

**JUNGHANS T2M SAS
GENERAL TERMS AND CONDITIONS**

JUNGHANS T2M GENERAL TERMS AND CONDITIONS

1 - GENERAL

The Proposal shall be governed by these General Terms and Conditions (hereinafter called the "GTC").

The Proposal and any form of proposal howsoever made by the Seller is subject to alteration and withdrawal by the Seller's notice to the Buyer at any time until any Contract / Order arising there from has been agreed in writing by both the Buyer's and the Seller's duly empowered representatives. Unless withdrawn by the Seller, the Proposal shall be valid for a period of three (3) months starting from the date of its issuance or any other period specified in the Proposal.

For the interpretation of these GTC, whenever used in these GTC (in singular or plural form), the words listed below shall have the meaning respectively ascribed to them as follows:

- Contract shall mean any contract to be entered into by the Buyer and the Seller and resulting from this Proposal.
- Order shall mean any order for the purchase of the Equipment / Software sent by the Buyer to the Seller resulting from this Proposal and which has been accepted in writing by the Seller.
- Equipment shall mean the equipment (including any computer program embedded into the Equipment) and the associated documentation described in the Proposal.
- Software shall mean the computer program(s) not embedded into any Equipment and associated documentation as described in this Proposal, if any.
- Seller shall mean JUNGHANS T2M.
- Buyer shall mean any person, company or entity, public or private, interested in the purchase of the Equipment / Software from the Seller on the basis of the Proposal.
- Party shall mean either the Seller or the Buyer.
- Parties shall mean collectively the Seller and the Buyer.
- Proposal shall mean all the documents (and any revision and/or amendment thereof), including without limitation commercial, technical, and financial documents, sent by the Seller to the Buyer together with these GTC.

2 - CONTRACT / ORDER

No condition issued by the Buyer shall commit the Seller unless expressly agreed in writing by the Seller.

These GTC shall apply to any Contract / Order resulting from this Proposal unless otherwise expressly agreed in writing by the Seller, and are exclusive of the Buyer's own general conditions of purchase and of any other document issued by the Buyer.

The governing language of the Contract / Order shall be the English language.

3 - PRICES - PAYMENTS

3.1 Prices

Prices refer only to such Equipment / Software as specified in the Proposal.

The prices are fixed and firmed during the period of validity of the Proposal, unless otherwise specified in the Proposal.

The prices of the Equipment / Software are stated for delivery of Equipment / Software as per the Incoterm mentioned in the commercial part of the Proposal (ICC Incoterms - 2000 Edition).

Prices have been computed free of VAT (Value Added Tax) in France and free of any tax, duty or any other charges outside France which will be at the exclusive charge of the Buyer as specified in clause 15 of these GTC.

3.2 Payments

Payment domiciliation

All payments shall be made free of any deduction whatsoever in favor of the Seller on its bank account mentioned in the commercial part of the Proposal or in the invoice sent by the Seller.

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Currency

Accounting, invoicing and payment currency shall be the EURO (EUR), unless otherwise stipulated in the commercial part of the Proposal.

Conditions of payment

Unless otherwise stipulated in the commercial part of the Proposal, the payment shall be made according to the following terms:

- An advance payment of thirty percent (30%) of the total Contract / Order amount shall be due and paid to the Seller by bank transfer on Seller's bank account within thirty (30) calendar days from the date of signature of the Contract / acceptance by the Seller of the Order (as a condition for the Contract's / Order's effectiveness as stipulated in clause 18), against remittance to the Buyer of commercial invoice for same amount.
- Balance, seventy percent (70%) of the total Contract / Order amount shall be paid by means of an irrevocable, operative and notified documentary credit to be opened within thirty (30) calendar days from the date of signature of the Contract / acceptance by the Seller of the Order, as a condition for the Contract's / Order's effectiveness, by a first class bank (to be agreed upon by the Seller), notified (or confirmed, at the Seller) by a bank to be defined by the Seller. Said documentary credit shall valid up to three (3) months after the date of last delivery of the Equipment / Software, and be extendible for appropriate period(s) of three (3) months at the Seller's request in order to allow complete drawing.

