

## Framatome Conditions of Purchase (07/2018)

### **1 Orders and order confirmations**

- 1.1. The purchaser shall be entitled to cancel the order if the supplier fails to acknowledge the order in writing within two weeks from the time it was received (order confirmation).
- 1.2. If the order confirmation differs from the order, it shall be binding on the purchaser only if he has accepted such order confirmation in writing. Any General Conditions of the supplier shall be binding on the purchaser only insofar as they are consistent with his own conditions or have been accepted by him in writing. The acceptance of supplies or services or the making of payments shall not imply acceptance of any conditions.
- 1.3. Items changed or added to the order shall only be effective if confirmed by the purchaser in writing.

### **2 Rights of use**

- 2.1. The supplier shall grant the purchaser a non-exclusive, transferable, worldwide right unlimited in time to:
  - 2.1.1. use the supplies and services including the corresponding documentation and information contained therein without limitation, to integrate them into other products and to distribute them worldwide. The Supplier undertakes to mark documents containing know-how clearly as such.;
  - 2.1.2. use or authorize use of the software and its corresponding documentation without limitation (hereinafter jointly referred to as "Software");
  - 2.1.3. sublicense the right of use in accordance with No.2. 1. 1. and 2. 1. 2 to affiliated companies within the meaning of section 15 of the German Stock Company Act (Aktiengesetz, AktG), other distributors and end customers;
  - 2.1.4. grant affiliated companies within the meaning of section 15 AktG and other distributors as well as end customers the right to sublicense the right of use according to No. 2.1.1 and 2.1.2;
  - 2.1.5. copy the software and use it for integration into other products or authorize copying of the same by affiliated companies within the meaning of section 15 AktG or other distributors.
- 2.2. In addition to the right granted in No. 2. 1. the purchaser, affiliated companies within the meaning of section 15 AktG and other distributors shall be authorized to grant end customers the right to transfer the software licenses.
- 2.3. All sublicenses granted by the purchaser shall adequately protect the intellectual property of the supplier contained in the supplies, services and software including the corresponding documentation by using the same contractual provisions as the purchaser uses to protect his own intellectual property.
- 2.4. The supplier shall in due time - at the latest one week after receipt of the order - indicate to the purchaser whether or not his supplies or services contain open source software. "Open source software" is defined for the purposes of this clause as software which is distributed without an obligation to pay a license fee, which can be processed by any user and / or the source code of which must be made public. In case the supplies or services of the supplier contain open source software, the supplier has to provide the purchaser, with the order confirmation at the latest, the following:

- the source code of the open source software used as far as the applicable open source license terms and conditions so require;

- a list of all open source files used together with a reference to each applicable license and a copy of the complete text of the license terms and conditions;
- a written declaration that by the intended use of the open source software, neither supplies and services of the supplier nor the products of the purchaser are subject to a "copy left effect". "Copy left effect" for the purposes of this clause means that the open source license terms and conditions require that certain supplies and services of the supplier as well as products derived therefrom shall only be distributed under the license terms and conditions of the open source software, for example on condition that the source code is disclosed. In case the supplier indicates to the purchaser after the purchaser has received the order confirmation that his supplies and services contain open source software, the purchaser is entitled to cancel the order within 14 days after he has received this indication and all the information to be delivered by the supplier under this No.2. 4.

### **3 Time of performance, contractual penalty for delay in performance**

- 3.1. The punctuality of delivery of the supplies or subsequent performance shall be determined based on the time of their receipt at the place of delivery specified by the purchaser. The punctuality of delivery of the supplies including installation, erection or assembly and of services provided shall be determined based on the time of their acceptance.
- 3.2. As soon as a delay in delivery of the supplies, services, or subsequent performance becomes evident, the purchaser shall be informed immediately and asked for his decision.
- 3.3. If the stipulated time of performance is exceeded for reasons attributable to the supplier, the purchaser shall be entitled to invoice a penalty amounting to 0.5 % for each complete week of delay and not exceeding a total of 5 % of the total amount of the contract price. The supplier is entitled to prove that no damage or diminution in value has occurred or that it is considerably smaller than the contractual penalty.  
If no reservation is made at the time of acceptance of the supplies, services or subsequent performance, the penalty may nevertheless be claimed until the final payment.

