



TERMS AND CONDITIONS (FRANCE) FOR THE PURCHASE OF GOODS AND SERVICES AND SPARE PARTS DESTINED FOR THE AUTOMOBILE

Last revised July 2007

1. Scope of Application; Definitions.

These Terms and Conditions of Purchase (France) shall govern buyer's purchase orders, delivery releases and all future transactions with supplier. By accepting receipt of these terms without objection, or by fulfilling our purchase order ("Order") without objection, supplier declares its agreement to their exclusive applicability for the purchase of goods and/or services ("Supplies"), including spare parts. Buyer does not acknowledge any additional or different terms proposed by supplier, unless expressly stated in the Order. When these terms apply, they will supersede entirely Johnson Controls' Global Terms and Conditions of Purchase.

Buyer may modify these terms with respect to future Orders at any time by addressing to the supplier a copy of its revised terms as available on its web site at <http://johnsoncontrols.com/asg/global-terms-de.htm> Unless express objection of supplier within **5** working days following the receipt of this notice, such revised terms will be deemed as accepted by supplier and will apply to all Orders and delivery releases issued thereafter.

2. Offer; Acceptance; Minimum Contract Duration; Automatic Renewal.

Each Order issued by buyer is an offer to supplier to conclude a supplier contract. Supplier shall confirm buyer's Order and subsequent delivery releases in writing or by means of electronic data transmission. As far as such written or electronic acceptance is not usual between buyer and supplier, the individual Order shall be deemed as accepted when no objection has been received from supplier within 5 working days after receipt. The delivery releases are binding when no objection has been received from supplier within one week after receipt.

The Order together with all attachments, exhibits, and supplements constitutes the entire agreement between supplier and buyer and may only be modified by a written amendment, or, for changes to technical requirements of the Supplies, by an Order amendment issued by buyer pursuant to Section 3 of these terms.

Subject to buyer's termination rights, the supplier contract formed pursuant to the Order is binding on the parties for **one year** from the date the Order is transmitted to supplier, unless a different contract term is stated in the Order or a signed agreement. The Order will automatically renew for successive one-year periods after the initial term unless supplier provides written notice **at least 180 days** prior to the end of the current term of its desire that the Order shall not be renewed.

3. Right to Require Technical Changes.

Buyer reserves the right to require reasonable technical changes to drawings, specifications, samples or descriptions of Supplies on the basis of its own findings, its customer's demands or market development. Supplier will promptly make any such requested change. If such a change

leads to an increase or decrease in the unit price or the cost of samples, tools or other expenses, or to a change in time of performance, the parties will mutually conclude an appropriate agreement. In case of an increase, supplier has to inform buyer without undue delay.

4. Non-binding Forecast of Demand; Delivery Releases; Additional Quantities.

Quantities listed in each Order constitute a non-binding forecast of demand, unless expressly stated as firm orders. The non-binding forecasts are buyer's best estimate of the quantities of Supplies it might purchase from supplier for the contract term. Non-binding means that supplier shall not be entitled to claim payment and acceptance of the forecasted demand by buyer, i.e. the forecast is no commitment to a stated volume.

Buyer may also purchase additional quantities of the listed Supplies using delivery releases.

If no quantity is stated in the Order or if the quantity of Supplies is stated as zero buyer will specify the quantity in subsequent delivery releases. In this case, supplier is obligated to make available buyer's requirements for the Supplies in quantities as specified in the delivery releases that are transmitted to supplier during the term of the Order. Buyer is required to purchase no more than those quantities identified as firm orders in delivery releases or, for services, to the extent expressly stated as a firm order in a Statement of Work signed by buyer.

5. Life Cycle Offer/Obligation to Provide Service and Spare Parts.

Supplier shall offer its products from the beginning of series production of the contract products over the entire life cycle of the project, including the obligation towards the automotive industry to provide spare parts for 10 years after a vehicle design or specific part concludes production. Supplier will sell Supplies to buyer in order to fulfill buyer's service and spare parts requirements, at appropriate, mutually and reasonably agreed prices, based on the most recent prices under the Order, taking into account any actual, documented differences in the cost of production, packaging and material costs. Supplier shall ensure that its contracts with subcontractors enable supplier to fulfill its obligations contained in this Section. If Supplier is no longer in a position to supply buyer with service and spare parts, it shall inform buyer thereof in writing and shall develop together with buyer and its customers a solution that covers the requirements of the automotive industry.

