

## **FN HERSTAL S.A. GENERAL TERMS AND CONDITIONS OF SALES**

### **EFFECTIVENESS, APPLICABLE LAW AND JURISDICTION**

By placing purchase orders with FN Herstal S.A., the buyer irrevocably and unconditionally accepts the present General Terms and Conditions of Sales, and any conflicting terms appearing on buyer or buyer agent's form, document or correspondence of any kind, whether prior, concomitant or subsequent to FN Herstal S.A.'s Acknowledgement of Order, is hereby specifically excluded. These General Terms and Conditions of Sales shall be exclusively subject to the laws of Belgium, without respect to its rules of conflict of law, and the application of the Convention of the United Nations on International Sales Contracts done in Vienna on 11 April 1980, is hereby specifically excluded. Exclusive jurisdiction is assigned to the competent court of Liège, Belgium. For the purpose of his transactions with FN Herstal S.A., the buyer agrees to elect domicile at the registered seat (BV) of FN Herstal S.A..

### **SALES INFORMATION**

All information stated in FN Herstal S.A. commercial literature, price list or appearing on the World Wide Web are provided for general purpose only and shall not be binding upon FN Herstal S.A., unless expressly endorsed in writing by an authorized signatory of FN Herstal S.A..

### **END USES / END USERS**

Determination of the suitability of FN Herstal S.A.'s products and/or services for any contemplated usage shall be the sole responsibility of buyer and FN Herstal S.A. shall have no responsibility in that regard. Subject to additional limitations under existing industrial property rights, the buyer is hereby informed that products and/or services provided for under any purchase order or supply contracts are subject to various national and international laws on military weapons. As such, buyer agrees to be responsible for being knowledgeable as to all laws, regulations, and requirements applicable to the export, re-export, resale, shipment, or diversion of FN Herstal S.A.'s products and/or services. The buyer agrees to indemnify, defend and hold FN Herstal S.A. harmless from any and all costs (including attorneys' fees) expenses, judgments, penalties, or other liabilities due to buyer's failure to comply with these applicable laws, regulations and requirements.

### **OFFERS AND PRICES**

Written offers will be binding upon FN Herstal S.A. solely with regard to product or service commitments expressly mentioned in said offers for the duration of the stated acceptance period. Prices for products or services shall be those in effect at the time of such offer issuance and FN Herstal S.A. reserves the right to amend these prices at its sole discretion for any future transaction.

### **ORDER ACCEPTANCE**

Purchase orders shall be deemed accepted by FN Herstal S.A. upon receiving FN Herstal S.A. initial offer counter-signed by buyer's duly authorized signatory within the stated acceptance period, subject to availability of stock.

### **ORDER TERMINATION**

Should the buyer be liable for any breach of obligations under any accepted purchase order and does not remedy such breach within seven (7) business days from a proper notice to that effect, or should the buyer fail to provide FN Herstal S.A., upon request, with adequate assurances of future performance or become insolvent or there is filing by or against the buyer of a petition in bankruptcy, reorganization or other insolvency proceeding, or should the buyer notify its intention not to fulfill any accepted purchase order, FN Herstal S.A. shall be authorized to cancel any such accepted purchase orders without further notice and without any liability,

indemnification or reimbursement whatsoever and shall further be entitled to claim compensation for any and all damages, costs, expenses or prejudices sustained by reason of such breach and/or cancellation.

### **PAYMENT TERMS**

Unless otherwise specified in writing to the buyer, full payment of FN Herstal S.A.'s invoices shall occur upon final reception of products and/or services as defined in the relevant purchase order, and shall be made by wire transfer in euro to FN Herstal S.A.'s bank account BNP Paribas Fortis 240-0044000-63 / IBAN BE40 2400 0440 0063 / BIC GEBABEBB. If payment is not received within due date, FN Herstal S.A. may apply late payment charges on any outstanding balance without prior notice to buyer at a rate equivalent to the legal interest rate applicable for Belgium increased by seven (7) base points as well as an incompressible liquidated damage of two hundred and fifty (250) euros to cover late payment management charges. Compensation between amounts due to or from buyer, whatever the reason, is hereby specifically prohibited.

### **TAXES**

FN Herstal S.A.'s prices are exclusive of national, state or local taxes that may apply on the transfer of FN Herstal S.A.'s products or services, and which shall be paid for by the buyer. All such taxes will be set forth by FN Herstal S.A. as separate items on our invoices or on buyer's generated self-bills, as the case may be. FN Herstal S.A. reserves the right to adjust its prices at any time before the payment due date should there be any change in applicable custom duties or taxes.

