

AREVA NP GENERAL TERMS AND CONDITIONS OF PURCHASE NP 001 - Version March 2006

The present General Terms and Conditions for Purchase define (excluding any general terms and conditions of the Supplier) the conditions under which orders from AREVA NP for the supply of goods and/or services shall be placed and performed. Orders issued in accordance with the present General Terms and Conditions lie within the framework of the AREVA Values Charter, which can be obtained online on the www.areva.com website (under search type the word values) and which the Supplier undertakes to respect.

The purpose of such orders shall be hereinafter referred to as "the Supply" and the contractor of AREVA NP shall be hereinafter referred to as "the Supplier". AREVA NP and the Supplier are hereinafter, individually or collectively, referred to as the "Party" or the "Parties".

Article 1 - Content of the Order

The "Order" shall mean all the obligations agreed upon between AREVA NP and the Supplier.

The documents which are part of the Order, in addition to these General Terms and Conditions, are referenced in the special conditions (hereinafter referred to as "the Special Conditions"). No document issued by the Supplier shall be binding unless it is expressly referenced in the Special Conditions.

Article 2 - Duty of Information

Prior to any agreement with AREVA NP, it is the Supplier's duty to seek information on the needs of AREVA NP, check the information in the documents transmitted by AREVA NP, and suggest all modifications and/or additions it deems necessary to ensure the full performance of the contemplated Order, taking into account the technical specifications of the Supply and its suitability to fulfill its purpose.

The Supplier shall also notify to AREVA NP the name of the person empowered to represent and act on the behalf of the Supplier in any circumstances during and/or for the good performance of the Order.

Article 3 - Placing of Order

Issuance of the Order by AREVA NP shall be deemed to be the end of negotiations, during which the Parties have examined, discussed and agreed upon its content, in particular, but not limited to, the technical specifications and the commercial terms.

In case of contradiction between the terms negotiated and the wording of the documents of the Order, the Supplier shall inform forthwith AREVA NP of such contradiction and AREVA NP shall proceed to the rectification. Otherwise, the Supplier shall send back the acknowledgement of receipt, included in the Order, duly initiated, dated and signed, no later than fifteen (15) calendar days after receipt of the Order.

Signature on the Acknowledgement of Receipt shall mean approval of the Order as such. Any modification, alteration deviation or reserve made on or included in the Acknowledgement of Receipt by the Supplier shall be thus null and void.

The Order shall become effective on the day AREVA NP receives the Acknowledgement of Receipt.

In the event the Acknowledgement of Receipt has not been returned within the time limit mentioned above, the performance and/or the delivery, in whole or in part, of the Supply, if accepted by AREVA NP, shall mean the full acceptance of the Order by the Supplier.

Any obligation on AREVA NP or prejudice to any of its rights, that would be contained in delivery documents or any request for payment or any invoice from the Supplier, in particular but not limited to time retention clause, shall be null and void.

Article 4 - Modifications / Amendments

In the course of the performance of the Order, AREVA NP may alter the technical specifications of the Order. The Supplier shall undertake all such modifications, provided that any possible consequences on the schedule and the price have been agreed upon between the Parties.

Moreover, the Supplier undertakes to transmit to AREVA NP, on its request, together with the necessary information, any quotation for potential modification of the Supply, and to propose also to AREVA NP, with acceptable technical and commercial conditions, any technical improvement of the Supply which is likely to improve quality and/or pricing of the performance or the use of the Supply.

Any change to the technical specifications, performance schedule or price has to be formalised through an amendment to the Order duly signed by both Parties.

Article 5 - Approval - Control over Performance of the Order

5-1 Approval of the Supplier by AREVA NP takes into account, inter alia, the fact that it seems certain, throughout the time the Order remains in effect, that the Supplier will be able to fulfill all its obligations.

Such approval takes into account, in particular, the conclusions reached by AREVA NP after study of the Supplier's financial situation, its legal and financial connections with other companies, its management, its technical means of production, its processes and its ability to comply with the Quality Assurance procedures, which are to be applied for the implementation of the Supply.

