

VERLINDE GENERAL SALES CONDITIONS

A. EQUIPMENT AND ITS HARDWARE

1 – Generalities

1.1 – Establishment of the contract

The present general conditions are applicable to all sales realized by The Vendor and prevail over all contrary clauses contained in any document or written statement that any person attempts to impose, and particularly the general conditions of purchase, except for derogations agreed in writing and signed by the Vendor. The contract of sale does not come into effect until the written acceptance by the vendor of the purchaser's order. An order accepted cannot be cancelled without the consent of the vendor. In case the purchaser chooses to send an order through the Electronic Data Interchange (EDI) system made available by the Vendor, the purchaser warrants that any individual having access to The Vendor's EDI system by using the purchaser's password and thus to purchaser's EDI order validation, has the authority to sign on the purchaser's behalf all contracts and to place and/or confirm all orders through the Vendor's EDI system. All actions taken by such individual through the Vendor's EDI system shall constitute the valid and binding actions of the purchaser, enforceable against it in accordance with its terms. The purchaser shall submit an exhaustive list of such persons to the Vendor, and inform The Vendor of any relevant changes in writing. Any modification to the contract demanded by the purchaser is subject to the express acceptance of the Vendor. The order expresses the irrevocable consent of the purchaser; he cannot cancel it, at least without the express and prior agreement of the Vendor. In this case, the purchaser will indemnify the Vendor against all expenses incurred (notably specific equipment, design fees, labor and supply expenses, tooling) and for all the consequences direct and indirect that result. In addition, the deposit already paid will remain acquired by the Vendor. The order is personal to the purchaser, and cannot be transferred or ceded without the agreement of the Vendor. "Written" is understood to mean, in the sense of the current general conditions, any document established by any means and notably on paper or electronically.

1.2 – Specifications concerning supply

The characteristics mentioned in the catalogues, prospectuses and all publicity documents of the vendor only have an indicative value. The vendor reserves the right to make any modifications he deems correct, even after the acceptance of orders, without however the essential characteristics and performances being found to be effected.

1.3 – Tests and receipts.

The expenses corresponding to tests and receipts demanded by the purchaser are his responsibility.

1.4 – Quotation

The expenses necessary for the establishment of a quotation for repair, for example the assembly time, the re-assembly time, travelling expenses are invoiced at the rates in force, previously communicated to the purchaser, when the quotation is not followed by an order.

2 – Delivery

2.1 - Delivery Conditions

Delivery deadlines start from the sending of the confirmation of order and receipt of the deposit defined in Paragraph 5. Whatever the destination of the equipment and the terms of sale, delivery is deemed to have been effected in the factories or stores of the vendor. It is realized by simple notice of availability notified by any means. Serving as such as a notice for the direct delivery of equipment to the purchaser or the delivery of equipment to the factories or stores of the vendor to a shipper or transporter designated by the purchaser or, by default by

the vendor. The Purchaser must take possession of the equipment within ten days of the notice of availability. If the purchaser does not collect the equipment at the place and on the date designated in the contract, and on the condition that this delay is not due to an act or an omission by the vendor, he is held to effect the payments set out in the contract as though the equipment had been delivered. In this case, the vendor will provide storage for the equipment at the expense and at the risks and perils of the purchaser, as soon as the equipment has been customized. Delivery deadlines are only given as an indication and under no circumstances will delays in delivery result in either order cancellation, or the payment of damages or interest or penalties of any kind, or reimbursement by the Vendor of sums paid by the Purchaser, except by explicit agreement confirmed by the acknowledgement of the order. The equipment is delivered with its instruction manual. The user should read and understand this before putting the equipment into service.

2.2 – Receipt

It is the responsibility of the purchaser to make a claim within a period of eight days following the date of delivery, the equipment is deemed to have been received. This receipt acknowledges the absence of apparent defects.

3 – Ownership and transfer of risks

3.1 The vendor retains the complete ownership of the goods ordered under the contract until the payment of the full price.

3.2 All the goods sold by the Vendor are sold under the terms of Law No. 80-335 of the 12 May 1980 relative to ownership rights. In the case of a deposit, reimbursement will be made after deduction of expenses possibly incurred.

3.3 From delivery, the purchaser assumes the responsibility for the damages that these goods could sustain or cause for whatever the reason.

3.4 Until full payment is made, the goods cannot be resold or transferred without the prior agreement of the vendor. However, in the case of resale, the vendor could operate a right of succession in claiming the debt directly from the final purchaser.

