

GENERAL SALES & CONDITIONS

Federal Mogul Systems Protection SAS

This present General Sales Conditions replace all any other ones previously communicated.

Any specific condition accepted by Federal Mogul Systems Protection will prevail on those ones.
The acceptance of any Federal Mogul Systems Protection offer, any order transmission and any contract agreement imply the whole acceptance of present General Sales Conditions, the customer recognize having the knowledge of our General Sales Conditions and accepts them fully without any exception.

1- PRICE OFFER

Our price offers are valid only if surrounding fixed conditions by current regulation remains unchanged in regards of materials, wages, taxes, etc. Prices are subject to review according to the deviation formulas in use in the business.
Our offers are valid during one month starting from date of written submission.
Proposals made by our representatives or agents and prices and/or technical specifications given on our tariffs are only indicatives; only a written confirmation from our side can be taken as a commitment. The customer is taking at its own risk the responsibility of any contestation against third party regarding manufacturing copyright and/or property affiliated to the product delivered.

2 - TOOLING

Tooling created under our responsibility for our customers and dully paid remains their property into our premise and workshops, and is only used by us for the sole completion of their orders, except written authorization from their side.
Toolings are situated in our warehouse except any opposed objection. The customer commit to not claim those tooling before a time frame of five years starting from their achievement, unless to refund an indemnity equaling to a third of the invoicing value of the tooling as a compensation to fees involved by their development and use set up. This commitment becomes obsolete in case of "force majeure" or in case of dully identified deficiency from our side. If any part has been produced during two years, we reserve the right to ask to customer, by registered letter with acknowledgement to take out corresponding tooling from our warehouse. After an expiration period of two months starting from above letter despatch, we consider that we are fully released from any responsibilities regarding corresponding tooling without any kind of notice neither justification. Apart from normal wear we maintain tooling is a state of working order. Fees related to any modification or restoration is under customer charge.
In case of tooling furnished by the customers, final prices will be definitively submitted only after validated tests.

3- DELIVERY DATE

Delivery date indicated on any document issued by Federal Mogul Systems Protection and planned for the obligation fulfillment have only indicative information: written delivery date confirmation by us are only valid. Any delayed shipment cannot be subject to any compensation, fees or charges by the purchaser, neither to any partial payment nor order or outstanding purchases termination.

For pieces, delivery date starts from the day after initial samples agreement reception and eventually from the furniture of external pieces or necessary accessories. Delivery date is respected in a possible and reasonable circumstance. Except any contrary convention formally stipulated into the order and expressly agreed in writing, no penalty can be claimed in case of delay. Agreed delivery dates are postponed in case of partial or prolonged shutdown of our manufacturing caused by strikes, fire flood, traffic difficulties, manufacturing issues, lack of raw material further supplier failure or any other cause considered as a case of "force majeure". If a firm delivery date has been accepted by Federal Mogul Systems Protection and stipulated like this, penalties incurred, excluded all other indemnity or demand for contract cancellation, cannot exceed 0,5% of net amount (excluded VAT) of the given delivery per delayed week with a maximum of 2% of the amount of the order. Those penalties are triggered after a period of eight days expiration starting from the original firm delivery date promise accepted by Federal Mogul Systems Protection, and stipulated like this. For tooling, delivery date starts from the day after of the receipt of the written drawing agreement of the pieces subject to the approval. Except contrary stipulation, deliveries are made ex works (Federal Mogul Systems Protection manufacturing site - incoterms 2000). Federal Mogul Systems Protection reserves the right to proceed to full or partial deliveries.

Even in case of delay, the purchaser cannot refuse to accept the goods. All delay cannot lead to order cancellation. Federal Mogul Systems Protection reserves the right, to fulfil his delivery commitment, to deliver a good by a company by which he is linked or to manufacture the product by a company by which he is linked.

In all circumstances, the delivery cannot occur only if the purchaser has cleared all his obligations to Federal Mogul Systems Protection. Federal Mogul Systems Protection is entitled to suspend deliveries in case of:

- Non-respect by purchaser of payment term or overdue referring to previous deliveries.
- Default of document communication or necessary information to the order execution.

In case where the purchaser would not collect the goods at the agreed due date, the purchaser would borne the fees for product handling and storage until full collection of those products by himself or his carrier or partner.
Federal Mogul Systems Protection can choose packaging and carriage, as well for transportation method, knowing that the purchaser would not manage this aspect in the right time before due date expiration. Fees incurred by any modification will be borne by the purchaser.

