

- GENERAL TERMS AND CONDITIONS OF SALE

GENERAL PROVISIONS

These General Terms and Conditions of Sale shall govern the business relationship between SCF (hereinafter referred to as the "Seller") and any buyer (hereinafter referred to as the "Customer") of goods and/or services manufactured and/or supplied by Seller. These General Terms and Conditions of Sale shall apply to any offer, order or contract (whether the latter is described as a sales agreement, a purchase agreement, a works contract or a contract for services), relating to the sale of products, machinery or equipment of any kind (hereinafter referred to as the "Products") by Seller, and any designs, studies or other services offered or supplied by Seller.

These General Terms and Conditions of Sale hereby exclude, cancel and supersede any Customer's general or special terms and conditions, irrespective of the date on which the latter are brought to the attention of Seller. Terms that conflict with the General Conditions of Sale shall only apply if the Seller has given formal notice of them to the Customer or if they have been formally accepted by the Seller. Overriding provisions so notified or so accepted shall be incorporated into the Special Terms and Conditions of Sale. The Special Terms and Conditions of Sale shall be given precedence over the General Terms and Conditions of Sale.

PROPOSALS

No proposal shall be valid unless made on the Seller's letterhead. Any proposal shall expire automatically the last day of its term of validity, and no automatic or implied extension shall be permitted. Any proposal shall be valid for 3 months as from the date of its issuance, as mentioned in such proposal unless written notice otherwise is given on the Seller's letterhead. The General Terms and Conditions of Sale apply to all proposals, offers, orders, agreements and contracts for the sale of Products, designs, studies or services.

For the purposes of this Agreement, purchase agreement shall be treated the same way as orders.

PRICES

The validity term of any price proposal shall be the same as the validity term of its corresponding Products, design, studies or services proposal. If any order is received after the term of validity of the offer, the Seller shall have the right to reject such order and, at its sole discretion, to make a new proposal. Where the Customer has supplied insufficient or incorrect information that affects the fulfillment of any order, then the Seller shall have the right to suspend performance thereof.

The Seller shall inform the Customer of any problem in connection with an order due to the insufficiency or inaccuracy of information supplied by the Customer, and the parties shall agree on any consequent changes in specifications, price or delivery periods. In the event of disagreement the Seller shall have the right to cancel the order, and the Customer shall pay damages calculated according to the sale price thereof and in proportion to the work completed hereunder.

The Seller's price catalogue provides that the price of certain Products shall be set according to the quantity ordered or the delivery schedule agreed. Any request by the Customer for a variation in any quantity ordered, or any delivery schedule agreed, shall only become effective subject to the express written consent of the Seller, which consent may be given subject to the acceptance by the Customer of a variation in price terms. Where market regulations usually require VAT to be charged, but the Customer is exempt from tax, the Customer shall provide written evidence of such exemption attached to its order. Where no certificate of tax exemption is provided by the Customer, VAT shall be charged and may under no circumstances be set off against sums owing to the Seller.

All prices shall be invoiced and paid in the currency indicated in the proposal. Prices mentioned in proposals do not include taxes nor duties, are Ex Works Point of Manufacture (Incoterms 2000), and include standard packaging and factory inspection costs. If the Customer requests special packaging or particular conditions of inspection, an additional charge shall be applied correspondingly.

PURCHASE ORDERS

By placing a purchase order to the Seller, the Customer thereby warrants knowledge and acceptance of the Sellers' General and Special Terms and Conditions of Sale. Acceptance of any order shall be confirmed by an acknowledgment of receipt slip on the Seller's letterhead.

The date of the acknowledgment slip shall be the effective date of the order.

Any order of less than € 230, in total and with a price per item of less than € 80, shall give rise to a flat-rate surcharge on the total price and/or on the price of each item within these limits, in order to cover order handling costs.

Any variation requested by a Customer of an order for which the Seller has already issued an acknowledgment slip shall be subject to the express written consent of the Seller, which may make subject its consent to a modification of the price or delivery terms. Where the Seller accepts such modification proposed by the Customer, the Customer shall send the Seller in writing all requested amendments to its original order, which amendments shall become effective upon acknowledgment of receipt by the Seller.

The assignment of an order by the Customer, whether by way of individual transfer, or upon the merger or sale of an entire branch of his business activity, shall only take effect subject to the written consent of the Seller, which may subject its consent to a guarantee by the Customer. The transferee shall be bound by the terms and conditions binding upon the Customer.

DELIVERY PERIOD

The delivery period accepted by the Seller shall run from the effective date of the order. The delivery period shall be for scheduling purpose only. The Seller shall inform the Customer of any delay and of the likely date of delivery. The Seller may make partial delivery depending on the availability of the Products or services ordered.

