

**GENERAL TERMS AND CONDITIONS OF PURCHASE (GTCP) - BACCARAT SA**  
**SA Limited Company with capital of 20,767,825 Euros,**  
**20, rue des Cristalleries - BP 31**

**CLAUSE 1 - SCOPE - VALIDITY**

1.1 These general terms and conditions (hereinafter the "GTCP") apply to orders for material goods (hereinafter "Products" or "Merchandise") and immaterial goods (hereinafter "Services") placed with the SUPPLIER by BACCARAT S.A.

1.2 These GTCP are sent by BACCARAT S.A. to the SUPPLIER simultaneously with any purchase order. The SUPPLIER must return to BACCARAT S.A., by fax, e-mail or post, proofs of receipt of the order (PRO) dated and signed and including the handwritten statement "bon pour accord" ("approved") on the PRO notices and on BACCARAT S.A.'s general terms and conditions of purchase; any comment concerning the GTCP can be expressed at this time on each PRO.

1.3. In the event of any comment, the Parties will liaise with each other in order to reach agreement. No delivery should be undertaken by the SUPPLIER before the Parties have reached agreement.

1.4 THE SUPPLIER EXPRESSLY ACCEPTS THAT THE PROVISIONS OF THESE GENERAL TERMS AND CONDITIONS, WHICH IT HAS ACCEPTED, AS WELL AS PURCHASE ORDERS, OVERRIDE ANY PROVISIONS CONTRADICTING OR DIFFERING FROM ITS GENERAL TERMS AND CONDITIONS OF SALE SHOULD THESE HAVE BEEN COMMUNICATED IN CONNECTION WITH ORDERS (AND IN PARTICULAR, PROVISIONS RELATING TO TRANSFER OF OWNERSHIP AND RISK, LIABILITY AND INSURANCE), EVEN IF ITS GENERAL TERMS AND CONDITIONS PROVIDE FOR THEIR OVERRIDING ANY OTHER DOCUMENT.

**CLAUSE 2 - THE SUPPLIER'S OBLIGATIONS - REGULATIONS**

2-1 In the event that the SUPPLIER wishes to subcontract the execution of all or part of an order, the SUPPLIER will remain the guarantor of subcontractors' compliance with these contractual obligations and will stand surety for the consequences, notably financial, of any failure to execute orders or any inferior execution of orders.

2.2 The SUPPLIER's staff remain subordinate to the SUPPLIER in its capacity as employer. Moreover, the SUPPLIER undertakes not to employ illegal workers, to comply with regulations relating to the prohibition of undeclared labour and to supply, if so required by law, the social security documents cited in Articles L.8222-1 and R.8222-1 onwards of the Code du travail (the French labour laws) and to ensure that any subcontractors also do the same. These documents must be provided to BACCARAT S.A. by the SUPPLIER every six months.

2-3 The SUPPLIER declares it complies with the agreements concerning the prohibition of forced labour and any labour by children aged under fifteen years in accordance with the provisions of the United Nations International Convention on the Rights of the Child of 20 November 1989.

2-4 In general, the SUPPLIER is bound by an obligation to produce a specific result. It undertakes to fulfil its duty to provide advice and information. In fulfilling the order, the SUPPLIER undertakes to comply with current standards and regulations, notably labour, consumer protection and environmental regulations (including ICPE, CITES, REACH).

**CLAUSE 3 - DELIVERIES - NON-CONFORMANCE**

3.1 Delivery dates: Deliveries are deemed non-conformant with approved purchase orders for a number of reasons including early or late delivery. The date set for delivery, as shown on purchase orders, is mandatory. The SUPPLIER undertakes to warn BACCARAT S.A. immediately it becomes aware of any event likely to lead to delivery being delayed. In general, only events arising from force majeure, duly evidenced and notified by the SUPPLIER within a period of 3 (three) days from their occurrence, in any written form for which it can obtain proof of receipt by BACCARAT S.A., may lead to the contractual delivery date being postponed. The delivery operation is deemed to have been carried out when the Products have been fully unloaded at the delivery address specified on the approved purchase order and are accompanied by the documents specified by the operational procedure. Except in the event of force majeure, any delay in delivery not accepted in writing by BACCARAT S.A. can lead either to cancellation as of right of the order placed by BACCARAT S.A. who will, if it so wishes, return the Merchandise at the SUPPLIER's expense, or the application as of right of penalties, without prior notice. Unless otherwise specified on the approved purchase order, the amount of these penalties