If the shipment is delayed further purchaser responsibility, the risk will be transferred to the purchaser as soon as the purchaser will be informed of the readiness of referred shipment. It is expressly indicated that the customer is due to send latest by November each year a yearly forecast for the following year so that Federal Mogul can plan and/or invest in relevant machinery for the best Delivery Service. Should this forecast would not be sent on time or purely missing, or would be erratic or not reflecting the reality of the demand in a reasonable quantity, Federal Mogul cannot be liable for any cost, at any time either for Express transportation or for Production shutdown. Also, any new nomination of Federal Mogul Systems Protection for a brand new Customer Business supply must be clearly communicated in advance to Federal Mogul Systems Protection for the same reason and consequences indicated above.

4- PACKAGING

Our prices are based on unpacked goods basis collected a tour premise except any contrary stipulation.

5 - SHIPMENTS

Without prejudice to the dispositions to be taken in front of the carrier, all claim referring on non conformity or product delivered default, to the technical specifications accepted by Federal Mogul Systems Protection must be triggered in writing within eight (8) days from product receipt. Purchaser is requested to prove the reality of non conformity, defect or missing of the product.
The reception without reservation within this time frame regarding those ordered product by the purchaser insure Federal Mogul Systems Protection against risks, visible defects, non-conformity and/or missing quantity.
Whatever the invoicing method, good transportation is made under receiving point and/or purchaser to whom is supposed to check it at the arrival territory, in some case to issue relevant claim to the carrier, according the legal obligations mentioned on article 105 of the French Commercial Code, otherwise any claim will be accepted. All contestation will be under Tribunal de Senlis (60) jurisdiction.

6- WARRANTY

Subject to the accomplishment of hereunder conditions:

- Normal use of Federal Mogul Systems Protection products, without careless or abnormal, application for which Federal Mogul Systems Protection has been dully informed lack of machining or product reparation by the sole purchaser decision.
- Lack of normal wear.
- Lack of wrong product installation on systems on which they are supposed to be fitted.
- Maintenance according the traditional use (notably respect of maintenance instruction or use of products recommended by Federal Mogul Systems Protection storage respecting classic method.
- Lack of product modification, packaging or product modification without Federal Mogul Systems Protection knowledge and agreement
- Lack of "Force majeure" like it is defined in clause 3
- Lack of defect, non-conformity or default triggered by the purchaser (notably by the fact of defect supplies).
- Correct technical specifications transmitted by the purchaser or/and appropriate.

Written claim within a time frame of eight (8) days after product receipt or eight (8) days after defect discovery if this was not recognizable or visible despite an attentive correct exam.

Transmission by the purchaser of involved pieces to Federal Mogul Systems Protection and all the necessary information referring to the diagnostic defined at customer premise.

Contradictory analysis of involved suspected goods
Federal Mogul Systems Protection guarantees during a period of one year starting from risk transfer date of the related ordered goods to the purchaser profit, assuming that above dispositions are valid, and that those products are default or malfunction free, that they are conform to the original technical specification agreed with the customer and for a use for which they are designed to.

In case of lack of claim within a time frame indicated on clause 6 § 1 (reception conformity control), the product are considered as being delivered in good conditions and conform to the referred order, without any possible resort from the customer.

Seller warranty is only valid for product repair or replacement, defections or non-conforming. The product return under warranty to Federal Mogul Systems Protection is made under purchaser risks, and the replaced returned products are made under Federal Mogul Systems Protection risks and cost.

Arguing product warranty claim, the purchaser is not allowed to suspend or delay product payment delivered. Also, in case of defect confirmation, on-conformity or hidden malfunction during the warranty period, the purchaser must, except Federal Mogul Systems Protection written agreement, stop all product use of defined product.
Federal Mogul Systems Protection warranty doesn't extend to penalty payment direct or indirect prejudice repairing (included all financial impact, business or customer loss) resulting from a non-conformity or from a hidden product defect, Federal Mogul Systems Protection responsibility being limited to the repair or replacement of the returned product.

From a general stand point, and in any case, Federal Mogul Systems Protection can only be taken as responsible for the direct or predictable damages repair in front of the purchaser. In all cases and to pretend for repairing, the purchaser will return without delay above time frame defect product to Federal Mogul Systems Protection for an analysis.

