

GENERAL PROFESSIONAL TERMS OF SALE FOR THE PRODUCTION AND SUPPLY OF EQUIPMENT AND SERVICES

1. RECITALS

Unless otherwise stipulated by a joint written agreement, all of our quotations, agreements and contracts are subject to the general terms and conditions below.

These general terms set out the rights and obligations of both parties and are intended to apply to all contractual relations between the « Supplier » and the « Customer ».

2. FORMATION OF THE CONTRACT

The contract consists of the following contractual documents in order of decreasing importance:

- special terms agreed between the parties, and/or the expressly accepted order; or the contract
- the supplier's offer
- these general terms

The contract becomes effective from the time that it is signed or when the supplier expressly accepts the customer's order, and in all cases after receipt of payment of the deposit.

2.1 Modifications

Any modification of the contract requested by one of the parties is subject to written acceptance by the other party. If these modifications affect the contract's technical data, the main clauses should be reconsidered in particular in relation to prices and scheduling.

2.2 Cancellation

The order constitutes the Customer's irrevocable consent. It therefore cannot be cancelled, except with the Supplier's prior express agreement. Consequently, if the Customer requests that all or part of the order be cancelled, the Supplier will have the right to demand that the contract be executed with full payment of the sums stipulated therein.

In the event of an amicable termination of the contract, the Customer will compensate the Supplier for any costs incurred and any direct or indirect consequences that result. Furthermore, deposits that have already been paid will be retained by the Supplier by way of initial compensation.

3. COOPERATION OF THE PARTIES

The manufacturing of a piece of equipment, when it has been designed or adapted to meet the Customer's specific requirements, can only be successfully completed with the close cooperation of the parties, at all stages of the project.

3.1 Supplier's Obligations

3.1A The Supplier will take into account the Customer's requests and respect them, insofar as they are feasible, and that they comply with the contract, current technical standards and best industry practice. The Supplier will inform the Customer, as far as its technical knowledge allows, of the manufacturing constraints and possible effects that may result from the use of the equipment, in particular the conditions for its installation and the qualifications and training necessary for operators.

3.1B A manual for the use and maintenance of the equipment will be provided by the Supplier in the format that it chooses. The Supplier is only bound to supply the equipment specified and quantified in the contract (in an obligation of compliance with the specifications) and which therefore does not include, in particular, on site fitting works (for example: civil engineering, supply of fluids, mechanical, electrical, pneumatic or telecoms connections).

If the Supplier considers that modifications are likely to improve the quality of the equipment, it reserves the right to modify its characteristics, even after acknowledgement of receipt of the order, during the design, assembly, trials and the start of industrial production on the Customer's premises.

3.1C In the event of a delay, that is entirely the Supplier's responsibility, a penalty may be applied if a genuine loss has resulted, determined after due hearing of the parties. It will be of a full and final nature, i.e the Supplier will not be liable for any other amounts. The penalty will not exceed 0.5% per full week of delay, from the end of the second week, and will not exceed 5% of the price defined in paragraph 9, excluding the provision of services.

3.1D The Supplier is responsible for damages on the equipment that may occur before the risks are transferred to the Customer. This applied regardless of the cause of the damage unless the damage has been caused by the Customer or by any person for which he is responsible for in relation with the execution of the contract.

3.2 – Customer's Obligations

The Customer must provide all the necessary information (drawings, dimensions, formats, speed...), the information must be full, accurate and reliable, in particular in relation to the clear expression of the Customer's requirements, the equipment's operating conditions and environment (site access conditions), the composition and special characteristics of the products and materials that will be used with the equipment. Representative samples of production, in quantities and times stipulated in the special terms, may be necessary. The Customer will provide the Supplier, at its own cost, with all the consumable materials, fluids, energy and sufficient competent personnel necessary for these trials, which will be carried out in compliance with the appropriate health and safety measures.

