

GENERAL CONDITIONS OF PURCHASE OF GOODS AND/OR SERVICES

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1. PURPOSE

The purpose of the present general conditions of purchase of goods and/or services (hereinafter the "General Conditions") is to define the terms and conditions whereby ALSTOM Transport SA, a French Société Anonyme with a share capital of 265.540.000 euros, registered under SIREN number 5 209 132 982 RCS Nanterre, whose registered office is located in France at Levallois-Perret (92300) at no.3, avenue André Malraux (hereinafter the "Purchaser") entrusts the Supplier, who accepts it, to supply the goods and equipment (hereinafter the "Goods") and/or services (hereinafter the "Services").

2. FORM AND CONTENT OF THE CONTRACT

2.1. The Contract (hereinafter the "Contract") that shall govern the supply of Goods and Services by the Supplier to the benefit of the Purchaser shall consist of the documents quoted in decreasing order of priority as follows:

- the purchase order (hereinafter the "Order"),
- special conditions, supplementing and/or amending the General Conditions, specified in the Order (hereinafter the "Special Conditions"),
- the present General conditions,
- the Technical Specifications attached in the Order (hereinafter the "Technical Specifications"),
- the Supplier's offer when expressly stated in the Order (hereinafter the "Offer").

2.2. Any start of performance of the Contract and especially the fact of proceeding to the design, manufacturing, delivery, invoice or supply of Goods and/or Services, shall involve the definitive acceptance of the terms and conditions of all of the documents stated in Article 2.1.

2.3. All documents other than those covered in Article 2.1 shall not be applicable between the parties to the Contract, unless otherwise stated in the Order.

3. COMING INTO FORCE – TERM

3.1. Subject to the provisions of Article 2.2, the Contract shall come into force once the Purchaser has acknowledged receipt of the Order signed by the Supplier. The Supplier undertakes to return to the Purchaser, the acknowledgement of receipt of the Order within eight (8) calendar days from the receipt thereof. However, and if not returned within this period, the Contract shall be considered to have been concluded.

3.2. Unless stated otherwise in the Contract, the date of coming into force thereof shall constitute the starting point for the performance time by the Supplier of its obligations under the Contract.

3.3. The Contract shall expire when all of the obligations of each party have been fully performed.

4. PERFORMANCE OF THE CONTRACT

4.1. The Supplier shall deliver the Goods and/or perform the Services in accordance with the Technical Specifications, the applicable industry standards and the timetable for performance defined in the Contract. To this end, the Supplier commits himself to achieve performance and results under this Contract.

The performance deadlines may only be extended or reduced through an amendment to the Contract, in accordance with the provisions of Article 7.2.

4.2. The Supplier shall request from the Purchaser in due time, any approvals and instructions needed for the correct performance of the Contract. For its part and as the case may be, the Purchaser shall make available to the Supplier the materials and/or perform the works identified in the Contract. It shall also provide access to the delivery site for the Goods and/or performance of the Services (hereinafter the "Site" or "Sites").

4.3. In accepting the Order, the Supplier expressly acknowledges having received confirmation of all of the conditions and in particular, the Contract shall be considered to have been concluded. The Supplier undertakes to perform the Contract as well as the conditions for the performance thereof, especially concerning safety standards in force at the Site and any possible dangers connected with the installations and/or machinery nearby, whether these have been received spontaneously from the Purchaser, or whether it has itself solicited them in the performance of its obligation as a professional to solicit all of the documents and information necessary for the correct performance of its obligations under the Contract.

4.4. Throughout the term of the performance of the Contract, the Supplier shall be responsible for its staff complying with the applicable rules and conditions of access, health and safety rules applicable at the Site. The Supplier shall inform the Purchaser immediately of any event that might affect the performance of the Contract, especially as regards safety.

4.5. The Supplier shall be responsible for implementing all of the necessary resources for the performance of its obligations under the Contract, with the exception of those specifically mentioned in the Contract as being the responsibility of the Purchaser. The Supplier shall have all of the materials and tools needed for the performance of the Contract and shall allocate qualified staff in sufficient numbers to the performance of the Contract within the contractual deadline.