The documentary credit shall be payable at sight as follows:

- Seventy percent (70%) of the Equipment / Software value shall be paid along with and prorata to value of deliveries against presentation to the notifying (or confirming) bank of the following documents (or copies):
 - Commercial Invoice,
 - Factory Acceptance Certificate as per clause 4 of these GTC,
 - Packing list,
 - Forwarder's Certificate of Receipt (FIATA FCR), or Bill of Lading or Air Waybill, or any other document proving delivery, or warehouse certificate issued by the Seller in case of storage as specified in clause 6 of these GTC, as the case may be.

All bank charges related to the documentary credit will be at the Buyer's charge.

Said documentary credit shall be construed in accordance with the Uniform Customs and Practice for documentary credits of the International Chamber of Commerce (Publication No. 500 as of 1993). It will comprise authorisation for transshipments, prorata drawings with respect to partial deliveries.

Said documentary credit shall be worded as per the model shown in the Proposal.

Should said documentary credit not comply with the provisions of this Article, then the Seller shall be entitled to postpone the delivery period without incurring any liability and to renegotiate the prices accordingly.

4 - TESTS AND ACCEPTANCE

After completion of manufacture and before delivery, the Equipment / Software will be subject to factory inspection and tests (hereinafter called the "FAT") to be performed at Seller's factory in order to check that the Equipment / Software comply with the technical specifications of the Contract / Order.

The FAT shall be carried out by the Seller in accordance with the Seller' quality assurance procedures then in force. The Seller shall inform the Buyer of the anticipated date(s) of performance of the FAT. Subject to French regulations applicable for military product, the Buyer shall have the right to delegate one representative to attend the FAT subject to written notification to the Seller within a period of time compatible with the anticipated date of commencement of the FAT. Failure of the Buyer's representative to attend the FAT shall not delay or prevent the performance of such FAT. In such a case, the Seller shall proceed alone.

After successful completion of the FAT, the Seller shall issue and submit to the Buyer's signature a Factory Acceptance Certificate (hereinafter called the "FAC"), which shall be signed by the Buyer not later than two (2) calendar days from its date of submission. Should the Buyer refuse to sign the FAC, the Buyer shall notify the Seller in writing of the reasons thereof within the same two (2) calendar day period of time.

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Any non-conformity discovered during the FAT which is affecting the operational use of the Equipment / Software shall be corrected by the Seller and the corrected Equipment / Software shall be subject to FAT as per the above mentioned procedure. Any non-conformity discovered during the FAT which is not affecting the operational use of the Equipment / Software shall not constitute a ground for not signing the FAC and the Seller shall correct any such non-conformity before delivery.

Should the Buyer fail to sign the FAC within the above mentioned period of time without justified reasons, or should the Buyer fail to attend the FAT despite the notification sent to him by the Seller as per above, the Seller shall then (i) sign the FAC alone and (ii) issue a written statement certifying that the Buyer failed to attend the FAT or did not sign the FAC without notifying the Seller of the non conformities. Said statement along with the FAC bearing the sole signature of the Seller shall then have the same value and effect as if the FAC had been signed by both Parties.

All expenses incurred by Buyer's representatives who will be sent to the Seller's factory to attend the tests described herein shall be entirely borne and paid by the Buyer, except if otherwise stated in the Proposal.

