



**PROPOSAL FOR BIII COMPONENTS SUB-  
ASSEMBLIES**

**ELI Beamlines**

Projet : **20D052**

Abréviation : **PC**

Numéro : **0000002340**

Version : **B**

Date : **02/07/2020**

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Indice révision	Date	Description des évolutions	Pages modifiées
A	24/06/2020	Création	
B	02/07/2020	Parts lits updated (2020_06_26_ISP_BIII_Components)	



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### 1 OBJECT

This document is the commercial proposal of ISP SYSTEM for the delivery of components for BIII periscope mounts. Some components will be cleaned and assembled, for other components, cleaning is proposed as an option

### 2 CONTRACTUAL DOCUMENTS

- This technical and Commercial Proposal of ISP SYSTEM
- The General Sales Terms (annexe 2)
- The technical Specifications (drawings from ELI Beamlines)

### 3 SERVICES AND SUPPLY

The parts to be supplied are described in following table

BIII Mount subassemblies + parts								
Title	Part Number	Description	QTY	REV	Price per piece:	Total price:	Note:	
1	PILLOW BLOCK	ELI-1801-01-01.000	BIII Mount pillow block - 130	2	01	- €	- €	Cleaned. Without silver-plated vented screws.
2	HOUSING LOWER	ELI-1801-01-02.000	BIII Mount lower bearing housing	1	00	- €	- €	
3	HOUSING UPPER	ELI-1801-01-03.000	BIII Mount upper bearing housing	1	00	- €	- €	
1	OUTER GIMBAL	ELI-1801-03-00.002	BIII Periscope outer gimbal	1	02	- €	- €	Not cleaned.
2	INNER GIMBAL	ELI-1801-03-04.001	BIII Periscope inner gimbal	1	01	- €	- €	

For all machined parts or subassemblies, a control report of important dimensions will be supplied.

The BIII mount subassemblies will be baked out, cleaned and assembled according to the same procedures as for BIII periscope mounts. A control report of important dimensions will be supplied. They will be packaged in 2-layer low outgassing film (for cleaned parts).

The BIII periscope outer and inner gimbal will be delivered uncleaned.



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## 4 FORECASTED LEAD TIME

The forecasted lead times are as follow:

- Bill mount subassemblies: 14 weeks after order

These lead times do not take in account the summer closure of ISP SYSTEM (2 weeks in August).

## 5 PRICES AND SALES CONDITIONS

### 5.1 Prices

For Bill Mount subassemblies and parts  
Including:

- 2 x Pillow block
- 1 x Housing lower
- 1 x Housing upper
- Bake-out, Cleaning, packaging

*Without silver plated vented screws*

- 1 x Outer Gimbal
- 1 x Inner Gimbal

Total price excl. VAT : **14 500 €**

### 5.2 Sales Conditions

- DAP ELI Beamlines Czech Republic
- Payment at 30 days net, date of invoice.



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## 6 WARRANTY AND INSURANCE

The duration of warranty for the supply, object of this offer, is of one year, from the delivery date against any manufacturing defect or functioning, subject to a use in compliance with to the operation and maintenance manual for a maximum daily use of 8 hours.

The guarantee covers the interventions of repair of the material and software in their delivery configuration. The guarantee covers spare and workmanship after return of the material in our place of Vic-en-Bigorre. The transport costs, the packaging and the insurance are at the Client expense. ISP System will not take at its expense within the framework of this guarantee the repair corresponding to deteriorations caused by abnormal conditions, such as

- ✓ An abnormal use, an accident, a negligence, a lack of supervision or mishandling, consequences of a fall, a shock or an abnormal vibratory level, due to abnormal handling or installation operations, defect or failure of the electricity network, an environment off of the contractual specifications,
- ✓ Any attempt of maintenance, setting, repair of the material done without the prior authorization of ISP System,
- ✓ Any failure due to material not covered by the present offer or due to modifications of the material or its software,
- ✓ Use of unapproved supply by ISP System,

Liability Insurance of industrial companies: Table of warranty amount and deductible in Appendix 1, enclosed. The franchise is at the client cost

Liability Insurance: available for consultation to ISP System. Aeronautical civil liability: available for consultation to ISP System.

## 7 INTELLECTUAL PROPERTY,

The equipment object of this proposal is dedicated to a specific project and limited thereto.