4.6. In the absence of procedures are specified in the Special Conditions, the Supplier shall send the Purchaser, a weekly activity report tracing the Goods and/or Services performed and any difficulties encountered, which shall include in particular a progress report and any non-compliance datasheets created based on a format that the Purchaser shall have previously agreed in writing.

4.7. Within seven (7) days at the latest of the Contract coming into force, the Supplier shall appoint a staff member as a project manager and shall inform the Purchaser thereof. The project manager thus appointed shall be responsible for directing the operations necessary for the delivery of the Goods and/or the performance of the Services and shall be solely responsible to the Supplier's staff who are responsible for the performance of the Services on Site. It shall be the Supplier's contact person of the Purchaser.

4.8. The Supplier shall be responsible for matters of scheduling and staff and agrees to comply with labor legislation especially that concerning working hours, weekly rest and possibly additional rest periods and annual or other leave and shall be responsible for paying all of the contributions that relate to its staff.

4.9. The Supplier shall fulfill at its own expenses, all formalities and obligations imposed by the Regulation (EC) no 1907/2006 concerning the registration, evaluation, authorization and restrictions of chemicals (REACH). It shall also ensure that the Supplier complies with the applicable Environmental Regulation.

The Supplier shall provide the Purchaser, upon its request with a certificate establishing its conformity with the Regulation's terms and conditions.

In the event of non compliance with the formalities imposed by the said Regulation, the Supplier shall undertake to compensate any damage that may result thereof.

5. FREE DISPOSAL OF MATERIAL BY THE PURCHASER

5.1. Materials such as components, machinery, tools, models, moulds, jigs and fixtures, accessories or others which may be made available to the Supplier by the Purchaser for the purposes of the Contract shall be in the Supplier's custody and shall be solely intended for the performance of the Contract and that they might suffer and it shall clearly mark them and record them as being the property of the Purchaser.

5.2. The Supplier agrees to refrain from using such materials other than for the purpose of the Contract; it shall keep them in good working order, except for normal wear and tear and it shall take on the risks relating thereto throughout the period when they are made available to it.

5.3. Any damage or deterioration that such materials may suffer due to improper use or negligence by the Supplier shall be repaired at the latter's cost. Without prejudice to the other rights of the Purchaser, the Supplier shall return such materials upon free of charge to the Purchaser.

5.4. Ownership of tools manufactured or acquired by the Supplier especially for the purposes of the Contract such as models, moulds, jigs and fixtures, accessories or others, shall be transferred to the Purchaser at the time of their manufacture or acquisition by the Supplier. The Supplier shall return the tools to the Purchaser by the end of the performance of the Contract at the latest.

6. HAZARDOUS PRODUCTS

6.1. Should certain Goods or products that are to be respectively supplied or used under the terms of the Contract, contain dangerous substances or require the taking of special safety precautions during handling, transport, storage or use, the Supplier shall provide the Purchaser before delivery or using them, in writing with the necessary information relating to the nature of these substances and the precautions to take. The Supplier shall ensure that before dispatch, the appropriate instructions and warnings are clearly displayed on the Goods or products in question and on the packaging in which they are placed.

6.2. In particular, and without this provision being restrictive, the Supplier shall supply the Purchaser in writing with any indications, instructions and warnings necessary in order to comply with the legislative or regulatory provisions applicable for health and safety considerations.

6.3. The Supplier shall accept any modification that the Purchaser may legitimately require of it as regards the subject of the Order, the Technical Specifications, or deadlines for performance. The related price may be adjusted in order to take into account the said modification, based on the rates and prices indicated in the Contract or, if these are not applicable, on the basis of what is fair and reasonable.

6.4. Any modification to the Contract shall only be binding upon the parties if the said modification has been formalized by an amendment to the Contract.

6.5. The Purchaser, who may be accompanied by any person appointed thereby, may at any time make any controlling visit that it considers necessary to the premises on which the Goods and/or Services are to be performed, during normal working hours, in order to ensure the correct performance by the Supplier, of its contractual obligations.