The satisfaction of the Customer's requirements will depend to a large extent on this information. The Supplier cannot be held responsible for the consequences of the omission or of an error in the information or items supplied by the Customer.

4. STANDARDS

Equipment sold complies with current European standards.

In the event that stricter mandatory standards are required by the Customer, or if these result from regulations in force in the destination country, they must be submitted to the Supplier before ordering, and discussed and accepted by both parties in accordance with agreed commercial practices, before being included in the clauses of the contract.

The Supplier will not be held in any way responsible in the event that the Customer requires standards or specifications that were not subject to its prior written agreement.

5. DELIVERY

Independently of the agreed INCOTERM, delivery is considered to have been made at the Supplier's premises and carried out by simple advice, this being constituted by the sending of the invoice, direct delivery or delivery of the equipment to a transporter.

6. TRANSPORT AND TRANSFER OF RISKS

The terms for transport and the transfer of risk are interpreted in compliance with the INCOTERMS current on the date of the conclusion of the contract.

If no special terms of transport have been agreed, delivery is considered to be "Ex Works" (EXW). In all cases, the Customer must, if appropriate, accept deliveries subject to reservation and carry out any recourse against transporters within the legal periods.

Any loss or damage of the equipment after the risks are transferred to the Customer are at Customer's charge.

In the event of delayed delivery for whatever reason, beyond the Supplier's control, and that it has agreed to, the equipment will be stored and handled, if applicable, at the Customer's cost and risk, the Supplier declining any subsequent responsibility in this respect, these provisions not in any way affecting the obligations concerning payment for supplies.

The Customer undertakes to subscribe to insurance policies to cover risks incurred (loss or damage to goods sold and damage that they could cause) and to supply proof on request. This insurance should include a renunciation of the right of recourse of the Customer and its insurers against the Supplier and its insurers.

7. PRELIMINARY WORKS AND WORKING CONDITIONS

7.1- The Supplier should provide in due time the drawings showing how the equipment should be installed, as well as all the necessary information to ensure a proper preparation of the foundations, of the access of the machines and all necessary equipment at the place of the installation and of the connections/supplies necessary for the installation.

7.2 The Customer should provide the installations in due time and should make sure that the necessary conditions for a smooth execution of the mounting of the equipment and the installation on the spot are fulfilled.

7.3 The preliminary works are carried out by the Customer according to the drawings and information provided by the Supplier. The preliminary works should be terminated in due time. In any case the Customer should make sure that the foundations are structurally convenient. If the Customer is responsible for the transportation of the equipment to his premises, he has to make sure that the equipment is available on site in due time.

7.4 The Customer has to make sure that the following conditions are met:

a) The Supplier's staff is in position to begin the works as per agreed schedule and to work during normal times. The installation may be carried out outside normal working times at Supplier's convenience, provided that the Customer is informed in writing in a reasonable time.

b) Before starting the installation, the Customer informs the Supplier in writing about the safety rules in effect in the plant. Mounting works could not be achieved in unhealthy or dangerous environment. All safety measures prevention included should be taken before beginning of the installation and should be properly maintained.

c) The Supplier's staff should have adequate accommodation and catering possibilities near to the premises and should have access to lavatories and medical services in accordance with international uses.

d) The Customer provides to the Supplier free of charge and in due time the lifting and transportation equipment on site, tools materials, small assorted supplies (including oil, grease and all products and consumables, gas, electricity, water, steam, compressed air, heating, lighting...) as well as measuring and test equipment. At least one month before installation, the Supplier requires in writing all the necessary handling and lifting equipment, measuring and trial equipment and transportation equipment on site.

e) The Customer provides the Supplier free of charge the necessary storage capacities to avoid any possible theft or damage of equipment or tools necessary for the mounting as well as personal effects of the Supplier's staff.

f) The access ways to the site should be adapted to the transportation of the Supplier's equipment.

