

1 INTERPRETATION

- 1.1 For the interpretation and the purpose of the GTC, the words/terms listed below shall have the meanings as follows:
- “Buyer”** shall mean any person, company, public or private entity, interested in the acquisition of THALES Supplies on the basis of a Proposal.
- “Contract”** shall mean:
- either the contract signed by the duly empowered representatives of the Buyer and THALES and resulting from the Proposal, or
 - the order issued by the duly empowered representative of the Buyer and accepted by the duly empowered representative of THALES and resulting from the Proposal, or
- “Documentation”** shall mean the documents related to the use and/or organizational level maintenance (O-Level) of the Products, mentioned in the Proposal and to be delivered by THALES to the Buyer in accordance with the Contract.
- “GTC”** shall mean these General Terms and Conditions.
- “Information”** shall mean all information and data including technical, financial or commercial contained in any document or information support provided by THALES with the Proposal and/or in connection with the performance of the Contract.
- “Parties”** shall mean both the Buyer and THALES.
- “Party”** shall mean either THALES or the Buyer.
- “Product”** shall mean any of the Products.
- “Products”** shall mean all the equipment and embedded computer programs and/or tool(s) and/or spare part(s) as listed in the Proposal to be delivered by THALES to the Buyer in accordance with the Contract.
- “Proposal”** shall mean all the documents (and any revision and/or amendment thereof) constituting an offer, including without limitation commercial, technical, and financial documents, sent by THALES to the Buyer together with the GTC.
- “Supplies”** shall mean all Product and/or Documentation listed in the Proposal and to be delivered by THALES to the Buyer in accordance with the Contract.
- “THALES”** shall mean the THALES entity issuing the Proposal and referred to in the commercial part of the Proposal.
- 1.2 The Proposal shall be governed by the GTC unless otherwise expressly agreed in the other documents of the Proposal or as agreed in the Contract.
- 1.3 Except if the Proposal provides an expiry date, it may be subject to modification or withdrawal by THALES at any time until the conclusion of a Contract by notice to the Buyer. However, in the absence of expiry date in the Proposal and even without notice by THALES, the Proposal shall be considered as null and void three (3) months after its date of issuance if at that time no Contract has been concluded/signed.

2 CONTRACT

- 2.1 THALES shall not be bound in any way whatsoever until the Parties formally enter into a Contract. No condition issued by the Buyer shall commit THALES unless expressly agreed in writing by THALES. The GTC shall apply to any Contract, unless otherwise agreed in writing by THALES.
- 2.2 The contractual documents applicable to the Contract are constituted by the following documents being understood that, in the event of any conflict, discrepancy, ambiguity, inconsistency or incompatibility between said documents, or if there shall merely be a doubt as to which should apply in preference to the other, then, these documents shall be interpreted according to the order of precedence in which they are enumerated below:
- (1) the specific provisions of the Contract itself, being understood however that:
 - (i) when the Contract is formed by a purchase order issued by the Buyer and accepted by THALES, the specific provisions of the acceptance form issued by THALES shall take precedence over the specific provisions of the purchase order previously issued by the Buyer; and
 - (ii) any general document issued by the Buyer such as General Terms and Conditions of Purchase are expressly excluded, including when said general document is printed on the back or attached to any purchase order,
 - (2) the provisions of the Proposal,
 - (3) the provisions of the General Terms and Conditions for international sales and its Annex,
 - (4) any appendix and document enclosed by reference in the clauses of the Contract.
- 2.3 The governing language of this Contract shall be the English language.

