools made by VERNET on Client's account, as described in Clause 6, shall never imply the transfer of industrial property, patents, or know-how.

8 - Even if part of the cost of the tools is invoiced to Client by VERNET, the tools remain the property of VERNET, and Client may not make any claim on them, or on the specifications necessary to replicate the tools.

9 - Tools left in storage with VERNET are retained free of charge for a maximum of one (1) year from the date of the last manufacture of goods. After this time, if Client has not asked for the tool to be returned, or has not come to an agreement with VERNET to extend the storage period, VERNET is entitled to destroy the tools, after giving formal notice by certified letter if there is no response to this notice within three (3) months.

PRICES

10 - Price offers are subject to and may be modified due to economic and monetary conditions in force at the date of the confirmation. Such price offers are subject to modification and revision, particularly if there are sudden changes in the prices of raw materials or foreign exchange.

11 - VERNET may provide a formula by which it arrived at its offered price. Nonetheless, VERNET reserves the right to adjust its prices over and above the stated formula as provided for in clause 10 above.

DELIVERY

12 - Whatever the destination and the conditions of sale, unless stated otherwise, delivery is deemed to have taken place when VERNET finishes the work and makes the goods available to Client, or hands them over to a transporter chosen by VERNET. In any event, the risk is transferred to Client according to the latest version of incoterms. It should be pointed out that the transfer of risk is independent of the transfer of ownership, as specified in clauses 33 and 34 of these General Conditions of Sale.

13 - The conditions of delivery shall be specified upon the date of the offer. As is standard industry practice, the quantities delivered and invoiced for may differ from the quantities ordered by as much as five percent (5%) without penalty to VERNET.

DELIVERY TIMES

14 - The delivery times stated on the VERNET price offer are for information purposes only and shall not be relied upon as material elements to this Agreement

15 - Under no circumstances shall late delivery constitute a valid reason for cancelling an order already in progress.

16 - Without the express stipulation in the order that time was of the essence, no penalties are authorized to be levied against VERNET. If the acknowledgement of receipt also contained an express acceptance by VERNET of the delivery time, penalties shall not exceed 5% of the value of the service or the product delivered late.

17 - In the event of allowable penalties as described in Paragraph 16, cases of force majeure - such as war, acts of terrorism, riot, strikes, unavailability of transport or raw materials, partial or total layoffs, accidents to machines or tools, fire, flood, natural catastrophes, etc. - suspend, pro tanto, the time limit for applying penalties for lateness.

CONDITIONS OF PAYMENT

18 - Payment for goods is done in accordance with Client records. The due date for payment is calculated from the date of invoice or of availability for collection as described in paragraph 12, herein.

19 - All invoices not payable by banker's draft or promissory note must be paid to VERNET directly by check, postal order, or bank transfer made out to VERNET.

20 - No claim or complaint authorizes Client to delay payment of an invoice or to dishonor a bill of acceptance. In line with standard trade practices, Client agrees that a minimum percentage of defective items not discovered before dispatch by the controls carried out at VERNET is accepted. Further, the existence of such standard minimum percentage of defective items in an order shall not grant Client the right to refuse delivery or fail to timely satisfy invoices, so long as the percentage does not exceed the quality commitment as described in Paragraph 13.

21 - In the event of non-payment of an invoice when due, or of a bill of acceptance not being honored within the time allowed:

- Interest for late payment, at the maximum legal rate in Indiana of 1.75%/month (21% per annum), will be applied as of the date the invoice falls due, calculated for every late day at the ratio 1/365th;

- A lump sum of \$45 USD for each unpaid invoice and all expenses incurred to recover the overdue invoices will be charged to Client, including attorney's fees and costs;

- All amounts, even those not due, become immediately payable; and

- Goods and services awaiting delivery will only be delivered for cash payment or with collateral sufficient to secure VERNET against the potential loss.

22 - Any disputes concerning the amount of an invoice or a statement must be sent to VERNET within ten (10) days following dispatch.

23 - If an order requires the creation of a special tool partly paid for by Client, one-third of this part-payment is payable on order, one-third during manufacture, and the remainder on dispatch.

24 - Failure to meet any of the above conditions of payment is grounds for cancelling outright any outstanding orders, after giving due notice, and does not affect the rights of VERNET.

SCHEDULED REPEAT ORDERS

25 - In the case of scheduled repeat orders, it is agreed that these may not be suspended without at least three (3) months' notice. Client shall accept:

- 1) The items previously scheduled for these three (3) months; and
- 2) The backup stock (if any, as is often customary).

GUARANTYS AND OBLIGATIONS OF VERNET

26 - The services of VERNET consist exclusively of the supply of a product meeting the technical and functional specifications defined in the written proposal, the acknowledgement of the order, or the particular conditions of sale.

Products sold by VERNET are under guaranty to the extent that they are of fair, average quality within their description and are fit for the ordinary purposes for which such goods are used, against all manufacturing defects under the conditions stated in VERNET's sales documents appropriate to each product. Such guaranty extends from VERNET to Client and shall not pass to any third parties. The extent of VERNET's guaranty of goods may

be reviewed at IC 26-1-2-314.

In no circumstances may VERNET be held responsible for faulty assembly or modification of the product performed by Client, for the consequences of faulty maintenance or use, or for the consequences of aging or of normal wear and tear.

27 - Sale of standard products from the catalogue.

In the present document, "standard products from the catalogue," means any product whose technical specifications are predefined as standard by VERNET before being ordered by the Client.

In this case, VERNET is only responsible for ensuring that its product complies with the specifications in its catalogue or in its technical documents, which are available upon request.

