

SAH LEDUC GENERAL CONTRACTUAL CONDITIONS

1 – GENERAL PROVISIONS

The present general provisions apply in their entirety to all agreed and delivered sales of Products or all services done by Société d'Application Hydraulique LEDUC (hereafter: "SAHL"), with the customers (hereafter: "Customers"). The provisions constitute the essential and determining conditions and prevail over all general purchasing conditions and all other documents from the Customer, regardless of the terms. Thus, any order sent to SAHL involves the full acceptance of the SAHL price lists and the present General Conditions.

SAHL reserves the right to modify the present General Conditions, which will then be applicable to any contractual relationship in progress and in the future.

The fact that SAHL does not claim at any time whatsoever a prerogative recognized by the present general conditions should not be interpreted as amounting to a waiver of the right to subsequently claim by the latter the corresponding prerogative. Each of the stipulations of the present general conditions will apply to the full extent permissible by the law and the partial or full nullity of a clause would have no effect on the rest of this clause and on all of the general conditions.

2 – APPLICABLE LAW - ATTRIBUTION OF JURISDICTION

The orders and contracts that they govern are exclusively subject to French law with the exception of the Vienna convention on the international sale of goods (1980), and fall within the exclusive jurisdiction of the Market Court of Nantes (44000 France), even in the event of emergency proceedings, third party appeals, incidental claims or multiple respondents.

3 – CUSTOMER ACCOUNTS

Any order involves the opening of a customer account beforehand, for which the Customer must communicate by request of SAHL certain accounting, financial and legal documents (full contact information, KBIS [certificate of incorporation], RIB [bank reference identification]) and if necessary must justify the necessary guarantees.

In case of payment by bill of exchange under the conditions mentioned in article 11 hereafter, the Customer will provide to SAHL a duly completed automatic debiting authorization.

4 – ORDERS

Orders are the subject of an order written by any means (letter, e-mail, fax, EDI) duly transmitted or signed by the Customer, specifying the references of the Products ordered or the corresponding quote.

Under any and all circumstances, the sales or service contracts are only legitimately formed after written "ARC" or "EDI" confirmation or at the start of execution by SAHL of the corresponding orders and only after payment of any possible instalment required under the conditions defined in the following article 11. For all that, any order commits the Customer from the time it is transmitted, regardless of the bearer or signatory. Any modification made by SAHL on the occasion of its confirmation of the order, will be reckoned to be accepted in all of its terms failing a written challenge by the Customer within 5 working days from the date of its communication and at the latest before its delivery. No order may be cancelled and/or surrendered without the agreement of SAHL.

5 – TITLE RETENTION

PRODUCTS ARE SOLD SUBJECT TO OWNERSHIP UNTIL THEY ARE FULLY PAID. IN THIS RESPECT, PAYMENT IS UNDERSTOOD FROM THE EFFECTIVE REGULATION ON THE SAHL ACCOUNT TO INCLUDE THE PRICE OF THE PRODUCTS, FEES RELATIVE TO THE ORDER AND INTEREST.

In case of non-payment, even partial non-payment, by the Customer of a debt, SAHL may, in particular, claim the unpaid Products or the price of their resale, the Products in stock at the Customer's premises will be presumed to be unpaid. Under such circumstances, the Customer must immediately restore the unpaid Products, at his cost and expense, upon the first request by SAHL.

SAHL will keep the instalments possibly paid as damages, without prejudice to any other compensation.

The Customer may not in any case hypothecate and/or pledge the Products, or use the Products as collateral, before their full payment. In addition, the Customer may not resell the Products subject to ownership unless this is due to its normal requirements relating to its activity, any resale, however, being prohibited in case of a state of suspension of payments by the Customer.

In case of resale of the Products, the resale price will be immediately and by the sole effect of the presents, pledged to the benefit of SAHL as long as it has not been paid. The Customer will be a mere custodian.

6 – TRANSFER OF RISKS

By express agreement, notwithstanding the title retention clause mentioned in article 5 above, the Products are reckoned to be in the custody of the Customer counting from the date of their issuance as defined in the following article 7. Thus, counting from their issuance, the Customer alone bears the risks that the Products may undergo or cause, for any reason whatsoever, even in case of force majeure, exceptional circumstances or due to a third party.

