

GENERAL CONDITIONS OF SALE OF SOCIETE DES ANCIENS ETABLISSEMENTS L. GEISMAR

DEFINITIONS

SELLER – means Société des Anciens Etablissements L. Geismar

BUYER - means the person, firm or company who addresses an order to the Seller.

The following conditions govern all tenders, offers and acknowledgement of receipt of orders issued by the Seller.

1. GENERAL

Any tender or offer binds the Seller for the validity period stated in it. If no validity period is stated, the offer shall be valid for a period of thirty days as from its date of issue.

An order binds the Seller only after he has accepted it in writing. The same applies to any modification of the order.

The Buyer who fails to inform the Seller, by registered letter posted within 7 days from the date of the Seller's acceptance of an order, that he disagrees with any of these general conditions of sale is deemed to have accepted them notwithstanding any stipulation of the contrary which may appear on his own documents, except in case of Particular Conditions previously and specifically agreed to by the Seller in which case the clause or clauses modified by the latter Particular Conditions shall apply as so modified, and the other clauses of these general conditions of sales shall remain unchanged.

The general conditions of sale shall not replace the conditions mentioned in the offer for sale, nor any other special condition which the Seller and the Buyer may have agreed upon.

All studies and projects are and shall remain the property of the Seller and cannot be copied, reproduced or communicated to third parties without the Seller's written authorisation. Likewise all documents whatever they be forming part of the Seller's offer shall remain Seller's property and cannot be reproduced, copied or communicated to third parties in any way whatsoever or used for the manufacture of the equipment or its spare parts. The Seller reserves the right to modify at any time and without notice the specifications and features of his products according to the latest technical developments.

2. PRICES

Prices are established on the basis of the economic situation prevailing at the time of the offer, intended for packed equipment, ex-works and subject to adjustment at any time according to the variation of the cost of their components until the equipment leaves the works, subject to the legislation in force and the conditions mentioned in the offer. A price adjustment formula may be annexed to the tender, the offer or the acknowledgment of receipt of order.

Even if the price is stipulated not subject to revision the Seller can adjust it if the delivery is delayed beyond the contract period of delivery due to the fault of the Buyer.

All expenses such as transportation, insurance, bank charges, custom duties and taxes if any, stamp duties, registration fees, etc shall be for the account of the Buyer. The amount stated in the offer or in the tender for expenses is given for information purposes only according to the rates then in force. Expenses are invoiced by the Seller at the rate applicable at the time of delivery.

Furthermore the expenses which would be incurred by the Seller for putting the machines or the equipment sold into service, or for the training of the Buyer's personnel are not included in the prices and shall be invoiced according to a separate agreement.

3. DELIVERY

Delivery periods are stated as an indication only. No right can be derived there from by the Buyer to claim an indemnity or cancel the order, even in part, if delivery is delayed beyond the delivery period stated.

Absent any contrary lead time mentioned in the offer for sale or in the special conditions, the lead times shall be understood as being ex-works (EXW). In case another delivery term is used the Seller shall not be liable for any delay in the forwarding of the supplies (transportation, transit, customs, etc) .

4. PASSING OF RISK – TRANSPORT

Packing and transport eventually made or attended to by the Seller shall be carried out for Buyer's account at the Buyer's risk. Claims concerning transport shall be addressed by the Buyer to the last carrier immediately after delivery of the goods.

5. PAYMENT

Unless otherwise specified, payment of the prices shall be made without discount or deduction on the date of issue of the invoice.

In case of late payment, the amount due to the Seller shall automatically bear interest at the rate charged by the European Central Bank for refinancing operations plus 10%, prorated, without prejudice to any other right whatsoever of the Seller.

When payment by instalments is specifically agreed to, if a single instalment is not paid on the due date agreed to, the whole balance will become immediately due and will bear interest at the same rate as mentioned hereabove. Furthermore, the Seller shall have the right to cancel the contract by merely informing the Buyer of same in writing by registered post or express courier service without any legal proceeding or summons being necessary. In the latter case, the Seller shall have the right to recover the products delivered and keep any advantages and/or instalments received as damages and compensation for the prejudice caused by the cancellation of the sale and for the wear of the products delivered without prejudice to any other damages which the Seller may be entitled.

In case of unfavourable changes in the financial position of the Buyer or if he suspends payments or files for bankruptcy or receivership or is adjudicated bankrupt or suffers receivership or in case of financial settlement in Courts or winding up order the Seller shall have the right to stop his deliveries even after part execution.