Quotes, proposals, studies, programs, plans, drawings, diagrams and generally all documents delivered or sent by the consortium still remain its sole property even though he was asked to participate in a customer related costs.

The concept, specifications, proposals, studies, programs, plans, drawings, diagrams and documents will never be disclosed to third parties or copied or used directly or indirectly to other embodiments without the written permission of the consortium.

The acceptance of the order does not give the customer a right of use for operating supplies.

No provision of the Contract shall be construed as transferring the Customer any rights to intellectual property (trademarks, patents, know-how, literary and artistic property, etc ...).

## 8 RETENTION OF TITLE CAUSES

By express agreement, is reserved to the vendor, the property of the goods supplied until the last day of full payment under the terms of French Law No. 80335 of 12 May 1980.

In case of non-compliance by the purchaser of the terms of payment, the seller, without losing any of its rights, may require the purchaser's expense, the return of goods which he has reserved the property, to execution by the latter of all of its commitments

## 9 GENERAL TERMS AND CONDITIONS

All terms not expressly defined in this proposal fall under the General Terms and Conditions of ISP SYSTEM according to the Annex to this offer.

## 10 VALIDITY

Our proposal is valid for 3 months from that date, after this period, we will not be engaged and our conditions may be subject to change in whole or in part.

Paul SAUVAGEOT  
PDG - ISP System



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### Annex 1

## Third Party Liability Coverage: Allianz 45382299 with effect 01/01/2019 - 31/12/2019

This currently valid policy provides cover for the consequences that may result from damages caused to Third Party during or arising out from its activities, as describes in the Particular conditions of the above mentioned policy, that is:  
**Design, manufacturing, installation, maintenance and development of innovative industrial equipment to process, logistics and production control. Engineering, technical studies. Prototyping.**

THIRD PARTY LIABILITY	Guarantees: Covered (C) or Excluded (E)	limits
<p><u>1. General / Public liability</u></p> <ul style="list-style-type: none"> <li>• Damages not resulting from environmental impairment liability (out of damages to employees noted below) :</li> <li>- Combined single limit: (Bodily injury, property damage and financial losses)</li> </ul> <p><u>Of which :</u></p> <ul style="list-style-type: none"> <li>- Property damage and consequential financial losses :</li> </ul> <p><u>Of which :</u></p> <ul style="list-style-type: none"> <li>- Pure financial losses</li> </ul> <ul style="list-style-type: none"> <li>• Sudden and accidental pollution</li> <li>- Combined single limit: (Bodily injury, property damage and financial loss)</li> </ul> <p><u>Of which:</u></p> <ul style="list-style-type: none"> <li>- Expenses prevention and remedying of environmental damage</li> </ul>	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<p>10 000 000 EUR any one claim</p> <p>2 500 000 EUR any one claim</p> <p>300 000 EUR any one claim</p> <p>750 000 EUR in the annual aggregate</p> <p>150 000 EUR</p>
<p><u>2. Products liability</u></p> <ul style="list-style-type: none"> <li>• All damages combined (Bodily injury, property damage and financial losses)</li> </ul> <p><u>Of which :</u></p> <ul style="list-style-type: none"> <li>- Property damage and consequential financial losses :</li> <li>- Pure financial losses :</li> <li>- Combined single limit: Bodily injury, property damage and financial losses resulting from direct exports bound for the USA and/or Canada</li> <li>• Recall costs</li> <li>• Removal and reinstallation costs</li> </ul>	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<p>7 500 000 EUR in the annual aggregate</p> <p>7 500 000 EUR in the annual aggregate</p> <p>7 500 000 EUR in the annual aggregate</p> <p>1 000 000 EUR in the annual aggregate</p> <p>200 000 EUR In the annual aggregate</p> <p>7 500 000 EUR in the annual aggregate</p>



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THIRD PARTY LIABILITY	Guarantees: Covered (C) or Excluded (E)	limits
<b>1 .Professional Liability</b>		
- Combined single limit: (Bodily injury, property damage and financial losses)	C	3 000 000 EUR in the annual aggregate
<b>Of which :</b>		
- Property damage and consequential financial losses to transferred properties :	C	150 000 EUR in the annual aggregate
- Pure financial losses :	C	3 000 000 EUR in the annual aggregate
• Recall costs	C	7 500 000 EUR in the annual aggregate
• Removal and reinstallation costs	C	7 500 000 EUR in the annual aggregate
	C	1 000 000 EUR in the annual aggregate
	C	200 000 EUR In the annual aggregate
	C	7 500 000 EUR in the annual aggregate
<b>2. Penal Defense and Appeal</b>		
Defence costs before the judicial, commercial or administrative courts. Defence costs before the criminal courts relating to the Insured's public liability	C	50 000 EUR in the annual aggregate





