

STANDARD CONDITIONS OF SALE

TCEM 63, rue du Général HOCHE - 76000 LE HAVRE(FRANCE)

1.APPLICATION OF STANDARD CONDITIONS OF SALE

These standard conditions of sale govern all sales by TCEM. They may only be derogated from by written agreement accepted expressly by TCEM within the framework of a given sale. Any order placed by a buyer automatically implies such buyer's unreserved acceptance of these terms and complete waiver of the buyer's own standard conditions of sale, if any. These conditions of sale are an integral part of the contract. Nullity of one of them does not entail nullity of the remainder at the conditions of sale. TCEM's waiver of one or more clauses in these standard conditions of sale does not affect the validity of the other clauses.

2.FORMATION OF CONTRACT

2.1 -The contract shall only be concluded after written acceptance by TCEM, expressed in a buyer order acknowledgement of receipt issued by TCEM and, for export sales, after acceptance of all foreign trade documents, including the letter of credit. TCEM shall only be bound by the commitments accepted by its representatives or agents after written confirmation, which confirmation is deemed to be made by it sending the acknowledgement of receipt of the order concerned. Any order placed orally or by telephone must be confirmed in writing. If there is a difference between the order and its acceptance, the acceptance shall be deemed valid. However in such circumstances, the buyer shall have 15 days to notify TCEM that it rejects the acceptance.

2.2- No accepted order can be modified, suspended, cancelled or rescinded, whether in full or in part, without TCEM's prior written consent. The resulting costs shall be borne and paid by the buyer, and TCEM reserves its rights to claim damages, expenses and any other costs from the buyer. TCEM shall not be obliged to take back the goods returned to it.

3.OBJECT OF CONTRACT

3.1-The contract shall be strictly limited to the goods expressly mentioned therein, based on the specifications supplied by the buyer. The buyer shall be responsible for the design and construction of its facilities as well as the choice of goods incorporated therein.

3.2-Size, weight, performance and mass tolerances shall be those usually accepted for the specified type of goods.

3.3-If no specifications are supplied by the buyer, the delivered goods shall be of ordinary sales quality with the customary tolerances.

3.4-Any supply not expressly provided for in the contract shall be covered by a separate agreement in the form of a written amendment accepted and signed by the parties. This amendment shall be governed by the standard conditions of sale, as will the amended contract.

4.PRICE

4.1-The prices, specifications, weight, dimensions, information, photographs and drawings included in pricelists, catalogues, notices and other documents are for information only and TCEM reserves the right to make any modification in them. The prices indicated in TCEM's offer shall be valid only for the specified quantities and for the stipulated delivery and payment times, provided the order is placed by the agreed time limit.

4.2-The prices set at the moment of acceptance of the order shall be excluding VAT and other taxes, excluding customs, transportation and insurance costs, excluding packaging and ex-works. When TCEM's offer has been quoted in another currency than the Euro, the final price shall be based on the exchange rate in force at the time between the Euro and the currency concerned.

4.3-In the event of differences between ordered and delivered goods, prices cannot be disputed if such differences fall within the industry tolerance limits usually accepted for the goods supplied.

5.FORCE MAJEURE

As distinct from the concept of force majeure as defined by the French courts, "force majeure" is here also used to mean any insurmountable event which makes it impossible or unreasonably more expensive to perform an obligation under the agreement, even if such event is foreseeable and/or not foreign to its victim, including but not limited to strikes, social unrest, uprisings, riots, terrorism, serious difficulties to obtain raw materials or means of transportation, acts or regulations by national or international public authorities.

At TCEM's discretion, force majeure may entail temporary suspension of delivery, in which case the order delivery time is extended by a period equal to the one during which TCEM, because of such event, was unable to perform its obligations, or may entail cancellation of orders without damages and costs.

6.INTELLECTUAL PROPERTY RIGHTS

6.1-TCEM reserves the entire property right to all designs, drawings and documents connected with the goods sold. They may not be used, recopied, reproduced, transmitted, disclosed or assigned to third parties without TCEM's written authorisation. They must be returned to TCEM on request, even if the buyer has been requested to contribute to the design cost. If design work is carried out at the buyer's request, or documents provided to the buyer are not followed by an order, the buyer shall be billed for such design work and any travel costs that have been incurred following such request.

6.2-The models or tools made by TCEM with respect to its supply shall remain its property, including any improvements made after the sale, even if made at the buyer's request.

7.DELIVERY

7.1-The delivery times are mentioned for information only. Delay may not result in payment of late-delivery penalties or any other indemnity or damages or costs, nor entail cancellation, in full or in part, of the order, unless expressly accepted by TCEM in its acknowledgement of receipt of the order.

7.2-In the event that the buyer does not comply with the terms of payment or in case of force majeure or any event not under TCEM's control, TCEM shall automatically be released from any obligation with respect to delivery times and shall not be obliged to indemnify the buyer in any way whatsoever.

7.3-Unless otherwise specified, the time for delivery shall start at the date on which TCEM sends the acknowledgement of receipt, provided that all information necessary to satisfy the order has reached TCEM by this date and provided the buyer has paid the requested advance, if any.