3 CONTRACT EFFECTIVE DATE

- 3.1 Any Contract signed/concluded by the Parties shall become effective on the date upon which all following conditions are fulfilled:
- (i) receipt by THALES of the advance payment as stipulated in paragraph 4.3.1 of the GTC,
 - (ii) notification of the opening of the documentary credit to THALES' bank,
 - (iii) if applicable, receipt by THALES of the Non Transfer Certificate stipulated in clause 6 of the GTC, as well as any other end-user certificate whatsoever that may be required by foreign authorities, duly signed by the Buyer (and, if applicable, by the end-user), and
 - (iv) grant by the appropriate governments of all export authorizations and licenses required for the performance of the Contract and the delivery of the Supplies, in accordance with clause 6 of the GTC.
- 3.2 In case the above mentioned conditions would not be fulfilled within a period of five (5) months computed from the date of signature/conclusion of the Contract, said Contract shall automatically be deemed null and void and of no further effect.

4 PRICES - PAYMENTS

- 4.1 Prices
- 4.1.1 Prices refer only to such Supplies as specified in the contractual documents mentioned in paragraph 2.2 above.
- 4.1.2 Unless otherwise provided in the Contract, prices of Supplies shall be deemed stated for delivery as per Incoterm **Free Carrier (FCA)** Main France Airport (Incoterms 2010, International Chamber of Commerce – Publication n°715E).

- 4.1.3 The prices have been computed free of French VAT (Value Added Tax). Unless otherwise specified in the applicable Incoterm, THALES shall bear all taxes, fees, royalties, levies, duties and other charges of any nature, applicable or to become applicable in France for the performance of the Contract.
- 4.1.4 Unless otherwise specified in the applicable Incoterm, the Buyer shall bear all taxes, fees, royalties, levies, duties, withholding taxes and other charges of any nature, applicable or to become applicable outside France for the performance of the Contract.
- 4.2 Currency
Prices are stated in EURO (EUR/€) which shall be the accounting, invoicing and payment currency.
- 4.3 Conditions of payment
- 4.3.1 The payment shall be made according to the following terms:
- an advance of thirty percent (30%) of the total Contract price shall be paid by bank transfer on THALES' bank account within thirty (30) calendar days from the date of signature/conclusion of the Contract (as a condition for the Contract's effectiveness as stipulated in paragraph 3.1.(i) of the GTC), against remittance to the Buyer of commercial invoice for the same amount.
 - the balance, seventy percent (70%) of the total Contract price, shall be paid to THALES upon delivery of the Supplies through a documentary credit irrevocable, transferable, divisible, extendible and allowing partial shipments, to be opened or caused to be opened by the Buyer at its expense within thirty (30) days from the date of signature/conclusion of the Contract. The documentary credit shall be opened by a first class bank in the country of the Buyer, notified and payable to THALES by the bank specified by THALES in the Contract (refer to the model in Annex).
- 4.3.2 Said documentary credit shall be valid up to three (3) months after the date of last delivery of the Supplies and shall be automatically extended by period(s) of three (3) months at the request of THALES in order to allow complete drawing. It shall be governed by the Uniform Customs and Practice for Documentary Credits (UCP) of the International Chamber of Commerce (Publication No. 600, 2007 Edition).
- 4.3.3 The documentary credit shall be paid against presentation of the following documents, excluding any other additional document:
For the Supplies:
- commercial invoice,
 - AirWay Bill or any other document proving delivery of the batch or, as per paragraph 7.3, storage certificate signed by THALES only, and
 - packing list.
- 4.3.4 Compliance with the payment dates and times is of the essence of the Contract. Expiration of the due date for payment automatically constitutes formal notice. Should the Buyer fail to meet its payment obligations on due dates, the Buyer shall be liable for late payment interests in accordance with article L.441-6 of French Code de Commerce, without formal notice, computed from said due date to actual date of payment, at the interests rate applied by the European Central Bank to its last refinancing operation plus ten (10) percentage points. THALES shall also be entitled to suspend the performance of the Contract, including to withhold future deliveries, until delinquent payments are made, being understood that the Buyer shall indemnify and reimburse THALES for any applicable additional storage charges together with any additional insurance and/or double handling charges.
- 4.3.5 The foregoing is without prejudice to any other rights and remedies provided for in the GTC, particularly those stipulated in clause 15 of the GTC.
- 4.3.6 All monies owed under any Contract shall be due and payable under the terms of the Contract and the Buyer is prohibited from setting off any and all monies owed under the Contract from any other sums, whether liquidated or not, that are or may be due to the Buyer, which arise out of a different transaction or contract with THALES, its subsidiaries or affiliates.

