



PURCHASING AND PAYMENT GENERAL TERMS

ARTICLE 1: Application of purchasing general terms – conflicting clauses

Our purchase orders will be processed as specified by the General Terms contained therein. The acceptance of our orders by the vendor or supplier will exclude any conflicting clause that may exist in the vendor's or the supplier's own selling General Terms or other clauses stipulated on any other document. The supplier will acknowledge he/she has read the purchasing General Terms he/she has signed. No change will be made to the purchase orders unless such a change has been approved in writing by the buyer.

By returning the acknowledgement of receipt or initiating the fulfillment of the orders, the vendor will implicitly accept the terms contained therein.

ARTICLE 2: Delivery

The delivery contract date for the goods will be specified on the PO; it will be the date on which the supplier made a commitment to make the goods available to the buyer with the proper quality level and quantity at the address specified on the PO.

The buyer will be able to change the quantities and delivery dates initially agreed on, unless the supplier formally disagrees in writing within the 10 days following the date on which he/she has been informed. No delivery will be made before the date specified on the PO without the buyer's prior approval.

ARTICLE 3: Shipment

Any shipment sent to the buyer will be accompanied with a shipment voucher prepared in three copies by the supplier and including all the data required to identify the parcels (e.g. PO number, designation and quantity of goods, name of carrier). One copy will be mailed to the buyer 2 days before the delivery date; another copy will go with the parcels and placed inside the packaging. The certificates and inspection reports made by the supplier will also be included in the packaging.



ARTICLE 4: Transportation

If not specified otherwise on the PO, the supplier will pay for the insurance and transportation of the goods to the location indicated by the buyer.

ARTICLE 5: Payment

Unless otherwise agreed when making the order, no down payment will be made at the time of the ordering and the invoices for any kind of goods will be paid net price 30 days end of the month of the invoice date.

Unless otherwise agreed in writing, payments will be electronic. No payment made will imply any acceptance of the quality or compliance with the PO of the delivered goods.

ARTICLE 6: Intellectual property

Should the buyer's liability be sought by a third party for allegedly violating patents or copyrights or illegally using manufacturing secrets or confidential information in connection with the delivered goods, the buyer will immediately inform the vendor of such a situation.

The parties will discuss the means they will find to be the most appropriate to defend the buyer.

In any case, the vendor will protect the buyer against being liable for any indemnity further to the vendor's violating his obligations and to reimburse to the buyer any lawsuit costs he may have incurred for that very reason.

ARTICLE 7: Over shipments

With the exception of the quantity variations which are normally accepted when conduction business operations, delivered quantities exceeding the quantities specified on the PO will not be accepted and will not be paid for.

The buyer will be able to return over shipped goods at the vendor's cost and risk.



ARTICLE 8: Manufacturing and material obligation

The buyer will in no way be held responsible for the vendor's creating a stock of goods out of proportion with quantities ordered.

ARTICLE 9: Cancellation

Should the vendor remain unable to fulfill an order within 60 days following a reminder, the buyer will be in a position to cancel that order.

In such a case, the cancellation will become effective without requiring a court decision and the vendor, considered as being wrong, will be liable for any possible damages.

ARTICLE 10: Delayed deliveries

Any delivery made after the agreed date (as specified on the PO) will result in penalties.

The amount of such penalties to be deducted from the payments as stipulated in article 5 above will be either equal to the loss incurred by the buyer further to the vendor's default or equal to a percentage of the value exclusive of taxes of the delayed delivery.

Unless otherwise specified, that percentage will be 0.5% per week during the first 4 weeks and 1% per week beyond that time frame.

Any delay exceeding 60 days may justify the enforcement by the buyer of article 9 above.

Independently from the preceding stipulations, should the vendor fail to fulfill orders or to make a delivery, or should the buyer refuse to accept a delivery as initially agreed, the other party would have a reason to cancel the remaining orders, except if the delay can be justified as outlined hereinafter. A justified delay will not be considered as a failure to meet an obligation. The term "*justified delay*" as used in this paragraph means any delay in making or accepting deliveries which results without fault or negligence on the part of the party involved and which is due to causes beyond its control including, without being limited to, unexpected circumstances or acts of malevolence, any preference, priority or allocation order issued by the Government or any other act of Government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, freight embargoes; unusually severe weather, and delays of a supplier due to such causes. Each party shall promptly notify the other of any such delay and the cause thereof.



ARTICLE 11: Quality and Guarantee

The vendor will explicitly guarantee that all the goods, materials and labor specified on the orders will meet the specifications, drawings, samples or other descriptions provided or explicitly adopted by the buyer and that they will be free of any defect, including a design mistake if it is the vendor's design.

If the goods are not ordered according to the buyer's specifications, the vendor will guarantee that their quality will be commercially correct, adequate and suitable for their intended use.