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## Annexe 2

### GENERAL TERMS OF SALES OF MECHANICAL, ELECTRICAL and ELECTRONICS PRODUCTS, SOFTWARE and SERVICES

Edition V6 en date du 2015-01-20

#### 1. article : PREAMBLE

This GTS shall apply and shall be opposable to every general purchase condition imposed by the Purchaser. When applied to a peculiar contract, this GTS can only be amended or contradicted, in writing, and validated by the signature of both concerned parts.

The good(s) and/or service(s) delivered in accordance with the GTS is (are) hereinafter indicated by "products".

Each time that in this GSC, the expression "Products" is used, this mean: machines, apparatus, equipment, material and article and/or services delivered by ISP SYSTEM in accordance to the contract.

Each time that in this GSC, the expression "in writing" is used, this imply by a document signed by both parts, by a letter, fax, email or every means agreed between the parts.

#### 2. article : SUBJECT

These GTS are concluded between every physical or moral person, from private law or public law acting under its professional activity (hereafter referred as «Client "or "Purchaser" ) and ISP SYSTEM situated at VIC EN BIGORRE 65 500 ZI de la Herry BP 10047 which practice activities of engineering,

Production and setup of equipment goods for all sectors of industry, defense, Aeronautics, research, transport and medical apparatus markets.

These GTS are online accessible, at any time, on our web site: [www.isp-system.fr](http://www.isp-system.fr). Any signed contracts and orders must refer to applicable version on date of effect of the contract

These general terms apply to all contracts for supply of products, goods, mechanical, electrical, electronics, software and services concluded by ISP SYSTEM in France as in foreign countries.

#### 3. article : INFORMATION ON SERVICES,GOODS and PRODUCTS

The photos shown in various visual medium from ISP SYSTEM (booklet, catalogue, presentation, website...) are as accurate as possible but cannot assure a perfect similarity with the product sold.

Furthermore, inquiries and information relating to the products contained in the catalogue, whether in electronic or any other form, are binding only to the extent that they are by reference expressly included in the contract specifying their contractuality.

#### 4. article : CONTRACT FORMATION and Client's ORDER - VARIATION

The contract between both parts is formed by the purchaser signature, without reservation or modification, of an order conforms to the quotation, the technical and commercial proposal submits by ISP SYSTEM.

This order shall come into force at reception of the acknowledgement from ISP by the purchaser, under 10 working days after receipt of the order.

The acknowledgement can in some cases, contain possible reserves, which will have to be taken into account by the purchaser.

4.1 Any variation is possible, at the request of one of the party.

This variation lead to the creation, within 10 working days after the request, of an amendment in accordance to the variation expressly accepted and agreed by both parts

4.2 Every services are described in details in the technical and commercial offer of ISP SYSTEM, just as in the contract or order of the purchaser.

No planned costs and additional services during the project consultation could, in some cases, proved to be essential. They will be takeover by the buyer

4.3 Prices are firm during the validity of the contract, except contrary provision agreed in writing between both parts. Prices shall be revised according to the conditions of the ISP System's offer.

#### 5. article : VALIDITY of the OFFER

Every proposal from ISP SYSTEM is valid 3 months from the reception date of the offer, quotation or technical and commercial proposal by the purchaser.

After this period, ISP SYSTEM shall not be any more engaged; thereby the conditions could be amended wholly or partly.

#### 6. article : INTELLECTUAL PROPERTY and CONFIDENTIALITY

6.1 All plans and technical documents relating to the products or to its manufacturing, which have been submit to one party to the others before or after the contract's conclusion remain the property of whom hand it over.

6.2 Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

6.3 The acceptance of the order give to the client only the right of use for the use of the Product.

6.4 Quotation, proposal, software and all technical documents delivered or send by ISP SYSTEM shall always remain its own property even though a participation to the cost would have been requested to the client.