5 TESTS AND ACCEPTANCE

The technical performances of the Products, as advertised by THALES, are the ones expected to be achieved during testing in the THALES' factory, within certain reasonable tolerance limits which are defined in the contractual documents or which are in line with customary industry practices. Where the Products delivered to the Buyer is intended to be installed in or with any item not supplied by THALES, the Buyer shall remain solely responsible and liable for such installation and shall keep THALES indemnified against and hereby waives definitively any claims resulting from damages caused by or suffered by said item and/or the Products as a result of such installation.

THALES will issue an Inspection Report to be sent to the Buyer. The products will be deemed accepted within fifteen (15) calendar days after receipt by the Buyer of the Inspection Report. Delivery will be then released.

6 EXPORT CONTROL REGULATIONS

Should the Supplies and/or Information be subject to French export control regulations applicable to military and warfare equipment and/or sensitive technologies and/or any equivalent foreign regulations regarding components for military or dual use, the following provisions shall apply:

- 6.1 The Buyer hereby agrees not to sell, lend or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, all or part of the Supplies and Information controlled and supplied by THALES without the prior written consent of the French government and/or any appropriate foreign government.
- 6.2 Furthermore, the Buyer hereby agrees not to provide all or part of the Supplies and Information controlled and supplied by THALES to its employees that would be of a citizenship not expressly authorized by the relevant French and foreign governments (including in the case of employees of dual citizenship).
- 6.3 In accordance with French export control regulations and any other foreign export control regulations applicable to military and warfare equipment and as a condition for the coming into force of the Contract, the Buyer undertakes to sign and obtain from the end-user the signature of:
- (i) a Non Transfer Certificate in the form requested by the French Government (model CERFA No. 10919*02); and
 - (ii) any other end-user certificate whatsoever that may be required by foreign authorities.

Moreover, the Buyer also undertakes to sign and obtain from the end-user the signature of an End-User Receipt Form upon complete delivery of the Supplies. Once signed said End-User Receipt Form shall be transmitted to the THALES for submission to the French government.

6.4 The delivery of the Supplies and Information as well as the performance of warranty (as per clause 8.2 of the GTC) are subject to the grant of the necessary valid export authorizations from the French and foreign governments. Any delay or event affecting the issue or maintenance of such authorizations, including but not limited to their non-renewal, suspension or cancellation, shall be dealt with as per clause 12 of the GTC.

7 DELIVERY / TIME SCHEDULE

- 7.1 Delivery and completion dates are computed from the date of coming into force of the Contract (as stipulated in paragraph 3.1 of the GTC). Partial deliveries are allowed.
- 7.2 Delivery of Supplies shall be performed as per the Incoterm specified in the Contract (ICC Incoterms 2010) or, if not stated in the Contract, the Incoterm stipulated in paragraph 4.1.2 of the GTC.
- 7.3 When the carriage of the Supplies is made by the Buyer as per applicable Incoterm (Incoterms 2010, International Chamber of Commerce – Publication n°715E) and such Supplies are governed by export control regulations as per clause 6 of the GTC (Export Control Regulations), the Buyer commits:
- (i) to carry them directly in the country(ies) of final destination authorised by appropriate governments in accordance with said clause 6; and
 - (ii) that no such Supplies and/or any related Information will be conveyed in any country in transit or by a third party not authorized by the French government and/or any appropriate foreign governments.
- 7.4 If the Supplies are damaged or short on delivery THALES shall in no event be liable unless the Buyer notifies THALES in writing within three (3) days of delivery and gives THALES a reasonable opportunity to inspect the Supplies. No claim for non-delivery will be considered unless THALES is notified in writing within eight (8) days of the expected date of delivery. When, according to the agreed Incoterm, the delivery by THALES includes the carriage of the Supplies, any claim for damage shortages or non-delivery shall also be notified by the Buyer or its representative to THALES' carriers in the manner and within the appropriate time limit prescribed by said carriers' terms and conditions. In the event of failure by the Buyer to give the appropriate notices as specified in this clause, any claim by the Buyer shall be deemed to have been waived and shall be absolutely barred.
- 7.5 Should, for any cause beyond THALES' reasonable control, for example the non-payment by the Buyer of any payment term, the delivery be delayed or prevented, the Supplies shall be stored and the date of such storage shall be deemed to be the date of delivery. For that purpose, THALES shall establish a storage certificate signed by the representative of THALES Quality Department. Storage costs together with any additional insurance and/or double handling charges, if any, shall then be borne by the Buyer.