5 - EXPORT REGULATIONS

Should the Equipment / Software be subject to the French rules for exportation of military product, the following provisions shall apply:

- 5.1 The Buyer hereby undertakes not to sell, lend or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, the Equipment (including supplies and spares delivered in connection with the after sales support), documentation, operating manuals and information in any way whatsoever related to this Contract / Order, without the prior written agreement of the French Government.
- 5.2 Within thirty (30) calendar days from the date of signature of the Contract / acceptance by the Seller of the Order, the Buyer shall sign (and, if applicable, make sign the end user) and transmit to the Seller a Non-Transfer Certificate as per the model attached in the Proposal as a condition for the Contract's / Order's effectiveness as stipulated in clause 18.
- 5.3 The wording of clause 5.1 and 5.2 above will be inserted in the Contract / Order.

6 – DELIVERY / TIME SCHEDULE

Delivery shall be performed as per the Incoterm (ICC Incoterm - 2000 Edition) and to the place of destination stated in this Proposal.

Delivery dates are computed from the effective date of the Contract / Order as indicated in clause 18 of these GTC.

Should for any cause beyond the Seller's reasonable control the delivery be delayed or prevented, the Equipment / Software shall be stored and the date of such storage shall be deemed to be the date of delivery. Storage costs, if any, shall then be borne by the Buyer.

7 - TRANSFER OF RISKS AND TITLE

Risk in the Equipment / Software shall pass to the Buyer in accordance with the Incoterm selected for delivery thereof. Title to the Equipment shall be transferred to the Buyer upon transfer of risks as mentioned above. There is no transfer of title with respect to the Software.

8 - WARRANTY

Warranty on Equipment

- 8.1 The Seller's warranty on the Equipment covers defects in workmanship or material which prevent the Equipment from meeting the Contract / Order specifications. Unless proposed otherwise in the Proposal, such warranty shall not exceed a period of twelve (12) months from the date of delivery.
- 8.2 This warranty shall not apply to consumable and expendable items (such as batteries, fuses...) and to defects arising from or connected with Buyer's failure to operate or maintain the Equipment in accordance with the Seller's specifications and documentation and generally with standard practices of equipment operations and shall not be applicable to defects arising from or connected with (i) any combinations of the Equipment with equipment not approved by the Seller (ii) or any modification of the Equipment performed by others but the Seller or its subcontractors (iii) or any accident of the Equipment (iv) or normal wear and tear or (v) improper handling, storage, installation and/or maintenance by others but the Seller or its subcontractors (vi) or inadequate energizing.

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- 8.3 The warranty shall be limited to the replacement or repair by the Seller, at its choice, of defective Equipment and redelivery of repaired or replaced Equipment in accordance with the initial delivery conditions provided that (i) the defect has been reported to the Seller within fifteen (15) calendar days from discovery thereof, and (ii) that the alleged defective Equipment have been effectively found defective in the Seller's factory. Repaired or replaced Equipment shall be warranted for the remaining warranty period only.

Warranty on Software

- 8.4 For a period of three (3) months from the date of delivery of the Software, the Seller will, in the event of any Software supplied by the Seller under the Contract / Order not meeting the technical and operational specifications stated in the Contract / Order and preventing the operational use of the product to which such Software is dedicated, correct such major deficiencies which are reproducible and which are detected by the Buyer when the product is started up.
- 8.5 The warranty shall be valid provided that (i) the Buyer gives written notification to the Seller of the defect within 15 (fifteen) calendar days from detection thereof, that (ii) the Software has not been modified by the Buyer or any third party unless with the Seller' prior written approval, and (iii) the Software has been used by the Buyer in accordance with its intended use as stated in the Contract / Order and the Seller specifications and instructions.
- 8.6 After the above mentioned warranty period, the Seller is prepared to correct anomalies of the Software on the basis of a mutually agreed maintenance contract.

General provisions

- 8.7 For part(s) or component(s) of the Equipment / Software supplied but not designed or manufactured by the Seller, the Seller shall use its best endeavours to obtain the best warranty from its suppliers for such parts or components and further agrees to pass the benefit of such warranty to the Buyer.
- 8.8 Except as otherwise stated in the Proposal, transportation and insurance costs for defective parts returned to the Seller shall be at the Buyer's charge and transportation and insurance costs for parts replaced or repaired by the Seller shall be at the Seller's charge.
- 8.9 The warranty obligations of the Seller and the rights and remedies of the Buyer in this clause 8 are exclusive and in lieu of, and the Buyer hereby 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 Equipment / Software.

