

GENERAL TERMS and CONDITIONS REGARDING PURCHASES OF RAW MATERIALS AND PACKAGING

PREAMBLE

In order to meet a need expressed by MLPC, the Parties met to agree on the terms and conditions of execution of a contract or a purchase order.

By accepting an order from MLPC International, the Supplier thereby accepts the present general purchasing conditions without reserves. It waives any right to call upon any document contradicting any one whatsoever of the provisions of the present conditions.

ARTICLE 1 – DEFINITIONS

Purchase Order: printed or electronic document used by the Customer to order Supplies from the Supplier.

Contract: designates the sales contract under which the Supplier enters into an obligation to sell said Supply(ies) to the Customer.

Site: the Customer establishment where Supplies are to be delivered.

Supply: any goods, product or equipment, including, where necessary, any related documents.

All Contracts shall be expressed in writing (as shall any related amendments) and shall result in the issue of a Purchase Order. No party may call in any case on tacit agreement on our part. We are committed only by documents on the MLPC International letterhead, and referring to the present general purchasing conditions.

Unless otherwise stated in the order, all goods are supplied delivered duty paid (DDP) place of destination, according to the last version of INCOTERMS.

ARTICLE 2 – RECEIPT

An order shall become final only once we have received in return (within a maximum of five days) the receipt without any modification or items lined out, dated and bearing the Supplier's commercial seal. Any other document attached to the said order receipt shall be considered null and void.

ARTICLE 3 – PRICE

The elements constituting the price (basic price, VAT regime, shipping, etc.) are specified in the text of our conventions and of our orders. No additional costs, expenses and charges of any kind shall apply unless otherwise expressly agreed by the parties (case of monthly formula tariffs where the valid price at the date of shipment is applicable).

ARTICLE 4 – DELIVERY TIME

The delivery date is a binding condition and is to be understood as applying to merchandise brought to the place of delivery indicated in the order. Any delay, whatever the reason may be, occurring during performance of the order must be reported immediately by fax and then confirmed by registered mail to the address indicated in the order.

The Supplier acknowledges that it is considered as having received formal notice to deliver within the periods laid down in the order or in the schedule, without any other formalities.

In case of non-observance of the said date, we reserve the right to cancel the order in question without the said termination having to be pronounced by a court, this without prejudice to damages and interest that we might be led to demand from the Supplier in compensation for the prejudice suffered because of the breach.

In addition, in the same case we reserve the right to address ourselves to any appropriate party in order to obtain the supplies that are the object of the order in question. If this should occur, the additional costs as well as the expenses entailed in the new purchase shall be for the defaulting Supplier's account.

ARTICLE 5 – TRANSPORT

The merchandise that is the object of our orders travel at the Supplier's expense and risk, unless we pick it up.

With respect to any damage relating to shipment, the addressee site of MLPC International shall file recourse with the transporter pursuant to article 102 to 108 of the Code of Commerce.

ARTICLE 6 – SHIPMENT

The deliveries must be made to the address indicated in the order. Postal parcels shall have to be addressed to us by registered mail. The merchandise must bear labels indicating the order number of MLPC International, the Supplier's name, the article, the quantity, and the Supplier's lot number. Any shipment must give rise to a delivery slip that is to accompany the merchandise and is to indicate:

- the number of the order
- the shipping procedure

- the addressee warehouse
- the designation of the merchandise sent and its weight
- the quantity in terms of units ordered for each product or article

The merchandise packing shall have to provide effective and adequate protection making it possible to preserve the entire quality of the said merchandise until the place of delivery.

The special conditions of the order spell out the procedures applicable to bulk shipments.

ARTICLE 7 – RECEPTION

Reception, which entails our acceptance of the delivery and our obligation to pay the Supplier, always takes place on our premises, even if we picked up the merchandise. Any reception or provisional discharge that has been carried out in advance shall not constitute reception as defined in the present article. If the case arises, then special conditions for each order will be given for the reception conditions (including delivery of documents and/or contractual samples).

Any rejected merchandise will be returned to the Supplier at their expense and risk. The Supplier will then be informed by fax of the merchandise availability and they shall have to take all suitable steps to pick up the merchandise, respecting our warehouses' business hours. If they fail to pick it up within ten business days, we reserve the right to return the rejected merchandise to the Supplier at their expense.

ARTICLE 8 – INVOICING

Unless otherwise agreed by the parties, any invoice will be drawn up in two copies and shall have to indicate the order number. Also, in case of simultaneous delivery of several orders, it will be indispensable to draw up separate invoices for each order. Every invoice shall have to show the amount of recoverable or unrecoverable taxes.

Any incomplete or erroneous invoice will be returned to the Supplier.

ARTICLE 9 – PAYMENT

The settlement of the invoices (acknowledged as good and complete) has to be done, unless otherwise stipulated in the order, sixty days end of month date of invoice via direct transfer to a bank.

The payment is to be made by any means convenient to us, and the Supplier formally agrees not to draw up bills of exchange. If penalties could be applied, in case of late payment, they may not exceed three times the legal interest rate.

ARTICLE 10 – QUALITY ASSURANCE

When a shortcoming in the supply, of any nature whatsoever, risks having an influence on the quality of the manufactured product or of its packaging, and more generally on the quality of the services we render for our customers, we shall be entitled to request the Supplier to prove that they do indeed control the quality of its supplies from the purchase of the raw materials until delivery. The choice of means of proof shall be negotiated between the two parties prior to the order. It may be a question of certification (ISO 9002 - 9001) or of an audit from the Supplier's quality assurance system or from MLPC International.

