



GENERAL SALES CONDITIONS

ART.1 : APPLICATION OF THE GENERAL SALES CONDITIONS

The act of placing an order implies the total and unreserved acceptance by the purchaser of the general sales conditions to the exclusion of all other documents such as prospectuses or catalogues, etc., issued by the vendor which are provided for information purposes only. Our sales are subject to the present sales conditions which take precedence over any other purchasing conditions, unless waivers or exemptions to this rule are formerly and expressly agreed in writing by us. The possible renunciation on our part of one or several of the present conditions has no effect on the validity of the other conditions, with it expressly being agreed that these remain applicable between the parties.

ART.2 : ORDERS

In France, orders are taken by all means, namely : Telephone, Fax, In writing, Direct, with the Sales Department and E-mail.

For exports, orders are only considered as definitive when these are confirmed by fax, in writing or by e-mail. The benefit of the order is personal and specific to the purchaser and cannot be transferred without the agreement of the vendor. Any modifications or cancellation of the order requested by the purchaser can only be taken into consideration if this is submitted in writing, by fax, or by telephone to the Sales Department or by mail before shipment of the products.

ART.3 : DELIVERY - DELIVERY TERMS

Delivery is carried out either via the direct handover of the product to the purchaser, via a simple availability notification, or via handover to a forwarder or haulier on the vendor's premises.

ART.4 : DELIVERY - LEAD TIMES

The delivery dates and lead times are provided for information purposes only, constituting only a general obligation of due diligence for us rather than a strict obligation to perform, unless we have expressly agreed to the contrary at the time the order is placed. Any possible delays in delivery may not serve as grounds for the cancellation of the sale by the purchaser or as the grounds for any claim for damages or compensation. Our company is exempted from its delivery obligations in all circumstances involving fortuitous events and/or force majeure. Among other things, fortuitous events are taken to include: total or partial strikes, floods, fires, war related events and external disturbances, accidents, an inability to obtain our own supplies or energy cuts or shortages. When a contract of sale sets the purchaser a deadline for the collection of merchandise, in the event that the merchandise is not collected upon expiry of the said deadline, our company may, at its own choice, and without prejudice to any possible damages and compensation, consider the sale as automatically cancelled or compel the purchaser to take delivery, all of this without prior formal warning being necessary, this being considered to exist already via the expiration date of the agreed contractual dates. In all circumstances, delivery within the deadlines can only take place if the purchaser is up to date concerning all of his obligations vis-à-vis the vendor.

ART.5 : DELIVERIES - TRANSFER OF RISKS - COMPLAINTS

Notwithstanding the reservation of title clause, the risks pertaining to the merchandise and its packaging, including among others those inherent to transportation, are transferred for all sales to the purchaser at the time of their delivery, which takes place the moment they are collected from our factories or warehouses, regardless of the sales conditions, the transport method and the transport terms. It is therefore the responsibility of the purchaser to take all necessary measures to inspect the merchandise upon arrival and to prepare a list of any apparent damage or defects on the delivery notes for which a copy must be given to the haulier, confirming to him his detailed reservations in conformity with article 105 of the Commercial Code, within 48 hours following the date of delivery. The purchaser must moreover send us a copy of his reservations for information purposes. Any visible defects on the merchandise render us liable only for the replacement of this merchandise, with no compensation payable. The absence of reservations during the reception of the goods means that no complaints or claims concerning apparent defects or damages may be taken into consideration. For sales abroad, the transfer of ownership and risks to the purchaser is governed by the provisions of the "incoterms" currently applicable.

ART.6 : GUARANTEES

The products sold are considered to conform to the specifications notified to the purchaser. The purpose of the technical characteristics of our products is essentially to provide information for the purchaser and must not be considered as exhaustive. We do not guarantee the suitability of our products for any use other than those for which they are commonly intended. Having no control over the use of these products, the vendor gives no express or implied guarantee concerning the effects of their use. With regard to hidden defects, any action in warranty must be undertaken in conformity with the provisions of articles 1641 and following of the Civil Code. The vendor declines all liability for any losses which may be caused to goods or persons following handling or use which is contrary to the end purpose of the products.

ART.7 : RETURN OF MERCHANDISE

All returns of merchandise must be the subject of a formal agreement between the vendor and the purchaser. Any product returned without such an agreement will be made available to the purchaser and will not lead to the drafting of a credit note. The costs and risks continue to be borne by the purchaser. Any returns accepted by the vendor will lead to the creation of a credit note for the purchaser, following the qualitative and quantitative verification of the returned products.

