

GENERAL SALES CONDITIONS



**KOMOORI
CHAMBON**

1. INTRODUCTION

Unless otherwise agreed in writing, all quotations, agreements or contracts are subject to the following general terms and conditions of sale.

2. STUDIES AND PROJECTS

Projects, studies and documents of any type submitted or sent by the seller shall remain his sole property as will the industrial rights attached thereto. These must be returned to him at his request. These are supplied free of charge if they are followed by the order to which they refer, otherwise the seller's research and travel expenses, shall be reimbursed. The seller shall retain all rights to intellectual property for his projects, studies and documents, which shall be communicated or carried out without his written authorization.

The client expressly undertakes not to interfere with the aforementioned rights to intellectual property and not to exploit them, or allow them to be exploited by third party, without prior written agreement from the seller.

3. ESTABLISHMENT OF CONTRACT

The contract shall be concluded when the purchaser returns the accepted confirmation of this order, by whatever mode of transmission or recording thereof. Any order bearing additions, limitations or modifications to the proposals shown, whether these are substantial or not, shall constitute a counter-proposal which shall not bind the seller in any way.

The contractual documents shall consist solely of the acknowledgement of receipt of the order from the seller, including any technical forms and these general sales conditions. Any modification must be made in writing. If these modifications have an effect on the technical data, the main clauses must be reconsidered, particularly with regard to prices, deadlines and technical performances of equipment.

Any order implies acceptance of these conditions without reserve and cancels any clauses to the contrary on any documents issued by the client. The seller shall be bound to supply only the materials specified and quantified in his offers. However the seller reserves the right to alter the characteristics of these materials, even for the acknowledgement of receipt of an order, at the stages of design, assembly, tests and introduction into industrial start-up on the premises of the client, if it is believed that the modifications will improve the quality of these materials.

The photographs and drawings may be attached to the Manufacturer's estimates do not form an integral part of the Contract. They are only given for information. The Manufacturer reserves the right moreover with the agreement of the Buyer to make any modification or improvement of the equipment that has been developed since the drawing up of the specifications.

The technical data of the photographs in the non-contractual documents for information purposes only including, in particular, references to actual production speeds and the quality of work achievable; these depend on the quality of the labour, the paper and the links, the nature of the work and other technical factors beyond the control of the Manufacturer – and indications given with regard to use the equipment. For none of these can the Manufacturer be held liable.

The materials sold shall comply with European standards show on the offers and technical forms. If stricter, compulsory standards are required by the client, or the applicable rules are of a country other than France, these must have been submitted to the seller prior to the order, discussed and accepted by both parties in accordance with the agreed commercial terms, before being incorporated into the clauses. The seller relinquishes all responsibility if the client submits standards or specifications which have not been agreed in writing prior to the order.

For any materials studied specifically at the request of the client not shown in the seller's catalogue, the seller reserves the right not to follow up the studies, reimbursing the amounts paid without any other indemnity.

4. AVAILABILITY

The contract period shall commence at the date

of encashment of the downpayment which should be within 30 days after acceptance of the contract by both parties.

A delay of 45 days will give the Manufacturer the right to cancel the contract by a simple registered letter without any other advance notice.

The periods shall be given as an indication. In the event of delay and in the absence of a specific written agreement, agreeing a penalty not greater than 5% of the value of the relevant factory material, no indemnity shall be due. The client may not take advantage of any delay to terminate the contract or to free himself from his payment obligations.

If the payment conditions are not respected by the client and if the client does not supply any information requested within the stipulated deadline, the seller shall be completely free from any undertakings with regard to deadlines, as well as in the event of force majeure or any other events beyond the control of the seller, such as a strike, fire, flood, interruption of or a delay in transport or in the supply of power of raw materials.

The seller shall advise of factory readiness of the equipment by a single advice note, the issue of the invoice, the direct transfer of the delivery of the equipment carrier may replace this. If dispatch is delayed for any reason outside the control of the seller and he agrees to this, the equipment shall be stored and handled if necessary, at client's expenses and risk, and the seller shall relinquish all further responsibility therefore. These provisions shall not alter in any way the payment obligations for the supply.