### **4 Transfer of risk, shipment, securing of cargo**

- 4.1. In case the supplies include installation, erection or assembly and services, the risk of loss shall be transferred to the purchaser at the time of their acceptance. The risk of loss of supplies and services without installation, erection or assembly shall be transferred to the purchaser at the time they are received at the place of delivery specified by the purchaser.
- 4.2. Unless agreed otherwise, shipping and packaging costs shall be borne by the supplier and the purchaser shall be entitled to determine the mode of shipment. Where the price is quoted ex works or ex supplier's warehouse, or upon agreement of one of the INCOTERMS 2010, shipment shall be effected only after the supplier has sent a notice to the purchaser indicating his readiness to ship in accordance with No. 4.3 and after the purchaser has given his written clearance to ship. The supplier must comply with the shipping specifications of the purchaser. Additional costs caused by non-compliance with shipping specifications or for shipment without clearance by the purchaser shall be borne by the supplier. Additional costs incurred for expediting shipment to meet delivery shall be borne by the supplier.

4.3. Each shipment shall contain packing slips or dispatch notes indicating contents and the complete order reference. The supplier shall immediately send notice of dispatch of the shipment or in the case of No. 4. 2 sentence 2 his readiness to ship, which shall contain the same data as described in sentence 1 of this No.4. 3.

4.4. The supplier is responsible for the correct loading of the means of transport starting from the place of departure. According to section 412 German Commercial Code (Handelsgesetzbuch, HGB) he shall ensure that goods to be transported are loaded safe for transport. "Safe for transport" means that the goods are piled up, stowed, lashed, wedged, tightly wound and secured so that normal, contractually agreed transportation as well as extreme situations in transport do not cause damage to the goods or the means of transport. The supplier shall ensure proper securing of cargo throughout the entire transport up to the last unloading point. This includes re-securing of cargo particularly in case the means of transport is partly unloaded or passes security or traffic or weather-induced checks during transport. The supplier shall comply with guideline VDI 2700.

## 5 Invoices

Invoices shall indicate the order reference and the numbers of every single item. Invoices shall not be payable until this information is complete. Duplicate copies of invoices shall be marked as duplicates.

## 6 Payments

6.1. Unless agreed otherwise, payment shall be effected net within 60 days after the supplies or services have been effected in their entirety and from receipt of the duly issued invoice. If the purchaser pays within 14 days after the supplies or services have been effected in their entirety and from receipt of the duly issued invoice, he is entitled to deduct a discount of 3 %. If he pays within 30 days after the supplies or services have been effected in their entirety and from receipt of the duly issued invoice, he is entitled to deduct a discount of 2 %.

6.2. Insofar as the supplier is required to provide material tests, test certificate, quality-related or other documents, completeness of delivery of supplies and services will be deemed complete only after receipt of all such documents. A discount shall also be deductible if the purchaser offsets payments against receivables or withholds payment of a reasonable amount due to defects; the payment deadline shall count from the time defects are completely rectified.

6.3. If the supplier is an entrepreneur (or enterprise), the purchaser shall fall into arrears only provided that it fails to pay in response to an arrears letter issued by the supplier when the purchase price becomes due.

6.4. The effecting of payments shall not imply acceptance of supplies or services as meeting the contractual requirements.

## 7 Deviations during manufacture

In the event that any deviations occur during manufacture, the purchaser is to be informed immediately; where appropriate, corrective measures shall be agreed between the purchaser and the supplier.

## 8 Certificate of Conformity

The supplier shall draw up a certificate of conformity for each delivery. This shall contain the following information: Number and date of the order; description of the product / services supplied; Ident-No. of the technical requirements (parts list, specification, drawing, norm); where appropriate, statement of deviations from the order (list of deviation reports); if necessary. CE-Certificate of Conformity (for electronic systems, instrumentation and control systems

and plant systems including CE marking); in case scientific-technical computer programs (first order or updates) are supplied, a corresponding verification and, where appropriate, validation shall also be submitted.

## 9 Incoming inspection

9.1. The purchaser shall inspect, without delay, all incoming consignments upon receipt to determine whether they correspond to the quantity and type ordered and/or display any visible signs of transport damage or externally visible defects.

9.2. If the purchaser discovers a defect while performing the aforementioned inspection, he shall announce this to the supplier. This shall also apply if the purchaser discovers a defect at a later point in time.