The Seller shall incur no liability:

- if it is unable to perform any of his obligations under such conditions as were reasonably foreseen by it when making a proposal or accepting an order: in this respect, occurrences such as, for example and without limitation, labor disputes, strikes, insurrections, civil or foreign war, requisitions, embargoes, government decision, failure to obtain an export license, currency restrictions, fire, flood, default of suppliers or subcontractors, lack of transport or communication, and restrictions on energy use, shall be considered as constituting an excuse for Seller caused by an event of force majeure.
- if delays in delivery are attributable to the Customer, for example and without limitation, failure to provide information necessary for the fulfillment of an order, failure to deliver plans, drawings, specifications, technical data or equipment, failure to obtain any necessary technical, commercial, administrative or financial authorization, failure to make payment on the due date of any sum owed by the Customer to the Seller or to any third party.

PRODUCT IMPROVEMENT

The Seller shall have the right to unilaterally make technical improvements to Products and to deliver them according to their most recent specifications, provided the compatibility of the Products is assured. Such improvements may be made to new Products for delivery or to those returned for repair.

DELIVERY

A/ Terms

Every new or repaired Product shall be examined before dispatch for compliance with the Sellers' specifications. The application of inspection measures specific to the Customer shall be subject to a prior approved quotation. The Customer may proceed itself to inspection, at its own costs and expenses. Notice of inspection readiness shall be sent to the Customer one week before the date of the scheduled inspection. If the Customer fails to attend, the inspection shall nevertheless be deemed valid and shall be the subject of a written report. Any delay in acceptance of delivery by the Customer shall give rise to damages in favor of the Seller of 0.4% of the price of the Product for every week of delay or part thereof.

In the event that any Product is not removed within thirty days of being put at the Customer's disposal, the Seller may, after notifying the Customer, dispose of such Product. Furthermore, the Seller may, at his discretion, consider the order relating to the Product as being cancelled.

B/ Extent of Liability, Risks and Costs

All Products shall be made available at the factory gate (EXW - ICC Incoterms 2000). All liability, costs and risks associated with transit shall be borne by the Customer. In the event of any problem arising during transit, the Customer's only recourse shall be against the carrier.

C/ Passing of Title

TITLE TO PRODUCT SHALL REMAIN WITH THE SELLER UNTIL IT HAS BEEN PAID FOR IN FULL, THE CUSTOMER ASSUMING NEVERTHELESS CARE, CUSTODY AND RISK THEREOF FROM THE TIME OF DELIVERY. THE CUSTOMER THEREFORE UNDERTAKES TO OBTAIN AT ITS COSTS AND EXPENSES INSURANCE COVERAGE FOR ALL RISK OF LOSS, THEFT OR DESTRUCTION, WHETHER PARTIAL OR TOTAL OF PRODUCTS, WHICH SHALL BE DECLARED AT THEIR COMMERCIAL REPLACEMENT VALUE.

THE SELLER SHALL BE DESIGNATED BENEFICIARY OF ANY AMOUNT PAID UNDER THE INSURANCE CONTRACT IN THE EVENT OF ANY LOSS, THEFT OR DESTRUCTION. THE CUSTOMER AGREES TO PROVIDE THE SELLER, UPON REQUEST, WITH EVIDENCE OF SUCH RISKS COVERAGE.

FURTHERMORE, FROM THE TIME OF DELIVERY OF ANY PRODUCT, THE CUSTOMER SHALL BEAR ALL DUTIES, TAXES AND CHARGES RELATING TO THE USE, DETENTION OR POSSESSION OF SUCH PRODUCT AND SHALL, ON DEMAND, INDEMNIFY THE SELLER AGAINST ALL DUTIES, TAXES AND CHARGES ARISING FROM OWNERSHIP OF SUCH PRODUCT.

D/ Export and Import Licenses

An export license, where applicable, may be obtained by the Seller in respect of orders placed by the Customer, without any liability on the part of the Seller. All costs relating thereto shall be borne by the Customer and billed in addition to other costs. The Customer alone shall assume responsibility for all costs and administrative steps taken relating to the importation of any Products purchased.

PAYMENT

Invoices shall be payable at the registered office of the Seller's company or, where applicable, at the place of payment shown on the invoice, on the following terms:

- direct bank transfer into the account, details of which shall be mentioned on the invoice;
- Within 30 days of the date of the invoice.

Unless a different method of payment is expressly accepted in writing by the Seller.

A discount shall be granted for early settlement, the amount of which shall be indicated at the bottom of the invoice.