9 - LIQUIDATED DAMAGES FOR LATE DELIVERY

In case of late delivery of the Equipment / Software, the Seller shall owe to the Buyer, in the conditions set forth hereunder, liquidated damages (hereinafter called the "LDs"), these being a genuine pre-estimate of all costs, expenses and damages suffered or incurred by the Buyer as a result of said delay.

- (i) LDs shall only apply in the case of delay in delivery of the Equipment / Software for a cause within the Seller' reasonable control which term excludes, by way of example, force majeure (as defined in clause 10 of these GTC) and/or any act or omission of the Buyer.
- (ii) The LDs shall amount to 0.5 % of the price of the delayed Equipment / Software per completed month of delay after the expiry of a 60 (sixty) calendar day grace period, up to a maximum of 5% of such price.
- (iii) The detailed statement of liquidated damages shall be notified to the Seller which shall be entitled to submit its comments to the Buyer within thirty (30) calendar days from the receipt of the notification of the statement. Beyond this thirty (30) calendar day time-limit, the Seller will be deemed to have accepted the liquidated damages and will have to pay them through direct bank transfer exclusively.
- (iv) If within a ninety (90) calendar day period from delivery date of the Equipment / Software, the Buyer does not claim its right to liquidated damages in a written notice by mail with acknowledgement of receipt, the Buyer will be deemed to have waived its rights thereto. This waiver however will not prevent the Buyer to claim LDs for possible delay with respect to any other delivery, if any.
- (v) Payment by Seller of the LDs are in full satisfaction for the Seller' delay liability and are exclusive and in lieu of any other compensation or damage.

10 - FORCE MAJEURE

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- 10.1 The Seller shall not be liable for any failure to perform any contractual obligations if the performance of such is, partly or wholly, delayed, prevented or hindered by an event of force majeure.

Shall be considered as an event of force majeure any event the causes of which are beyond the reasonable control of the Seller, such as but not limited to, fires, gales, floods, earthquakes, explosions, accidents, strikes and/or industrial conflicts, hostilities, riots, war (whether or not declared), rebellions, sabotage, acts of public enemy, civil commotion, epidemics, quarantines, inability to procure parts, raw materials or machines (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), Acts of God, delay from a subcontractor caused by an event of force majeure as defined herein.

- 10.2 The occurrence of an event of force majeure shall automatically suspend the performance of the Contract / Order and all the time schedule of the Contract / Order shall be postponed for the period necessary to overcome the effects of the force majeure event.

However, if the performance in whole or part of any Seller's obligation under the Contract / Order is delayed by reason of force majeure for a period exceeding six (6) continuous months, either Party may terminate the Contract / Order or any part thereof in accordance with clause 16.1 of these GTC; the Parties then will try to establish by mutual agreement a liquidation settlement. Failure to reach such an agreement shall be deemed as a dispute and settled in accordance with clause 17 of these GTC.

Termination shall not affect debts already payable between the Parties, in particular for the Equipment / Software under production prior to the date of termination.

11 - LIABILITY

- 11.1 The Seller shall not be liable under any circumstances to the Buyer, its officers, agents, employees, successors and assignees, for any special, consequential, indirect, punitive and incidental damage of whatsoever kind or nature, including without limitation, 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 any lack or loss of use of the Equipment / Software or part thereof or any other property for any reason whatsoever.

- 11.2 The total cumulative liability of the Seller arising out of or in connection with the Contract / Order, from any cause whatsoever, shall in no event exceed twenty per cent (20%) of the Contract / Order price.