9.3. Complaints may be lodged within a month after delivery of the supplies or performance of the services, or, in case defects are first noticed during processing or initial use within a month after the point of time when they were first detected.

9.4. With the exception of the aforementioned inspection and announcements, the purchaser has no further duty towards the supplier.

## 10 Warranty

10.1. The supplier shall guarantee his supplies and services for three years unless the relevant laws and regulations provide for a longer period of warranty. This period shall commence with the transfer of risk according to No. 4. 1. In the event that deliveries are made to locations where the purchaser executes orders outside of its own plants or workshops, the period of warranty shall commence upon acceptance by the purchaser's customer, and no later than one year after the transfer of risk.

10.2. If defects are detected prior to or during the transfer of risk or occur during the period mentioned in No. 10. 1. the supplier shall, at the purchaser's choice, either eliminate such defects at his own expense or re-deliver the products or re-perform the services. This shall also apply to deliveries where the tests were limited to random samples. The purchaser's choice shall be made at reasonable discretion.

10.3. If the supplier fails to correct a defect, or to provide new supplies or services within a reasonable period of time to be set by the purchaser, the purchaser shall be entitled to withdraw from all or part of the contract without paying compensation or demand a reduction of price or at the supplier's expense himself effect repairs or replacement or cause them to be effected and claim damages instead of performance. Section 281 (2) and section 323 (2) of the German Civil Code (Bürgerliches Gesetzbuch, BGB) will remain unaffected.

10.4. The purchaser shall be entitled to carry out repairs or cause them to be carried out at the supplier's expense if, because of exceptional urgency, it is no longer possible for the purchaser to inform the supplier of the deficiency and the imminent damage and to set a reasonable period of time, however short, to remedy the defect. The supplier shall in this case only bear the costs up to a reasonable amount to be determined in accordance with section 439 (3) sentences 1 and 2 BGB.

10.5. The aforementioned claims shall be time-barred one year after announcement of the defect and in any event not prior to expiration of the period of limitation mentioned in No. 10. 1.

10.6. Further legal rights or claims shall remain unaffected.

10.7. The supplier shall bear the costs and risk involved in the return shipment of defective supplies.

10.8. The supplier warrants that no industrial property rights including copyrights affect the contractually intended use

of the supplies or services in Germany, or, if it is informed thereof, in the country of destination. This shall not apply if the Supplier is not liable for the fact that the aforementioned rights infringe the contractually agreed use.

## 11 Subcontracting to third parties

The subcontracting of an order to third parties shall not be permissible without the purchaser's prior written consent and shall entitle the purchaser to withdraw from all or part of the contract and to claim damages. If orders are subcontracted in whole or in part, the supplier shall inspect purchased parts, semi-finished products and / or engineering services for accuracy in form and substance. The supplier shall be obliged to perform the incoming inspection of consignments at his premises and to submit documented proof thereof to the purchaser.

## 12 Material provided by the purchaser

12.1. Materials provided by the purchaser shall remain his property and shall be stored separately, marked and kept at no cost to him. The material shall not be used otherwise than for the purchaser's order. The supplier shall compensate the purchaser for depreciation in value or loss.

This shall also apply to material provided for and on the supplier's account for a specific job.

12.2. The supplier shall process or work the material for the purchaser who shall become the direct owner of the new or worked item. Where this is not possible according to applicable laws, the purchaser and the supplier herewith agree that the purchaser shall at all times during processing or working become the owner of the new item. The supplier shall apply due and proper care in keeping the new item at no cost to the purchaser.

## 13 Confidentiality

Tools, patterns, samples, models, sections, blueprints, drawings, standards, forms, documents and gauges, etc., provided by the purchaser, as well as items made based on or according to them, shall without the purchaser's prior written consent neither be passed on to third parties nor used for purposes other than those specified in the contract. They shall be safeguarded against unauthorized inspection or use. Subject to any further rights, the purchaser shall be entitled to demand their return to him, if the supplier violates this clause.

The supplier shall not make any information which it has acquired from the purchaser accessible to third parties unless it is generally known or the supplier has otherwise without an obligation of confidentiality lawfully gained knowledge of it. If the purchaser has consented to the subcontracting of orders to third parties, the supplier shall ensure that its sub-contractors commit themselves in writing to the same confidentiality obligation.