6.6. The Supplier shall promptly remedy any defects which could be noted relating to the Goods and/or Services during the abovementioned visits.

6.7. The Supplier shall inform the Purchaser in writing, with a minimum of seven (7) calendar days prior notice of the date on which testing is to be performed. The Purchaser and any person appointed by it shall have the right to be present at tests. The Supplier shall supply the Purchaser with official reports of the corresponding tests.

6.8. If the test results do not comply with the Technical Specifications and/or performance requirements (Quality Assurance Plan, industry standards, etc.), the Supplier shall immediately carry out the necessary corrective measures and shall repeat the planned testing at its exclusive expense, and under conditions that are compatible with the deadlines stipulated in the Contract.

6.9. Controlling and testing performed shall not release the Supplier from its liability and shall not be considered as acceptance of the Goods and/or Services by the Purchaser, the latter retaining all of its rights and contractual remedies in and in particular those stated in Articles 12, 13 and 14 hereinafter.

9. TRANSPORTATION – PACKAGING

9.1. Should there be no special stipulation relating thereto in the Contract, the Supplier shall, in all circumstances, use appropriate packaging according to the nature of the Goods guaranteeing the integrity thereof until they are delivered.

9.2. Where there is no special stipulation in the Contract, (i) deliveries on the premises mentioned in the Contract shall be "Delivered Duty Unpaid" (DDU) according to INCOTERM, 2000 version, any costs to be borne by the Supplier; (ii) for equipment purchased "ex works" ("EXW" according to INCOTERM, 2000 version), the Supplier shall be responsible for packaging and transportation on behalf of the Purchaser, under optimum conditions. The corresponding charges shall be paid by the Supplier and shall be invoiced to the Purchaser at cost.

9.3. Any delivery of Goods shall be accompanied by the Supplier's delivery note, dated, bearing references of the Contract and indicating in particular the details of the Goods delivered, the contents of the parcels therein, their gross and net weight, method of transportation, date of dispatch, as well as the rail wagon number or vehicle registration number where relevant. The Supplier shall send simultaneously, by separate letter, a copy of the document to the Purchaser's department that issued the Order.

10. DELIVERY AND LEAD TIME

10.1. The date(s) or deadlines for the performance of the Services and/or delivery of the Goods specified in the Contract, are ABSOLUTE DEADLINES; they shall constitute a substantial condition of the Contract.

10.2. If the delivery of the Goods and/or performance of the Services are likely to be delayed, the Supplier shall inform the Purchaser accordingly as soon as possible and shall specify in writing the measures it has adopted or proposes in order to minimize the consequences of such delay.

10.3. If the Supplier fails to comply with the dates or delivery deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.

10.4. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax per week's delay, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

11.3. It is expressly agreed that this penalizes as a result of the delay, shall be applicable without prejudice to any other rights and remedies by the Purchaser under the Contract. They shall be the subject of an invoice.

11.4. As they are applicable, the penalties may be applied at any time, at the Purchaser's option.

13. COMPLIANCE WITH REGULATIONS

13.1. The Goods and/or Services shall comply with the Technical Specifications and be suitable for the use they are expected. They shall also satisfy the usual quality criteria as well as the current standards and legislation in force. The Goods shall be delivered in a state of full completion with the complete documentation associated therewith as well as all of the instructions, recommendations and other indications necessary in order for them to be used correctly and under the appropriate safety conditions. Goods or Services that do not meet all of the previous requirements shall be considered as non-compliant.

13.2. If the Supplier is not in compliance with the terms of the Services or Goods that it shall deliver comply with the requirements defined in Article 12.1, it shall inform immediately the Purchaser thereof in writing, providing all of the needed indications concerning the risks of non-compliance and the measures that the Supplier intends to take in order to remedy the situation. The Purchaser shall notify its acceptance or rejection of the Supplier's proposals as soon as possible and in writing.

