

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. GENERAL TERMS AND CONDITIONS – DEFINITIONS – GENERAL CLAUSES

- 1.1 All purchases of goods, equipments, materials and Services by Bridgestone France (the « Purchaser ») will be accomplished on the basis of the present General Terms and Conditions and of the Particular Terms and Conditions noted on the recto of the present document. No derogation with the said terms and conditions can be made without the Purchaser's written agreement.
- 1.2 The Purchaser may clearly withdraw from applying any of the general and/or Particular Terms and Conditions, and/or some specifications of the order without such a renunciation being able to be regarded as applying to the further orders.
- 1.3 In the event of any disagreement between the present General Terms and Conditions and/or Particular Terms and Conditions of the Purchaser and/or the General Terms and Conditions and/or Particular Terms and Conditions of the Supplier, the present General Terms and Conditions and/or Particular Terms and Conditions of purchase will prevail.
- 1.4 The term « Product » means all Products, items, equipments, materials, goods and other items purchased by the Purchaser. The term « Services » means all Services rendered according to a contract concluded by the Purchaser. The term « Date of Forwarding » means the date to which the Products are given to the carrier starting from the Supplier's warehouse or from the Supplier's plant. The term « Contractual date of rendering Services » means the date mentioned on the Purchaser's order for the beginning of the execution of the Services.
- 1.5 The Purchaser remains entirely free to purchase near other Suppliers all similar Products or Services or competitors, even if the present order is issued for his business requirements or pursuant to a supply contract concluded for a given or unspecified duration

2. ACCEPTANCE OF ORDERS – SALE CONTRACT

- 2.1 The sale contract corresponding to the present order will be definitively concluded and will engage the Purchaser only when the Purchaser receives a copy of the present order signed and accepted by the Supplier without any condition
- 2.2 In the event the Supplier does not return to the Purchaser copy of the present order confirming his acceptance as mentioned in the above 2.1 article, within a period of 10 days from the date of submitting the order, the Purchaser will be entitled to cancel his order by written notification.
- 2.3 Any modification of the present General Terms and Conditions or of the Particular Terms and Conditions listed in the recto of the order, made by the Supplier on the confirmation of receipt document or on the present order form or on any other document issuing from the Supplier such as letters, invoices, price lists, shall be treated by the Purchaser as non-existing and may result in cancellation of the present order without any compensation right.
- 2.4 Any order submitted by the Purchaser orally, by phone, fax, letter or @mail binds the Purchaser, only if it is confirmed by an order form duly signed by the Purchaser or by a person authorised thereto by the Purchaser and including the present General Terms and Conditions.
- 2.5 The execution by the Supplier, even partly, of any Purchaser's order, will express his acceptance of all clauses of the General Terms and Conditions and of the Particular Terms and Conditions of the Purchaser as well as the specifications of the Purchaser and renunciation of the Supplier of the application of his own general conditions of sale

3. PRICE

- 3.1 Except contrary convention stipulated on the purchase order of the Purchaser, the prices of the Supplier are fixed prices for Services or Products delivered free to the plant or for the international

sales delivered duty paid (DDP) to the plant of the Purchaser or any other destination stipulated by the Purchaser, as per INCOTERMS 2000.

- 3.2 No invoice of the Supplier will be accepted if the prices which appear are not identical to those stipulated on the order of the Purchaser, except the Purchaser agrees to such change in writing and forwarding it to the Supplier in the form of an appendix to the order.
- 3.3 The Supplier will offer to the Purchaser to take advantage of any price reductions intervening until the Date of Forwarding of the Products or until the contract date of the beginning of the Services. In the case the Purchaser agrees that this contractual date be brought forward, the Supplier will automatically give to the Purchaser the benefit of any decrease in the prices of Products, Services or freight charges taking place before this date.
- 3.4 Except contrary written agreement from the Purchaser, the Supplier will support the packaging costs. Also the return of winding drums and returnable packing will be made in carriage forward to the Supplier.
- 3.5 The payments on account eventually made with the order are calculated on the prices net of tax

4. DELIVERY – TRANSFER OF PROPERTY – RISKS – SURPLUS

4.1 Delivery

The ordered Products will be delivered in accordance with the Particular Terms and Conditions contained in the present order, will be free of any apparent and/or hidden defects and must fulfil the requirements mentioned in the paragraph 5 and will be joined with a delivery form. This delivery form will indicate the complete number and the date of the Purchaser's order, the detailed description and the quantity of supplied Products. A copy of this delivery form will be given to the Purchaser.

4.2 Contractual dates or delivery periods of Products or Services

- a) The delivery periods for the Products or the completion of Services mentioned in the Purchaser's order are required. The mentioned dates are : (i) for the Products, the dates of their arrival at the plant of the Purchaser or another destination indicated in the order (2) for the Services, the date of their acceptance noted by an official report of the Purchaser.
- b) Any delay of delivery of the Products or completion of the Services can involve, with the choice of the Purchaser, and without prejudicing damages :
- (i) The full cancellation of the present order in accordance with paragraphs 9.1 & 9.2 hereafter
 - (ii) As of the first day of delay beyond the completion period, the application of a contractual penalty corresponding to 1 % of the total price including all taxes of the Products or Services per week of delay with a maximum of 5 % of this price.