8 TRANSFER OF RISKS AND TITLE

- 8.1 Risks in the Supplies shall be transferred to the Buyer in accordance with the Incoterm above elected (as stipulated in paragraph 4.1.2 of the GTC).
- 8.2 Title to the Products shall be transferred to the Buyer upon transfer of risks as mentioned above or, in case of storage, at the date of signature of the storage certificate. For avoidance of doubt, the Contract does not provide for the assignment of any intellectual property rights with respect to the Information included in the Documentation.

9 WARRANTY

9.1 Scope of warranty.

- 9.1.1 THALES warranty covers defects in workmanship or materials which prevent the Products from meeting the Contract and Documentation specifications. Such warranty is calculated from the date of delivery or storage and shall not exceed twelve (12) months for the Products.
- 9.1.2 This warranty shall not apply to (i) consumable parts and pieces of the Products (such as batteries, fuses, liquid...), nor (ii) defects arising from or connected with any non compliance by the Buyer to the conditions of use, storage and/or maintenance of the Products as specified in the Contract and Documentation and, more generally, to the standard rules of use, storage and maintenance.
- 9.1.3 The warranty neither shall apply to defects arising from or connected with (i) any combination of the Products with any equipment program not approved by THALES (ii) any modification of the Products performed by others but the authorized representative of THALES (iii) any accident, (iv) normal wear and tear, (v) the defective installation, (vi) an inadequate energy.
- 9.1.4 The warranty shall be limited to replacement or repair by THALES of the defective Products, in whole or part and to the delivery of the repaired or replacement Products provided that (i) the defect has been reported to THALES within fifteen (15) calendar days of its discovery, and (ii) the alleged defect is reproducible and the alleged defective Products have been found effectively defective in THALES' factory.

9.2 Implementation of the warranty for the Products

- 9.2.1 In case of warranty claim, the Buyer shall, with a written prior notice of eight (8) days, return the alleged defective Products in whole or in part **Delivered At Terminal (DAT)** at Marseille Provence airport (France), being understood that the Buyer shall be considered as a seller for the application of said Incoterm. The repaired or replacement Products or part thereof shall be delivered by THALES **Free Carrier (FCA)** at Main France airport (France). In case of replacement, title to the defective Products or defective parts shall be transferred back to THALES and title to the replacement Products or replacement parts shall be transferred to the Buyer simultaneously upon delivery. THALES shall bear the costs of expertise, repair or replacement of the defective Products or parts under warranty.

9.3 Other conditions

- 9.3.1 If case of implementation of the warranty, the repaired or replaced Products or parts shall be warranted for the remaining term of the initial warranty period, extended with the repair/replacement time.
- 9.3.2 For parts or components of the Products sold but not designed or manufactured by THALES, THALES shall transfer the benefit of the warranty from its suppliers to the Buyer.
- 9.3.3 The warranty obligations of THALES and the rights and remedies of the Buyer in this clause 8.2 are exclusive and in lieu of, and the Buyer expressly waives any other warranties, obligations, rights or remedies, whether express or implied, arising by law or otherwise, with respect to any defects in or failures of the Products.
- 9.3.4 The Buyer shall defend, indemnify and hold harmless THALES from and against any claim or demand based on any cost,

expense or damage caused by the defective Products to the Buyer's or any third party's property. The Buyer also waives and shall make its insurers waive any claim, legal action or recourse against THALES and its insurers on such ground.