13.3. If the Purchaser asserts on its part that the Supplier is not performing the Services and/or supplying the Goods in accordance with the Contract, it may require the Supplier to indicate to it, in writing, the measures that the Supplier intends to take to remedy the situation. The Purchaser shall notify the Supplier in writing as soon as possible of its acceptance or rejection of the Supplier's proposals.

13. NON-COMPLIANCE – REJECTION OF DELIVERY

13.1. If, when they arrive at the Purchaser's premises or other place agreed between the parties, the Goods and/or the result of the Services are considered as non-compliant, the Purchaser may reject all or part of them. The delivery shall then be considered as not having been made.

13.2. In this case, the Purchaser reserves the right (i) to require the Supplier to replace or repair the rejected Goods and/or the result of the Services, within the deadline laid down by the Purchaser, or (ii) to itself perform or have performed the rejected Goods and/or the result of the Services, within the deadline laid down by the Purchaser, or (iii) to terminate the Contract in whole or in part in application of Article 25. In all cases, the totality of the costs and risks shall be borne by the Supplier.

13.3. In the case defined in Article 13.2 (ii), the Purchaser may choose to remedy the non-compliances by itself and/or to assign to a third-party company of its choice for the repairing or remedying, at the Supplier's cost and risks, after an official notification to remedy the non-compliance addressed to the Supplier by registered letter with files (15) days notice to the Purchaser and to facilitate the interventions of the Purchaser or third-party company in optimum conditions and especially to remit to them the tools, drawings, studies and any other documents already created and necessary for the production of the Goods and/or Services.

14. GOODS OR SERVICES SUBJECT TO ACCEPTANCE

14.1. If the Contract provides acceptance tests for Goods and/or the result of Services after their completion and/or delivery to the Purchaser, the acceptance shall only be considered as definitive when such tests have demonstrated the compliance of the Goods and/or the result of the Services to the requirements defined in Article 12.1.

14.2. Where the Contract provides for an acceptance procedure in the presence of both parties, at the end of such procedure, the parties shall sign an acceptance certificate if they agree on the compliance of the Goods and/or result of the Services with the requirements of Article 12.1. Such acceptance certificate shall be produced in two (2) originals.

14.3. Signature of the acceptance certificate without any reservations by the parties shall authorize the Supplier to invoice the Purchaser under the terms of payment due on acceptance date.

14.4. The Purchaser may pronounce the acceptance of the Goods and/or the result of the Services, subject to reservations for all or part of the Goods and/or the result of the Services in question depending on the circumstances under which the Supplier has acted in making them. The Supplier shall then facilitate the interventions of the Purchaser, especially if they do not affect the safety and/or use of the Goods and/or their environment. The Supplier undertakes to remedy any non-compliances revealed in the certificate within the deadline that is stipulated therein. In case all or part of payment due upon acceptance date may be withheld by the Purchaser until it has been established by both parties that the Goods and/or Services in question have been made compliant.

15. TRANSFER OF TITLE – TRANSFER OF RISKS

15.1. Notwithstanding any other provision, the ownership of the Goods and/or result of the Services shall be transferred to the Purchaser as soon as they have been individualized and at the latest upon their actual delivery to the Purchaser or to the consignee between the parties.

15.2. The risks relating to the Goods and/or Services shall be transferred to the Purchaser (i) upon the date of their acceptance if the last is performed on Purchaser's premises in accordance with the provisions of Article 14 or (ii) if not, on the date of delivery to the Purchaser's Site.

16. PRICE – PAYMENT

16.1. The prices indicated in the Order shall be firm and definitive for the term of the Contract. They shall be stipulated including all of taxes except value added tax.

16.2. The Supplier shall invoice the Purchaser with the amount of the amounts due to the Supplier shall be made in euro, as the currency of both the account and of payment.

16.3. Unless it has been stipulated otherwise in the Contract, the price shall mean "Delivered Duty Paid" ("DDP" according to INCOTERM, 2000 version) at the place provided for in the Order.

16.4. Invoices shall indicate the complete references of the Contract and shall be issued by the Supplier in accordance with the due dates stipulated in the Contract, subject to the complete performance by the Supplier of its corresponding obligations.