3.5 In the case of nonpayment by the purchaser on one of the due dates, or of any violation of the current clause, the vendor can demand the return of the goods at the expense of the purchaser until execution by the latter of the totality of his engagements. The vendor can also cancel, as of right, the contract of sale by recorded delivery letter. Without prejudice to all other damages and interests resulting, notably for custom made apparatus pour, design fees, etc., in addition to his obligation to return the goods the purchaser, will owe the vendor a cancellation indemnity fixed at one third of the amount, of the non-executed contract excluding tax, assessed at the date of cancellation. This indemnity will be chargeable by the vendor on the payments already received.

4 – Transport and insurance

The measures that the vendor may be occasioned to take in the interest of and for the account of purchaser regarding insurance, transport, etc... does not prevail over the principle of delivery in his factories or stores.

The fact of possibly including the cost of transport in the price does not constitute derogation in principle to the delivery effected in the factories or stores of the vendor. All transport effected by the vendor himself, whether the expenses are the responsibility of the purchaser or not, is deemed as having been effected following a contract of transport distinct from the contract of sale. In the absence of instructions, the vendor will proceed with the dispatch in the best interests of the purchaser. The equipment is only insured at the express request of the purchaser. In all cases, it is the responsibility of the purchaser to effect all verifications, to make all reserves on the arrival of the equipment and to exercise, if there is cause, against the transporter the proceedings provided for by articles 103, etc. of the Code of Commerce and this, in the time limit fixed by article 105.

5 – Price and payment conditions

Except if stipulated differently the payments are to be made to the registered address of the vendor, net and without discount and are payable according to the conditions hereafter:

- 1/3 by cheque on order (deposit)
- 1/3 by cheque on delivery
- The balance by cheque, transfer or draft accepted payable from the date of delivery, within the normal time limit of 30 days. Any clause or request attempting to set or obtain a payment delay beyond this time limit of 30 days, which represents the professional practices of the engineering industry, and without justification by the purchaser, could be considered improper in the sense of article 442-6-7° of the Code of Commerce.

The amounts paid before delivery are simply considered as a deposit and give the purchaser no right to cancel the contract of sale.

6 – Payment delays

The payments are deemed payable, net and without discount at the registered address of the Vendor under the terms of Law No. 2001.420 of 15 May 2001 called the “NRE Law”. Any default in the payment of an instalment at the time agreed or any refusal of the acceptance of a letter of change, on its presentation will cause:

- on the one hand, if the vendor sees fit, the suspension or cancellation of all orders in progress,
- on the other hand, as of right and without prior formal notice, the application of a penalty equal to the most recent rate of interest of the BCE increased by seven points, in accordance with the directive 2000/35/CE, without prejudice to all damages and interests,
- finally, if the vendor sees fit, the cancellation as of right of the contract of sale one month after the final notice made to the purchaser by recorded delivery letter to conform to his obligations. In this case, and without prejudice to all damages and interests, the purchaser, other than his obligation to return the goods, will owe the vendor a cancellation indemnity fixed at 30 % of the price, assessed at the date of the cancellation. This indemnity will be charged against the payments already received.

7 – Warranty

7.1 Length of the warranty

The vendor undertakes to remedy all faulty operation deriving from a defect in design, the materials themselves or the execution (including the assembly, if he is responsible for this operation), within the limits of the clauses hereafter. The warranty ceases as of right, just as there is forfeiture of the validity of the declaration of conformity when the purchaser has, either resorted to non-original replacement parts, or undertaken, without the written agreement of the vendor, overhaul or modification works.

The warranty is excluded:

- in the case of damages resulting from a lack of maintenance and inspection and in general from any handling that does not conform to the written instructions of the manufacturer (including the instructions for normal use specified in the instruction manual),
- for defects which result totally or in part from normal wear and tear of the part, damage or accidents attributable to the purchaser or a third party,
- in the case of force majeure such as defined in article 9.

In the case of use of the equipment outside metropolitan France, the vendor can modify the length and the terms of the warranty as defined in the current conditions. Except for provision to the contrary, no warranty is applied to second hand equipment; the transfer of the equipment by the first user puts an end to the warranty.

7.2 Obligations of the purchaser

To benefit from the warranty, the purchaser must advise the Vendor by recorded delivery letter within eight days of observing a problem and give him all the facilities to verify the problem and remedy it.

7.3 Duration and starting point of the warranty

The normal warranty period is for two years. This duration can be converted into hours of use according to the type of equipment or its class of operation. It starts from the day of delivery as defined in Paragraph 2.1. It terminates on attaining one of the two following terms: either the period of two years, or the duration of use. If the conditions of use of the equipment comport a system of working of more than one eight-hour shift per day, it may be agreed to reduce the duration of the warranty. If dispatch is postponed, the period of the warranty is deferred to the duration of the delay. However, if this delay is caused independently of the will of the vendor, the deferral cannot exceed three months.