8. TRIALS, RECEPTION

8.1- RECEPTION TRIALS

8.1A- Unless otherwise informed, on completion of the installation, reception trials are carried out in order to verify the compliance of the equipment. The Supplier informs the Customer in writing that the installation is ready for reception. Costs for personal and other representative are borne by the Customer.

8.1B Energies, lubricants, water, raw materials and other products if necessary like samples and production works in sufficient quantities are supplied by the Customer in order to carry out or to finalize the preparation of the reception trials. The Customer supplies the equipment and people / assistance necessary for test trials free of charge.

8.1C If at the end of the mechanical and electrical installation energies are not available, first powering of the equipment is deemed to be made.

8.1D Reception tests are carried out during normal working times. If the contract does not mention special technical requirements, tests will be done in accordance with usual practice in the appropriate industrie branch of Customer's country.

8.2 – Réception

Reception will be considered to have taken place with or without reservations in either of the following cases:

- The first time the equipment is turned on, if no specific protocol has been mentioned in the purchase contract
- If the purchase contract is not valid anymore when the equipment is turned on.
- Reception trials have been carried out successfully and the Supplier's equipment has satisfied its contractual obligations (compliance with the technical requirements).
- By default and at least 30 days after the Supplier requested for the reception after the equipment is brought into service.

Minor reservations that not prevent the equipment to be used shall not preclude reception.

If despite being notified, the Customer fails to its obligations according § 7 and 8.1 or impedes or delays the start up or the reception tests of the equipment, reception tests will be deemed to have been successfully done at the date planned initially in the Supplier's acknowledgement of receipt.

9. PRICE and SETTLEMENT

Prices are understood to be net exclusive of tax, without discount or duties; they are expressed in euros for the equipment ex works, not packed or loaded.

Payment terms are defined in compliance European Directive n°2000-35, i.e. standard period of thirty days from the date of the issue of the invoice.

Payment terms are included in every quotation

Each fractioned term of payment shall constitute the factor which generates the payments.

Payments are deemed to be made when funds have been credited on the Supplier's bank account.

A lump sum of 40 € for collection costs will be applied in case of delay in payment in accordance with articles L441-3 et L441-6 of Commercial code.

Any delay in payment will result in the application of interest at a rate equal to the most recent refinancing rate of the European Central Bank increased by ten points.

Any delays in payment will result all outstanding balances becoming immediately due. The Supplier reserves the right to suspend the delivery and/or the execution of orders in progress or to cancel them, and to claim possession of delivered products.

10. RETENTION OF OWNERSHIP:

The Supplier retains ownership of equipment sold (assembled or not) until full payment has been completed of the principal and other charges. Any delay in payment that has resulted in a formal demand for payment to which no response has been received within a period of eight clear days, will give the Supplier the right to claim ownership of the equipment.

When the Customer (as a system provider, distributor, etc.) resells equipment that it does not yet own, it must ensure that the retention of ownership clause is maintained on the original Supplier's behalf. Receivables resulting from such reselling will automatically belong to the original Supplier in the event of delay or suspension of the reseller's payments.

Retention of Ownership shall not affect the transfer of risks.

11. INTELLECTUAL PROPERTY

Tous les plans et documents techniques relatifs au matériel, à l'installation du matériel, qui ont été soumis par une partie à l'autre partie avant ou après la conclusion du contrat demeurent la propriété de la partie qui les a remis.

Les projets, études et documents de toute nature remis ou envoyés par le Fournisseur restent toujours son entière propriété de même que les droits de propriété industrielle qui y sont attachés. Ils doivent lui être rendus sur sa demande. Ceux-ci sont fournis gratuitement, s'ils sont suivis de la commande dont ils font l'objet; dans le cas contraire, il est dû au Fournisseur le remboursement de ses frais d'étude spécifique et de déplacement. Le Fournisseur conserve intégralement la propriété intellectuelle de ses projets, études et documents, qui ne peuvent être communiqués ni exécutés sans son autorisation écrite. Le client s'engage expressément à ne pas porter atteinte aux dits droits de propriété industrielle et à ne pas les exploiter, ni les faire ou laisser exploiter par des tiers, sans l'autorisation écrite et préalable du Fournisseur.