16.5. The Supplier shall invoice in the Contract, the invoices issued by the Supplier shall be paid by the Purchaser within 30 days end of the month from the date of their receipt.

16.6. As long as the Supplier has not fully fulfilled its obligations, the Purchaser is authorized to retain all or part of the corresponding payment of the price.

16.7. At any time, the Purchaser is entitled to deduct from payments due to the Supplier in consideration of the performance of its obligations, any amount that the Supplier is accountable for under the Contract, especially in application of the provisions of Articles 5.3, 11, 13.3 and 21.1.

17. CONFIDENTIALITY

17.1. The Supplier undertakes to comply with the confidential nature of any documents, models, plans, drawings, specifications, information, data and other items of information that shall be transmitted to it by the Purchaser or which may come to its knowledge in the context of the performance of the Contract (hereinafter the "Confidential Information") and agrees to refrain from disclosing them to third parties, reproducing them or using them for purposes other than for the performance of the Contract, without prior written consent from the Purchaser.

17.2. The term "Confidential Information" shall not apply, however, to information for which the Supplier may provide proof that such information:

- a) has been disclosed to the public by the Supplier or by a third party;
- b) had become accessible to the public, other than through the Supplier having failed in its contractual obligations, or
- c) had been legally received from a third party who was completely at liberty to disclose it to the Supplier, or
- d) was in the Supplier's possession at the time it was disclosed by the Purchaser.

17.3. The Supplier shall only communicate or disclose Confidential Information to those members of its staff who are directly involved in the performance of the Contract and bound by confidentiality requirements to the same extent as the Supplier.

17.4. The Supplier shall not copy, reproduce, in full or in part, any Confidential Information supplied by the Purchaser without the prior written permission of the Purchaser, with the exception of copies or extracts that may reasonably be necessary for the performance of the Contract.

17.5. The Supplier shall in no case use the existence of the Contract for advertising, promotional or similar purposes, without the prior written consent of the Purchaser.

17.6. The provisions of the present Article shall remain in full force throughout the term of the Contract and for five (5) years after the end of the Contract, regardless of the reasons why the Contract may end.

18. INTUITU PERSONAE

18.1. "ALSTOM Group company" shall mean any company of which at least fifty per cent (50%) of the share capital is owned, directly or indirectly, by ALSTOM Holdings.

18.2. All intellectual property rights relating to results developed and/or obtained as a part of the performance of the Contract (hereinafter designated as the "Results"), regardless of the nature of such Results, such as technical information and/or solutions, results of measurement analysis, simulations, modeling, mock-ups, specifications, databases, software (including documented source codes), drawings, models, plans, sketches, tooling and equipment, as well as the right of copyright associated therewith, shall be the exclusive property of the Purchaser as soon as they are obtained by the Supplier.

18.3. More specifically, with respect to copyright associated with Results, the Supplier assigns to the Purchaser an exclusive basis, for the legal term thereof and for all countries, all of the representation and reproduction rights, for any purposes and for all uses, direct or indirect. These rights shall notably include and in the widest sense: (a) the temporary or permanent reproduction right, by any means, on any media (newspapers, internet, and digital media, etc.) and/or any site; (b) the right of identification and marking by any means; (c) the representation right by any procedures; (d) the right of correction, adaptation, evolution, enhancement, modification, addition or creation of derivative works; (e) the right of publication and commercial usage thereof against payment or not.

The rights thus assigned shall apply to any applications and may be assigned by the Purchaser to any third party of its choice.

18.4. The Purchaser shall be solely entitled to decide to protect the Results or otherwise, in whole or in part, in its own name or that of a Company in the ALSTOM Group, without any consideration or compensation of any nature whatsoever being due to the Supplier in addition to the price stipulated in the Contract for the Goods and/or Services in question.

18.5. The Supplier specifically undertakes, on its own behalf or for any of those involved for its part, as well as, without this list being exhaustive, representatives, agents, service providers or sub-contractors, to perform all of the necessary formalities, where applicable, to cause the provisions of the present Article 18 to become effective.