The foregoing shall not affect the right of the Buyer to claim for compensation against the Seller with respect to direct damage that the Buyer may suffer as a result of gross negligence of the Seller.

"Gross negligence" shall mean an action or omission implying an obvious lack of care of the Seller (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.

12 - INTELLECTUAL PROPERTY RIGHTS - PATENT INDEMNITY

- 12.1 The information and data contained in any document or support of information supplied by the Seller to the Buyer under the Proposal or in connection with the Contract / Order shall remain the Seller's exclusive property along with all intellectual property rights and copyright attached thereto.

The Buyer shall not make any use of the Information other than for the purpose of making an internal evaluation of the Proposal or, as the case may be, installing, operating and/or maintaining the Equipment / Software in case of Contract / Order award.

The Seller retains and shall retain full ownership of all inventions, designs and processes made or developed before or during (i) the preparation and negotiation of the Proposal as well as (ii) the course of performance of any Contract / Order resulting therefrom.

- 12.2 The Seller shall hold harmless and protect the Buyer against any and all claims which might be based on the alleged infringement of patent rights in the Buyer's country as a consequence of the use by the Buyer of the Equipment / Software in accordance with the technical part of this Proposal, provided (i) that the Buyer shall inform the Seller no later than thirty (30) calendar days after having received any claim for alleged infringement and give the Seller the opportunity to defend and settle such claim under the responsibility of the Seller and (ii) that the Buyer shall refrain from making any admission, declaration or arrangement with the third party raising said claim.

This indemnity shall not cover commercial off the shelf (COTS) or equipment / software for which the Seller has not obtained a similar warranty from its supplier and shall not apply to any infringement which is due to the association or combination of the Equipment / Software with any other article, apparatus or device or to the Equipment /

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Software made with designs supplied by the Buyer or to any modification of the Equipment / Software made without the prior written agreement of the Seller.

Should a court or an arbitrator finally establish that there has been a patent infringement or should the Seller consider that the Equipment / Software could be the subject of a claim or suit for infringement, the Seller may choose at its own cost one of the following solutions :

- to obtain the right for the Buyer to continue the use of the Equipment / Software,
- to substitute equivalent equipment for the infringing Equipment / Software,
- to modify infringing Equipment / Software so as to eliminate the infringement.

The foregoing states the entire liability of the Seller with respect to the infringement of any patent or of any intellectual property right by the Equipment / Software or any part thereof or by its operation.

13 - CONFIDENTIALITY

The Buyer shall keep all information received from the Seller in the framework of the Proposal and the resulting Contract / Order (hereinafter called the "Information") in strict confidence and shall not disclose any part of the Information to any person other than its employees who need to know such Information for the purposes making an internal evaluation of the Proposal or, as the case may be, installing, operating and/or maintaining the Equipment / Software under the Contract / Order. Any other disclosure shall be subject to the Seller's prior written approval. Such commitment shall remain valid for a period of five (5) years from the date of issuance of the Proposal and, in case a Contract / Order is entered into by the Parties, during the performance of such Contract / Order and for a period of five (5) years from the date of expiration of the last obligation under the said Contract / Order or termination of the same.

14 - SOFTWARE

- 14.1 The Seller hereby grants to the Buyer a non-exclusive, non-transferable, non-assignable and irrevocable licence to use the Software only with the computers for which such Software has been acquired according to the technical part of the Proposal and/or Contract / Order. This licence shall not be construed, deemed or interpreted as giving or have given the Buyer any proprietary right in any Software.
- 14.2 The Software shall be supplied to the Buyer in object code only and in its latest available version, unless otherwise stated in the Proposal or agreed upon between the Parties.
- 14.3 Unless agreed otherwise (such agreement to be made in writing by an authorised officer of the Seller), the Buyer shall not in relation to the Software or any documentation associated with the same do any of the following: copy, permit to be copied, de-compile, reverse engineer, translate, modify, disassemble, place on to the internet or any intranet, publish, decode, enhance, adapt, merge or reduce the Software into source code or any other low level language. In the event that the Seller gives the Buyer written permission to do any of aforementioned prohibited acts with the Software or associated documentation, then the Buyer shall ensure that the Seller or the original supplier is named as the author and include any copyright legend or other applicable and/or relevant proprietary mark identifying the Seller or the original supplier as the author/owner

Notwithstanding the above, the Buyer may make one (1) back-up copy of the Software and any associated documentation for security only.