To enable AREVA NP to be constantly informed on the continuity of the conditions required for the approval of the Supplier, the Supplier shall:

- send each year to AREVA NP, at the latest six months after the closing of its accounting books, the documents which are normally given to its own shareholders and;
- inform forthwith AREVA NP of any significant change that has occurred or may occur which should affect its legal, financial, technical, corporate or social organisation.

If such significant change affects one of the items that has been taken into account to deliver the approval, AREVA NP may decide that such change does not allow such approval to be maintained, the approval shall be withdrawn, independently from the Orders which are being performed. Such Orders can be terminated in accordance with Article 20§1 hereafter.

5-2 Throughout the performance of the Order, the Supplier is under the obligation to enable AREVA NP and/or its customers and/or their representatives and/or the appropriate safety authorities to carry out surveillance and/or control over the complete performance of the Order by the Supplier, notably by giving full access to its facilities.

The Supplier shall provide, upon request, to AREVA NP all the information needed for the performance of the Order, in particular but not limited to information on its organisation and Quality Assurance.

Surveillance and control by AREVA NP and/or its Customer and/or the appropriate safety authority shall in no event release the Supplier of any of its liability.

Article 6 - Price

The agreed price shall be deemed not to include V.A.T. (Value added Tax).

Details of the price are defined in the Special Conditions.

When the price of the Order is revised, if the agreed indices cease to be published or have significantly changed during the performance of the Order, then the Parties will meet to determine, discuss and agree on new indices, as well as details pertaining to them like the base for example.

Price revision is only applicable within the time schedule provided for in the Order. However, in the event of a delay in the performance for which the Supplier is liable and notwithstanding the application of liquidated damages for delay, the escalation formulas are applied for the effective delay, if they would lead to revised prices lower than those obtained when applying such formulas for the original contractual time schedule.

Price revision is subject to separate inventory or request for payment.

Article 7 - Invoicing

Request for payments or invoices shall be issued on the dates stipulated in the Special Conditions with respect to the corresponding milestones, as long as they have been reached. If a milestone has been postponed for reasons for which the Supplier is liable, the delayed payment shall not bear any interest.

Such requests for payment or invoice shall be sent in three original copies to the attention of "Comptabilité Fournisseurs" of the AREVA NP entity which has issued the Order.

They must show the reference number of the Order and bear all items required by law, together with any additional request mentioned in the Special Conditions.

AREVA NP has the right to reject, for payment or invoice without taking it into account in its accounting books, if the invoice does not comply with legal requirements or is sent earlier than agreed upon in the Order, or otherwise does not comply with any provision of the Order. Such request for payment or invoice shall be null and void and the Supplier shall be responsible for re-sending it. If the Supplier sent an invoice or a request of payment which does not comply with the Order or if its corresponding milestone has not been performed accordingly, then AREVA NP is entitled to reject further term of payment. Should AREVA NP not return an erroneous request for payment or invoice, it shall not mean that such is accepted.

Article 8 - Terms of Payment

Payments shall be made by AREVA NP sixty (60) days after the first of the following term : the 10th, 20th or 30th of the month following the receipt of the request for payment or of the invoice, provided however that the Supply has been performed or delivered in compliance with the provisions of the Order. Except otherwise stipulated in the Special Conditions, payments shall be made by bank transfer.

Any amount that may be owed by the Supplier to AREVA NP (such as but not limited to liquidated damages, negative price escalation, payment in connection with contractual warranty including warranty for conformity of the Supply) may be as of right set off with or credited against any payment to be made by AREVA NP to the Supplier, as soon as the corresponding invoice has been sent to AREVA NP.

Prior to any assignment (notwithstanding the frame of subrogation, delegation or factoring operation) of the debts the Supplier owns on AREVA NP under the Order, it shall inform AREVA NP's head office as well as the entity which has issued the Order of such an operation. The Supplier shall recall such an operation on each request for payment or invoice. The Supplier shall request the new beneficiary creditor to send personally the notification of debt assignment operation, whichever are its modalities, in the manner required by Law. Should payments be mistakenly made to the Supplier and whatever exception it may be entitled to oppose to the beneficiary of the operation, the Supplier also undertakes irrevocably to directly transfer the undue received sums to such third party at its own costs and to hold AREVA NP harmless and indemnify it against any charge it may have to bear.