Client is responsible for choosing the product and for ensuring that the product purchased is appropriate for its end use. Unless otherwise agreed to in writing, Vernet makes no guaranty of the appropriateness of a given product for a given use.

28 - Sale of specified products.

For the purposes of the present document, specified product means any product whose technical specifications are defined specially by VERNET to meet a specific demand of Client.

In this respect, Vernet makes no guaranty regarding the fitness of a given product for a given use unless explicitly agreed upon in writing. Client bears the burden of risk to determine the fitness of a given product for a specific use. Failure on the part of the client to communicate to VERNET, in writing, that a given product is insufficient to meet the needs of a specific use shall function as a waiver by Client of complaint and acceptance of the product as-is.

The only obligations of VERNET are those deriving from the parameters that were accepted at the time of the order, based on the information brought to VERNET's notice at that moment. No unilateral amendment by Client shall bind VERNET to those unilateral amendments.

Client is always responsible for the choice of the product and for ensuring that the product sold is suited to the desired result. Client is responsible for any trials and tests to confirm this suitability for a given use. Client is responsible for its proper use in accordance with standard industry practice. Unless VERNET is shown to have acted negligently, recklessly, or in breach of this and other written agreements between the Parties, or VERNET was notified in writing of the product's intended end-use and was consulted for the product's fitness, VERNET shall have no obligation concerning the end-use of the product.

29 - If Client makes a complaint about the parts or products manufactured, modified, or assembled, VERNET US reserves the right to examine them *in situ* before they are returned. Any non-conformities shall be communicated to VERNET as soon as reasonably practical after discovery and within the legal time limits. A failure to notify VERNET of non-conformities within a reasonable time period following discovery shall act to waive any of Client's rights under the guaranty defined above. After the time limits have expired, no claim will be entertained. If Client carries out repairs to parts without the agreement of VERNET on the principle and the cost, Client will lose claim to the guaranty.

30 - If items made by VERNET are rejected outside the VERNET factory for defects admitted after counter-checking, then VERNET's responsibility is limited to the replacement of the items in question, free of charge, after the rejected items (which still remain VERNET's property) have been returned to its factory.

31 - If information and advice are communicated by VERNET according to the information, designs or data provided by Client, then Client shall confirm whether this information is complete and accurate. Any outcome that is the result of incomplete, absent, or erroneous data, information, designs, or plans communicated by Client to VERNET shall be the responsibility of Client, and VERNET cannot be held responsible.

The information and advice provided by VERNET are given in good faith, taking account of the experience and knowledge of VERNET.

Any modification in the Client's data may result in modifications of the offer from VERNET.

WORK ON CUSTOMER'S MATERIAL

32 - In this case, VERNET is engaged on a work-for-hire contract.

If the products are made with materials or components supplied by Client, VERNET cannot be held responsible for items rejected for defects involving the quality of the materials or components supplied by Client.

In any event, VERNET is only responsible for the work provided, and only if Client is able to prove that the defects are caused by the negligence, recklessness, or breach of this Agreement by VERNET.

PRESERVATION OF OWNERSHIP

33 - The transfer of ownership of items sold is subject to payment by Client of the price when the invoice is due. Risks are transferred from VERNET to Client upon delivery or collection.

It is expressly agreed that VERNET's contracts of sale are always concluded on the condition that full payment will be made by Client on the due date(s).

34 - The merchandise remains the property of VERNET until it is fully paid for. As a gesture of goodwill, VERNET hereby authorizes Client to resell designated merchandise on condition that Client shall pay the total price still outstanding immediately upon resale; the sums involved are hereby pledged to VERNET, and Client is simply a depository for the price.

COMMUNICATION OF DOCUMENTS

35 - All technical documents of VERNET (instruction manuals, process sheets, plans, etc.) given to Client before and after the order, are and remain the full and complete property of VERNET. Client shall keep technical documents as defined herein confidential and ensure that its employees and subcontractors do likewise. These documents may not be communicated or given to anyone else, nor used other than by VERNET, without VERNET's prior written agreement, and they will be returned to VERNET without delay on demand.

36 - Any reproduction or representation in whole or in part, by any process whatsoever, of documents on whatever medium, belonging to VERNET, without VERNET's prior written agreement is prohibited and constitutes a breach of copyright and trade secrets. Such breaches will be pursued to the fullest extent of the law.

37 - Failure to comply with this obligation may lead VERNET to cancel without any further formality or procedure, all the orders currently in progress, and without prejudice to, or waiver of, any damages that VERNET may claim.

CONFIDENTIALITY AND INTELLECTUAL OR INDUSTRIAL PROPERTY

38 - Client shall, both personally and on behalf of the people for whom it is responsible, whether or not they are its employees or those of any of its suppliers or sub-contractors, not reveal to anyone the information he may receive or discover on the occasion of orders placed with VERNET.

39 - Client shall, both personally and on behalf of the people for whom it is responsible, whether or not they are its employees or those of any of its suppliers or sub-contractors, respect the rights of industrial and intellectual property, copyrights, and trade secrets involved in the execution of orders and indemnify VERNET against any action from any third party under those rights.

40 - Failure to comply with this obligation may lead VERNET to cancel, without any further formality or procedure, all the orders currently in progress, and without prejudice to, or waiver of, any damages that VERNET may claim.

LAW AND JURISDICTION

41 - Unless otherwise stated in the Particular Conditions,

- Indiana Law applies to sales by VERNET and to the agreements relating to them.

- Orders from Client are placed on the strict condition that in the event of dispute relating to the supply of goods or services and their payment, the Bartholomew County, Indiana Superior/Circuit Court or the Federal Circuit Court for the Southern District of Indiana shall have sole jurisdiction to the exclusion of any other court appointed by the Client, even if there are multiple defendants.