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6.5 No disposition from the contract shall be interpreted as giving to the purchaser any right as matter of industrial property (brand, patent, and know-how, artistic and literary property)

### 7. article : **TAKING OVER TEST, ACCEPTANCE of the PRODUCT and/or SERVICES**

7.1 If the contract does not specify any specific demands, the taking over test shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.

7.2 ISP SYSTEM shall notify the purchaser in sufficient time to permit the purchaser to be represented at the test. If the purchaser is not represented, the test report shall be sent to the purchaser and shall be accepted as accurate.

7.3 If the test show the product not to be in accordance with the contract, ISP SYSTEM shall without delay remedy any deficiencies in order to ensure that the product complies with the contract. New test shall then be carried out at the purchaser's request, unless the deficiency was significant.

7.4 ISP SYSTEM shall bear all costs of taking over tests carried out at the place of manufacture

The purchaser shall, however bear all travelling and living expenses for his representatives in connection with such tests.

7.5 Subject to specific provisions more favorable to ISP SYSTEM, where a procedure of acceptance or verification to certify the conformity of the product or services in the contract is expected the duration of this procedure is determined in accordance with good commercial practice and, in any event, does not go beyond 30 days from the date of delivery of the product or the service is performed unless it is expressly stated differently by contract provided that this does not constitute a term or practice abusive within the meaning of Article

7.6 Professional WEEE: In accordance with the decree N°2014-928 of August 19th 2014 related to electrical and electronics equipment's waste and to used electrical and electronics equipment and to waste disposal from this equipment., organization and financing of the pick up and treatment of Professional WEEE's waste object of the present contract are transferred to the Purchaser who accept them.

The Purchaser is responsible for collecting the WEE, object of the sale, of its treatment and valorization in accordance with the decree.

The above requirements must be transmitted by the successive Buyers to the ultimate WEEE's user or owner.

### 8. article : **VARIATIONS**

Subject to the article 8.4 from GTS, the purchaser is entitled to require, variations to the scope, design and construction of the works until the works have been taken over. ISP SYSTEM is may suggest such variations to the Purchaser.

8.1 Requests for variations shall be submitted to ISP SYSTEM In Writing and shall contain exact description of the variation required.

8.2 Soon after receipting a request for a variation or having himself made a proposal for a variation , ISP SYSTEM shall notify the purchaser In Writing whether and how the variation can be carried out, stating the resulting alteration to the contract price, the time for completion and other terms of the contract.

8.3 ISP SYSTEM shall not be obliged to carry out variations required by the purchaser until either the parties have agreed on how the variations will affect the contract price, the time for completion and other terms of the contract or the dispute has been settled in accordance with clause 20 from the general terms of sale.

### 9. article : **PASSING of RISK**

The risk of loss or damage to the product shall pass to the purchaser in accordance with any agreed term, which shall be construed in accordance with the INCOTERMS in force at the date of formation of the contract.

9.1 1 If no trade term is specifically agreed, delivery of the product shall be EX WORKS (EXW)

9.2 Any risk of loss or damage to the works not covered by the clause 9.1 of this GST shall pass to the purchaser on taking-over of the works.

### 10. Article: **PAYMENT**

Payment shall be made within 45 days or 60 days from date of invoice following on law N°2008-776 of August 4th 2008, except for purchaser without a credit line with ISP SYSTEM who shall pay the full amount at the signature of the order.

10.1 The payment is by bank transfer, except exceptional or peculiar demand from the purchaser, defined in advance by mutual agreement with ISP SYSTEM

10.2 Whatever the means of payment used, payment shall not be deemed to have been effected before the contractor's account has been fully and irrevocably credited.

10.3 Legal guarantee of payment in case of a subcontracting contract:

Where the agreed Contract, is part of a chain of business contract under Law N°755-1334 of December 31st 1975, the client's own contractor has a legal obligation to accept ISP SYSTEM as well as ISP SYSTEM payment conditions.

If the contractor is not the final client, the purchaser agrees to require its share by compliance of formalities of Law 1975.

In accordance with Article 3 of 1975 Law, the absence of presentation or agreement involve the impossibility for the purchaser to cite the contract against ISP SYSTEM.

This impossibility is particularly implicated regarding eventual conformity defects to the Specifications. However, in accordance to the previous Article, the Purchaser has to execute its contractual obligations towards to ISP SYSTEM.

Under this General sales Terms, Law of 1975 is considered as International police law applicable by the intermediate of the Purchaser to the foreigners final Clients.