6. Transfer of Risk.

The risk of loss passes from supplier to buyer upon delivery to buyer's transportation carrier (or if shipment is by supplier or common carrier, then upon delivery to buyer's designated facility).

7. Just-in-time Delivery; Damages, Premium Freight Costs; Modification of Delivery Terms.

Agreed times and quantities are of the essence under the Order and delivery releases. If agreed delivery dates are not met, the delivery will be considered as being delayed. Supplier will pay any damages incurred by buyer, including costs charged by buyer's customer(s) to buyer, as a result of supplier's failure to comply with agreed delivery dates. Supplier will also pay all premium freight costs over normal freight costs if supplier needs to use an expedited shipping method to meet agreed delivery dates due to its own acts or omissions.

Buyer may reasonably change the rate of scheduled shipments or direct temporary suspension of scheduled shipments. Buyer is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries.

8. Pricing, Shipping; Invoicing; Payment Conditions.

The price of Supplies includes storage, handling, packaging and all other expenses and charges of supplier. The total price also includes all duties and taxes except for any governmentally imposed value added tax (VAT), which must be shown separately on supplier's invoice for each shipment.

Incoterms 2000 will apply to all shipments. Supplies will be shipped FCA (loaded) at supplier's final production location, using buyer's transportation except as otherwise stated in the Order or other written agreement.

All invoices for the Supplies must reference the Order number, amendment or delivery release number, buyer's part number, supplier's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other relevant documents or data. Invoices for tooling and/or capital equipment must be issued only as approved, as provided in the Order.

Payment will be made in Euro by bank transfer or by check on the payment terms stated in the Order. Buyer may withhold payment in case of faulty delivery accordingly.

9. Price Adjustment for Customer-directed Suppliers

If buyer was directed by its customer to purchase from supplier and supplier has negotiated commercial terms with that customer: (a) within three business days of any change in price, specifications or other terms negotiated or proposed between supplier and the customer, supplier will notify buyer in writing and will immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on buyer without buyer's specific written consent; (b) during the term of the Order and for an additional three years, buyer may conduct one or more audits of the Order and any such changes, and supplier will retain all pertinent records and cooperate fully with the audit; and (c) if such audit shows supplier's noncompliance, supplier will reimburse buyer for any price discrepancy or other loss caused by its noncompliance, together with interest at an annual rate of 8% above the applicable base rate plus the cost of the audit.

10. Packaging; Marking; Labeling; Special Warnings or Instructions; Ingredients.

Supplier will properly pack, mark, label and ship Supplies in order to avoid damage in transit and provide buyer with the necessary documentation thereof. Only environmentally acceptable packaging shall be used. Before and at the time Supplies are shipped, supplier will give buyer sufficient warning in writing of any hazardous or restricted material that is an ingredient or part of the Supplies, together with any special handling instructions that are needed to advise carriers, buyer, and their employees how to take appropriate measures while handling, transporting, processing, using or disposing of the Supplies, containers, and packing. Supplier agrees to comply with all laws and regulations pertaining to product content and warning labels, including without limitation the U.S. Toxic Substances Control Act and European Union Directive 2000/53/EC. Supplier will promptly provide buyer with the following information in the form requested by buyer: (i) a list of all ingredients and materials in Supplies; (ii) the amount of all ingredients, and (iii) information concerning any changes in or additions to the ingredients.

11. Compliance with Customs Regulations and Export Control Regulations.

Credits or benefits resulting from the Order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to buyer. Supplier will provide all information and certificates (including EC movement certificate) necessary to permit buyer (or buyer's customers) to receive these benefits or credits. Supplier agrees to fulfill any customs-related obligations, origin marking or labeling requirements, as well as local content origin requirements.

Export licenses or authorizations necessary for the export of Supplies are seller's responsibility unless otherwise stated in the Order, in which case supplier will provide the information necessary to enable buyer to obtain the licenses or authorizations.

12. Supplier Quality Assurance System; PPAP; Obligation to Examine Supplies; Required Programs.

Supplier shall maintain a quality assurance system in line with most recent standards of automotive technology, especially ISO 9001:2000 or ISO/TS 16949:2002 quality certification, OHSAS 18001 health and safety certification and ISO 14001 environmental certification including registration. Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by buyer or buyer's customers.