Should the above procedure not be complied with by the Supplier, it shall hold AREVA NP harmless and indemnify it against any adverse consequence of any error from itself or the new beneficiary creditor.

Article 9 - Time schedule - Liquidated Damages for late Performance

The time schedule or the dates for performance are defined in the Special Conditions. Unless otherwise provided, time is of the essence and consequently, the time schedule or the dates stipulated in the Order are mandatory.

Any mail or document sent by the Supplier to AREVA NP after the date to be given, must be sent to the addressee with a receipt or through certified mail return receipt requested, or else be sent by facsimile or e-mail, which receipt shall have to be confirmed in writing no later than 24 (twenty four) hours.

Non compliance with a delay for performance or a delivery date of the Supply will automatically trigger application of liquidated damages. The amount of such, unless otherwise stipulated in the Special Conditions of the Order, shall be one and a half time the legal interest rate applicable in France and shall be applied to the total amount of the Order.

Such liquidated damages are not discharging and their application do not prejudice to any other right that AREVA NP may have under the Order or at law, notably termination of the Order or request for additional damages.

Article 10 - Delivery

The Supplier undertakes to deliver the Supply to the place and on the date stipulated in the Special Conditions. The sending of any document as well as packing (appropriate to the type of transport stipulated in the Order), loading and transportation (including administrative formalities) of any goods constituting part of the Supply shall be made at the Supplier's risks and expenses, unless otherwise stipulated in the Special Conditions. Prior to any expedition of the Supply, the Supplier shall send a written notice to the AREVA NP's entity which has issued the Order.

Signature by AREVA NP of any delivery document only means that AREVA NP takes notice of the effective delivery and apparent good condition of the Supply. It does not mean however acknowledgement by AREVA NP of the conformity of the Supply with the specifications in the Order. AREVA NP reserves the right to notify the Supplier within the legal time schedule of any loss, damage, non-conformance of the Supply with the Order, as found later when unpacking or during further inspection.

Article 11 - Acceptance

The procedure of acceptance consists of all the operations by which AREVA NP checks visual conformance of the Supply with the specifications of the Order. When such acceptance has been stipulated in the Order, the Special Conditions define the conditions and modalities of the proceedings (Provisional Acceptance - Final Acceptance). When the Supplier has been invited to attend acceptance proceedings, whether on the due date or with a two working day-prior notice, acceptance is deemed to have occurred after full agreement on both sides.

On the acceptance certificate issued after the Special Conditions, AREVA NP lists, if any, the reserves on the Supply and sends them to the Supplier.

When such reserves are made, the Supplier shall promptly take the necessary steps to correct the corresponding error or defects within the delay mentioned by AREVA NP or imposed by its Customer.

Any reserve that prevents AREVA NP from using the Supply under the conditions or with the performances specified in the Order is considered as a major reserve and entitles AREVA NP to suspend any payment of the Order. If, after remedial action by the Supplier and a second round of acceptance proceedings, such reservation is not withdrawn, then AREVA NP has the right to refuse to take possession of, or reject the Supply, as per Article 12 hereafter. Any and all direct or indirect charges in connection with such non-acceptance of the Supply, and with the withdrawal of reservations, shall be fully and exclusively borne by the Supplier.

Article 12 - Refusal or Rejection of the Supply

Non conformance of the Supply to the specifications of the Order may entitle AREVA NP to refuse or reject such supply, without prejudice to AREVA NP's right to liquidated damages.

Any Supply which has been definitely refused or rejected must be taken back by the Supplier within eight (8) days after such refusal or rejection has been notified in writing. The corresponding amounts paid by AREVA NP shall be reimbursed forthwith, without prejudice to AREVA NP's right to terminate the whole Order.

Any direct or indirect charges in connection with such refusal or rejection shall be fully and exclusively borne by the Supplier.

Article 13 - Transfer of Title and Transfer of Risks

Transfer of title and risks in connection with the Supply occur upon signature by AREVA NP of the acceptance certificate, under the conditions mentioned above. However, in the event of a major reserve as defined under Article 11, such transfers are delayed until it is withdrawn. Such delay does not prevent AREVA NP, in the meantime, from performing or using the Supply. When no acceptance procedure has been stipulated, transfer of title and risks occur upon delivery of the Supply. Such transfers do not affect legally or materially any obligations of the Supplier pursuant to the Order.