10.4- Delay in Payment:

If the purchaser fails to paid Total or part of the Product and/ or Services at the delivery date, in accordance to Article L441-6 of the Trade Code, the Purchaser shall pay to ISP SYSTEM a liquidated damages equal to 3 times the legal interest rate plus 10 percentage points, and a lump sum as recovery costs of 40.00€, assuming the recovery cost shall be superior to the lump sum, ISP SYSTEM shall require an additional compensation, on justification.

The legal rate retained shall be the one in force on the delivery date of the Product and/or Services.

This penalty is based on an amount all taxes included (TTC) of the due amount, and run from the due date of the price without any prior notice.



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The fact for ISP SYSTEM to prevail of one or the other of these provisions does not deprive ISP SYSTEM to imply the reserve clause stipulated in the property (Article 11 of GST)

In case of late payment, ISP SYSTEM may, after having notified the Purchaser, suspend his performance of the contract until he receives payment

10.5. Resolutive Clause:

If within fifteen days following the implementation of the clause "Delay in payment", the purchaser has not paid the due amount, the contract will be terminate and ISP SYSTEM shall be entitled to claim compensation.

The compensation shall not exceed the contract price

### 11. article : RETENTION OF TITLE

In accordance with the article of law N°80335 of May 12th 1980, the sold product remain the property of ISP SYSTEM up to the last day of the full payment.

11.1 In case of non-compliance from the purchaser of one of the payment term, ISP SYSTEM, without losing its right, shall require at the purchaser cost, the return of the product, till to the full execution of its commitment.

Then, if the purchaser is subject to a juridical liquidation or a recovery, ISP SYSTEM shall be entitled to claim, within the framework of the collective procedure, the product and/or services sold and still unpaid.

11.2 The purchaser shall at the request of the ISP SYSTEM assist him in taking any measures necessary to protect ISP SYSTEM's title to the product in the country concerned

11.3 The retention of title shall not affect the passing of risk under clause 9 of the GTS

### 12. article : DELIVERY DATE –DELAY – DELAY PENALTY

12.1 If the parties instead of specifying the date for completion, have specified a period of time on the expiry of which taking-over shall take place, such period shall start to run as soon as the contract is entered into, all official formalities have been completed, payment due at the formations of the contract have been made, any agreed securities have been given and any other preconditions have been fulfilled.

12.2 ISP SYSTEM must provide free of charge to the purchaser no later than the delivery date , information and documents necessary to permit, to the last one, to build, receive, use and maintain the product. This information and documents are provided in an agreed number of copy.

12.3 ISP SYSTEM is not required to provide schema of manufacture of the product or spare parts. If ISP SYSTEM anticipates that he will not be able to deliver the product within the times specified, he shall forthwith notify the purchaser stating the reason and if possible when compliance can be expected. If ISP SYSTEM fails to give such notice, the purchaser shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice. This compensation is limited to 15% by items of the product delivered with delay.

12.4 If the product is not delivered for any events related in the article N°17 from the GST or for an action or omission attributable to the purchaser, even the suspension of the contract by the clauses N°10.3 or 14.20 of the GST , the delivery date is postponed to a reasonable extension within any circumstances.

This provision shall apply, that the cause of delay have arisen before or after the delivery agreed date

12.5 If the product is not delivered at time for completion (as defined in clause 12.2; 12.3 & 12.4 of GST), the purchaser shall receive liquidated damages for delay from the agreed date.

12.6 The liquidated damages shall be payable at the rate of 0.5 per cent of the contract price for each completed week of delay. The liquidated damages shall not exceed 5% of the contract price.

12.7 Only part of the works is delayed, the liquidated damages shall be calculated on that part of the price, which is attributable to such part of the product as cannot in consequence of the delay be used as intended.

12.8 The liquidated damages for delay become due at the purchaser request In Writing but not before taking over or termination of the contract under clause 12.10

12.9 The purchaser shall forfeit his right to liquidated damages if he has not lodged a claim In Writing for such damages within 30 days after the time when the delivery should have taken place.

12.10 If the delay is such that the purchaser has become entitled to the maximum liquidated damages under Clause 12.6 GST and the product is still not deliver, the purchaser may demand In Writing completion within a final reasonable period which shall not be less than one week.