Prior to delivery, the Supplies have to be carefully examined by supplier to the extent that buyer can fully rely on their quality and fitness for purpose. If supplier performs any work on buyer's or buyer's customer's premises or utilizes the property of buyer or buyer's customer, Supplier will examine the premises to determine whether they are safe for the requested services and will advise buyer promptly of any situation it deems to be unsafe. Furthermore, supplier's employees, contractors, and agents will comply with all regulations that apply to the premises and may be removed from buyer's premises at buyer's discretion.

If requested by buyer, seller will enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming Supplies, and will participate in and comply with warranty reduction or related programs as directed by buyer that relate to the Supplies.

If requested by buyer, seller will participate in and comply with the following buyer programs and standards:

(a) Buyer's Supplier Standards Manual, accessible at

<http://ag.johnsoncontrols.com/SupplierHandbook>;

(b) Advanced Quality Planning (AQP) and Supplier Individual Development Plans (SIDP);

(c) supplier performance evaluations, as described and accessible at www.jciaqp.com.

13. Inspection Rights; Audit.

Buyer may enter supplier's facility to inspect the facility, Supplies, materials, and any of buyer's property related to the Order. Buyer's inspection of Supplies, during manufacture or prior to delivery, does not constitute acceptance of any work-in-process or finished goods.

Upon reasonable notice to supplier, buyer may conduct a routine audit at supplier's production facility for the purpose of quality verification. Supplier will ensure that the terms of its contracts with its subcontractors provide buyer and its customers with all of the rights specified in this Section.

14. Warranties; Waiver of the Defense of Delayed Notification of Defect; Warranty Period.

Supplier warrants that all Supplies delivered to buyer will conform to the agreed product specifications and are free of defects which annul or diminish value or fitness for normal use or for the intended purpose. Supplier furthermore warrants that the Supplies conform to the latest state of the art, to all applicable laws, orders, regulations and standards in countries where Supplies or vehicles or other products incorporating Supplies are to be sold, including without limitation the National Traffic and Motor Vehicle Safety Act, United States motor vehicle safety standards and European Union Directive 2000/53/EC. For all services, supplier further warrants that its work will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with buyer and otherwise consistent with industry standards.

In light of the quality assurance obligations of supplier pursuant to Section 12 Supplies are to be inspected only with regard to their type and quantity and for externally visible damage caused by transportation upon their arrival and buyer is to be noticed of any of those defects immediately. Buyer is obligated to carry out a more detailed examination only insofar and as soon as this is expedient in the ordinary course of its business. Supplier will notify defects in quality without undue delay upon discovery. Insofar, supplier waives the defense of the delayed notification of defect.

Buyer's claims with respect to material and legal defects of Supplies are within the full statutory scope with the following modifications:

- If defects are noticed at supplier's premises before the start of production (processing or fitting), supplier first shall be given the opportunity to sort out the products as well as to repair or replace them within an adequate grace period, unless this cannot reasonably be expected from buyer. In case supplier is unable to accomplish the afore-stated or in case supplier does not conform with it without undue delay, buyer is entitled to repair the defective Supplies

either by itself or by third parties at the expense of supplier (taking into account the obligation to reduce further damages), or demand a reduction of the purchase price, or demand cancellation of the Order and return Supplies at supplier's risk and cost.

- If defects are noticed after start of production (processing or fitting), defective Supplies shall be repaired or replaced at buyer's discretion. Alternatively, supplier and buyer may agree to reduce quantities under the Order. In the event of a quantity reduction or product replacement, supplier agrees to accept return, at supplier's risk and expense, of the defective Supplies.
- Supplier is to assume the costs incurred by any remedy of defects in Supplies. Any damages incurred by buyer in causal connection with the delivery of defective Supplies shall be borne by supplier, unless supplier acted without fault.
- Due to the special requirements in the automotive industry the warranty period shall run for 60 months commencing with installation of the Supplies in the product of buyer's customer but no later than 66 months after delivery of the Supplies to buyer.
- Buyer's approval of any design, drawing, material, process or specifications will not relieve supplier of these warranties.
- Payment for nonconforming Supplies is not an acceptance.
- Supplier will immediately notify buyer in writing when it becomes aware of any ingredient, component, design or defect in Supplies that is or may become harmful to persons or property.
- If so requested by supplier, buyer shall - at the expense of the supplier - use best efforts to make available to the supplier Supplies that are to be replaced by the supplier.