18.6. The Supplier shall guarantee the Purchaser against any claims, legal or administrative proceedings that might be directed against the Purchaser by a third party alleging the existence of the infringement of a patent, design, trademark, copyright or any other existing intellectual property right, relating to the Goods and/or Services.

To this end, the Supplier shall indemnify the Purchaser for any consequences (including damages, costs and expenses) that the latter may incur in connection with the proceedings for which it may be made liable.

18.7. Should proceedings be brought or a claim directed against the Purchaser in the contract mentioned above, the Purchaser shall advise the Supplier accordingly, and such Supplier shall conduct these proceedings or claim at its own expense. At the request of the Supplier and its expense, the Purchaser shall provide the necessary reasonable assistance.

18.8. If use of an intellectual property right is judged as constituting an infringement, and if the Purchaser so requests, the Supplier shall modify or replace at its own expense the infringing item, provided that such amendment or replacement shall not affect the destination, value, use or performance of the Goods and/or Services.

19. HEALTH AND SAFETY

19.1. The Supplier shall comply with the laws and regulations in force determining the health and safety instructions applicable to the work performed as part of the Contract and especially, if appropriate, to the work performed in any Site by a third company.

19.2. The Supplier shall also comply with the internal rules at the Purchaser's site(s) where it may have to work for the purpose of performance of the Contract.

20. ILLEGAL EMPLOYMENT

20.1. In the event of Services, in accordance with laws and regulations in force concerning the prevention and the control of illegal working, the Supplier shall submit to the Purchaser, as soon as the Contract comes into force and before beginning the performance of the Services at the latest, the corresponding certificates and any additional document which may be required in the Order.

21. WARRANTY

21.1. General Provisions

Without prejudice to the legal provisions applicable, the Supplier guarantees the Goods and/or the result of the Services against any defect in design, material, workmanship and assembly throughout the term defined in Articles 21.1 or 21.3 as the case may be. This guarantee includes the cost of parts and labor.

The Supplier's warranty does not include defects resulting from normal wear and tear on the Goods, usage not compliant with the associated documentation or negligence demonstrated by the Supplier attributable to the Purchaser and/or its staff.

Should the Supplier fail in the performance of its warranty obligation, the Purchaser may itself remedy the failing and/or assign a third party of its choice to perform the remedy, at the Supplier's cost and risks, after an official notification by registered letter has remained unfulfilled for seven (7) calendar days.

The Supplier shall then do everything possible to facilitate the intervention of the Purchaser or the third-party company under the most favorable conditions and especially it shall remit to them the tooling, plans, studies and any other necessary documents.

21.2. Warranty applicable to production Goods or Services

Unless the Contract provides otherwise, the contractual term of the warranty shall be twenty-four (24) months from the date on which the Purchaser's system, or set or product which incorporate the Goods and/or results of Services is put into service, and thirty-six (36) months as a maximum from the delivery of the Goods and/or Services at the Purchaser's Site.

During the warranty period, the Supplier shall correct or replace, at its expense, any defect notified to it by the Purchaser within a period not to exceed two (2) working days as from the written notification sent by the Purchaser. To this end, it shall apply the most appropriate solution between repair, replacement of the defective part in the Good, or re-design of the Good, after the Purchaser has consented thereto. Replacement, repair or re-design operations shall cover all of the Goods to be delivered in the context of a single Order, including spare parts. The Supplier shall also cover the costs relating to the logistics, disassembly and installation of the Goods on the Client's equipment, depending on the case.

Any replacement or repair, even partial, or/ to a Good affected by a defect shall give rise to the application of a new warranty period covering the Good concerned for a period of twenty-four (24) months from the date of the repair or replacement of the defective part.

Furthermore, the Supplier undertakes to ensure subject to further Purchaser's orders, that the Goods will remain available, as well as depending on the case, their sub-sets, components or spare parts, in compliance with the Technical Specifications and this shall be for a period of thirty (30) years from the date of the Order. Should the Supplier be unable to fulfill such a commitment, it undertakes to transmit to the Purchaser, free of charge, all of the drawings, specifications documentation, specific tools, documents and other information, regardless of the medium they are on, in order to enable the Purchaser to find an alternative source of manufacture, sale, repair and/or maintenance of all relating to the Goods, their sub-sets or components or spare parts.