10 LIQUIDATED DAMAGES FOR DELAY

In case of late delivery of the Products, the Buyer shall be entitled to claim to THALES, and THALES' liability shall be limited to, the payment of liquidated damages being a genuine pre-estimate of all costs, expenses and damages suffered or incurred by the Buyer as a result of said delay (hereinafter referred to as "LDs"), in the conditions set forth hereunder:

- 10.1 LDs shall only apply in case of late delivery of the Products for a cause within THALES' reasonable control, which excludes specifically and without limitation force majeure (as stipulated in clause 12) and any act or omission of the Buyer.
- 10.2 The LDs amount shall be half percent (0.5%) of the price of the delayed Products per completed month of delay after the expiry of a sixty (60) sixty calendar days grace period, and shall not exceed five percent (5%) of such price.
- 10.3 The Buyer shall notify THALES of the detailed statement of LDs and THALES shall be entitled to submit its comments to the Buyer within thirty (30) calendar days from the receipt of the notification of the statement. THALES will pay the LDs acknowledged as being due through direct bank transfer.
- 10.4 If, within a ninety (90) calendar days period from delivery date of the Products, the Buyer does not claim its right to LDs in a written notice by letter with acknowledgement of receipt, the Buyer shall be deemed to have waived its rights. This waiver however shall not prevent the Buyer to claim LDs for possible delay with respect to any other delivery or performance, if any.
- 10.5 Payment by THALES of the LDs is in full satisfaction for THALES' liability for delay and are exclusive and in lieu of any other remedy, compensation or damage with respect to delay.

11 GENERAL CONDITIONS OF DELEGATION OF PERSONNEL

When delegating personnel to the other Party's premises to perform the Contract, the Parties shall comply with the following provisions:

- 11.1 Each Party shall, with the assistance of the other Party, ensure that its employees comply with all administrative requirements (including, without limitation, visas, medical certificates, entry, residence and work permits) in accordance with applicable regulations and shall bear all related costs.
- 11.2 Each Party shall maintain strict discipline and good order among its employees and shall ensure that its personnel comply with all regulations and safety rules applicable at the relevant premises.
- 11.3 The Parties shall agree on the working hours and working days of such employees in accordance with the regulations applicable at the relevant premises. However, employees shall be entitled to enforce their own religious holidays.
- 11.4 In case of accident or illness of an employee during his mission at the other Party's premises, whether such accident or illness occurs in the course of his mission or during off-time, the other Party shall ensure that the employee has access to the best medical treatment available locally. Any costs thus incurred by such other Party shall be finally borne by the employer (reimbursed or deducted).
- 11.5 If the period of incapacity through illness or accident continues beyond one (1) month or is such that it would be better for the employee to be repatriated as soon as possible, the employee shall be immediately repatriated to his country of origin, at the request of the employer or at his own request, at the expense of his employer.
- 11.6 In case of death of an employee, its employer, with the assistance of the other Party, shall organize the repatriation of the deceased and shall bear all costs thereof.