The Supplier undertakes to communicate upon the Customer's request, any relevant information about the origin, location and date of manufacture, quality inspection reports, serial or batch numbers of the Product or of the items making up the Product.

ARTICLE 11 – SUPPLIER'S RESPONSIBILITY

The Supplier undertakes to respect all of the specifications regarding the product or the packaging that are the object of the order.

The subcontracting of all or part of the order shall have received our prior and written agreement. The Supplier is bound particularly to make sure that the subcontractors are respecting the present general purchasing conditions.

Also, the Supplier may not modify its manufacturing processes and/or his production site without our prior agreement.

In case of non-observance of the contractual specifications noted at the time of reception, the Supplier undertakes to take the merchandise back at their own expense and risk, without being entitled to claim any compensation or indemnity from us. We reserve the right to take twenty business days following the delivery for filing possible complaints.

The Supplier warrants that the delivered products or packaging are free of any defect or contamination of any kind whatsoever.

That does not in any way exclude the liability for hidden defects, which remains for the Supplier's account (Civil Code, articles 1641 to 1648).

The Supplier undertakes to meet the legal and regulatory requirements in effect with respect to packaging and labelling the materials or the packaging delivered in connection with the order. The Supplier will inform us about the special storage conditions required for proper preservation.

Whenever certain products would contain hazardous substances or would need to take particular safety precautions in case of handling, transport, storage, or use, the Supplier shall, before delivery, provide written information according to the nature of these substances.

The Supplier will bear all the consequences, claims and charges which could result from his non-compliance.

The Supplier warrants that it is covered by insurance, taken out with a reputable organisation, in connection with its "Product" Public Liability for an amount of 3 million Euros per loss for products and 1.5 million Euros for packaging.

We may request the Supplier to provide any required proof as to existence of the said insurance policy.

ARTICLE 12 – FORCE MAJEURE

An allegation of force majeure on the Supplier's part can be accepted only insofar as the said Supplier has informed us, by registered mail with receipt, as soon as the force majeure event occurs. The fact of being informed in this way does not commit us in any way with respect to our acceptance of, or rejection of the Supplier's allegations.

Force majeure is to be understood as any external event that is both unpredictable and insurmountable, making it absolutely impossible to perform the supply or meet the scheduled deadlines. Hence the following are not considered as cases of force majeure:

- staff shortage, holidays,
- possible delays in deliveries of raw materials,
- any other normal uncertainties that must be assumed by the Supplier

ARTICLE 13 – CANCELLATION CLAUSE

By right any order will be terminated in case of non-performance of all, or part of the obligations of the Supplier. The said termination shall take effect after a formal notice from us sent by registered mail with receipt, that has produced no effect after ten days.

ARTICLE 14 – PATENTS – INFRINGEMENTS

With respect to patents or licenses, the rights to which the raw materials and packaging used may give rise are for the Supplier's account alone.

The Supplier warrants that the use of the raw materials and packaging that are the object of the order do not infringe on the rights of third parties, and that no dispute is pending with respect to the use thereof.

The Supplier shall see to all actions for infringement or other actions that might be filed. If the case arises, it shall repay the amounts incurred for opposing actions aimed at our Company.

ARTICLE 15 – SECRECY

The Supplier agrees not to communicate to any other party whatsoever, without our advance consent in writing, all or part of the data and information gathered in connection with performance of the order and relating to our business.

ARTICLE 16 – DISSEMINATION AND ADVERTISING RELATIVE TO THE SUPPLY

The Supplier may not carry out any dissemination or advertising whatsoever with respect to the supply in connection with the order without our advance approval.

ARTICLE 17 – TRANSFER OF OWNERSHIP

In the absence of stipulations to the contrary appearing in the special conditions of an order, the transfer of ownership and of risks is carried out at the time when reception is acknowledged as valid and complete. We reject any ownership retention clause that we have not explicitly accepted in writing.

ARTICLE 18 – WARRANTY

The Supplier guarantees that the Supply conforms with the description, specifications and samples stated in the Contract Documents. The Supplier also guarantees that the Supply meets the Customer's stated objectives and may not subsequently invoke any lack of detail in the Contract Documents.

If the Supply proves to be defective, the Customer may request the Supplier within seven (7) days as from the date of the Customer's request, to replace the Product or have it replaced by a third party in order to carry out the necessary work. In any case, the Supplier will bear all the costs of said repairs or replacements, and in particular, the costs incurred in transportation, return-to-plant shipping, and parts and labour, with no prejudice to the Customer's other rights.

ARTICLE 19 – TRANSFER

The present contract may not be transferred in total or in part by one of the parties without the other party's written agreement in advance, with the exception of the successor of the assignor party, or of a company that acquires a substantial part, or all, of the fixed assets of the assignor in the factory, or in any affiliated company of which the assignor or its parent company holds, directly or indirectly, at least 50% of the capital.

ARTICLE 20 – APPLICABLE LAW - EXCLUSION

All of our orders are governed by the provisions of French law, to the exclusion of any rules regarding conflicts of laws that might entail application of laws other than French laws. Our orders are not subject to any other obligation than the ones of law and the ones that we explicitly accept. In particular, we do not recognize any clause relating to practices, customs or habits.

Any disputes relative to performance of our orders shall be taken to the court with jurisdiction over the locality in which our registered office is located (Tribunal de Commerce de DAX).