### **DELIVERY TERMS**

Unless otherwise confirmed in writing by an FN Herstal S.A. authorized representative, delivery or installation dates are given for information purpose only and are not legally binding upon FN Herstal S.A.. Unless otherwise agreed in writing, product delivery shall be EXW Herstal Incoterms 2010. Should the buyer refuse or fail to take delivery of the same when placed at his disposal, FN Herstal S.A.'s responsibility shall be exclusively limited to the reasonable storage of such products at buyer's costs and risks. Risk of loss to all products supplied hereunder shall pass to buyer in accordance with applicable Incoterms 2010 and buyer will be responsible for notifying in due time against FN Herstal S.A. or against the relevant carrier any reservations or claims for visible damages or missing quantities, if any. Failure by the buyer to provide such notice of visible damages at delivery or of missing quantities within seven (7) calendar days from delivery will be deemed a waiver from buyer for all claims with respect to said visible damages or missing quantities.

### **TRANSFER OF TITLE**

FN Herstal S.A. retains title to its products until they are fully paid for. However, prior to such full payment, the buyer is authorized to use, integrate, or process FN Herstal S.A.'s products within the normal course of its business provided said products are not pledged or offered as securities to any creditor. Should the buyer integrate or process such products for further sales, buyer hereby irrevocably assigns to FN Herstal S.A. the title into the resulting processed or integrated products as an unconditional guarantee for FN Herstal S.A.'s payment claims and hereby warrants it will secure the same from the final user.

### **LIMITED WARRANTY**

FN Herstal S.A. only warrant that at the time of delivery and for the specified warranty period, all its products (1) will be new when delivered, (2) will conform to their current or agreed technical specifications, (3) will function in accordance with their intended design, (4) that FN Herstal S.A.'s will convey good title to such products and/or services and (5) that such products and/or services will be

delivered free from any lawful security interest, lien or encumbrance. This limited warranty is in lieu of all other, written or unwritten, express or implied, warranties and FN Herstal S.A. expressly disclaims any express or implied warranty of merchantability or of fitness for a particular purpose with regard to said products or services. The above limited warranty will not apply to any product that has been repaired or modified by a third party or without FN Herstal S.A. prior consent, or to any product that has been damaged, stored or handled negligently, faultily or incompetently.

### **TOLERANCES**

Shelf items delivered by FN Herstal S.A. in bulk shall be deemed conforming when (i) their quality meets their current or agreed technical specifications and (ii) their quantities remain within the customary tolerance limits of the trade for such shelf items.

### **REMEDY FOR NON-CONFORMITY**

Upon delivery and in any event within six (6) weeks from said delivery, the buyer shall thoroughly inspect FN Herstal S.A.'s products and/or services against their specifications in order to determine any qualitative non-conformity and shall further notify FN Herstal S.A. in writing in case of any non-conforming product or services. Failure by buyer to provide FN Herstal S.A. with this written notice within this six (6) weeks period will be deemed a waiver from buyer for all non-conformity claims with respect to said products or services. If requested by FN Herstal S.A., any allegedly non-conforming product must be returned to FN Herstal S.A.'s attention at FN Herstal S.A.'s costs, and buyer admits that such product or equipment return shall never be considered as an admission of liability in any way. Unless otherwise agreed in writing prior to any purchase order execution, FN Herstal S.A.'s liability for any claim or cause of action for proven non-conforming products or services is expressly limited, at FN Herstal S.A.' sole discretion, to either the replacement, repetition or repair of products or services shown to be other than as warranted or the reimbursement of the purchase price effectively paid for such products or services, and FN Herstal S.A. further disclaims any liability for any incidental, consequential or special damages arising out of the same. Additionally, including for cases of gross negligence, FN Herstal S.A.'s liability for bodily injuries resulting from the non-conformity of its products or services is irrevocably limited to the total amount of the purchase order, with a maximum of five hundred thousand euros (€500,000.00-) per occurrence.

### **INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS**

FN Herstal S.A. expressly disclaims any written or verbal, express or implied, warranty against patent infringements with respect to the use of FN Herstal S.A.'s products. All names, logos, trademarks and distinctive signs appearing on FN Herstal S.A. 's products and/or sales materials are either registered marks or are protected by intellectual property rights and buyer acknowledges that the use, reproduction or representation of the same on any support is strictly prohibited without the prior written consent from their legitimate owners.

### **CONTINGENCIES**

Any and all events outside FN Herstal S.A. immediate and reasonable control, such as without limitations, strike, including of FN Herstal S.A.'s own personnel, lock-out, floods, fires, transport disruptions or stoppages, scarce resources, including energies, allocated raw materials or parts and/or significant accidents, which prevent or delay, in part or in full, the manufacture, shipment or delivery of FN Herstal S.A.'s products or services, shall authorize FN Herstal S.A. to delay or suspend, in part or in full, the manufacture, shipment or delivery of said products or services without any liability.