- 14.4 In the event that the license is terminated as a result of a breach by the Buyer, then the Buyer agrees to remove the Software from its machines and return, at its expense, or, if required, destroy the Software, back-up copies (to the extent that such back-up copies are no longer reasonably required by the Buyer), associated documentation and information relating to the Software.

This paragraph applies to all copies of the Software as it applies to the original copy.

- 14.5 In the event that the Buyer needs further advice, assistance or information to achieve interoperability not warranted under the Contract / Order, then the Buyer should contact the Seller. If the Seller then supplies the Buyer with such information, then the Buyer agrees that it will only use that information for the purpose of achieving interoperability to the exclusion of all others unless otherwise notified and agreed in writing.
- 14.6 Notwithstanding the provisions contained herein, it is understood that, with respect to commercial off the shelf (COTS) Software, the original supplier's licence shall apply to the Buyer.
- 14.7 The licence granted in this clause 14 shall be effective concomitantly with the effectiveness of the Contract / Order as stipulated in clause 18 of these GTC. The completion or the termination of the Contract / Order shall not relieve the Buyer from its obligations under this clause 14.

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15 - TAXES

All taxes, levies, duties and other charges of any nature, applicable or to become applicable in France for the performance of the Contract / Order, shall be entirely borne by the Seller.

All taxes, levies, duties and other charges of any nature, applicable or to become applicable outside France for the performance of the Contract / Order, shall be entirely borne by the Buyer.

Provisions of this clause 15 shall survive the completion of any obligation under the Contract / Order or expiration or termination of the Contract / Order.

16 - TERMINATION

16.1 The Contract / Order may be partly or wholly terminated by either Party, with respect to the uncompleted part thereof only, by operation of law and without demand in the sole following cases:

- (i) Material default of the other Party in any of its obligations under the Contract / Order when such default remains unremedied for a period of three (3) months after written notice to remedy by the non defaulting Party; or
- (ii) 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) Force majeure event for a continuous period exceeding six (6) months as provided in clause 10 of these GTC.

16.2 Termination for the Seller's delay shall not occur before the liquidated damages have reached their maximum amount as provided under clause 9 of these GTC.

16.3 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 17 of these GTC.

17 - APPLICABLE LAW AND SETTLEMENT OF DISPUTES

17.1 This Proposal and the ensuing Contract / Order shall be governed and interpreted in accordance with the French laws with the exclusion of their conflict of laws provisions.

17.2 In the event of any dispute, controversy or claim arising out of or in connection with this Proposal and/or the Contract / Offer (hereinafter called a "Dispute"), the Parties shall in the first instance do their best efforts to settle such Dispute amicably through escalation of such Dispute within their respective organisation.

For Dispute which the Parties are unable to settle amicably between themselves within thirty (30) calendar days according to the foregoing, the Parties agree to submit the said Dispute to settlement proceedings under the International Chamber of Commerce Alternative Disputes Resolution ("ADR") rules.

If the Dispute has not been settled within a period of forty five (45) calendar days or any other period agreed upon following the filing of a request for ADR pursuant to the said ADR rules, such Dispute shall be finally settled by arbitration. The arbitration shall be held in Paris (France) in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.

Any Party shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the International Chamber of Commerce in accordance with its Rules.

At each of the above described steps, the proceedings shall be conducted in the English language.