In addition, Federal Mogul Systems Protection declines all responsibility in case of damages caused to any Tiers property mainly used for professional use belonging to other Tiers other than consumers. The purchaser recognize that Federal Mogul Systems Protection cannot be held as co-responsible in quality of manufacturer in case of some other Tiers would bring an action against Federal Mogul Systems Protection without fault further defections products.

Moreover, the purchaser commits to free Federal Mogul Systems Protection from any action engaged on the same basis directly against Federal Mogul Systems Protection. The purchaser commits to make available to Federal Mogul Systems Protection all necessary information to apply its rights and to bring any support for the administration of the proof for Federal Mogul Systems Protection responsibility against other Tiers. The purchaser must inform Federal Mogul Systems Protection about his supplied product being used as security components or potentially requesting specific documentation. Federal Mogul Systems Protection is free of any responsibility for any kind of nature if the purchaser did not inform Federal Mogul Systems Protection about the final product destination. The purchaser is responsible about the evaluation of the product adaptation or about the final use he might plan to use. In any case, it is forbidden to use our products in technical nuclear installations without prior Federal Mogul Systems Protection clear authorization.

Regarding delivered quantities, claims cannot be accepted only if they are produced within a time frame of two weeks after shipment reception.

Our products are manufactured with the best care, are affected by the results of various fortuitous influences and from raw material variations. As a consequence, we cannot

be held as responsible from hidden defects that would accidentally exist into our products.
Our samples are only submitted on indicative product basis, without any strict warranty conformity delivery. Our responsibility is strictly limited to the sole product replacement, and one for one, of recognized defect product by us, returned free of charge a our dedicated premise, within a time frame of one month starting from customer product arrival, without any fees to be borne by us whatever the origin or nature.

7 - CANCELLATION

In case of cancellation or tooling order on hold, a surcharge summary will be created for development & costs engaged. The amount will be communicated to the customer and deducted from customer accounting balance. In case of cancellation or order on hold, all finished items or in work in progress will be delivered and invoiced.

8 - RETURNS

When we accept good returns, we can refund only if they are in original good shape, without any use or functioning period, and after Quality Control validation and acceptance in our warehouse. If necessary the cost and risks associated to the product return will be borne by the customer. Any product return will be accepted after a time frame of one (1) month starting from referring product receipt, three (3) months for customers located in foreign countries.

Returned products must be accompanied with the indication of delivery note, product part number and the reason for the return for dedicated non conformity products.

All return accepted by Federal Mogul Systems Protection generate, at the choice of Federal Mogul Systems Protection, either the issuing of a credit note to the customer or a new product delivery.

9 - PAYMENT TERMS

Except expressed written convention, our invoice payment is being done thirty (30) days end of month from good disposal into our factories.

Invoice payment failure at the due date leads immediately to the cancellation of eventual discount, and trigger the payment of a penalty for late payment equaling to 1,5 time the legal interest rate.
Our minimum invoicing value is 1000,00 Euros HT except particular conditions agreed and can be modified at any time on simple notice.

The first order is payable on cash basis, immediately at product collection. Cash on delivery invoices must be paid, at corresponding product delivery time, to the organization chosen on behalf Federal Mogul Systems Protection delivery company. Product property remains Federal Mogul Systems Protection until full and timely purchaser payment.

In all case payment cannot be suspended neither being part of any compensation without prior written Federal Mogul Systems Protection acceptance. The purchaser will not be entitled to object any retention right considering that his credit counter party will be based on the same contractual basis. Purchaser engagements will also remain if the product he is manufacturing is incorporated in a product delivered by Federal Mogul Systems Protection and cannot be sold for reasons for which we are not responsible.

All purchaser credit deterioration, notably bank draft refusal, bankruptcy, company transfer, leasing, collateral security or business association or merger can justify warranties Federal Mogul Systems Protection claims or immediate remaining purchaser payment, without any kind of warning or notice.

We will ever be entitled to determine which accounts receivable are paid by customer payment.

**10 - PROPERTY RESERVATION CLAUSE:
FEDERAL MOGUL SYSTEMS PROTECTION KEEPS THE PROPERTY OF GOOD SOLD UNTIL FULL AND EFFECTIVE PAYMENT OF THE INTEGRALITY OF THEIR PRICE IN PRINCIPAL AND ACCESSORIES.**

However, the risks are transferred at the time of delivery. In case of partial or full non-payment, at the very first request of Federal Mogul Systems Protection by registered letter, the purchaser must give back unpaid products at his own expense and risks.
The purchaser commits to ensure those products against all damages that would occur at any time after delivery. The purchaser must handle correctly and carefully the goods and must store it in a correct manner.
The purchaser commits to keep all products referring to property reservation so that they could not be incidentally mixed with others and dedicated products are being recognized as the exclusive Federal Mogul Systems Protection property, and commits to preserve the product identification is being possible at any time in all circumstances.

