

A. EQUIPMENT AND RELATED DEVICES

1 – General

1.1 – Completion of the agreement: These general terms and conditions are applicable to all sales made by the Seller and will prevail over all clauses providing otherwise contained in any document or written instrument, the application of which may be required, including, without limitation, the general terms of purchase, save as may be agreed otherwise in any written covenant signed by the Seller. The sales agreement will only be valid after the seller has accepted the buyer's order in writing.

Once accepted, an order cannot be cancelled without the consent of the seller. Any « written » document as referred to in these general terms means any document prepared via any means, including in paper or electronic format.

1.2 – Specifications relating to the supplies: specificities mentioned in catalogues, leaflets and any advertising materials from the seller are for information only. The seller will reserve the option of bringing to its models any modifications as the seller may deem appropriate, even after orders have been accepted; however, basic specificities and performance may not be affected.

1.3 – Testing and acceptance: Any testing and acceptance as may be requested by the buyer will be made at its own cost.

1.4 – Quotation: Costs required for the preparation of any quotation for repairs, e.g. time for assembling or re-assembling, or travel costs will be charged at rates applicable previously notified to the Buyer, when the quotation is not followed by an order.

2 – Delivery

2.1 – Terms of delivery: Delivery time will commence after the order receipt has been sent and after the deposit has been received, as the case may be. Whatever the intended purpose of the equipment and terms of sale, delivery will be deemed to have been made in the seller's plants or warehouses. Delivery will be made by notice of readiness given by any means. Notice will be given by direct handing-over of the equipment to the buyer or delivery of the equipment in the seller's plants or warehouses to a shipper or carrier designated by the buyer or otherwise by the seller. The buyer shall take possession of the equipment within ten days from the date of notice of readiness. If the buyer fails to collect the equipment at the place and on the date as shown in the agreement, and provided that the buyer's delay is not due to any act or omission from the seller, the buyer shall make such payments as stipulated in the agreement, as if the equipment had been delivered. In that case, the seller shall ensure storage at the cost and at the risk of the buyer, when the equipment is custom-made. Delivery dates will be provided for information only and in no case whatsoever may any delivery made past such date result in the cancellation of the order, or in the payment of damages or penalties of any type whatsoever or refund by the Seller of monies paid, save in case of express agreement confirmed by the order receipt. SISP-GEARBOXES will reserve the right of making partial shipments without the customer's prior consent. The conditions of use of mass-produced equipment will be stipulated in the catalogue, and, for prototypes, in the special terms upon order. »

2.2 – Acceptance: In case the Buyer has not made any claim within eight days following the delivery date, the equipment will be deemed to have been accepted. Such acceptance will be deemed to be an acknowledgement of the absence of apparent defects.

3 – Title retention clause and passing of risk

3.1 The seller will retain full title to the goods defined in the agreement, until the price has been paid in full.

3.2 All the goods sold by the Seller will be sold under the terms of Law No. 80-335, 12 May 1980, relating to title retention. In the case of deposit, repayment will be made after any costs incurred have been deducted.

3.3 From the date of delivery, the buyer will assume liability for any such damage as these goods may suffer or cause for any cause whatsoever.

3.4 The goods may not be sold or altered without the seller's prior consent until payment has been made in full.

However, in the case of resale, the seller may exercise an indefeasible right applicable whatever the owner, by claiming any monies owing directly from the end buyer.

3.5 In case of failure by the buyer to make any payment when due, or of any violation of this clause, the seller may require the return of goods at the buyer's cost until the buyer has fulfilled all its obligations. The seller may further rightfully terminate the sales agreement by registered mail, return receipt requested. Without prejudice to all other damages resulting from research and engineering expenses, for devices based on quotations, without limitation, the buyer, in addition to its obligation of returning goods, will owe to the seller compensation for termination equivalent to one third of the pre-tax amount of the non-performed agreement, as valued on the date of termination. The seller may charge such compensation to payments already received.

4 – Transportation and insurance: Any such steps as the seller may adopt for the best interests and on behalf of the buyer in terms of insurance, transportation, etc. will not prevail over the principle of delivery in its plants or warehouses. The possible inclusion of the transportation cost in the price will not be a waiver of the principle of delivery in the seller's plants or warehouses. Any shipment made by the seller, whether costs may be assumed by the buyer or not, will be deemed to be done under the terms of a shipping agreement separate from the sales agreement.

Failing any instructions, the seller will ship goods for the best interests of the buyer. The equipment will only be insured upon the buyer's express request. In all cases, the buyer will be responsible for making all inspections and for making any reservations upon the arrival of the equipment and for exercising, where need be, against the carrier, any such remedies as may be provided by Sections 103 et seq., French "Code de Commerce" within periods set out in Section 105.

5 – Prices and payment terms: Save as may be stipulated otherwise, payments will be made at the seller's domicile, net, with no discount, and will be payable under the following terms: payment in cash upon receipt of the invoice. This price will be ex works, and the equipment will not be packed, save as may be stipulated otherwise. Monies paid before delivery will just be considered as deposits and the buyer will therefore not be entitled to terminate the sales agreement.

6 – Late payment: Prices will be deemed to be payable at the address of payee (at the Seller's domicile), net and with no discount, under the terms of Law No. 2001.420, 15 May 2001. Any failure to pay any instalment on due date as agreed or any refusal to accept a bill of exchange, upon production thereof will result in:

. the suspension or cancellation of all current orders, if the seller deems so appropriate,
. the application of a penalty equal to 1.5 times the legal interest rate in proportion to the excess time plus legal fixed compensation for recovery costs of €40 per invoice, fully in compliance with the law, with no prior notice, and finally in

. termination of the sales agreement, fully in compliance with the law, if the seller deems so appropriate, one month after the notice given by registered mail to the buyer to adhere to its obligations. In that case, without prejudice to any damages, the buyer, in addition to its obligation of returning the goods, will owe compensation for termination to the seller, i.e. 30 % of the price, valued on the date of the termination. This compensation will be charged to payments already received.