7.4-Unless otherwise stipulated, the equipment shall be deemed sold ex-works or ex-warehouse and be shipped at the buyer's

risk from the moment of delivery to the carrier. For export sales, the delivery terms concerned shall be construed according to the INCOTERMS in force at the time when the contract is entered into. If no special delivery term has been agreed, delivery shall be ex-works.

7.5-TCEM reserves the right to deliver goods by instalments.

8.PACKAGING

If no special request is received from the buyer, the need for packaging and the type of packaging shall be determined at TCEM's discretion. Packagings shall always be paid for by the buyer and shall not be taken back by TCEM. If the buyer itself designates the packaging or the company which will make the packaging, TCEM shall not be liable for any damage due to defective or inappropriate packaging.

9.ACCEPTANCE

9.1-The buyer shall at its own expense subject the goods to an acceptance procedure at its plant or warehouse. The buyer shall verify or have another party verify that the goods comply with the terms of the order. On penalty of forfeiture, it shall notify TCEM by registered letter with notice of receipt of any non-conformity noted during this examination, within ten calendar days following receipt of the goods. No supply may be returned to TCEM without its prior agreement.

9.2-If non-conformity is confirmed after inspection by TCEM, TCEM shall ship a replacement supply or the repaired supply. The buyer waives the right to any other indemnity. In case of a disagreement on the existence of non-conformities between TCEM and the buyer, the parties shall have recourse to an expert.

10.TRANSPORTATION

10.1-Handling, transportation, customs and insurance operations shall be borne by the buyer. TCEM shall only manage transportation operations at the buyer's request.

10.2-TCEM can in no event be held liable for any damage to goods during transportation. The buyer shall verify the condition of the goods on arrival and, in case of delay, damage or missing goods, send the carrier within forty-eight hours a claim by process server or by registered letter, even if the goods were shipped pre-paid.

11.RESERVATION OF OWNERSHIP

11.1-The goods shall remain the full and exclusive property of TCEM until their full price has been entirely paid, including principal, interest and any incidental expenses. Cheques, bills of exchange and similar documents shall only be considered as valid payment if honoured on their presentation. Failing payment of the full price, the buyer undertakes to return the goods sold at TCEM's request, served by registered letter at the buyers principal place of business. The cost if any of repairing the goods sold shall be charged to the defaulting buyer.

11.2-Notwithstanding reservation of ownership, the buyer shall bear all risks connected with the goods supplied from the moment of delivery on the contractual terms. Until payment of the full price, the buyer shall monitor the goods with the greatest care. It shall insure them, in favour of the appropriate beneficiary, against all risks which they may incur from the date of delivery. Moreover, it shall store them under such conditions that they cannot be confused with other goods and shall in addition be kept identifiable as TCEM's supply.

11.3-The buyer cannot pledge the sold supply nor transfer its ownership by way of guarantee. In case of seizure or any other intervention by a third party, the buyer shall immediately notify TCEM.

11.4-As part of its ordinary business, the buyer may resell the sold supply to its own customers, even though it is subject to reservation of ownership, provided the buyer pay TCEM immediately on the day of the resale, if made for cash, or send TCEM on the day of the sale a copy of the resale contract specifying the customer's identity and address and the terms of payment if the said contract provides for credit. Moreover, in case of a resale on credit, whether or not the goods supplied are converted or used before or after delivery as part of such resale, the buyer herewith irrevocably declares that it transfers its credit with its customer to TCEM, up to the amount owed by the buyer to TCEM. The buyer warrants toward TCEM that its customer is solvent and irrevocably undertakes to pay the debt should the customer default.

11.5-Whenever TCEM is obliged to exercise its reservation of title, advances received from the buyer shall irrevocably remain TCEM's by way of lump-sum indemnity.

12.PAYMENT

12.1-Unless otherwise stipulated, bills issued by TCEM shall be paid at its registered office by bankers draft payable 30 days after the end of the month of shipment and availability. If delivery of goods is delayed because of a factor due to the buyer or because of the transportation method chosen by the buyer, TCEM shall be entitled to issue an invoice based on the date of availability, payable within the same time limit as if delivery had taken place at the date specified in the agreement, without prejudice to TCEM's right to charge the buyer for storage and other costs.

12.2-The total cost of the invoice shall be lowered by 1% in case of payment within 10 days following shipment or availability (failure to pay by the contractual due date shall automatically entail forfeiture of the right to this discount) and increased by 1% in case of payment 60 days after the end of the month of shipment or availability or 2% in case of payment 90 days after the end of the month of shipment or availability.

12.3-The buyer agrees that TCEM's acceptance of terms of payment shall not be operate as an exception to the jurisdiction clause set out in these standard conditions of sale.

12.4-Buyer claims shall not relieve it from the obligation to pay invoices on their due date.