## 14 Insurance

In the event that the supplier bears the risk for the transport and unless otherwise agreed by the parties, the supplier shall take out marine cargo insurance covering any and all materials and equipment while they are in transit whether by road, rail, water or air between any two locations including all manufacturers' facilities, the place of destination at the plant site and any interim storage within transit. The insured limit shall not be less than the full replacement value in a freely convertible currency.

The Marine and Transit Insurance shall be insured on the basis of Institute Cargo Clauses "A" 1.1.82, Institute War Clauses (cargo) 1.1.82 and Institute Strike Clauses (cargo) 1.1.82 - in the respective applicable version. If the supplier has to bear the risk of transport according to INCOTERMS 2010 and unless otherwise agreed between the parties, the purchaser does not require the supplier or third parties to take out cargo insurance. If such an insur-

ance is taken out despite of this, the purchaser is not obliged to pay the costs thereof.

## 15 Assignment of receivables

The assignment of receivables shall be permitted only with the prior advance written consent of the purchaser.

## 16 Special right of termination

16.1. If the supplier ceases payment or a provisional insolvency administrator is appointed the purchaser shall be entitled to withdraw from the contract either in whole or in part. In the event of his withdrawal the purchaser shall be permitted to use the existing facilities and the supplies and services previously performed by the supplier in return for reasonable remuneration in order to continue the work.

16.2. If insolvency proceedings in respect of assets of the supplier are initiated the purchaser shall be entitled to withdraw from the contract either in whole or in part. In the event of his withdrawal the purchaser shall be permitted to use the existing facilities and the supplies and services previously performed by the supplier in return for reasonable remuneration in order to continue the work.

## 17 Export Declaration

17.1. The "Declaration Regarding Export Restrictions", which is available online under <http://www.framatome.com/EN/businessnews-1218/suppliers.html>, is part of the order and shall be properly completed and returned to the purchaser with the order confirmation. In particular, attention must be paid to the use of goods originating from the United States of America (USA) and / or the involvement of U.S. citizens in an order. Without the consent of the purchaser, the supplier is neither entitled to purchase nor use goods originating from the USA or to employ US citizens or have them employed by its sub-contractors for the purpose of fulfilling its contractual obligations under the order.

17.2. In the event that the necessary export license is not granted for an order, the supplier shall provide an equivalent alternative solution at its own cost. In the event that no such alternative is possible, or in the event that the supplier without the consent of the purchaser uses goods originating from the USA /and or employs U.S. citizens, or has them employed by its sub-contractors, the purchaser and supplier shall agree on the consequences thereof on the order, whereby the purchaser reserves its right to terminate the contract. The supplier shall only be entitled to payment for that part of the scope of supply (i) already performed by the supplier, and (ii) that can be used for the intended purpose and, if applicable, can still be exported.

## 18 Framatome Code of Ethics and Safety Culture

Orders issued pursuant to these Conditions of Purchase are made in accordance with the Framatome Code of Ethics and Safety Culture, which are available online under <http://www.framatome.com/EN/businessnews-1218/suppliers.html>. The supplier undertakes to observe its terms.

## 19 Safety and Reliability Declaration

19.1. The supplier agrees to comply with the safety and reliability requirements that were adopted by the German Customs Administration for certification as "Authorized Economic Operator". If the supplier does not qualify or has not applied for an acknowledgment as Authorized Economic Operator he agrees to deliver to purchaser a separate commitment on the purchaser's sample form for compliance with the safety and reliability requirements. The supplier agrees to inform the purchaser immediately if compliance with the safety and reliability requirements is violated either by himself or by auxiliary persons assigned by him in the frame of contract execution or if compliance is not guaranteed anymore.