Any title retention clause shall be deemed to be null and void.

Article 14 - Warranties

The Supply must be performed and delivered according to the prevailing state-of-art and complete in conformity with the requirements and the specifications of the Order.

The Supplier warrants compliance of the Supply to such requirements and specifications for the duration stipulated in the Special Conditions; or in case of silence of the provision in the Special Conditions, for one (1) year as from issuance of the acceptance certificate, or if acceptance has not occurred, for one (1) year after its delivery date; or, also in the event of non major reserve, for one (1) year from withdrawal of such reserve.

As soon as a non-conformance or a defect is found or revealed in the Supply, AREVA NP shall provide reasonable written notice to the Supplier, indicating thereby the nature of the non-conformance or the defect.

Under the warranty obligation, the Supplier shall, at its own costs, promptly, and in any case no later than the date stipulated by AREVA NP, repair, replace, modify, as necessary, to obtain or maintain the features, performance, results and fitness for purpose warranted to AREVA NP.

Such repair, modification and replacement of the Supply could be either made on the final Customer site (in France or worldwide as specified in the Special Conditions) (hereinafter referred to as the "Site"), or at the Supplier's premises, under AREVA NP option. If it appears necessary to proceed to such operation outside the Site or at the Supplier's premises, then, the repairation of the Supply and its return and installation on Site (as well as the risks attached thereto) shall be fully borne by the Supplier. AREVA NP reserves the rights to choose the appropriate modality of transport with respect to its constraints. Any costs and expenses arising out or connected with the operation of modification, replacement or repairation of the Supply as per this Article (including but not limited to manpower, engineering costs of AREVA NP, packing, transport and customs), shall be fully and exclusively borne by the Supplier.

AREVA NP has the right to charge to the Supplier any amount that has been caused directly by the Supplier's remedial action.

If after notification, the Supplier refuses or is not able to remedy the non-conformance or defect within the time schedule mentioned above, AREVA NP has the right to perform or have a third party perform the necessary remedial actions at the Supplier's risks and expenses. The Supplier shall also in such case continue to warrant the Supply according to the initial conditions.

When a replacement, repair or modification of part of the Supply has been performed, the Supply or such part shall be re-warranted under the same conditions as described in the present General Terms and Conditions and/or in the Specific Conditions, for an additional period equal to the original warranty period as from the date of acceptance of the replaced, repaired or modified Supply.

Beyond this warranty period and whatever the object of the Supply or the qualification of the Order are, the Supplier shall remain liable for any latent defect, under the same conditions as above. It is understood that "latent defect" shall also include any defect which was visible at the time of delivery or acceptance but which potential adverse consequences could not be evaluated at that time.

None of the above provisions shall be considered as restricting any of AREVA NP's (or its customer's) rights and remedies at law.

Article 15 - Intellectual Property Rights and Know-How

The Supplier warrants that the Supply does not infringe any pre-existing intellectual property rights or technology.

Consequently, the Supplier undertakes to hold AREVA NP harmless against any claim or action by the beneficiary (third Party or Supplier's employee) of any proprietary right arising out of or in connection with the performance or the use of the Supply, and shall indemnify AREVA NP against any charge, cost or indemnity it may have to pay as a consequence thereof.

Moreover, should such claim or action be successful, the Supplier shall be responsible for obtaining from such third party without any cost to AREVA NP, an assignment, a license or sub-license of the concerned proprietary right and/or paying the corresponding fees or royalties, in order to ensure compliance with the Order and peaceable use of the Supply. If such rights cannot be obtained despite the Supplier's best efforts, and after the written consent of AREVA NP, the Supplier shall modify the Supply so that it no longer infringes any proprietary rights. In case, this solution is not either successful, AREVA NP shall be entitled to terminate as of right the Order.

Except as otherwise stipulated in the Specific Conditions, AREVA NP acquires ownership of the documents (including but not limited to plan, drawing, technical specification, documents and results generated during or for the purpose of the Order), whatever their nature or support, which have been produced and/or issued pursuant to the Order, immediately upon their production or issuance. Consequently, AREVA NP has an exclusive basis all rights on these documents and shall be entitled, in particular but not exclusively, to disclose, copy, use, update, modify them or transfer their title.