Before all property transfer, the purchaser cannot strain the product or good to any right granted to another tiers and notably pledge, collateral security...
In case of working the good without additional material, modification brought to material will be reputed made to the benefit of Federal Mogul Systems Protection. In case of new material incorporation to the delivered product,

Federal Mogul Systems Protection will be co proprietary of the good for the initial value.

In case of resale of the good before effective and full payment in principal and accessories, the purchaser commits to inform the sub buyer about Federal Mogul Systems Protection property of the good, and commits at very first request and at the choice of Federal Mogul Systems Protection, to pay Federal Mogul Systems Protection the totality of the remaining amount, or to dispose of his sub buyer debt to Federal Mogul Systems Protection up to the corresponding value of products objects of this present clause.

11 - Termination clause:

Federal Mogul Systems Protection reserve the right to cancel the order or contract notwithstanding all contractual dispositions, in case of non performance by the purchaser of one of any of his obligations and eight (8) days after summons by registered letter with acknowledgement receipt being partly or fully unsuccessful. The purchaser commits to notify by registered letter with acknowledgement receipt all procurement stop within a time frame of six (6) months before the stop. In the opposite case, the purchaser take at his charge the reimbursement of all cost or fees engaged by Federal Mogul Systems Protection, without any prejudice for Federal Mogul Systems Protection of any other damage request, notably for abusive rupture of commercial relationships established.

12 - COMPLEMENTARY CONDITIONS

Price: taking into account the fluctuations of raw material, our prices are subject to review according to economical conditions at the day of the delivery.
Delivery date: Due to some raw material shortage, our promises can be modified according to our corresponding procurements.

13 - Confidentiality Intellectual Property:

All documents such drawings, study; given or sent by Federal Mogul Systems Protection to the purchaser or which the purchaser could have knowledge in the frame of the commercial contractual relationship, remains full property of Federal Mogul Systems Protection and must be treated on a confidential basis. They cannot be altered, copied, reproduced or communicated to any tiers for any reason, neither be used to other end than those initially planned for the order or contract, without prior written and agreed acceptance of Federal Mogul Systems Protection. The commitment to respect the confidentiality will be considered as an autonomous juridical obligation beyond the end of the commercial relationship with avec Federal Mogul Systems Protection.

Present General Sales Conditions do not give any Purchaser benefit, any intellectual property right and industrial transfer, and any know-how from Federal Mogul Systems Protection.

For the orders for which the execution need development work from Federal Mogul Systems Protection side, the purchaser cannot take over any inventor right on object, products or processes set up or on Federal Mogul Systems Protection know how and on equipments used for the manufacturing of those objects or products even if the purchaser participated to a part of fees involved in development and/or in production.
The purchaser will assume alone the consequences of all legal action triggered by a tier against Federal Mogul Systems Protection based on industrial and/or intellectual property right violation resulting from Federal Mogul Systems Protection contract execution Federal Mogul Systems Protection further specifications or instructions issued by the purchaser.

The order or the contract cannot give any right to any kind of direct or indirect advertising without prior written and agreed Federal Mogul Systems Protection acceptance.

14 - CONTESTATIONS

All disputes, whatever the nature or the cause, will be submitted to the competent tribunal jurisdiction referring to the dedicated principal Company.
Acceptance bill, bank draft, order to pay does not bring any innovation, neither derogation to this jurisdiction attributive clause.

All previous indicated clauses in letters or order acknowledgement or purchase order of our customers, and in opposition to the present clauses, cannot be opposed to us, if they have not been agreed previously in written from our side.

This contract is exclusively driven by the French Internal legal institution.

Parties commit to find friendly way to the resolution of their dispute by any aim at their convenience. Would there be any failure to do so, all dispute related to these present document remain the sole and exclusive competence of the Social Head Quarter of Federal Mogul Systems Protection unless that Federal Mogul Systems Protection would prefer to ask to any other competent jurisdiction, and even in case of summary procedure, incident request, warranty claim or defender plurality even if attributives clauses possibly existing on purchaser documents can object the application to this present clause application.

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