In case of sale, cession, pledge or use of the stock-in-trade of the equipment of the Buyer, for share subscription in kind, the Seller may require the immediate payment of the entire price.

Damages caused due to the fault of the Seller may not be deducted from the payment due to him.

6. OWNERSHIP

Any goods delivered by the Seller remain his property until full payment of the agreed price, late interests and other charges if any. The Buyer is bound to take all precautions necessary for the protection of goods. In particular if the goods have been delivered prior to full payment, the Buyer is bound to subscribe an insurance policy covering the goods during transport and also against breakage of machines and all risks, damages, losses, destruction, for an amount at least equal to that owning the Buyer to the Seller.

Furthermore, should the enforcement of the present clause concerning the ownership of the goods be subject to certain conditions or particular formalities in the country of the Buyer, the latter is bound to fulfil the above conditions and formalities at his expense and supply the Seller with proof that he has fulfilled them.

7. GUARANTEE

Unless otherwise agreed the Seller guarantees his supplies against any defect in design, material or workmanship, parts subject to wear excepted. This guarantee covers new supplies only. Its duration is limited to 12 months from the date of arrival of the goods at the Buyer's warehouse or 13 months from the date of shipment, which date occurs first. If the supplies are shipped late on account of the Buyer or his subcontractors the guarantee period may be reduced accordingly. The guarantee covers defects appearing during the above period only; this period cannot be extended even in case of the Seller's intervention to remedy any defect before its expiry.

To exercise his right under the Seller guarantee, the Buyer must advise the Seller of the defects he imputes to the supplies by registered letter within a period of eight days from the date on which he noticed them and produce the proof that the Seller is responsible for the existence of these defects. The Buyer cannot avail himself of this guarantee; if he has modified the products supplied or if he has them repaired or overhauled by third parties without the Seller's written consent.

For the components that are not made by the Seller, the Seller shall limit its guarantee to the guarantee he himself has from his own suppliers or sub-contractors. The Seller guarantee is strictly limited to the replacement or repair of parts acknowledged defective. Labour necessary for repairing or overhauling the equipments supplied, travel, accommodation and insurance expenses of the personnel in charge of this replacement or this repair shall be charged to the Buyer. Transportation costs or parts necessary for repairs under this guarantee clause shall be charged to the Buyer.

The parts replaced free of charge under this guarantee clause remain or become again the property of the Seller who may claim them back. The guarantee does not cover defects deriving from materials or design provided by the Buyer, accidents caused by acts of God, force majeure or any other cause which the Seller could not reasonably foresee when the Contract was entered into or the effects of which he could not prevent, repairs or replacements caused by normal wear of the equipment; deterioration or accidents caused by a person other than the Seller or his representative, such as negligence, misconnexion, non-compliance with operating, maintenance instructions, abnormal use due to electric or mechanical overload.

As from the passing of risks, the Seller accepts no responsibility other than the obligations defined by the present general sale conditions even for defects whose cause is prior to the passing of risks.

It is expressly agreed that in no case shall the Seller be responsible for any indemnification for accidents to persons or damages to property other than the products covered by the contract losses or loss of profit, except if they result from a "serious fault of the Seller".

"Serious fault" means an action or omission by the Seller proving on his part, a clear lack of precaution, considering the seriousness of the consequences which in the circumstances, a conscientious professional would normally foresee, or a deliberate disregard of these consequences and not any lack of care or skill.

8. CANCELLATIONS

The Seller shall have the right to cancel the contract of sale in whole or in part in case of force majeure or in case of any event beyond the Seller's control or the control of his sub-contractors and preventing the completion of the contract within a reasonable period.

9. CLAIMS - RETURNS

No claim shall be considered if it's not made by the Buyer by registered letter addressed to the Seller within 8 days as from the date of the receipt of the goods by the Buyer.

The Buyer cannot return any goods to the Seller without the prior written consent of the Seller.

In case of return all risks and expenses (loss, damage, packing, transport, etc.) are for account of the Buyer.

10. LITIGATION

The Commercial Court of Nanterre (France) shall have exclusive jurisdiction in the event of a dispute irrespective of the means of payment, the cause and location of the dispute between the parties; and even if there are several defenders.

The applicable law shall be the laws of the Republic of France.

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