7.4 Terms of the exercise of the warranty

During its period, the warranty obliges the vendor to replace parts recognized as defective after examination by its qualified technical personnel, or, if he prefers, to repair them free of charge. The warranty excludes all other service or indemnity. Repairs under warranty are, in principle, effected in the workshops of the vendor, and it is the responsibility of the purchaser to return the equipment to be repaired or the defective parts at his own expense. When the intervention on the equipment takes place outside the workshops of the vendor, the resulting expenses for travel and accommodation of his agents will be invoiced to the purchaser. Nevertheless, the labor costs for the un-installation or re-installation of the parts are supported by the vendor when these operations are effected by his personnel or his agents. The parts replaced become the property of the vendor and must be returned to him at the purchaser's expense. The supply, free of charge or replacement parts comprises dispatch from the vendor's factory. The return of equipment repaired is at the expense of the purchaser. The replacement parts and the parts repaired are guaranteed under the same original conditions and for a new period of the same duration. For other components, the intervention under warrant has the effect of extending the warranty for the period of the immobilization of the equipment. For parts of a particular relative significance, not manufactured by the vendor himself and which carry the trademark of specialist constructors the warranty can vary according to the constructor.

8 – Responsibility

The responsibility of the Vendor will be limited to direct equipment damages caused to the purchaser, which result from faults attributable to the Vendor in the execution of the contract.

The Vendor is not responsible for the repair of damageable consequences of faults committed by the purchaser or third parties in relation to the execution of the contract. Under no circumstance, can the Vendor be responsible for indemnifying the immaterial or indirect damages, and notably losses of operation, of profit, hazard, commercial prejudice, or loss of profit. In the case where the penalties and indemnities foreseen have been agreed of a common accord, they have the value of inclusive indemnification, in full discharge and are exclusive of all other sanctions or indemnifications. The civil responsibility of the Vendor, all causes combined, with the exception of the corporeal damage and gross negligence, is limited to the maximum sum of the value of the amount invoiced and cashed for the defective supply. The purchaser guarantees the renunciation of recourse by his insurers or third parties in contractual relation with him, against the Vendor or his insurers beyond the limits and exclusions fixed above.

9 – Force majeure

None of the parties of the present contract can be held responsible for delays or a failure to execute his obligations under this contract if this delay or this failure are the direct or indirect effect of a case of force majeure in the largest sense of French jurisprudence such as:

- occurrence of a natural catastrophe,
- earthquake, storm, fire, flooding, etc....

- armed conflict, war, civil conflict, attacks,
- industrial action, total or partial strike at the vendor or the purchaser's premises,
- industrial action, total or partial strike at suppliers, services suppliers, transporters, postal service, public services, etc.,
- injunction imperative by the public authorities (prohibition to import, embargo),
- operational accidents, machine breakdowns, explosion,
- failure by supplier.

Each party will inform the other party, without delay, of the occurrence of a case by force majeure of which they have knowledge and which in their opinion, is of the nature to affect the execution of the contract.

10 – Contestations.

The parties undertake to attempt to settle their differences amicably before proceeding with litigation. In the absence of amicable agreement, all litigation will be decided under the jurisdiction of the Tribunal de Commerce de DREUX or of the Tribunal de Commerce de LILLE, whatever the conditions of sale and method of payment, even in the case of appeal in warranty or of plurality of defendants. Solely the French version of the present document is authentic.

B. REPLACEMENT PARTS

The clauses under title A equally apply to replacement parts, with the exception of the following clauses:

1. Formation of the contract: Failing a written document, dispatch by the vendor is deemed as acceptance of the order.
 2. Payment Conditions: As regards payment, prices are understood to be cash on delivery.
 3. Warranty: No warranty applies to replacements parts whose installation is not undertaken by the vendor.
 4. Availability: Orders for spare parts will be honored according to the availability of stock.
- Spare parts relating to the equipment delivered will only be available for sale during the period of manufacture of the said equipment, without the vendor being held responsible to ensure sale during a minimum period.

C. INTELLECTUAL PROPERTY RIGHTS

The Seller shall have and retain all rights, title and interest to any and all copyrights, design rights, patent rights, database rights, know-how, trade secrets and other intellectual property rights relating to the Equipment. Any such intellectual property rights shall not, without the consent of the Seller, be used for any other purpose than for the sales, installing and servicing of the Equipment. They may not otherwise be used or copied, reproduced, transmitted or communicated to a third party. The Buyer may, however, transmit the documents or software to a third party that the Buyer sells the Equipment to. The Buyer may not use Seller's trademarks, domain names or trade names without Seller's prior written consent.