The Supplier grants to AREVA NP a right of use, free of charge, on a non exclusive and world wide basis for intellectual property rights and know-how used for or generated pursuant to the Order and necessary for the use or maintenance of the Supply as described by AREVA NP. AREVA NP shall be entitled to disclose them, have them copyrighted or patented, as the case may be (and if the Supplier renounces to such rights), as well as rights to copy, use, update, modify or assign them for the purpose of its corporate activities.

Article 16 - Confidentiality

Unless otherwise authorised by AREVA NP, with its prior written consent, all information, whether transmitted orally or in written on whatever support, of whichever nature (notably but not exclusively related to AREVA NP, its subsidiaries, their technology, finance, business) which are part of the Order or provided for its purpose or any amendment thereto, as well as any documents expressly subjected to restricted disclosure by AREVA NP, shall not be disclosed, copied, used, updated, modified or have title on them transferred, and shall only be used for the purpose of the Order.

Consequently, the Supplier agrees to take all the necessary steps to ensure compliance by its employees and third parties it deals with, with such confidentiality obligation. In addition, the Supplier undertakes to return to AREVA NP, upon first demand, any document transmitted.

Article 17- Force Majeure

An event of Force Majeure shall mean any event independent from the Party claiming such, which is beyond the control and irresistible, and which prevents such Party from fulfilling any of its obligations.

As soon as such event of Force Majeure occurs, the affected Party shall take all steps to mitigate the consequences thereof and notify it to the other Party through registered mail, return receipt requested.

In so doing, the affected Party shall detail such event of Force Majeure, its potential consequences and the steps such Party has already taken.

The extension of delay shall be at least equal to the duration of the non-performance caused by such event of Force Majeure.

In the event the Parties cannot agree on the steps to be taken and if the event of Force Majeure extends beyond 60 (sixty) days after its notification to the Party affected by Force Majeure, AREVA NP may terminate the Order in whole or in part as per Article 20 § 2 alinea 1 below, without any damages for the Supplier whatsoever.

Article 18 - Liabilities - Insurance

18-1 The Supplier shall be liable, as provided by law, for any bodily injury, damage, loss of property and/or consequential damages, resulting from a bodily injury damage or damage to property that may cause to AREVA NP and/or to third parties, caused by its own fault, its agents, employees, sub-contractors, suppliers, arising out of or in connection with the Order.

18-2 The Supplier shall subscribe and have in effect the necessary insurance policies, or maintain such, for a sufficient amount in order to cover any liability arising out of or in connection with the Order.

The above-mentioned insurance policies shall be taken out with well known creditworthy insurance companies, and the Supplier shall provide evidence of such insurance policies, upon request by AREVA NP. The Supplier shall not be relieved of its liability by the conclusion of such insurance policies. Subscription or not of the above-mentioned insurance policies does not in any case relieve the Supplier from its liabilities arising out of or in connection with the Order.

Article 19 - Transfer - Assignment

The Supplier shall personally fulfill its contractual obligations. Therefore, it cannot transfer or assign any of its obligations, notably in case of transfer resulting from bankruptcy, AREVA NP may terminate or perform the Order through registered mail, return receipt requested, 15 days after notification of such non-performance and after no remedy to such failure has been brought, without prejudice to liquidated damages and indemnification which AREVA NP may require from the Supplier as a compensation for the damage caused to it.

Besides, AREVA NP is also entitled, at any time, to terminate as of right the Order in whole or in part, upon a 15 day prior written notice to the Supplier through registered mail return receipt requested, for the two followings cases, (it is reminded that as from receipt of the termination notification, the Supplier shall not order any components of the Supply):

- in case of termination, suspension, non-renewal of its main contract by its Customer. In such a case the Supplier shall be entitled to payment for any completed items of the Supply, and may request AREVA NP to reimburse the costs already incurred, at the date of termination, upon due substantiation of such costs. The Supplier shall not be entitled to any indemnification whatsoever.