12.11 Liquidated damages under Clause N°12.6 from GST and termination of the contract with limited compensation under clause 12.8 of GST are the only remedies available to the purchaser in case of delay of ISP SYSTEM. All other claims based on such delay shall be excluded, except where ISP SYSTEM has been guilty of Gross Negligence.

12.12 In this GST, Gross Negligence means any action or omission reflecting either a blatant attention defect to serious consequence that a diligent provider should have normally provided, either a deliberate contempt for the possible consequences of such action or omission.

12.13 If the purchaser anticipates that he will be unable to receive the product at the delivery time , he shall forthwith notify ISP SYSTEM In Writing , stating the reason and if possible the time when he will be able to comply with his obligations.

12.14 If the purchaser is unable to receive the delivery at the delivery date, he shall pay any part of the contract price which would have become due if the Products has not been delayed. ISP SYSTEM shall take any disposition, at the purchaser expense and risk, to stock the product. At the purchaser request, ISP SYSTEM shall also insure the product at the purchaser expense (cost).

12.15 If the purchaser is unable to proceed at the reception of the delivery for a reason under article N°17 des CGV, ISP SYSTEM shall , In Written, give notice to the purchaser to receive the delivery in a reasonable lead time.

### 13. article : GROUNDS of TOTAL or PARTIAL TERMINATION of ORDER

13.1 If ISP SYSTEM doesn't perform the delivery in the ultimate period under clause 12.10 des CGV and unless circumstances where the purchaser is responsible, the purchaser shall, In Writing to ISP SYSTEM, terminate the contract for the part of the product which due to failure of ISP SYSTEM shall not be used as agreed.



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13.2 If the purchaser terminates the contract he shall be entitled to compensation for the loss he has suffered as a result of ISP SYSTEM delay .The total compensation included the liquidated damages under clause N°12.5 of GST, shall not exceed 5% of the contract price which is attributable to the part of the works in respect of which the contract is terminated

13.3 the purchase shall also have the right to terminate the contract by notice In Writing to ISP SYSTEM, if it's clear from the circumstances that there will occur a delay in completion of the work which under clauseN°12.5 of GST would entitle the purchaser to maximum liquidated damages.

In case of termination on this ground, the purchaser shall be entitled to maximum liquidated damages and compensation under the clause N°13.2 of GST.

13.4 In case of non-responsibility of ISP SYSTEM, if the purchaser cannot receipt the delivery on the agreed time, ISP can terminate the whole contract or in part. ISP shall be entitled to compensation for the loss he has suffered as a result of the purchaser failure. This compensation shall not exceed the contract price in respect of such part of the products submit to termination.

### **14. article : WARRANTY and LIABILITY for DAMAGE**

ISP SYSTEM shall remedy any defect or non-conformity (hereinafter termed "defect") in the defined and listed conditions under this Clause. The warranty period for the product is one year from the delivery date resulting from functioning and workmanship under the condition to an utilization conform to the operation and maintenance manual. This period shall be proportionally reduce if the daily utilization of the product exceed the one agreed on the contract. Warranty covers parts and hands out after the return of equipment to our site in Vic en Bigorre (65).

14.1 The transport cost, packing and insurance are at purchaser cost

14.2 When a defect part of the product has been remedied, ISP SYSTEM shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of one year. For the remaining parts of the products , the period mentioned in clause 14.1 of GST shall be extended only by a period equal to the period during which the product have been out of operation as a result of the defect.

The purchaser shall without undue delay notify, In Writing, to ISP SYSTEM of any defect which appears. The notice shall contain a detailed description of the defect and photos. When the notification send, the purchaser shall in any case repair or modify the product till the reparation except to return the part or defect product to ISP SYSTEM. If the purchaser fails to notify ISP SYSTEM, In Writing, of a defect within 2 weeks, he loses his rights to have the defect remedied.

14.4 Where the defect is such that it may cause damage, the Purchaser shall immediately inform ISP SYSTEM, In Writing. The purchaser shall bear the risk of damage resulting from his failure so to notify. On receipt of the notice under clause 14.1 to 14.24 of GST, ISP SYSTEM shall remedy the defect without undue delay and at his own cost.

14.5 The reparation shall be done at ISP SYSTEM. If no possible return to the manufactory. The reparations shall be made to the place where the product is located, in this case all travelling, lodging and catering cost for ISP SYSTEM participants remain to the purchaser's cost. They will be invoiced under documents

14.6 ISP SYSTEM is obliged to dismantle or re-assemble the product if this requires special knowledge. If not, ISP SYSTEM has fulfilled his obligations in respect of the defect when he delivers to the purchaser a duly repaired or replaced part.