12 FORCE MAJEURE

- 12.1 THALES shall not be liable for any failure to perform any contractual obligations if the performance of the same is, in whole or part, delayed, prevented or hindered by an event of force majeure.
- 12.2 Shall be considered as an event of force majeure any event of which causes are beyond the reasonable control of THALES, such as but not limited to: gales, floods, earthquakes, fires, explosions, accidents, riots, hostilities, war (whether or not declared), rebellions, sabotage, acts of terrorism, epidemics, quarantines, strikes and/or industrial conflicts, inability to procure Supplies, raw material or consumables from normally reliable sources (including without limitation electricity, water, fuel and the like), embargo, governmental decision, act or omission (e.g.: delay or failure to issue, or restriction, suspension or withdrawal of any license, permit or authorization), delay from a subcontractor caused by an event of force majeure as defined here above.
- 12.3 The occurrence of an event of force majeure shall automatically suspend the performance of the Contract and the time schedule of the Contract shall be postponed for the period necessary to overcome the effects of the force majeure event.
- 12.4 However, if the performance of any THALES' obligation under the Contract is delayed in whole or part by reason of force majeure for a period exceeding six (6) continuous months, each Party may terminate the Contract or any part thereof as per paragraph 15.1.(iii) of the GTC, the Parties then shall try to establish by mutual agreement a liquidation settlement. Failure to reach such an agreement shall be deemed to be a dispute and settled as per clause 16 of the GTC.
- 12.5 Termination shall not affect debts already payable between the Parties at the termination date, in particular for the Supplies under production prior to the date of termination.

13 LIABILITY

- 13.1 THALES shall not be liable under any circumstances to the Buyer, its officers, agents, employees, successors and assignees, for any consequential, incidental, punitive or special damage of any kind or nature, including without limitation, for any losses, costs, damages, loss of revenue or profit, incurred or suffered by the Buyer or any third party as a result of, or arising out of, loss of use of the Supplies in all or in part or any failure of THALES in connection with the Contract.
- 13.2 The total and cumulative liability of THALES arising out of or in connection with the Contract, from any cause whatsoever, whether in contract or in tort, shall never exceed twenty per cent (20%) of the Contract price. The Buyer waives any claim, legal action or recourse and shall hold THALES and its insurers harmless from any claim, legal action or recourse that might be raised by its own insurers in excess of such amount.
- 13.3 The foregoing shall not affect the right of the Buyer to claim for compensation against THALES with respect to direct damage that the Buyer may suffer as a result of gross negligence or wilful misconduct of THALES. "Gross negligence" shall mean an action or omission implying an obvious and extremely severe lack of care of THALES (considering the seriousness of the consequences a cautious man of the art would have anticipated) or an action or omission leading to presume a deliberate

refusal to take into consideration these consequences and not only any kind of lack of care or lack of skill.

14 CONFIDENTIALITY - INTELLECTUAL PROPERTY RIGHTS - INFRINGEMENT

14.1 Confidentiality

14.1.1 The Buyer shall not use the Information for purposes other than those of an internal evaluation of the Proposal or, if a Contract has come into force, install, use and/or maintain the Products.

14.1.2 The Buyer shall keep the Information confidential and shall not disclose it in whole or part to any person other than employees of the Buyer who need to know such Information for the purposes stipulated in paragraph 14.1.1 here-above. Any further disclosure shall be subject to the prior written consent of THALES.

14.1.3 If a Contract has not come into force at the expiry or withdrawal date of the Proposal or any other later date limit mentioned in the Contract for the coming into force, the right to use the Information shall expire on such date and no further use shall be authorised. In this case the Buyer shall, within the following month, return the Proposal, all Information and any copies or, as an alternative, destroy them and issue a certificate of destruction to THALES.

14.1.4 If a Contract is signed/concluded, the Buyer shall agree to protect and keep the Information secret during the whole performance of the Contract and for a further period of ten (10) years after its expiry or termination.

14.2 Intellectual property rights

14.2.1 The Information shall remain the exclusive property of THALES along with all intellectual property rights attached thereto, including copyright as the case may be. THALES retains and shall retain full ownership of all inventions, designs and processes produced or developed before or during (i) the preparation and negotiation of the Proposal as well as (ii) the course of performance of any Contract.

14.2.2 For avoidance of doubt, unless otherwise agreed (such agreement to be given in writing by the duly empowered representative of THALES), the Buyer shall not make without limitation any of the following on the Supplies: copy, allow copying, decompile, reverse engineer, translate, modify, disassemble, put on the Internet or any intranet, publish, improve, adapt.