15. Indemnification; Product Liability; Recall; Insurance.

If product liability claims or any other claims based on supplier's breach of warranties according to Section 14 are asserted against buyer, supplier will indemnify buyer against them upon first demand, insofar as and to the extent that the damage has been caused by a fault in Supplies delivered by supplier. This includes in particular the costs of conducting recall campaigns or other corrective service actions, reasonable professional fees, and of claims resulting from personal injury (including death) or property damage. In cases of liability depending upon culpability, however, this only applies if supplier is at fault. Insofar as the cause of the damage lies within supplier's sphere of responsibility, it bears the burden of proof insofar. Buyer reserves its right to assert further-reaching statutory claims.

Supplier is to take out adequate insurance against the risks of recall, product liability and business interruption, and within 10 days of buyer's written request to provide proof of such adequate insurance. The existence of insurance does not release supplier of its obligations or liabilities under the Order.

16. Termination Rights; Survival of Obligations.

a) Statutory Termination Rights.

Both parties' termination rights, in particular with respect to breach of warranties, breach of duty, in the event of impossibility of performance and termination for substantial cause are within the full statutory scope.

b) Insolvency and Change of Control.

The Order may be terminated without previous notice by each party to the other party in the event that one party becomes unable to pay his due debts or applies for insolvency proceedings. The termination has to be declared prior to the opening of the insolvency proceedings. Each party has to inform the other party without delay of its inability to pay his due debts, of his overindebtedness or of his cessation of payments.

Buyer may also immediately terminate the Order in the event that supplier enters into a transaction that includes a sale of a substantial portion of its assets used for the production of Supplies for buyer or a merger, sale or exchange of stock or other equity interests that would result in a change in control of supplier. Supplier will notify buyer within ten days after entering into any negotiations that could lead to such change in control, provided that upon supplier's

request, buyer will enter into an appropriate nondisclosure agreement related to information disclosed to buyer in relation to such transaction. The right of both parties to terminate for other substantial causes shall remain unaffected.

c) Termination Right Without Cause

Notwithstanding the aforementioned termination rights, buyer may terminate all or any part of the Order without substantial cause by giving written notice to buyer with a notice period of at least six (6) months. Upon receipt of notice of termination, supplier will:

- (a) promptly terminate all work under the Order unless otherwise instructed by buyer under (e);
- (b) transfer title and deliver to buyer the finished Supplies, the work in process, and the parts and materials that supplier reasonably produced or acquired according to quantities ordered by buyer and that supplier cannot use in producing goods for itself or for others;
- (c) verify and settle any claims by subcontractors for actual costs incurred directly as a result of the termination and ensure the recovery of materials in subcontractors' possession;
- (d) take actions reasonably necessary to protect property in supplier's possession in which buyer has an interest until disposal instruction from buyer has been received; and
- (e) upon buyer's reasonable request, cooperate with buyer in transferring the production of Supplies to a different supplier, including continuing production and delivery of Supplies under the terms of the Order for a reasonable transition period as required by buyer and providing buyer with the necessary information and documentation regarding the manufacturing process to complete the transition. Buyer will, at the end of the transition period, pay the reasonable, actual costs incurred by supplier in connection with providing transition support, unless the termination has been caused by supplier's negligent or intentional breach.

Upon termination by buyer under this Section, buyer will be obligated to pay only the following:

- (i) the Order price for all finished Supplies in the quantities ordered by buyer that conform to the Order;
- (ii) Supplier's reasonable actual cost of work-in-process and the parts and materials transferred to buyer under part (b) above;
- (iii) Supplier's reasonable actual costs of settling claims regarding its obligations to its subcontractors to the extent directly caused by the termination and to the extent supplier was not in a position to negotiate respective termination rights and liability exclusions with its subcontractors; and
- (iv) Supplier's reasonable actual cost of carrying out its obligation under subsection (d).

Buyer will have no obligation for and will not be required to pay supplier, directly or on account of claims by supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that supplier fabricates or procures in amounts exceeding those authorized in the delivery releases, or general administrative burden charges from termination of the Order, except as otherwise expressly agreed.

Buyer's obligation upon termination under this Section will not exceed the obligation buyer would have had to supplier in the absence of termination. Seller will furnish to buyer, within one month after the date of termination, its termination claim in accordance with this Section. Buyer may audit supplier's records before or after payment to verify amounts requested in supplier's termination claim.

d) Survival of Obligations

In case of termination, the obligations contained in Sections 5, 14, 15, 17, 18, 19 e)-g) and 24 shall survive.