21.3. Warranty applicable to non-production Goods or Services

Unless there are different provisions in the Order, the contractual term of the warranty shall be twenty-four (24) months (i) from the date of acceptance when the Goods and/or Services are subject to the provisions of Article 14 or (ii) from the date of delivery to the Purchaser's Site in the opposite case.

During the warranty period, the Supplier shall correct or replace at its own expense, any defect notified to it by the Purchaser, within a period not to exceed five (5) working days from the time of written notification sent by the Purchaser. In the event of a defect, the Supplier shall be bound by a written agreement between the replacement and repair operations shall cover all of the Goods to be delivered as part of a single Order, including spare parts. Unless there are different stipulations in the Special Conditions, any replacement or repair, even partial, to a Good affected by a defect shall be productive of an application for a new warranty period covering the Good in question for a period of twenty-four (24) months from the date of repair or replacement.

21.4. Endemic Defects

Endemic Defect shall mean the same defect affecting at least (5%) per cent of Goods or a same defect affecting at least (5%) per cent of a set of circuit boards, components or electronic sub-sets delivered by the Supplier to the Purchaser under the Contract, measured over a continuous period of twelve (12) consecutive months, from the date of delivery of the first Good until three (3) years after the date of delivery of the last Good to the Purchaser.

Throughout the warranty period defined above, the Supplier shall provide an analysis and action plan to correct any Endemic Defect that shall be notified to it by the Purchaser, within a period not to exceed one (1) week from the notification thereof sent by the Purchaser. This action plan shall be implemented within a reasonable period, to be defined mutually between the Parties in relation to the nature of the Endemic Defect.

If an Endemic Defect affects the same part or the same Good in one or more Orders, the Supplier shall repair or replace all of the identified parts or Goods that are affected by such Order(s). The Supplier shall also bear the costs of the logistics, disassembly and re-assembly of the parts or Goods.

If an Endemic Defect on the same part or the same Good is repaired, the warranty period covering the part or Good shall be extended for a period of twelve (12) months, from the date of receipt by the Purchaser of the Good or part thus repaired.

21.5. Reliability

Reliability guarantees (MTBF) are defined in the Technical Specifications attached as an Appendix to the Contract.

Notwithstanding any other provision, the Supplier shall be held responsible for any failure or defect in the Goods, which shall remain covered by the warranty defined in Article 21 of the Contract as long as the reliability commitments have not been reached.

22. LIABILITY

The Supplier shall indemnify the Purchaser, whether during or after the performance of the Contract, for any damage, material or non-material, suffered as the result of partial or total non-performance or poor performance of the Contract for any reason for which it is liable, any loss or damage, material or non-material, resulting from acts or omissions of the Supplier, or from the Supplier's staff, or from the Supplier's subcontractors or agents, or from the Supplier's liability shall include its sub-contractors, representatives and agents. The above compensation shall cover, where applicable, the related costs and court orders resulting from any proceedings or trial.

The Supplier's staff shall be at all times recognized as representing the Supplier and shall remain under its administrative and hierarchical control.

23. INSURANCE

23.1. The Supplier shall hold insurance policies covering its civil and professional liability under the obligations defined in the Contract. These policies shall be taken out for amount appropriate with respect to the subject of the Contract.

The Supplier shall supply, upon first request from the Purchaser, certificates of insurance to cover the corresponding risks. These certificates shall indicate the amount and extent of the warranties as well as their term of validity and shall state that the payment of premiums relating thereto has been made.

23.2. The Supplier undertakes to keep its insurance policies in force as long as it is under an obligation under the terms of the Contract. Any change during the performance period covering the extent of the warranties and/or capital covered shall be notified without delay to the Purchaser and shall be subject of a new certificate that shall be sent to the Purchaser.