Therefore, the Customer must purchase insurance covering the risks relative to the Products from the transfer of the burden of risks of the Products to the full payment of their price and must inform SAHL as soon as possible of any event of the type to affect the insurance contract.

7 – ISSUING – DELIVERY

Unless otherwise provided in the order and expressly accepted by SAHL, the Customer is called on to withdraw the Products himself. SAHL is then reckoned

to have fulfilled its Product issuance obligation, once they are made available to the Customer or its transporter in the SAHL warehouses. Loading of the products is at the expense of the Customer.

When the transport is organized by the SAHL company, SAHL is then reckoned to have fulfilled its Product issuance obligation once they are made available to the Customer by the transporter, the unloading of Products being at the exclusive expense of and under the sole responsibility and risk of the Customer.

Delivery times are given for indication purposes and their failure to comply should not in any case lead to an order cancellation or payment of damages.

In any case, if SAHL was not in possession of possible specifications and/or information necessary for delivery on a timely basis, the Customer may not protest against any delivery delay.

8 – COMPLIANCE – RECEIPT

Compliance of the Products (notably condition, absence of patent defects, number, compliance with the quotation, etc.) absolutely must be verified by the Customer when they are received, in the presence, if necessary, of the transporter; the costs and risks relative to the Product verification being at the expense of the Customer.

In case of collection of the Products by the Customer, any reservation or objection relative to a lack of compliance of the Products must be applied to the collection order and must be confirmed to SAHL by registered letter with acknowledgement of receipt, within three days from their collection.

In case of transport of the Products organized by SAHL, any reservation or objection relative to possible shortages or damages must be applied to the delivery order and be confirmed to the transporter under the conditions of article L 133-3 of the commercial code, as well as to SAHL, by registered letter with acknowledgement of receipt sent within 3 days (not including public holidays) following the taking of delivery of the Products.

Upon failure to comply with these conditions, the Products will be reckoned to be compliant and the responsibility of SAHL may not be challenged in that capacity, the Customer being held responsible for

any prejudice undergone by SAHL due to the failure to comply with this procedure.

The Customer must prove the existence of shortages, defects and/or anomalies relating to the Products.

In case of recognized non-compliance observed by SAHL, SAHL undertakes to, at its expense, replace the non-compliant Product according to its available stocks. If it is impossible to replace the defective Product, SAHL will grant a credit note. In no case shall non-compliance of a Product qualify as payment of damages to the benefit of the Customer.

9 – RETURNS – RETRIEVAL

No return of Products will be accepted without the express prior agreement of SAHL, as well as the assignment of a return number for identification of the returned product upon its arrival. The returned Products must be perfectly preserved and must be restored in their original wrapping or packaging on which its return number is listed and must not present any sign of disassembly and/or transformation.

10 – PRICE

Products are invoiced according to the quotation or the price list in effect on the date of confirmation of the corresponding order by SAHL.

Lacking information on the corresponding quotation, prices are always taken outside of the qualification test.

A quotation sent by SAHL will remain valid for a maximum of 3 months following its date of transmission. However, it may be reviewed by SAHL within these 3 months in case of significant variation in the entry costs (particularly raw materials).

Unless expressly otherwise agreed upon, prices are taken net and free of tax, upon the departure from the SAHL warehouse, all rights and taxes are moreover at the expense of the Customer.

11 – PAYMENT – MODALITIES

Unless otherwise agreed in the order confirmation sent by SAHL, the Products are payable in Euros at the SAHL headquarters by transfer, check or bill of exchange sent by SAHL, at the latest within a period of 30 days from the invoice date.

In any case, SAHL may require any collateral, an instalment, a reduced payment period and/or a cash settlement before executing the orders, in case of a first order, in case of risk of insolvency of the Customer and/or in case of risk of collection difficulties and/or in the absence of references deemed satisfactory by SAHL and/or for any other reason of a similar nature.

Payment is reckoned to have been made when the funds are made available to SAHL, i.e., on the day when the amount is credited to one of the SAHL accounts.

Any granting of a payment period is subject to, at the discretion of SAHL, a prior financial analysis of the Client's situation.