7 – Warranty

7.1 Warranty coverage: The seller shall remedy any faulty operation resulting from any design fault, defective materials or poor performance (including assembly if such task is assigned to the seller), within the limit of the following provisions. The warranty will no longer be applicable, fully in compliance with the law, and the certificate of conformity will no longer be valid if the buyer either used spare parts that were not original parts, or

undertook, without the seller's written consent, any work to recondition or change goods. The goods will not be covered by the warranty:

. in case of damages resulting from any lack of maintenance or surveillance and in general from any handling operation failing to meet the manufacturer's written instructions,

. for any defects partly or fully resulting from normal tear and wear of the part, deteriorations or accidents for which the buyer or a third party is responsible,
. in the case of force majeure as defined in Section 9.

If the equipment is used outside Metropolitan France, the seller may change the scope and terms of the warranty as defined in these terms and conditions. Save as may be stipulated otherwise, no warranty will apply to second-hand equipment; the warranty will become terminated as a result of the conveyance of the equipment by the first user.

7.2 Buyer's Obligations: To be entitled to the warranty, the buyer shall give the Seller notice by registered mail, return receipt requested, within eight days from the date when the damage was detected and give permanent, free and unhindered access to record and repair damaged goods.

7.3 Term and commencement of the warranty: The normal warranty will cover a 1-year period. The warranty will commence on the day of delivery (as defined in paragraph 2.1).

If circumstances under which the equipment is used include a work system exceeding one 8-hour daily work shift, the term of warranty will be four months. If shipment is postponed, the term of warranty will be postponed in proportion to the delay.

7.4 Terms of exercise of the warranty: While in force, the warranty will impose upon the seller the obligation of replacing parts recognised as defective after an inspection by its qualified technical team, or of repairing them free of charge, if the seller so prefers. The warranty will exclude any other allowance or compensation. Repairs made under the warranty will normally be carried out in the seller's workshops and the buyer will be responsible for sending there, at its own cost, the equipment to be repaired or defective parts. When work on this equipment is performed outside its workshops, resulting costs for the seller for travel and living expenses required for its agents will be charged to the buyer. However, labour expenses relating to the dismantling or re-assembly of these parts will be assumed by the seller when these operations are performed by its staff or agents. Parts which were replaced will become the property of the seller again and should be sent back to the seller at the cost of the buyer. The free supply of spare parts will be deemed to be ex works (seller's plant). Repaired equipment will be shipped again at the cost of the buyer. Any parts repaired will be covered by the warranty under the same terms as originally for a period equal to the rest of the term of the warranty for the part recognised as defective. Gearboxes reconditioned in our workshops by our agents will be covered by a 3-month warranty.

For other components, as a result of any job carried out under the warranty, such warranty will be extended by the time when the equipment was idle. For relatively important units not manufactured by the seller, bearing the brand of specialist manufacturers, the warranty, which may vary depending on the manufacturer, will be the one granted by such manufacturer.

8 – Liability: The seller's liability will be limited to direct damage to property suffered by the buyer as may result from faults for which the seller may be responsible while performing the agreement. The seller is not obliged to repair the harmful consequences of faults committed by the buyer or third parties in connection with the performance of the agreement. Under no circumstances may the seller be obliged to pay compensation for consequential or indirect damages, including operating losses, lost profit, lost opportunity, business loss, loss in earnings. In case penalties and compensation as stipulated were mutually agreed upon, they will be considered as fixed compensation in full discharge and will exclude any other penalty or compensation. The seller's civil liability, for whatever cause, except bodily injuries and gross negligence, will be limited to a sum not exceeding the amount of the value charged and cashed for defective supplies. The buyer will guarantee that it will waive any remedy held by its insurers or third parties with which the buyer made any agreement against the seller or its insurers beyond limits and exclusions determined above.

9 – Force majeure: No party to this agreement may be held liable for its delay or failure to perform any of its obligations hereunder if such delay or failure directly or indirectly results from a case of force majeure. Each party will promptly give the other party notice of the occurrence of any case of force majeure of which it was made aware and which may, according to such party, affect the performance of the agreement.

10 – Disputes: The parties undertake to try and settle their disputes out of court, before referring the matter to the court entertaining jurisdiction. If no out-of-court settlement could be reached, the dispute will be examined by the Commercial Court of Chartres, France, whatever the terms of the sale and payment terms, even in the case of introduction of third parties or if there is more than one defendant. The French version of this document only will be deemed authentic.

B. SPARE PARTS The clauses of Title A will apply to spare parts, excluding the following provisions:

1. Completion of the agreement: Failing any document in writing, shipment by the seller will be deemed to imply that the order has been accepted.

2. Payment terms: Payment of the price will be made in cash on the date of delivery.

3. Warranty: No warranty will apply to spare parts for which assembly is not carried out by the seller.

4. Availability: Orders for spare parts will be handled if available in stock.

Spare parts for the equipment delivered will only be available for sale within the limit of the manufacturing period for such equipment and the seller will not be obliged to sell them for a minimum period.

Confidentiality Engineering drawings, plans, designs and documents given or sent by us will remain our property; they may therefore not be disclosed to third parties by the buyer for any cause whatsoever.