All anticipated deliveries cannot be carried out without the agreement of the Purchaser, being understood that the payments for such delivery will be made on the date of payment indicated in the order.

4.3 Transfer of Property

The Transfer of property takes place as soon as the Products are received to the place specified in the order by the Purchaser, according to the procedure defined in the paragraph 6 hereafter.

If, notwithstanding the normal terms of payment, an advance is paid to the Supplier, this payment will include the transfer of property only for this part of payment, but absolutely not for the risks to the Purchaser :

- (a) In case of fungible goods, for the quantity of these Products corresponding to this amount
- (b) In case of Products to be manufactured, delivery of goods, parts or sets needed to manufacture Products.

The Supplier commits himself :

- (i) To take all required measures so that the quantities of fungible goods or the deliveries of pieces or sets be identifiable as being the property of the purchaser and materially distinct and separated from those that the Supplier acquires to carry out other orders
- (ii) To take all required measures for the good conservation and insurance of the Products, pieces and sets as a guarantee for the purchaser

4.4 Surplus

The Purchaser will have the possibility to return to the Supplier the Products in surplus compared with the quantities or units mentioned in the Purchaser's order. The expenses and risks are assumed by the Supplier.

5. LIABILITY OF THE SUPPLIER – LEGAL & CONTRACTUAL GUARANTEE

The Supplier has the obligation, acting as a professional, to inquire about the Purchaser's requirements, to give him full details about characteristics, conditions of use, capacities, performances and constraints of the provided Products. He will have to inform the Purchaser on the risks, problems or limits which can be induced by the various considered operations and to propose any other adequate solution to him in a rational way and in the context of the Purchaser's company.

The Supplier, acting as a professional salesman, is responsible in particular concerning the legal warranty for hidden defects (Article 1645 and followings of the Civil Code) and concerning the warranty for the defective Products resulting from the Law 98-389 of may 19, 1998 as of all provisions which would come to associate with it or to replace.

The Supplier warrants that the Products sold to the Purchaser :

- (a) are new, diligently manufactured, checked and produced in the manner of enabling their use in accordance with the specifications and tolerances indicated by the Purchaser.
- (b) are in accordance with the designation, description and specifications indicated on the Purchaser's order or in any other documents confirmed in writing by the Purchaser and are free from any manufacturing defects, vice of material or from any other kind of defect.
- (c) Offer the security requirements guaranteed to the Purchaser, are not dangerous and will not cause any damage to property and persons as long as they are going to be used in an appropriate manner
- (d) Are in accordance with all standards, laws and regulations enacted by France and EEC, and all specifications and standards contained in the order of the Purchaser and/or communicated by the Purchaser to the Supplier, before acceptance by the Supplier of this order and agree with the prevailing lawful and legal regulations, especially with the environmental legislation.

The Supplier commits himself that the Products being the subject of this order bring whole satisfaction to the Purchaser in the use for which they are intended.

6. RECEIPT

6.1 Products

The Purchaser will take delivery of the Products within a reasonable time as from their delivery in his plant or another point of destination specified with the order. The ordered Products will not be accepted by the Purchaser if they or their packaging are not in accordance with the specifications, standards, characteristics, quality, drawings and/or patterns indicated in the order and with the guarantees noted in preceding article 5.

In case of sale of equipment or material including installation and start-up, the Supplier will be released from his engagements towards the Purchaser only after the signature of an official report of

start-up attesting the conformity of the Products and their correct operation. All Products non in conformity or in surplus could be refused by the Purchaser.

The Products not accepted by the Purchaser will have to be removed by the Supplier, at his own expenses, in the shortest possible time and, at the latest, in the 8 days from the date the Purchaser notifies the defects and his refusal of these products. The Supplier will replace, at his own cost, the defective Products (including the costs of transport, packaging and insurance) in the shortest possible time as from their removal date.

6.2 Services

At the moment of « completing » the Services, i.e. on the day of their completion, the Purchaser will check and sign the official report of reception. The Supplier commits himself to correct, at his own cost, all defects as well as non conformity with the submitted order, noted at the time of the reception by the Purchaser and notified by himself to the Supplier, until these services are in conformity with the requirements indicated in the order.

7. INVOICES – SETTLEMENT

7.1 Invoices should be issued by the Supplier in 2 original copies and should contain all data required by the prevailing regulations, i.e. Date of Forwarding of the Products as required in the order, date and number of the order, full designation of the Products and/or Services, their price VAT excluded, VAT amount and the price VAT included. The invoices should be sent on the Date of Forwarding of the Products.

7.2 A confirmation of dispatch of the Products mentioning the name and address of the carrier will be attached with the invoices.

7.3 The payment of the invoices will take place in accordance with the terms and conditions of payment stipulated on the order of the Purchaser.