14.7 If the purchaser has given such notice as mentioned in clause 14.4 of GST, and no defect is found for which ISP SYSTEL is liable, ISP SYSTEM shall be entitled to compensation for the costs he has incurred as a result of the notice.

14.8 The purchaser shall at his own expense arrange for any dismantling and reassembly equipment other than the product, to the extent that is necessary to remedy the defect

14.9 Except different stipulation, the purchaser shall support the additional cost incurred for the reparation, dismantling, reassembly and transport resulting from the relocation of the product to another place than the than the mentioned destination in the contract or the delivery place, in the absence of such a reference.

14.10 Defective parts which have been replaced shall be made available to ISP SYSTEM and shall be his property.

14.11 If, within a reasonable time, ISP SYSTEM does not fulfil his obligation under clause N°14.3 of GST, the purchase, may by note In Writing, fix a final time for completion of ISP SYSTEM's obligation.

14.12 If ISP SYSTEM fails to fulfil his obligations within such final time, the purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of ISP SYSTEM

14.13 Where successful remedial works have been undertaken, reimbursement by ISP SYSTEM of reasonable costs incurred by the purchaser shall be in full settlement of ISP SYSTEM liabilities for the said defect.

14.14 Where the defect has not been successfully remedied as stipulated under clause14.13 of GST, the purchaser is entitled to a reduction of the contract price in proportion to the reduced value of the Products, provided that under no circumstance shall such reduction exceed 15 per cent of the contract price or where the defect is so substantial as to significantly deprive the purchaser of the benefit of the contract, the purchaser may terminate by notice, In Writing, to ISP SYSTEM. The purchaser is then entitled to compensation for the loss he has suffered up to a maximum of 15 per cent.

14.15 ISP SYSTEM is not liable for defect arising out of material, parts, software provided by the purchaser or a design stipulated or specified by the purchaser.

14.16 ISP SYSTEM is liable only for defects which appear under the conditions of operation provided for in the contract and under proper use of the Product.

14.17 ISP SYSTEM's liability does not cover defects which are caused by faulty maintenance or faulty repair by the purchaser or by alterations carried out without ISP SYTEM's consent In Writing.

14.18 ISP SYSTEM's liability does not cover normal wear and tear or deterioration.

14.19 Northwithstanding the provision of clauses 14.1 to 14.19 of GST, ISP SYSTEM shall not be liable for defects in any part of the Product for one year from the period under Article N°14.1 of GST.

14.20 Save as stipulated in Clauses 14.1 to 14.20, ISP SYSTEM shall not be liable for defects. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation shall not apply in case of Gross Negligence under clause 14.1 of GST

14.21 Warranty exclusion



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ISP SYSTEM shall not take, at his own expense, under this warranty, the reparation induced by abnormal condition of utilization, by example

-an abnormal use , accident, negligence, lack of supervision, or mishandling , consequence of a fall, choc or an abnormal vibratory level, consequence of handling, or abnormal installation , defect or failure of the electrical network, an environment different of the specification stipulated in the contract.

-any attempt of maintenance, setting and repair of the product without prior authorization from ISP SYSTEM.

-Any failure due to equipment non-covered by the contract or due to modification of the product or software

-Using of supply non- agreed by ISP SYSTEM.

### 15. article : SOFTWARE WARRANTY

This present warranty is not a warranty of an uninterrupted operation, nor without Software error. ISP SYSTEM regularly update its software integrated in the product. This updating contain corrections and improvements, during the utilization of the product by the client except contrary decision from ISP SYSTEM or the concerned editor.

15.1 This warranty cover the Software included in the Products as described in the above condition.

15.2 During the warranty period of one year, ISP SYSTEM provide a technical support by phone corresponding at advices, recommendations. This support is effective from Monday to Friday – 08h30-17h30, excluding legal holidays.

15.3 Warranty of the software

Software from ISP SYSTEM are mainly conform to specification enunciated in the documentation, at the delivery date, only if used properly in the specified operational environment.

15.4 Warranty of third-party software

Any specific Warranty of third party Software is done in accordance to the license of the concerned editors.

The third –party software are essentially, at the delivery date, conformed to the specification contained in their documentation subject to a correct utilization in the specified operating environment.