will be equal to three per cent (3%) of the value of the delayed delivery, per week of delay until receipt of the entire order, with the understanding that the penalties will be capped at twenty per cent (20%) of the value of the delayed delivery. These penalties for late delivery will apply upon payment of the invoices by BACCARAT S.A. and will be offset against the amounts invoiced by the SUPPLIER. They will not exempt the SUPPLIER from compensating BACCARAT S.A. for any other loss or damage it has suffered. Beyond a delay of two (2) weeks, BACCARAT S.A. may cancel either part or all of the non-delivered order. In the case of anticipated early deliveries, the SUPPLIER or its transporter will inform BACCARAT S.A. of any delivery due to take place earlier than the agreed delivery date and will bear any additional costs incurred as a result of the early delivery (storage, etc.), to the extent that the Merchandise was accepted by BACCARAT S.A. earlier than originally specified.

3.2 Quantity: Deliveries are deemed non-conformant with approved purchase orders for a number of reasons including if they are partial or surplus. In the case of partial deliveries, the above provisions (3.1 Delivery dates) will apply for the remainder of the delivery. For surplus deliveries, BACCARAT S.A. reserves the right to accept or refuse the Merchandise. In the event of refusal, the return of the surplus Merchandise will be at the SUPPLIER's expense.

3.3 Quality: deliveries are deemed non-conformant with approved purchase orders for a number of reasons including if Products do not conform with their documentation, the valid sample, the specifications that apply to them or the use for which they are intended. The SUPPLIER guarantees that the Products delivered conform with the orders placed by BACCARAT S.A. In the event of non-conformance, the purchaser will have the choice between:

- cancelling the order after informing the SUPPLIER of this.
- obtaining, at the SUPPLIER's expense, immediate replacement of the nonconformant Products by identical or better-quality Products subject to the same pricing conditions. When the Products ordered are subject to general specifications duly communicated to the SUPPLIER, the SUPPLIER also guarantees conformity of the said Products with specifications of any kind within the product specifications.

3.4 Transport: transport costs, when paid by the SUPPLIER but chargeable to BACCARAT S.A., will not be reimbursed other than by invoice, to the exclusion of any other method, including disbursements or reimbursements upon consignment notes or receipts.

**CLAUSE 4 - PRICES - INVOICING - SETTLEMENT PERIODS**

4.1 Prices: Unless specifically agreed otherwise, the price shown on the approved purchase order includes packaging costs and delivery costs. Any change by the SUPPLIER to prices or payment methods must be communicated to the purchaser at least one month before the date on which the change will apply. If this is not done, the change of prices or payment methods will not apply to BACCARAT S.A. until one month after it has knowledge of the change.

4.2 : Invoicing: Invoices, which will be addressed to BACCARAT S.A.'s accounts department, must show all the details and statements stipulated by Article L441-3 of the Code de commerce (the French trade laws). They must also carry the order number, the reference number of the item or service, and the SUPPLIER's delivery note number, all of which are essential for enabling BACCARAT S.A. to identify and check the invoices. BACCARAT S.A. reserves the right to return any invoice not bearing these details. Any exceptional details or statements on the invoice that conflict with the contractual provisions of the order and these general terms and conditions shall be null and void.

4.3 Settlement periods: Payment of the SUPPLIER's invoices will be made in euros by bank transfer within 45 days from the end of the month counting from the date the invoice was sent, excepting special conditions and subject to conformance of the deliveries or services as set out in Clause 3.

The SUPPLIER undertakes to ensure the invoice reaches BACCARAT S.A. within a period of 4 days following effective receipt of the Merchandise

Any failure to fulfil this obligation will entail the extension of the settlement period by 30 calendar days.

#### CLAUSE 5 - TRANSFER OF OWNERSHIP - TRANSFER OF RISK

5.1 Transfer of risk: Other than by specific written agreement, the Merchandise travels at the risk of the SUPPLIER. Transfer of risk takes effect from signature of the delivery slip by BACCARAT S.A. for national deliveries and in accordance with the Incoterm that appears on the approved purchase order for deliveries from one country to another.

5.2 Transfer of ownership: Unless otherwise stated, ownership of Products is transferred to BACCARAT S.A. with effect from unconditional acceptance of the Products upon delivery. Any clause reserving ownership is deemed unwritten.