Le prix des études, de l'équipement et/ou des prestations ne comporte pas le transfert de la propriété intellectuelle et le savoir-faire de ceux-ci, qui reste l'entière propriété du Fournisseur.

Draft proposals, studies and technical documents of any kind provided or sent by the Supplier before or after entering into the contract will remain the latter's property in full, as will the associated industrial property rights. They must be returned on request. These are provided free of charge, if they are followed by the order to which they relate; otherwise, the Supplier is entitled to reimbursement of the costs of the specific study and of associated travel. The Supplier retains the full intellectual property rights pertaining to its draft proposals, studies and documents, which may not be communicated or executed without written authorisation. The Customer expressly undertakes not to infringe or exploit said industrial property rights, or to allow them be exploited by third parties, without the Supplier's prior written authorization.

The price of the studies, equipment and/or services does not include the transfer of intellectual property rights and the expertise associated with them, which remain entirely the property of the supplier.

12. CONFIDENTIALITE

The parties reciprocally undertake a general obligation of confidentiality regarding all confidential oral or written information, whatever format it may be in (discussion reports, plans, exchanges of computerized data, activities, installations, drafts, expertise, products, etc.) exchanged in the context of the preparation and execution of the contract excepting information that is already in the public domain, or which will be by means other than the mistakes or actions of one of the parties.

13. GARANTIES

All equipment manufactured by the Supplier is guaranteed for a period of twelve months under normal conditions of use.

Spare parts for an equipment out of warranty : excepted specific cases, spare part warranty shall be 6 months from the date of the delivery slip as far as the default is not due to abnormal conditions of use or a lack of maintenance.

The warranty period is defined according to the contract and comes into force when mechanical and electrical installation are finished and not later than 60 days after delivery for a machine and on delivery date for single parts

The guarantee for equipment includes parts and labour (with the exception of normal wearing parts and parts such as fuses, lamps, transportation/driving belts, springs, cutting parts and so on). Travelling and living costs are excluded from the warranty. Warranty supposes that regular maintenance works are made during the warranty period. The Supplier will not perform common scheduled maintenance on warranty basis.

The repairing and/or the replacement of defective parts during the warranty period will not extend or renew the initial warranty period.

The warranty period of the exchanged parts ends at the same time as the warranty period of the machine.

During the warranty period, the technical contact person at Customer's location is required to properly forward information and carry out the necessary checks in order to enable efficient telephone service assistance (diagnostics, identification of the spare parts to be prepared and so on) prior to any service visit by the Supplier.

Unless prior agreement, the Supplier does not reimburse any costs for repair carried out by anyone other than the Supplier

For any delivered machine or spare part, any visible default should be mentioned in writing to the Supplier within 24 hours following the delivery, so that the Supplier might take the necessary action with the freight or packing company.

14. DAMAGES AND COMPENSATIONS

Under no circumstances, the application of warranty terms, the use of equipment, a service ordered in the contract or any other action, may lead to any sort of compensation.

15. FORCE MAJEURE

Both parties have the right to suspend the execution of their contractual obligations, insofar as their execution is prevented or made unreasonably onerous as the result of a case of force majeure. The Supplier is automatically released of all commitments if events occur that are beyond its control, such as fire, flooding, interruption or delay in the supply of energy, raw materials or transport, labour disputes, or failures or delays in deliveries by sub-contractors caused by such circumstances.

16. ARBITRATION AND APPLICABLE LAW

Any litigation resulting from the contract or in connection with the contract shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce. The place of arbitration shall be Paris, France

Any disputes arising from the contract or relating to the contract, will be irrevocably settled following the arbitration of Le Mans Commercial Court.