7.4 In the event of sale of equipment or materials including Services of installation and/or a final start-up, the Purchaser would be able to deduct 5 % from the price VAT included, until the final acceptance of the equipment or materials in a perfect operating state

A joint and several security or another banking guarantee coming from a bank of international fame guaranteeing the good execution of the Services could be substituted to this deduction.

7.5 Any liquid and due debt from the Purchaser towards the Supplier could be compensated with any liquid and due credit from the Purchaser on the Supplier.

8. INDUSTRIAL PROPERTY

The Supplier guarantees that the Products, being the matter of the present order or their use, do not constitute a fraudulently copying or infringement of any French or foreign patents, trademarks, drawings, patterns and/or other rights arising from industrial or intellectual property, that he will defend with any legal action that may arise on this matter, and will compensate the Purchaser for all damages as a result of any claims of third parties due to industrial or intellectual property rights concerning these Products.

All equipments, models, drawings, specifications and other data provided by the purchaser within the framework of the order will constantly remain the property of the purchaser and could be used by the supplier only for the needs of the execution of the order. The Supplier could not assert any property on these equipments, models, plans, specifications and other data and will not be able, in any case, to use them out of the framework of this order.

9. CANCELLATION OF ORDER – TERMINATION OF THE SALE CONTRACT

9.1 The purchaser shall have the possibility to cancel whole or part of the order and the sale which results from it, without any preliminary information of the Supplier, by simple notification, in the following cases :

- a) If the Supplier does not respect one of his contractual obligations envisaged in the Particular Terms and Conditions and/or General Terms and Conditions of the Purchaser's order
- b) Subject to all public and legal provisions of law, in the event the Supplier stops his payments or in the event the Supplier is concerned by a declaration of cessation of payments, a legal judgment for rectification, bankruptcy or liquidation, or if the Supplier stops its activities for any reason.
- c) In the event the Supplier accomplishes merger, division, partial contribution of assets, total or partial transfer of business or winding up of the Company of the Supplier

9.2 In the circumstances provided above, the cancellation of the order, the resolution or the cancellation of the sale of the Products or Services will be automatically acquired without notice and without any preliminary information of the Supplier as of the date of the registered letter of notification, cancellation or resolution and such termination would not influence the indemnity claims.

10 THE SUPPLIER'S LIABILITY – INSURANCES

In the event of non execution or of bad execution of the order, the Supplier will be held responsible for the whole injury with the Purchaser. He will compensate the Purchaser for all damage and injuries which could thus be caused to him because of the non execution or of the bad execution of the order of the Products and/or the Services and will guarantee the Purchaser against any claim of the thirds, including employees of the Purchaser and of the Supplier, in consequence of any damage caused to the goods or to the people as a result of the delivery, the use, the installation or the start up of the Products and/or as a result of the presence of employees of the Supplier in the buildings of the Purchaser.

The Supplier will have to inform the purchaser, without delay, of any defects he could have noted in the goods ordered, in order to limit their detrimental consequences.

11 THE PURCHASER'S LIABILITY – EXTERNAL REASONS

11.1 The Purchaser is not responsible for the non execution of his obligations considering the present order, if this non execution results from an external cause, or even from a cause which is his own but that it is not in his capacity to prevent even if this cause does not have the character of "*force majeure*"

11.2 At the request of the Purchaser, the Supplier will suspend the execution of the order if, for external reasons of for reasons impossible to prevent with the meaning of paragraph 11.1 above, the Purchaser cannot continue his own manufacture under normal conditions.

12 NON ASSIGNMENT

The Supplier will not be able to assign any rights or obligations resulting from the sale of the Products and/or Services without the prior written consent of the Purchaser, even in the event of merger, division, partial contribution of assets, total or partial transfer of business

13 CONFIDENTIALITY

The Supplier will consider as strictly confidential and will avoid revealing to anyone – during the execution of the present order or after its execution- any information, equipments, models, drawings, specifications, data, technical formula and concepts of which he could have been informed at the time of the pre-contractual or contractual relations. By the application of this clause, the Supplier will be accountable for himself and for his employees.

14 NOTIFICATIONS

All notifications in pursuance of the present General Terms and Conditions of purchase will be made, except contrary clause, by fax or registered letter with acknowledgement of receipt and will be considered in application from the forwarding of the fax or registered letter

15 **GOVERNING LAW – SETTLEMENT OF DISPUTES**

- 15.1 The present General Terms and Conditions of purchase and any sale agreement or other legal act executed between the Supplier and the Purchaser shall be subject to the provisions of the French law
- 15.2 With regard to the purchases or international sale contracts, to which the United Nations Organization Convention on International Sales Contracts of Products should apply, both the Supplier and the Purchaser agree to exclude applying the said provisions, but only in the case this convention would be incompatible or contradictory with the present General Terms and Conditions of Purchase
- 15.3 Exclusive attribution is made with the Courts of competent jurisdiction of Arras (Pas-de-Calais - France) for all litigations relating to the purchase of Products/Services, even in the event of plurality of defendants or call in guarantee and whatever the modes of payment, even by bill or another commercial bill and this notwithstanding all contrary provisions of the general conditions of sales of the Supplier or of any of his commercial documents