- 19.2. The purchaser has the right to cancel the respective contract if the supplier does not comply with the safety and reliability requirements for acknowledgment as "Authorized Economic Operator", or does not deliver a security declaration to the purchaser, or if the supplier himself or auxiliary persons designated by him culpably and seriously or repeatedly violate these safety and reliability requirements in the frame of contract execution.
- 20 Access to Business Premises**
- The purchaser and/or its customer and/or their appointed representatives have the right to inform themselves of the status of the supplier's work at any time. For this purpose, the supplier shall grant them access, subsequent to prior notice, during normal business hours to the supplier's business premises and all relevant order documents needed to appropriately review and access the status of work.
- In cases where parts of the order have been sub-contracted to sub-contractors, the supplier shall obligate his sub-contractors to grant the same rights of access to the purchaser.
- 21 Environmental Compatibility and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)**
- 21.1. The supplier shall undertake to apply its own quality assurance (QA), Quality Management (QM) and environmental management (EM) program(s). In the event that the supplier sub-contracts any part of the scope, it shall obligate his sub-contractors in turn to agree with their own sub-contractors that they will implement quality management (QM) measures that are identical to the measures and requirements stipulated in the contract.
- 21.2. The supplier must observe prohibitions or restrictions in the legislation in Germany, the European Union and the country of destination concerning the distribution of hazardous substances.
- 21.3. The supplier is responsible for ensuring compliance of the products (substances, mixtures or articles) supplied or used under the present contract with the REACH regulation (Regulation 1907/2006/EC of the European Parliament and Commission). The compliance documents must be transmitted to the purchaser.
- 21.4. Substances and Mixtures
- If the substances concerned by REACH were not pre-registered, the supplier must verify that all the substances contained within the products supplied or used under this contract have already been registered, or will be registered before the date of the signature of the contract. For substances or mixtures, the supplier agrees to include the type of usage by the purchaser as an identified usage in the registration dossier; or to verify the inclusion of this usage up the supply chain within relevant registration dossiers. This clause is not applicable if the purchaser wishes to keep its usage confidential. Where an authorisation dossier is needed for the substance supplied to the purchaser as such or as a mixture, the supplier must inform the purchaser of its intention to submit such a dossier if necessary, within one month after publication of recommendation by the European Chemical Agency concerning the addition of this substance to the annex XIV.
- 21.5. Articles as defined in the REACH Regulation (EC) No 1907/2006/EC
- For articles supplied or used in connection within the contract, the supplier must inform the purchaser about the presence or absence of substances of very high concern found on the list as defined in article 59.1 and shall provide the concentration to 0,01% in weigh range.
- 21.6. The supplier shall also inform the purchaser in writing about all other substances at the request of the purchaser.
- 21.7. At the same time there are substances, the distribution of which is not legally limited, the use of which, however, to the extent justifiable, should be avoided or, at least, reduced as they can lead to risks during manufacture, use or disposal of products. In many cases these substances cannot be avoided for technical reasons or due to reliability requirements. In these cases, the use shall be declared.
- 22 Work Accidents**
- The supplier shall report promptly to the purchaser without undue delay any work-related accidents and all near misses with and without sick leave which occur on the purchaser's premises or on the purchaser's customers' site.
- 23 Jurisdiction, Mediation, Applicable Law**
- 23.1. The place of jurisdiction for commercial business partners is Erlangen, Germany. The Parties shall attempt to settle any dispute under or in connection with the order amicably. In their attempt to settle any dispute amicably the Parties shall contemplate, but not be obliged, to seek settlement by mediation under the mediation procedure (Mediationsordnung) of the German Arbitration Institution (Deutsche Institution für Schiedsgerichtsbarkeit e.V.). An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the Parties so notifies the other in writing. Such obligation to attempt amicable settlement shall not limit or restrict the Parties' right to apply for any interim measures at any time.
- 23.2. The Law of the Federal Republic of Germany shall apply to the exclusion of the United Nations Convention on Contracts for International Sale of Goods of 11 April, 1980.
- 24 Additional provisions**
- 24.1. Unless otherwise stipulated in the order or these terms and conditions of purchase, statutory law shall apply.
- 24.2. The supplier shall comply with the applicable law of the purchaser and any regulations applicable at the purchaser's premises or his customers' site, including but not limited to any safety regulations on site. The supplier shall ensure that his personnel and any subcontractor and any of the subcontractor's personnel comply with such obligation.
- 24.3. In the event that any provision of the contract is or becomes ineffective in whole or in part or is or becomes impracticable, the validity of the remaining provisions shall not be affected thereby. The same shall apply if the contract contains any omission. Instead of any ineffective or impractical provision or omission, a provision shall apply which, as far as legally possible, most closely reflects that which the Parties wanted or would have wanted in accordance with the purpose of the contract if the Parties had considered such matter at the time of concluding the contract.