- At its sole option, AREVA NP shall terminate the Order, and shall then pay to the Supplier any completed items of the Supply and any direct and irrevocable costs already incurred, at the date of termination, upon due substantiation of such costs. In such case, the Supplier shall be entitled to liquidated damages for a maximum aggregate amount of 5% (five percent) of the price of the remaining part of the Order to be performed, to the exclusion of any other damages whatsoever.

Article 20 - Termination - Cancellation

In the event of failure by the Supplier to perform any of its obligations, pursuant to the Order whether in whole or in part, such as but not limited to, because of bankruptcy, AREVA NP may terminate or cancel the Order through registered mail, return receipt requested, 15 days after notification of such non-performance and after no remedy to such failure has been brought, without prejudice to liquidated damages and indemnification which AREVA NP may require from the Supplier as a compensation for the damage caused to it.

Besides, AREVA NP is also entitled, at any time, to terminate as of right the Order in whole or in part, upon a 15 day prior written notice to the Supplier through registered mail return receipt requested, for the two followings cases, (it is reminded that as from receipt of the termination notification, the Supplier shall not order any components of the Supply):

- in case of termination, suspension, non-renewal of its main contract by its Customer. In such a case the Supplier shall be entitled to payment for any completed items of the Supply, and may request AREVA NP to reimburse the costs already incurred, at the date of termination, upon due substantiation of such costs. The Supplier shall not be entitled to any indemnification whatsoever.

- At its sole option, AREVA NP shall terminate the Order, and shall then pay to the Supplier any completed items of the Supply and any direct and irrevocable costs already incurred, at the date of termination, upon due substantiation of such costs. In such case, the Supplier shall be entitled to liquidated damages for a maximum aggregate amount of 5% (five percent) of the price of the remaining part of the Order to be performed, to the exclusion of any other damages whatsoever.

Article 21 - Settlements of Disputes

➤ The Parties shall make all and every effort to settle amicably any dispute, controversy or claim arising out of or in relation to the Order.

➤ If the Parties cannot reach to settle amicably their dispute within a reasonable time as from its submission to the other Party, then such dispute, controversy or claim shall be exclusively and finally settled by arbitration under the Rules of arbitration of the International Chamber of Commerce of Paris by three (3) arbitrators appointed in accordance with the said rules.

The arbitrators shall have no authority to decide in equity.

The place of the Arbitration proceedings shall be Paris (France) and the language of the arbitration shall be English.

The place of the Arbitration Court shall be final and there is no right of appeal against or suggestion for review or revision of such a decision. Both Parties undertake to fulfill the obligations resulting from this decision in the time specified in the decision. Both Parties waive their rights of immunity they shall have under their national law.

➤ Nevertheless, the Parties agree that any claims for summary jurisdiction and procedure in matters of special urgency shall be submitted to the jurisdiction of the relevant courts of Paris (Tribunaux de Paris compétents), France.

Article 22- Applicable Law

The Order shall be construed and governed by the Laws of France.

Article 23- Language

English shall be the official language of this Order.

Unless otherwise stated in this Order, all correspondence, notice, information or documentation exchanged concerning the Order that are submitted between both Parties shall be written in the English language. Any meeting between the Parties shall be held in English except otherwise agreed.

Article 24- References and intellectual property

The name and the trade mark AREVA NP and its logos are the exclusive ownership of AREVA NP. The Supplier shall not use them notably as references or for advert without the prior written consent of AREVA NP.

Article 25- Waiver

Any Party's failure to require performance by the other Party of any provision of this Order shall not be construed as waiving any subsequent breach of such or other provision.

Article 26- Captions

The captions contained in this Order are solely for purposes of identification and convenient reference and shall in no way affect, alter or vary the meaning, construction or interpretation hereof or thereof.

Article 27- Severability

In the event any provision of this Order or application thereof to any person or circumstance is declared invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, (i) such invalidity, illegality, or unenforceability shall not affect the validity of this Order if it can be given effect without the invalid provision or application hereof; and (ii) this Order shall be construed, and the Parties hereto shall agree to amend this Order so as to effectuate as nearly as possible the intent of the invalid clause or application, and to this purpose, the provisions of this Order are declared to be severable.