#### CLAUSE 6 - INTELLECTUAL PROPERTY

The SUPPLIER guarantees that the Merchandise delivered is not open to any claim of industrial or artistic property (patents, brands, designs and models), and that photographs of the Products may be reproduced via any medium including the Internet, in the absence of any contrary decision communicated by letter sent by registered post with recorded delivery. The SUPPLIER insures BACCARAT S.A. against any claim by third-party owners of previous rights to all or part of the Products and undertakes to defend, at its own expense, BACCARAT S.A. against any lawsuit for violation of author's rights or other ownership rights brought by a third party in relation to the said Products.

It is understood that the fulfilment of orders does not confer on the SUPPLIER any intellectual property rights including in relation to brands, patents, designs, models, samples, prototypes, plans, standards, mock-ups, moulds or any of BACCARAT S.A.'s other equipment or parts. The SUPPLIER undertakes to automatically hand over to BACCARAT S.A. any result of the development of Products (including intellectual property rights) as these arise during the course of their production, in any medium, for any country and for the entire legal protection period granted by national laws.

#### CLAUSE 7 - RESPONSIBILITY AND INSURANCE

7.1. The invoiced Product is guaranteed against any defect in materials or manufacture for a period of twelve (12) months from the date on which BACCARAT S.A. accepts the delivery. In relation to this guarantee, the SUPPLIER will take responsibility for reimbursing all damages and costs associated with the replacement or repair of items made with the defective Product(s).

7.2 The SUPPLIER is subject to an obligation to produce a specific result in the context of fulfilling its contractual obligations (meeting deadlines, etc.) 7.3 In the event of BACCARAT S.A.'s liability being pursued by a third party and incurred, including in relation to the quality of Products or the nonconformance of Products to regulations, the SUPPLIER will as a matte

of course act in the lawsuit as third-party guarantor for BACCARAT S.A. for any costs and penalties. In the event of its incurring liability for personal injury or material or immaterial damage caused to BACCARAT S.A. or to a third party by itself directly or by one of its subcontractors, the SUPPLIER insures BACCARAT S.A. against any ensuing consequences. Each Party will inform the other Party without delay of any claim or incident relating to the fulfilment of orders.

7.4 Before any steps are taken to start fulfilling the first order, the SUPPLIER will take out and keep in force a general liability insurance policy and any other policy necessary for covering the risks of its business activities. Upon request by BACCARAT S.A., the SUPPLIER must produce a certificate drawn up by its insurer setting out the guarantees and sums insured.

#### CLAUSE 8 - CONFIDENTIALITY

8.1 Information obtained by either Party in the context of negotiations and fulfilment of orders and subsequently for a period of three years is confidential, excepting with the prior written agreement of the other Party and excepting any official request from a public administrative or legal authority to disclose documents. The following types of information are considered confidential: financial data, quantities of Products ordered, and any information described as "confidential" by either of the Parties.

8.2 The SUPPLIER cannot refer to BACCARAT S.A. as being or having been its customer except with the prior written agreement of BACCARAT S.A., who, at all times, reserves the right to inspect such a reference, which the SUPPLIER expressly accepts.

#### CLAUSE 9 - LAW AND JURISDICTION

The Parties expressly accept that orders are governed by French law. IN THE EVENT OF LITIGATION, EXPRESS AUTHORITY IS GRANTED TO THE JURISDICTIONS OF NANCY (54)

#### CLAUSE 10 - INTUITUS PERSONAE

10.1 The Parties will refrain from any partial or complete assignment to a third party of their rights and obligations arising from these GTCP, and from any transmission, assignment or transfer of orders without the other Party's prior written agreement.

10.2 The SUPPLIER undertakes to inform BACCARAT S.A., in writing and without delay, in the event of a judicial settlement or a court-ordered or voluntary liquidation.

#### CLAUSE 11 - PARTIAL INVALIDITY

If one or more provisions of these GTCP are held to be invalid or declared as such pursuant to any law or regulation or following a final decision of a competent jurisdiction, the other provisions will retain their full force and scope.

#### APPROVED (\*)

I \_\_\_\_\_ I \_\_\_\_\_

DATE:

NAME:

SIGNATURE:

I \_\_\_\_\_

**(\*): By approving this order, you confirm you have read and accepted the general terms and conditions of purchase that appear on the back**

Last updated: January 2013