For any cash payment by check or transfer, no discount is granted to the Customer.

In case of delegation of payment or direct payment of SAHL by the main contractor or the principal, the Customer will remain debtor of SAHL for the

totality of the price until it is fully paid. In no case in this scenario will the Customer be able to oppose SAHL, its relationships with the main contractor or principal, to oppose or delay the payment of sums.

12 – PAYMENT: DELAY OR DEFAULT

In case of payment after the due date, late penalties will be applied and calculated from the due date until the effective payment date at a rate equal to three times the French legal interest rate.

In addition, any delay of payment will lead to, as a matter of right, at the discretion of SAHL, the suspension of the execution of orders in progress, the cancellation of all credit notes, remittances or tax-free

discounts on prepared invoices or invoices to be prepared, as well as the immediate payability of any debt obligation to SAHL in full.

In case of default of payment, fifteen calendar days following the first presentation of a formal demand remaining unsuccessful, SAHL may terminate the corresponding orders, as well as any unpaid orders whether they are delivered or in the course of being delivered and whether their payment is due or not. SAHL will then keep the instalments possibly paid without prejudice to any other damages and any other costs.

The Customer will be prohibited from making a claim against SAHL to delay payment of a debt in full or in part.

SAHL reserves the right, at any time, to set or reduce the outstanding amount of the Customer and to adapt its payment periods.

In case of non-payment on a bill of exchange, the fees will be invoiced to the Customer.

In any case, the Client will have to reimburse all costs caused by the payment default when due leading to a return of instruments and unpaid checks, and by the collection of sums due, including the fees of judicial officers and officers of the court.

13 – WARRANTIES

The Products are guaranteed against any manufacturing defect and/or material defect for a duration of 12 months from date to date counting from the date of their issuance as defined in article 7 above. The warranty will be subject to prior assessment and validation by SAHL and will be limited to the replacement of defective items.

In any case, the following are excluded from any warranty, in particular:

- patent defects, i.e., defects of a visible appearance not declared by the Customer during delivery of the Products;
- defects and/or deterioration caused by the normal wear of Products;
- defects or deterioration caused by a usage different from that for which the Products were designed, by negligence, by poor maintenance, by poor storage, by poor utilization or by failure to comply with trade practices for assembly or with recommendations for use or for maintenance;
- defects or deterioration connected to a factor external from SAHL.
- defects connected to the absence of compatibility of qualities of the Product with the environment in which it is utilized and not declared in the specifications.
- defects and/or deterioration caused by a provision required by the Customer
- defects, particularly corrosion, connected to extended storage in inappropriate conditions (particularly in the case of storage not protected from bad weather, or exposed to a corrosive atmosphere, or in which the ambient temperature is such that the relative humidity is greater than 70%, or in the case of storage longer than 3 months at the Customer's premises without activating the cylinder, or in the case of non-retracted rod storage in the cylinder barrel).

Any intervention or modification performed on the Products by the Customer or by a third party automatically terminates the warranty. Compensation for, modification or replacement of items during the warranty period should not in any case extend the initial period or cause a new warranty period to begin.

14 – RESPONSIBILITY

SAHL will not respond to non-material losses and/or indirect losses such as, in particular, loss of revenues, financial losses and/or commercial losses resulting

from or not resulting from the acquisition or resale of Products by the Customer.

The Customer will be solely responsible for defining its needs, the accuracy and precision of information that it communicates (particularly plans and specifications), the appropriateness of the Product for its needs, as well as its compatibility with any installation or equipment that would be in connection with the Product.

Particularly, in the absence of specific characteristics expressly required by the Customer and entries in the specifications at the latest when the order is

confirmed by SAHL, SAHL should not in any case be responsible for the proper operation of the Product in its installation and operation environment, the SAHL warranty stopping at the intrinsic

qualities of the Product independently from its installation and operation environment. In that capacity, any information not appearing in the specifications will not be taken into account.

The responsibility of SAHL should not in any case be sought for any reason whatsoever:

- If the Customer has not carried out sufficient tests on the Product or Products;
- In case of poor utilization and/or poor installation of Products by the Customer or in case of failure to comply with its recommendations;
- In case of force majeure such as defined in the following article 15;
- In case of modification subsequent to order confirmation by SAHL, of the characteristics and the installation environment of the Products.