The vendor will guarantee that his/her manufacturing processes will comply with the quality manual of JOHN DEERE, SAS and that their delivered goods will comply with applicable safety standards, labeling requirements and adequate warnings.

The vendor will guarantee that all the goods, articles, and work specified on the orders will be free of asbestos or other hazardous substances

The quality manual will be available on the following web site:

http://jdsupply.deere.com/business_processes/quality_process/quality_manuals/quality_manuals_index.htm

ARTICLE 12: Inspection

The buyer will, as he/she elects, be able to inspect, and test the goods at the vendor's plant or at their delivery location.

Such an inspection or test will nonetheless never be an obligation for the buyer.

The buyer will also be able to monitor inspection procedures for the vendor's product quality and reliability along with the relevant data.

However, the acceptance of the goods by the buyer will not free the vendor of his/her obligations.

ARTICLE 13: Standards – Inspection

The supplier will manufacture the products as required by the quality standards and manufacturing techniques specified by the buyer on the PO.

The supplier will send to the buyer samples of such products, picked at random on the production line, and will make a commitment to correct any defect, should such samples turn out not to be compliant with specified quality standards and manufacturing techniques.



ARTICLE 14: Transfer of ownership and liability

The transfer of ownership will be made according to legal business rules notwithstanding any ownership restriction clause that may not be brought up against the buyer unless it is signed by one of the buyer's approved representatives.

The transfer of liability will be made on delivery of the goods at the location indicated on the PO.

ARTICLE 15: Manufacturing change

The vendor will inform the buyer at least one month in advance and in writing of any change brought to the specifications, design, part numbers or identification mode as well as of any major changes brought to the processes, the location of manufacturing, and the execution mode.

The buyer will be able to call on the vendor to make on production units whatever tests he/she will deem to be required.

ARTICLE 16: Goods

If the goods do not meet to the guarantee provisions stipulated in article 11 above, the vendor will, as soon as he/she is informed of such a situation by the buyer, immediately repair or replace the defective goods at his/her exclusive cost and also pay for the transportation costs.

Failing to do so, will place the buyer in a position to cancel all PO's for the goods concerned.

The vendor will be responsible for any kind of damage that might result from delivering non-compliant or defective goods.



ARTICLE 17: Manufacturer's liability and penalties

Should the buyer receive from a customer a complaint about a delivered goods that might make the buyer liable and cause him/her damage, the buyer will immediately notify the vendor.

The parties will determine the means they will deem to be the most adequate to challenge such a complaint.

In any case, the vendor will guarantee he/she will protect the buyer against any penalty triggered by a defect or a non-compliance of a delivered goods as well as against any lawsuit costs (lawyer fees, expenses, damages).

ARTICLE 18: Insurance

The vendor will take an insurance policy with a reliable insurance company to cover his/her civil liability with third parties in case of physical or body damage for an amount at least equal to € 15,000; the vendor will, on the buyer' request, provide evidence of such an insurance policy.

ARTICLE 19: Goods on consignment

Machinery, equipment, tooling, fixtures, dies, patterns, blueprints, specifications, samples supplied to the vendor by the buyer free of charge will be kept on consignment by the vendor.

They will be returned by the vendor at the buyer's first request.

For all this equipment, the vendor will take insurance coverage against any kind of loss or damage for an amount corresponding to its value.

ARTICLE 20: Packaging legal requirements

The goods will be labeled and packed as legally required.



ARTICLE 21: Special tooling

Unless otherwise specified, the vendor will procure at his/her cost the special tooling, dies, templates, schematics, machinery and equipment necessary to fulfill orders; such equipment will be the vendor's property.

ARTICLE 22: Transfer

In no case will the vendor be able to transfer the orders to a third party without the written approval of the buyer.

ARTICLE 23: Confidentiality

As the fulfillment of the orders may entail communicating confidential information, the vendor will not use such information for any purpose other than the fulfillment of orders nor to forward such information to a third party.

The vendor will not use nor sell to a third party the goods made from the drawings, tooling or equipment supplied by the buyer.

This obligation will remain effective after the fulfillment or the cancellation of the orders.

ARTICLE 24: Right to audit

On the buyer's simple request, the vendor will give to the buyer or to his/her representative, his/her books, accounts, invoices and company documents (balance sheets...) or any other element that might be useful to audit costs.

Such an audit can be made during the year following the fulfillment or the cancellation of the orders.



ARTICLE 25: Applicable law

The business relationship between the buyer and the vendor will be regulated by the French law and the reference language for contract terms will be French.

ARTICLE 26: Jurisdiction

In case of disagreement or dispute of any kind, either on the order or more generally on the business relationship between the parties, the Trade Court (Tribunal de Commerce) in Orleans will be the competent court to settle such disputes.

JOHN DEERE SAS

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