15.5 Warranty of Free Software

ISP SYSTEM's Software shall be made up or be developed from free Software.

Consequently, and according to the practice in this field, no warranty is given to free Software.

15.6 Transfer of the Software Warranty

The benefice of the warranty is given to the final Purchaser and shall not be sold without ISP SYSTEM's agreement.

15.7 EXCLUSION from the Software Warranty

This warranty shall not apply to defect: caused by the Client negligence, especially during the installation, configuration, setting and use of the Product

-caused by a reparation or modification, as for the material or for the Product, made by the Client or any other person non entitled or approved by ISP SYSTEM.

-caused by a combination of the Product with material and/or Software made by the Client or any other person non-recommended by ISP SYSTEM

### 16. ALLOCATION of LIABILITY for DAMAGE CAUSED by the WORKS

ISP SYSTEM shall not be liable for any damage to property caused by the product after completion and whilst in the possession of the purchaser. Nor shall ISP SYSTEM be liable for any damage to products manufactured by the purchaser, or to products of which the purchaser's products form a part.

16.1 If ISP SYSTEM incurs liability towards any third party for such damage to property as described in the preceding paragraph, the purchaser shall indemnify, defend and hold the ISP SYSTEM harmless

16.2 If a claim for damage as described in this clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof, In Writing.

16.3 If a trial or a claim is initiated toward ISP SYSTEM or the purchaser by a third party to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the products or services.

16.4 This limitation of ISP SYSTEM's liability shall not apply if he has been guilty of Gross Negligence under 12.12 of CGV.

### 17. article : RENUNCIATION OF RECOURSE

At the contract signature by both parts, the Purchaser or Client and insurers shall renounce to any recourse that they would be entitled to exercise against ISP SYSTEM, ISP SYSTEM's Insurers and ISP SYSTEM's subcontractors and to their respective insurers, after any kind of accident involving the civil responsibility of ISP SYSTEM.

Likewise, this renunciation of recourse dispositions against ISP SYSTEM, its insurers and subcontractors, and their respective insurers shall also apply to any possible Purchaser or Client's subcontractors and/ or to any physical or moral person that the client or Purchaser should have mandated to intervene on the object of the present contract.

The Purchaser or Client agrees to inform and obtain from his insurers their agreement on the present dispositions, as well as their possible subcontractors and/ or to any physical or moral person that the client or Purchaser should have mandated to intervene on the object of the present contract.

The Purchaser or Client agrees, as well, the different renunciations of recourse clauses that shall be specified to the possible peculiar conditions of the contract. Likewise, the client or Purchaser

### 18. article : FORCE MAJEURE

The responsibility of ISP SYSTEM shall not be involved if the non-execution or the delay in the execution of one of the described obligation from the General sales terms ensue from a Force Majeure case. Force Majeure means any exterior events, unforeseeable and irresistible under Article 1148 du Code Civil.

18.1 A circumstance referred to in this clause, whether occurring prior to or after the formation of the contract, shall give a right to suspension only if its effect on the performance of the contract could not been foreseen at the times of the formation of the contract.

18.2 The party claiming to be affected by Force Majeure shall notify the other party In Writing without delay on the intervention and on the cessation of such circumstance.



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18.3 If Force Majeure prevents the purchaser from fulfilling his obligations, he shall compensate ISP SYSTEM for expenses incurred in securing and protecting the products.

18.4 Regardless of what might otherwise follow from these general terms of sale, either party shall be entitled to terminate the contract by notice, In Writing to the other party if performance of the contract is suspended under clause 17.1 of GST for more than six months.

**19. article : ANTICIPATED NON-PERFORMANCE**

Notwithstanding other provisions in these general sales terms regarding suspension, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof In Writing.

**20. article : CONSEQUENTIAL LOSSES**

Except different statements of this GST, there shall be no liability for either parties towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any consequential or indirect loss whatsoever.

**21. article : DISPUTES AND APPLICABLE LAW**

Any dispute relating to interpretation and execution of this CST is submitted to the French Law.

In the absence of resolution, out of court, the dispute shall be settled, even if appeal and plurality of defendants, by the Tribunal de Commerce de TARBES –FRANCE (65000).

Fait à Vic -en-Bigorre le 20 janvier 2015

Franck Sauvageot

Directeur Général et représentant légal de la Société ISP SYSTEM