5. PACKING

The method of packing is specific to each order and shall be specified in quotation issued by the seller.

When the prices indicated in the contract are ex-works delivery relates to equipment alone. Packing costs are always for the Buyer's account and the packing will not be returnable to the Manufacturer. The Buyer will himself appoint the packing firm who will ensure the protection of his equipment. He can failing this ask the Manufacturer to appoint one.

The Manufacturer shall in no case be held responsible for damage (breakage, rust, loss, etc.) following faulty packing or marking.

Any claims will be made directly by the Buyer's to the firm that has carried out the packing.

In all other cases packing is done by the Manufacturer and at his expense. It will then be carried out according to the SEI standards in force in France a copy of which can be sent on a request to the Buyer.

6. DELIVERY

Unless otherwise stipulated, all transport, insurance, customs, handling, installation operations shall be incurred by the client. Despatch by the seller shall be done in the best interests of the client, and under the full responsibility of the client, unless otherwise requested by him. The onus lies on the client to put forward any reservations with the carrier within the legal deadlines. The principle of availability in the factories of the seller shall not be subject to any modification because of the delivery methods used (free delivery, reimbursement of transport costs).

The delivery shall be carried out from the factory. The client shall indicate the delivery address on the order form.

The delivery shall be carried out in accordance with the instruction on the order form:

- either by the carrier: the seller retains all rights to a free choice of carrier,

- or by collection by the client

- or by delivery to the airport or port of embarkation.

The delivery periods refer to the date of leaving our works and not commence until the contract comes into force as defined in Article 4 above. The periods mentioned in the estimate are for indicative purposes only. When the contract comes into force, the Manufacturer will advise the final date of departure of the equipment from the Works.

The Manufacturer is fully released from any obligation relating to the date of departure from the works:

- when the terms of payment have not been observed by the Buyer.

- when the technical and financial information to be supplied by the Buyer has not been received by the Manufacturer in time.

- when subsequent modification of the order has been requested by the Buyer.

- In case of force majeure.

The Manufacturer shall notify by the Buyer immediately of any cases or events as detailed above.

When the delivery conditions stipulate that the Manufacturer is responsible for transport, this will be carried out by the normal means generally used and as quickly as possible.

A penalty may only be applied when the delay is caused by the seller and only if this causes actual prejudice cross-established by both parties.

In any event, the indemnity shall not exceed 5 % of the net amount of the order.

If the dispatch of the equipment is delayed through the fault of the Buyer the matter must complete all the payments within the contractual periods.

7. ASSEMBLY

7.1 The Manufacturer is exclusively responsible for the correct operation provided that the assembly is carried out by his technicians or under their supervision. If it's not, then in no circumstances whatsoever would the Buyer be able to claim the right to recourse the guarantee clauses in Paragraph 12.

7.2 The work of preparing the site and supplying of services (electricity, compressed air, water, possibly gas or superheated steam and removal of fumes) is to be carried out by the Buyer on his own responsibility and in strict conformity with the plans supplied by the manufacturer.

This must be completed at the latest one month after notification by the manufacturer that the equipment is available in his works unless stipulated to the contrary in the contract. Failing this the manufacture may by way of contractual compensation for delay claim from the buyer 0.5 % per week of the sums due on installation in the buyer's premises until the site is made available equipped for assembly.

7.3 in addition, and if in spite of the assurances given by the buyer the manufacturer's personnel do not have available at the least 48 hours before the end of the period of assembly in the buyer's works all the services referred to in paragraph 7.2, allowing effective installation of the equipment, the manufacture would be entitled to repatriate his technicians and the buyer's expenses. He would also be entitled during the whole period of immobilization of the site, to claim compensation as provided for in paragraph 7.2.

7.4 The buyer shall give all necessary help to obtain visas, or any other documents essential for Seller's technicians stay according to the laws in force in the country in which the assembly will be take place.

7.5 The premises in which the assembly is carried out must have adequate hygiene facilities (wash-room, WC and lockers with keys, etc.) to allow the litters to carry out their work in a normal manner. During the cold season the premises must be heated.

7.6 The buyer shall be held responsible for enabling the fitters to find board and lodging compatible with the standard of living of the buyer's technicians in the vicinity of the area of installation.