14.3 Infringement

14.3.1 THALES shall hold harmless and protect the Buyer against any claim that might be based on an alleged infringement of intellectual property rights in the Buyer's country as a result of the use by the Buyer of the Products in accordance with the specifications of the Contract, provided that (i) the Buyer informed THALES no later than thirty (30) calendar days after receiving a claim for alleged infringement and has given to THALES the entire direction of the suit or proceeding and (ii) the Buyer refrained from making any admission, declaration or arrangement with the third party filing said claim. In that case, THALES undertakes, at its option and at its costs, to defend or settle the claim and pay the amount of the final judgement rendered against the Buyer or the amount of the settlement agreed by THALES.

14.3.2 Notwithstanding the foregoing, at any time during the performance of the Contract or thereafter, in particular if THALES considers that the Products may be subject to a claim for infringement, THALES may also, at its option and at its costs, (i) obtain the necessary rights for the Buyer to continue the use of the Products, or (ii) modify or substitute the infringing Products so as to avoid any further infringement, or (iii) if such solutions would not be possible for economical and/or technical reasons, take back the delivered Products and refund the Buyer at the purchase price, less a reasonable amount for normal wear and tear of the Products.

14.3.3 This commitment shall not cover (i) any infringement resulting from the use of components off the shelf (COTS) and items for which THALES has not obtained a similar guarantee from its supplier, (ii) any infringement resulting from the combination or association of the Products with any other article, apparatus or device, or from the alteration of all or part of the Products arising from any intervention made by other than THALES and without its written agreement, and (iii) any infringement related to Products and/or parts thereof manufactured, developed or modified according to a design or requirements supplied by the Buyer.

14.3.4 In addition, THALES shall not be held liable for any costs or expenses spent by the Buyer without THALES' consent, nor for any direct or indirect damage that could result from any loss of use of the delivered Products.

14.3.5 The foregoing states the entire liability of THALES towards the Buyer with respect to disputes arising from claims based on infringements of third parties' intellectual property rights in connection with the use of the Products delivered by THALES.

15 TERMINATION

15.1 Each Party shall be able to terminate the Contract in whole or part but only for the future with respect to the uncompleted part thereof, by operation of law, by certified mail with acknowledgment of receipt, in the sole following cases:

- (i) material breach by the other Party of one of its substantial obligations under the Contract when such breach remains unremedied for a period of three (3) months after formal notice to remedy by the non defaulting Party; or
- (ii) without formal notice, in case of declared bankruptcy or insolvency of the other Party, or the filing of a petition in bankruptcy or insolvency of such other Party, or any financial incapability of the other Party to perform its obligations hereunder; or
- (iii) without formal notice, in case of a force majeure event for a continuous period exceeding six (6) months as stipulated in paragraph 12.4 of the GTC.

15.2 Termination for THALES delay shall not occur before the LDs have reached their maximum amount as stipulated in paragraph 10.2 of the GTC.

15.3 Termination shall not prevent or delay the payment of any sum due or to be due by either Party, and shall not affect either Party's right to arbitration as per clause 16 of the GTC.

16 APPLICABLE LAW AND SETTLEMENT OF DISPUTES

16.1 The Proposal and the Contract shall be governed and interpreted in accordance with French laws.

16.2 In the event of any dispute, controversy or claim arising out of or in connection with the Contract, particularly concerning the existence, validity, interpretation, performance and/or termination of the Contract (hereinafter referred to as a "Dispute"), the Parties shall at first, do their best efforts to settle such Dispute amicably within their respective hierarchies.

16.3 If the Parties are unable to settle amicably the Dispute according to the foregoing within thirty (30) calendar days, the Parties agree to submit the said Dispute to settlement proceedings under the International Chamber of Commerce Alternative Disputes

Resolution (hereinafter referred as “**ADR**”) rules.

- 16.4 If the Dispute has not been settled within a period of sixty (60) calendar days, or any other period otherwise agreed by the Parties, after the filing of a request for ADR as mentioned above, such Dispute shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with such Rules.
- 16.5 The place of arbitration shall be Paris (France).
- 16.6 At each of the above-described steps, the language to be used in the proceedings shall be English.