Non-payment of any one invoice on its due date shall render all other invoices to the Customer immediately due and payable. For any delay in payment beyond its due date, the amounts outstanding shall bear interest at a rate equivalent to 1.5 times the rate of legal interest rate applicable in France, without prior notice and without prejudice to any other rights granted to the Seller by the law.

Where the Customer has not fully met his obligations in respect of an order, in particular with respect to payment, the Seller may, as of right and without notice, suspend performance of his obligations, refuse new orders, or duly declare the cancellation of orders in progress not yet delivered.

WARRANTY

All Products shall be inspected before delivery, and are warranted to be in conformity with the Seller's conditions of acceptance. The warranty runs from the date of delivery (EXW). The standard warranty for a non-used Product is 12 months.

To be valid, all claims must be notified to the Seller within 30 days of discovery of the defect affecting a Product. If the defect is visible the claim shall be notified to the Seller within 30 days of delivery of such Product. Products returned to the Seller for repair shall be redelivered with a warranty on replaced parts of 6 months from the date of redelivery, if such Products are no longer under warranty.

The warranty shall not apply where the alleged defect arises from the assembly of a Product by the Customer with other products not supplied by the Seller, or if the Product supplied is included in an incompatible system, or if the Product materials are supplied by the Customer, or if the Product design is imposed by the Customer, or in the case of any loss or damage to the Product, or if the Product is repaired or modified without the prior consent of the Seller, or if the defect arises from storage, maintenance or incorrect use. The warranty does not apply to defects arising after the term of the warranty period. The warranty shall become null and void on resale of a Product without the prior consent of the Seller.

Where the Seller considers that the Customer's warranty claim is valid, the Seller's sole obligation shall be, at its option, either to repair, to replace, or to reimburse the price of the Product giving rise to the warranty claim. This section lays down and defines the full extent of the Customer's rights for warranty. The Customer shall return all goods in their original packaging. Collection charges and insurance shall be borne by the Seller on condition that the Products are returned according to its instructions for shipment and that the Customer is entitled to claim under warranty.

PATENT INFRINGEMENT

In the event that a third party brings any infringement action in relation to its intellectual or industrial property rights or patents rights in respect of any Product delivered by the Seller to the Customer, the Seller agrees, at its discretion and at its own cost, to defend the action or to settle the claim. This shall only apply where the Customer informs the Seller immediately, and in writing, of any infringement claim relating to the Product delivered by the Seller. The Seller shall have absolute discretion as to the action or procedure to be taken.

The Seller's liability is expressly excluded if the infringement results from the manufacture of Product according to the Customer's own specifications or from erroneous or incomplete information supplied by the Customer, from the combining or mixing of the Product delivered with any other product, or from any alteration of all or any part of any Product due to the action of any person other than the Seller.

In the event that a final judgment is entered against the Seller, the Seller may choose to either:

- obtain a license of the rights of the aforementioned third party ; or
- alter the infringing Product so as to avoid the infringement ; or
- Take back the infringing Product and repay the Customer the price of such Product less depreciation.

The Seller shall in no case be held liable for any costs or expenses incurred by the Customer without the Seller's consent, nor for any damages, whether direct or indirect, arising from any loss of use of Product.

The above provisions represent the full extent of all undertakings by the Seller towards the Customer in the event of any dispute arising from any third party intellectual or industrial property rights and patent rights relating to any Products delivered by the Seller.

INDUSTRIAL AND INTELLECTUAL PROPERTY

The purchase of Products, designs, studies or services by the Customer shall not in any way grant the Customer any right of reproduction, of all or part of any Products, nor of the exploitation of any industrial or intellectual property rights attached thereto.

In particular, the Seller shall retain title to all plans, designs, data and other manufacturing documents, equipment and patents, whether existing or pending, necessary to the manufacture, use or maintenance of all Products.

LIMITATION OF LIABILITY

Except where public policy provisions apply, the Seller's liability, in any cause of action, shall be limited to indemnifying any direct, foreseeable loss incurred by the Customer, and shall not exceed the price of the Product giving rise to such a claim against the Seller.

The Seller shall incur no liability whatsoever in respect of any incorrect use of any Product under conditions that he has not authorized or agreed, nor where such Product is integrated by a third party into another product.

DISPUTES

THESE GENERAL TERMS AND CONDITIONS OF SALE AND ALL DOCUMENTS RELATING THERETO SHALL BE INTERPRETED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF FRANCE. ANY DISPUTE,

WHETHER RELATING TO THE GENERAL OR SPECIAL TERMS AND CONDITIONS OF SALE OR TO ANY ORDER AS ACCEPTED BY THE SELLER,