7.7 In principle the buyer will not give any advances of money to the fitters unless by prior agreement with the seller. However, if in an exceptional case urgency demands some deviation from this rule the buyer is requested to advise the seller without delay of the amount of the sum paid.

GENERAL SALES CONDITIONS



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7.8 The following are for the account of the buyer and his sole responsibility:

- making available all handling and lifting equipment, consumable materials and accessories requested by the fitter, with the sole exclusion of small hand equipment i.e. the fitter's personal box which will remain his property and will be insured and transported at the buyer's cost ;
- making available to the fitter the necessary additional labour, skilled or otherwise. In case of accident the manufacturer has no liability with regard to the labour supplied by the buyer.

7.9 The manufacturer's technicians cannot be compelled to operate the handling and lifting equipment. Their use shall remain the sole responsibility of the buyer. Consequently the manufacturer has no liability for damage of any kind whatsoever whether sustained by the personnel or equipment of the buyer or a third party.

7.10 Assembly as per contract.

The contractual price of the assembly operations mentioned in the contract supposes that the work can be commenced on the arrival of the buyer's personnel and continue without interruption until completion. For this, it is essential that the whole of equipment be delivered on site in accordance with the terms mentioned in paragraphs 7.2 and 7.8.

7.11 Assembly with daily work statements.

The conditions that govern the methods and payment of assembly operations in accordance with daily work statements shall be the subject of a special agreement between the manufacturer and the buyer and will be included in the contract.

7.12 When the equipment is ready to operate the manufacturer shall advise the buyer accordingly. The latter shall take immediate steps to have the trials carried out within fourteen days from receipt of this advice. Any complaint regarding the equipment not fulfilling the manufacturer's specification must be sent in writing by the buyer to the manufacturer within fourteen days after the trials.

8. CANCELLATION

Orders accepted by the seller may not be cancelled by the purchaser, except with the agreement of the seller established in accordance with the terms which allow him to be compensated for all losses or damages arising from this cancellation (Costs of design, raw materials, machining, trials, assembly, etc.).

9. PRICES AND PAYMENT

Prices:

The prices listed in any price list or proposal of prices shall be net exclusive of taxes, discounts and other fees (all deposits, fee, loans, import license costs, controls by any organization to which the parties have agreed to have recourse), they shall be expressed in Euros for goods, ex-works, unloaded, unpacked.

If the estimate stipulates that the price is revisable, a price revision formula will be established together with its rules of application.

Payment terms:

The confirmation of the order shall determine the payment terms by the client. Unless otherwise stated payments shall be made to the head office of the seller. The prices and information given in the catalogues, prospectuses and price lists shall serve solely as an indication.

The delivery conditions stipulated in the estimate will be governed by the INCOTERMS 2010 ICC.

If payment is not made by contractual dates, the amount due shall bear interest based on the legal interest rate plus 50 % without prejudices to the right to put a step to the infringement (Law No.92 14 42 of 31/02/94 – French Official Journal of 01/01/93).

If the purchaser's business or material or sold, assigned, used as collateral or contributed to a company, the same way if one of the payments or acceptance of one of the installments, has not been made on time, the amounts shall be payable immediately regardless of the conditions previously agreed.

Non payment:-

Any payment irregularities shall result in all outstanding amounts becoming due.

The buyer may not for any reason whatsoever withhold any sum from any contractual payment whether under the guarantee or by way of fiscal retention or compensation for payment of duties and taxes or any other sum claimed from the Manufacturer.

The seller reserves the right to withhold delivery and / or execution of outstanding orders or to cancel them and to demand the return of goods delivered. In default of payment or setting up the process of payment stipulated in the contract, the Manufacturer after notification of a normal summons sent to the Buyer and after the expiry of a period of fourteen days following the date of dispatch of the summons may by right notify the Buyer by simple registered letter of his wish to avail himself of his resolutive clause.

In this event and whether the equipment has been delivered to the Buyer or not Manufacturer shall be entitled to claim damages which in the absence of an amicable solution shall be determined as indicated in paragraph 14 below.