13.DEFAULTING

13.1-In the event that the buyer fails to pay invoices issued by TCEM at the payment date stipulated on such invoices and if payment occurs after the 30 days mentioned under Article 12.1 above, late-payment penalties shall begin to accrue from the first day following expiry of the said period, if the date of payment mentioned in the invoice predates the latter, or from the date of payment mentioned in the invoice if after the above mentioned period of 30 days, and shall be calculated at a rate equal to 1.5

times the legal interest rate ("taux d'intérêt légal"), without prejudice to any damages and costs.

These late payment penalties will become due only after formal notice has been made to the buyer to pay the agreed price.

13.2-In the event that the buyer defaults on all or part of a payment or requests extension of the due date or in case of a significant change in the buyer's situation, TCEM moreover reserves the right to:

- state that its entire claim on the buyer is immediately due;
- suspend work on the order concerned and, at TCEM's discretion, all orders outstanding with the buyer;
- cancel the order concerned after a formal demand served by registered letter with notice of receipt which has not been acted upon within eight days from receipt and, at TCEM's discretion, cancel all orders outstanding with the buyer. Cancellation of the orders shall entail recovery of the goods by TCEM;
- ask for guarantees of payment it considers necessary;
- keep all advances received by way of indemnity, without prejudice to any other damages and costs.

14.WARRANTY

14.1-The goods shall be under warranty for a period of six months from the date of delivery.

14.2-During the warranty period, TCEM warrants its goods against all defects in design, materials and manufacture. TCEM shall not be liable for the consequences of:

- ordinary wear and tear of the goods, damage or accidents caused by negligence, defective control, maintenance or storage, wrong application of the goods or repairs made by the buyer without TCEM's prior written consent.

-mechanical, thermal or chemical wear resulting from conditions of application not conforming to the characteristics of the supplied goods and damage to the goods resulting from experiments or tests other than the verifications usually made prior to startup in accordance with generally accepted professional rules.

Defective goods repaired by the buyer without TCEM's prior written consent shall be excluded from the warranty. In the event that the buyer's repair of a defective supply has been approved beforehand in writing by TCEM, TCEM shall bear the costs of such repair up to the limit of the quotation it has accepted in writing.

Piece work and repair of used goods shall be excluded from the warranty. The warranty shall not apply in case of non payment by the buyer. The buyer shall not benefit from any refusal of warranty to suspend or defer payment.

14.3-If the buyer, before expiration of the warranty period, discovers a defect covered by the warranty, it shall notify TCEM by registered letter with notice of receipt within ten days from delivery, in case of visible defects, or from discovery, in case of hidden defects. Given that everything needs to remain unchanged from discovery of the alleged defect, TCEM, the buyer and, at TCEM's request, the manufacturer of the goods or its representative shall meet within one month from the date on which TCEM receives the before-mentioned registered letter in order to draw up a report, signed by all parties, noting the existence of the defect. No supply may be returned to TCEM without its prior consent.

14.4-In the event of such a report, TCEM, at its choice, shall either pay to repair the defective equipment or to supply, on the initial contractual terms, replacement equipment. TCEM shall not pay any other costs, including by way of example, transportation, disassembly and reassembly of the goods supplied concerned and all incidental costs. The buyer waives the right to any indemnity for damage suffered by it. Repair or replacement of the original supply shall not change the warranty conditions available under these stipulations.

15.LIABILITY

15.1-TCEM shall not be held liable for consequential financial losses, following from personal injury or property damage, or pure financial losses suffered by the buyer, which waives the right to sue TCEM for damages and costs in this respect.

15.2-Except for damages covered by the application of the insurance policies taken out by TCEM, the buyer's right to damages shall be limited, taking into account all possible grounds, to an amount equal to the lowest of the following two sums: the VAT free price of the order or a sum limited to one hundred and fifty thousand Euros; the buyer waives the right to sue TCEM for any other sum.

15.3-The waivers of recourse stipulated under the Articles 15.1 and 15.2 above shall be valid against all agents of the buyer, the buyer's customers and the buyer's joint contractors or subcontractors. The buyer undertakes to notify them as necessary.

16.INSURANCE

16.1-The buyer expressly waives the right to sue TCEM's insurer(s) for consequential financial losses, following from personal injury or property damage, or pure financial losses, as part of any direct action it may be entitled to bring.

16.2-The buyer acknowledges that it is aware of the amount of the warranties specified in the insurance policies taken out by TCEM. In the event of a claim exceeding the amount of the said insurance, the buyer waives the right to sue TCEM for the surplus.

16.3-The waivers of recourse stipulated under the Articles 16.1 and 16.2 above shall be valid against all agents of the buyer, the buyer's customers and the buyer's joint contractors or subcontractors. The buyer undertakes to notify them as necessary.

17.JURISDICTION

17.1-Any dispute with respect to the contract shall be judged by the Commercial Court in the district of TCEM's registered office or by the Commercial Court of Paris, which alone shall have jurisdiction, regardless of the place of delivery, even in cases of claims for indemnities or in the case of plurality of defendants, unless the parties agree to arbitration proceedings whose the terms of which shall be agreed by the parties.

17.2-The contract shall be governed by and construed in accordance with the law of France.

18.LANGUAGE

In the event of any conflict between the French text of the standard conditions of sale and the text in any other language, the French text shall prevail.