17. Patents and Other Intellectual Property Rights; Third Party Claims.

All of supplier's work results (including inventions, improvement proposals and other technical novelties, know-how as well as all further results capable of special legal protection) arising from or in connection with work owed on the basis of the Order, especially suggested by buyer or performed with resources, manpower and experience of buyer ("Results") shall be assigned and transferred by supplier to buyer, together with all intellectual property rights relating hereto (including patents, designs, trademarks and/or copyrights) and the right to apply for the legal

protection thereof. At no additional cost, supplier will grant buyer a license to use additional or background intellectual property owned by supplier that is necessary or incident to the reasonably intended use or application of the Supplies.

To the extent that the Results are embodied in reports, data carriers, samples or other documents, buyer shall become the unrestricted owner thereof at the time when they arise. Supplier shall be obligated to inform buyer of any Results capable of special legal protection without undue delay after they arise. The Results shall be treated strictly confidentially in accordance with Section 18.

Supplier warrants that all Supplies or other deliverables provided under the Order will not infringe any intellectual property rights of any third party. Supplier agrees to defend, hold harmless and indemnify buyer and its customers against any claims of infringement of any proprietary right (including any patent, trademark, copyright, moral, industrial design right or misuse or misappropriation of trade secret) and against any resulting damages or expenses, including attorneys' and other professional fees, settlements and judgments caused by the use or sale of the Supplies in accordance with the contract as well as by the contractually designated use of development services, programs and documentation provided by Supplier.

18. Confidentiality.

All terms of the Order and of the delivery releases are to be treated confidentially by the contract parties, including prices. Any reference to business links between supplier and buyer or to the supply contract must not be made (except disclosure to professional advisers of each party on a need-to-know-basis) until prior written approval has been received from the other party. The parties' obligations under this Section will continue for a period of three years from the date of disclosure of information covered by this Section. The restrictions and obligations of this Section will not apply to information that: (a) is already publicly known at the time of its disclosure; (b) after disclosure becomes publicly known through no fault of the other party; or (c) party can establish by written documentation that it was properly in its possession prior to disclosure or (d) was independently developed by the other party without use of or reference to the disclosing party's information.

Following the expiration or termination of the Order, upon buyer's request, supplier will promptly deliver to buyer any and all documents and other media, including all copies thereof and in whatever form, that contain or relate to buyer's confidential or proprietary information.

19. Production Equipment

a) Definition; Title.

All tools, fixtures, gauges, jigs, patterns, castings, cavity dies and molds, packaging, standards or specifications and other means of production and documentation that are special for the production of Supplies under the Order ("Production Equipment") which is made available by buyer to supplier to perform the Order will remain buyer's property. Costs incurred in making this Production Equipment available to supplier shall be borne by buyer. All Production Equipment for which buyer has agreed to reimburse supplier will become buyer's property (including passage of title), to the extent that supplier has been reimbursed for it, as it is fabricated or acquired. Any replacement of buyer's Production Equipment will become buyer's property.

b) Use.

Buyer's Production Equipment will be held by supplier or by a third party, to the extent that supplier has transferred possession of it to a third party, on a bailment basis as a bailee-at-will. Buyer's Production Equipment will not be used by supplier for any purpose other than the performance of the Order, unless supplier gives its written permission for its use by, or for manufacture of, a third party. Buyer's Production Equipment will be conspicuously marked by supplier as the property of buyer, will not be commingled with the property of supplier or with that of a third person, and will not be moved from supplier's premises without buyer's approval. If supplier uses buyer's Production Equipment to produce goods or services similar to Supplies for other customers, including aftermarket customers, such goods or services will not incorporate any

of buyer's logos, trademarks, trade names or part numbers. Seller will not disclose or imply in its marketing efforts that such goods or services are equivalent to those purchased by buyer.

c) Maintenance; Insurance; Risk of Loss.

Supplier will maintain its own Production Equipment in good working-condition and will insure it with full fire and extended coverage insurance for its replacement value. Supplier shall also keep buyer's Production Equipment in usable condition (including repairs and replacements) at its own expense and will insure buyer's Production Equipment with full fire and extended coverage insurance for its replacement value (costs hereof are already reflected in the piece price). Supplier bears the risk of loss of and damage to buyer's Production Equipment.

d) Installation; Liability.

Supplier will carefully inspect, test and approve buyer's Production Equipment prior to any use. Supplier shall be responsible for the safety of the tools, for their safe installation and/or fitting, and has to ensure that all applicable accident prevention regulations and rules are observed. Buyer shall not be liable for any damages caused by safety deficiencies and to this extent supplier shall indemnify and hold buyer harmless from any claim of third parties.

e) Inspection Rights; Return of Production Equipment.