In the meantime any sum paid by the Buyer shall remain blocked by way of guarantee in the hands of the Manufacturer.

Flat-rate allowance for collection charges fixed at 40 € per decree N° 2012-1115 of October 2ND, 2012.

10. TRANSFER OF OWNERSHIP

The goods sold shall remain the property of the seller until payment has been made in full. Non payment has been made in full? Non payment of any of the amounts due may lead to demands for return of the goods. These provisions shall not prevent transfer to the purchaser, as soon as the goods are available, of risks, notably for loss and deterioration of the sold goods, and damage that could be caused thereby. The client undertakes to take out adequate insurance policies.

11. RESERVATION OF OWNERSHIP

If the goods sold have been incorporated into other goods or added to other goods, ownership shall be reserved and the goods may be recalled as long as they remain identifiable.

The purchaser is forbidden to dispose of the goods by resale or by conversion until he has full possession thereof. Moreover, he shall refrain from using reserved goods for collateral, guarantee or security.

The seller shall reserve ownership of the goods sold until payment has been made in full of any amounts due from the client. If a final payment demand has been made and payments has not been made within eight working days the seller shall have the right to reclaim ownership of the good.

12 GUARANTEES

All materials are guaranteed for 12 months under normal usage conditions. This guarantee shall apply from the time of commissioning and at the latest one month after the goods are made available.

The period of guarantee may however in no case be longer than sixteen months starting from the date of the last delivery from Manufacturer's works.

The guarantee shall be limited to the replacement, without labour costs, of components recognized by the manufacturer to be defective, without compensation. These alleged defective components shall be returned with carriage, packing and other fees paid, for expert analysis.

If the components are not returned, the seller shall invoice the replaced components.

The guarantee shall not cover defects which result from:

- transport
- defective installation, if this was not carried out by the seller
- normal wear and tear
- lack of supervision or maintenance
- defective excessive or exaggerated use
- lack of experience of the operator

- incorrect operation or non-observance of instructions relating to power supply or functioning of the equipment

- non conformity of a treated product or packing with the specifications defined previously concerning the speed, dimensional tolerances, etc

- incidents resulting from chance or force majeure.

- conditions of use or environmental conditions (chemicals influences, atmospheric, electrical or other) inadequate or not specified in writing at the time of the order.

The guarantee shall be not valid if modifications, additions or fitting of parts not provided by the Seller have been made to the equipment by the client, without the prior written agreement of the seller. It shall not give rise to any compensation for damages. The guarantee shall not be valid if equipment has been put into operation or any work or repair has been carried out other than by the seller, his appointee or any other person authorized by him and in accordance with the seller's instructions.

For supplies which are not manufactured by the seller, such as motors or electrical appliances, the guarantee is limited to that of the seller from the relevant manufacturers.

In the event of delay or partial or total non-payment of the price of the goods, the seller may suspend the legal and agreed guarantees. The client shall have no claim to any compensation as a result of the application of legal and agreed guarantees, including that for intangible or consequential damage such as operations losses.

In order to take advantage of these provisions, the purchaser must advise the seller, without delay and in writing, of any faults that he attributes to the goods and furnish all proof thereof. The seller must be given every possible assistance in verifying and remedying these faults. The purchaser must also refrain from carrying out any repairs that he believes necessary or from having them carried out by a third party without the express agreement from the seller.

13. NOTICE CONFORMITY

The seller shall not be bound by any contractual guarantee, any legal guarantee or contractual responsibility, if the purchaser has not been in strict compliance with trade regulations, the provisions of the seller and, in particular, those stipulated in the instruction notice or if he has not carried out periodical checks required or provided for in the notice.

Moreover, any, modification to the goods by the purchaser that may lead to a change in the safety conditions shall lead to the cancellation of the declaration of conformity, made by the manufacturer. The replacement of a component which may affect safety with a non-original component shall also lead to the cancellation of the aforementioned declaration.

14. ATTRIBUTION OF JURISDICTION

Any dispute arising from the interpretation or application of the sales contract, which cannot be settled amicably shall be brought to the jurisdiction of the Court sitting in the territory of the seller's head office. Any agreement shall be governed by French Law.