Lastly, the Customer will be solely responsible for the modifications that he will have made himself or will cause to be made on the Products.

15 – FORCE MAJEURE

Considered to be cases of force majeure with regard to the obligations by SAHL are events independent of its will that SAHL may not reasonably be held to predict, insofar as their occurrence

makes the execution of its obligations more difficult or costly. That will also be true in all circumstances, even if they do not enter into the aforementioned definition, particularly in the case of war, explosions, acts of vandalism, riots, public commotions, acts of terrorism, equipment breakdown, fire, storms, water damage, total or partial strikes, lock-out, acts of state, shortages of raw materials, suppression, blockage of transport means and procurement of telecommunications networks, modification of the regulations applicable to the present general conditions or to the Products, intervening in the premises and/or against SAHL and/or its suppliers and/or providers on which SAHL depends.

16 – INTELLECTUAL PROPERTY – CONFIDENTIALITY

Any utilization of marks, logos, plans, supports and documents provided by SAHL and other intellectual property rights of SAHL, is subject to the express prior authorization by SAHL. In no case will this authorized or unauthorized usage confer to the Customer any property right whatsoever on said marks, plans and logos, which will remain the full and complete property of SAHL. Hypertext links within the official SAHL site are in the same manner subject to the prior written authorization by SAHL.

All technical documents or information, particularly procedures, process sheets and plans as well as any information relating to SAHL, its activity and its products in which the Customer will have had knowledge on the occasion of its relationships with SAHL, remain the full and complete property of SAHL. The Customer promises to respect and to enforce by its employees and subcontractors this strictly confidential character for the duration of its commercial relationships and for a duration of 10 years from the suspension of the relationships for any reason whatsoever. All of

these elements will be immediately restored by the Customer, upon the first request by SAHL.

In case of distribution or communication by the Customer to a third party without the express agreement of SAHL, of one or more plans of a Product that is the property of SAHL, the Customer will immediately be liable without a prior formal demand for a penalty of (ten thousand) 10,000 Euros for each of the plans communicated or for a single plan for each person who will have been a recipient, all without prejudice to any other damages that may be due resulting from the violation of the present clause.

17 – AFTER SALES SERVICE

Out-of-warranty interventions and replacement of items, carried out by SAHL, will be the subject of an initial quotation or maintenance contract. Unless otherwise provided for in the quotation or maintenance contract, the fees for replacement or for the intervention of SAHL technicians will be borne by the Customer.

18 – DEPOSIT

Any Product placed on deposit at the Customer's premises will be the subject of a deposit order countersigned by SAHL and the depositing Customer. Failing this, it will be considered to be sold and its price will be due.

Acceptance of a Product by the depositing Customer equals acceptance of the conditions of the present article 18 relative to

depositing, besides the acceptance of the present general conditions.

In the context of a deposit, the depositing Customer is particularly held to: support the round trip transport and handling costs caused by the access to the Products; support the risks, damages and losses that the Products may undergo, from departing the SAHL premises to their proper restoration, and to purchase insurance suitable for example for "Property in care," for this purpose, from a reputable solvent insurance company and to produce to SAHL on request the justification of this insurance, to take whatever measures necessary for the proper preservation and maintenance of the equipment; to not remove any item from the Products without the written authorization of SAHL; to restore said equipment to SAHL on request by its part, or upon the expiration of the period on the deposit order, and to not dispose of the Products in any form whatsoever, without the prior written agreement of SAHL.

In the case of utilization for demonstrations, the depositing Customer is solely responsible for the demonstration conditions and for the utilization of the Product. He may not, in any case without the prior written authorization of SAHL, use the Product for any purpose other than the demonstration, or to entrust the Product to anyone whomsoever for any usage whatsoever. If, upon the expiration of the set deposit period, the equipment is not restored to SAHL, SAHL may at its discretion, either collect it or invoice it to the depositing Customer. This invoicing will take place under the usual sales conditions. In case of the restoration of equipment in poor condition, SAHL will carry out, at the expense of the depositing Customer, the necessary restoration and will invoice the depositing Customer for said expenses that will be immediately due.