Buyer will have the right to enter supplier's premises to inspect buyer's Production Equipment and supplier's records of it. Supplier undertakes to return buyer's Production Equipment in perfect condition, taking account its length of service, if either party terminates the contract. Upon termination, buyer's Production Equipment will be immediately released to buyer or delivered by supplier to buyer, in which case buyer will pay supplier the reasonable costs of delivery. Alternatively, upon buyer's prior written approval supplier shall dispose of buyer's Production Equipment.

f) Molder's and Builder's Liens; Retention Right.

Supplier waives its rights arising out of any molder's and builder's liens on buyer's Production Equipment, if and to the extent that buyer provides an adequate substitute security for supplier's payment claims. Supplier shall have a retention right only in case of undisputed receivable or receivables that have been approved by binding verdict.

g) Purchase Option.

For the case that either supplier or buyer terminate the contract, Supplier grants to buyer an irrevocable option to take possession of and title to Production Equipment which is not in the (sole) property of buyer upon payment of a proper price, reflecting the degree of amortization of the Production Equipment already reached in series production. If buyer and seller cannot agree upon a proper price an expert to be mutually chosen shall specify the price with binding effect. If they fail to agree upon an accountant within ten days after one party's request to choose an accountant, the expert shall be appointed by the President of the Commercial Court of **Paris**, ruling in interlocutory proceedings, without appeal, based on request by either the buyer or the seller. Any expert so appointed shall act as a third party within the meaning of article 1592 of the French Civil Code, and not as an arbitrator. This option does not apply if supplier's Production Equipment property is used to produce goods that are the standard stock of supplier or if a substantial quantity of like goods are being sold by supplier to others.

20. Tooling; Capital Equipment.

This Section applies only to orders for tooling and/or capital equipment. Buyer will have access to supplier's premises, prior and subsequent to payment, to inspect work performed and to verify charges submitted by supplier against the Order or amendment. The price set forth in the Order or amendment will be adjusted so as to credit buyer in the amount, if any, by which the price exceeds supplier's actual cost as verified. Supplier will retain all cost records for a period of two years after receiving final payment of the charges. All tools and equipment are to be made to buyer's specifications (or, where directed by buyer, those of buyer's customer). Any exception to such specifications must be stated in writing on the Order or otherwise in a signed writing by

buyer. To the extent the Order expressly states that it is for “tooling” or “capital equipment” and unless otherwise stated in the Order, freight terms are DDP buyer’s facility.

21. Non-Assignment.

Supplier may not assign or delegate its obligations under the contract without buyer’s prior written consent. In the event of any approved assignment or delegation authorized by buyer, supplier retains all responsibility for Supplies, including all related warranties and claims.

22. Set-Off

Buyer will have the right to setoff against any payment obligation owed to supplier, any amounts due to buyer or to buyer’s affiliates or subsidiaries.

23. Miscellaneous (Conflict of Interest; Ethics Policy; Electronic Data Exchange).

Supplier represents and warrants that its performance of the Order will not in any way conflict with any continuing interests or obligations of supplier or its employees or contractors. Supplier further warrants that while the Order is in effect, supplier and those of its employees and contractors participating in the performance of the Order will refrain from any activities which could reasonably be expected to present a conflict of interest with respect to supplier’s relationship with buyer or its performance of the Order.

Supplier and its employees and contractors will abide by buyer’s Ethics Policy (available at <http://www.corp.jci.com/ethics/EthicsBrochure.htm>) or supplier’s own equivalent ethics policy.

Buyer may require supplier to participate in, shipping confirmation and other information electronic data interchange or similar inventory management program, at supplier’s expense, for notification of releases.

24. Severability

If any provision of these Terms is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, then such provision shall be construed so that the remaining provisions of these Terms shall not be affected, but shall remain in full force and effect, and any such illegal or overly broad provision shall be deemed, without further action on the part of any person or entity, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in the applicable jurisdiction.

25. Governing Law; Venue.

The entire contractual relationship between buyer and supplier shall be governed by French law with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the French provisions on conflicts of law.

Any disputes arising from or in connection with any Order shall be settled through friendly consultations between the parties. In case no settlement can be reached through consultations any litigation arising from or in connection with any Order shall be submitted to the exclusive jurisdiction and venue of the Commercial court of Paris.