18 - CONTRACT / PURCHASE ORDER EFFECTIVE DATE

Should a Contract / Order result from this Proposal, said Contract / Order shall become effective on the date upon which, after the Contract signature by the Parties / acceptance by the Seller of the Order, the following conditions shall be fulfilled:

- (i) receipt by the Seller of the advance payment referred to in clause 3.2 of these GTC; and
- (ii) notification (or confirmation) to the Seller of the operative documentary credit referred to in clause 3.2 of these GTC, all in accordance with said clause 3.2; and

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- (iii) if applicable, receipt by the Seller of the Non Transfer Certificate referred to in clause 5 of these GTC duly signed by the Buyer (and, if applicable, by the end user).

In case were the above mentioned conditions would not be fulfilled within a period of three (3) months computed from the date of signature of the Contract / acceptance by the Seller of the Order, said Contract / Order shall automatically be deemed null and void and of no further effect.

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ANNEX

MODEL OF IRREVOCABLE DOCUMENTARY CREDIT

ISSUED BY : First class bank (to be agreed upon by JUNGHANS T2M)

PLACE OF VALIDITY: Paris, France

DATE OF VALIDITY: ___/___/___ being the last to occur of the following date: three (3) months after the date of last delivery of the Equipment / Software or three (3) months after date upon which the Services shall be performed and extendible for appropriate period(s) of three (3) months at JUNGHANS T2M request in order to allow a full completion of the Contract and full drawings.

NOTIFIED BY : <Name of the Bank (To be defined by JUNGHANS T2M)
Address of the Bank>

APPLICANT : The Buyer

BENEFICIARY: JUNGHANS T2M

AVAILABLE BY NEGOTIATION AT ANY BANK IN FRANCE FOR PAYMENT AT SIGHT :

AMOUNT: **CURRENCY:**

COVERING: Description of contractual items to be paid under the documentary credit

REPRESENTING: Seventy percent (70%) of the total contract amount, i.e.
An advance payment of thirty percent (30%) being paid by bank transfer

PARTIAL SHIPMENT, PARTIAL DRAWINGS : Allowed

TRANSHIPMENT: Allowed

DELIVERY : in accordance with contractual delivery terms....., as per Incoterms of 2000

- Seventy percent (70%) of the Equipment / Software value i.e., shall be paid along with and prorata to the value of deliveries against presentation of the following documents (or copies) :
 - Commercial Invoice,
 - Factory Acceptance Certificate ("FAC") signed by both parties or by JUNGHANS T2M only. In such case, JUNGHANS T2M shall provide with such Certificate a written statement certifying that the Buyer failed to attend the FAT or did not sign the FAC within two (2) days after its date of submission without notifying the Seller of the non conformities,
 - Packing list,
 - Forwarder's Certificate of Receipt (FIATA FCR), or Bill of Lading or Air Waybill, or any other document proving delivery, or warehouse certificate issued by JUNGHANS T2M.
- Seventy percent (70%) of the Services value i.e., shall be paid along with and prorata to the value of Services completed against presentation to the here above mentioned French Bank of the following documents (or copies):
 - Commercial Invoice,
 - Certificate of Completion signed by both parties or by JUNGHANS T2M only. In such case JUNGHANS T2M shall provide with such Certificate a written statement certifying that the Buyer has failed to sign the said certificate within two (2) calendar days after the date of its presentation without notifying the Seller of the substantiated reasons for doing so.

SPECIAL INSTRUCTIONS :

- 1- Documents presented over 21 days are acceptable,
- 2- Confirmation at the Beneficiary's option,
- 3- Operative instrument: yes,
- 4- All bank charges related to the documentary credit will be at the Applicant's charge,
- 5- This documentary credit is subject to uniform customs and practice for documentary credits (1993 revision), International Chamber of Commerce, publication nr 500,
- 6- Negotiating bank is authorized to claim reimbursement to the EUR correspondent of (name of issuing bank).