ART.8 : ANALYSES

CHRONOTEC, CHRONOTEC-FLASH, QUALITEC, QUALISCOPE and EVALSENS analyses are carried out by our laboratories following the reception of samples, which has the same force as an order. The completion dates for the analyses are given for information purposes only and under no circumstances constitute a commitment. Notwithstanding this reservation, the company will make all necessary efforts to meet the stated deadlines. The results are sent by fax or by e-mail before being sent by letter, following completion and following consultation with the sales person concerned. The results of the analyses carried out without interpretation or diagnosis are the property of the client. The company reserves the right to use them on a strictly confidential and anonymous basis. The analyses are carried out under the very best conditions provided by the technologies developed by our company, and the interpretations are based on the results of the analyses and on the indications supplied by the client. The interpretations and conclusions are prepared with a reasonable degree of research, attention and verification, but the client acknowledges that in all circumstances these constitute only the scientific opinion of the signatory. In all cases, the client uses these interpretations entirely at his own risk. Our company is bound only by an obligation of due diligence. Consequently, it agrees to deploy reasonable resources with regard to the current state of its analysis techniques and the general circumstances of the analysis, to achieve a result which is as reliable as possible. The results of the analyses are reserved exclusively for the internal use of the direct client of our company. Each analysis result refers exclusively to a sample sent by the client, who is responsible for taking the sample. The client guarantees that all samples taken by him are in a stable condition and present no danger. The client is responsible for any damage, injury or illnesses caused to our company or its staff due to one of his samples, even in the event that the client has highlighted the risk of danger related to a sample. With regard to our liability in cases of force majeure, please see ART.4.

ART.9 : TECHNICAL ASSISTANCE

Technical assistance involving the provision of personnel in the client's production area can be provided at his request. Our company is bound only by an obligation of due diligence. The conditions are established with the client.



ART.10 : TRAINING

A training agreement may be established with the client in order to train his staff or his own clients. This training may take the form of either inter- or intra-company training and will be adapted according to the client's request and designed in consultation with the client. The list of available themes will be supplied to the client upon request.

ART.11 : PRICES

Our prices are net per kilogram, per litre or any other particular unit, excluding tax, and ex works unless special conditions apply. The technical assistance and training services are invoiced based on a price per hour, per half day or per day. The prices applied are those applicable on the day the order is accepted. However, these may be modified at the time of delivery in the event that national, supranational or foreign regulations are introduced or modified, having a bearing on the prices of raw materials or on the merchandise, and coming into force after the date of the contract and/or in the event of a change in exchange rates. Any taxes, duties or other sums to be paid in application of French or European rules, or those of an importing country or transit country are at the cost of the purchaser. Where exports are concerned, all modifications in taxes, customs duties or transport prices during the performance of a transaction will be at the cost or benefit of the purchaser. Prices are "ex works". An invoice is drawn up for each delivery and delivered at the time this takes place unless a delivery note has been issued, in which case a summary invoice referring to all of the delivery notes issued will be drawn up every ten days. In addition to the price, a set fee will be payable to cover order processing costs for minimum orders.

ART.12 : PAYMENT - TERMS

With regard to France and the other countries of Europe, our payment terms are 30 days from the date of departure from the factory rounded up to the 5th, 10th, 15th, 20th, 25th, or 30th of the month unless stipulated otherwise. The date of payment is the date on which : The cheque is received for cashing , The bank transfer is received, The instrument is cashed on the payment due date.

In the event of early payment before the payment due date, a discount of 1% per complete month may be granted. The debt is considered to be paid when this payment is carried out in its entirety before the set date. If the sale includes several deliveries, the invoices are payable as these are produced without the requirement to wait for the order to be fully delivered. The failure to pay any of these authorises us (with no formal notice necessary) to consider all aspects of the said sale cancelled.

ART.13 : PAYMENT ISSUES - LATE PAYMENT OR NON-PAYMENT

It is expressly agreed that the non-payment of invoices on the agreed payment due date will automatically lead to the following (with no formal notice and without this prejudicing any possible claim for damages):

- A demand for late payment interest in application of the provisions of law number 92-1442 dated December 31st 1992, possibly increased for VAT, calculated as from the initial payment due date. The annual rate used will be equal to 3 times the legal French interest rate applicable on the invoice date. These penalties in no way hinder the vendor's possibility to recover the sums owed by any legal means.
- In addition, the charging of a flat rate sum for payment collection costs, the amount of which is set by Decree. If the payment collection costs set forth are greater than the said flat rate sum, EUROGERM reserves the right to demand payment of an additional amount, provided that the additional charge can be justified (L441-6 and D 441-5 of the French Commercial Code - Code de commerce).
- All the sums owed to us by the purchaser becoming due for payment immediately, whether these sums arise from the present contract or from other contracts underway.
- The entitlement to consider the sale as cancelled or to suspend deliveries underway, without prejudice to the application of the reservation of title clause.
- The payment by the purchaser of legal costs arising as a result of any litigation proceedings.

In the event of a deterioration in the purchaser's financial situation, where orders underway are concerned we reserve the right to reconsider the payment terms that we have granted, requiring guarantees or new payment terms such as payment in cash or payment before delivery upon presentation of a pro forma invoice. In the event of phased deliveries of the same order, please refer to ART.11.

ART.14 : RESERVATION OF TITLE CLAUSE

The vendor retains ownership of merchandise which has not been paid for in full (main sum and processing charges). It is however understood that the submission of a document creating an obligation to pay, a draft or other, does not constitute payment in the terms of the present clause, the purchaser's original debt to the vendor remaining valid with all the guarantees inherent to this, including the reservation of title, until the said instruments have been effectively paid. The above provisions do not prevent the transfer to the purchaser at the time of delivery of merchandise, of all risks for loss and deterioration of the goods subject to the reservation of title, in addition to any losses which they may incur. The purchaser must take out insurance covering the risks arising following the delivery of the merchandise. For as long as the sale price has not been paid in full, the purchaser must isolate the merchandise delivered under the present contract and not mix it with other merchandise of the same kind from other suppliers. Should such segregation not exist, the vendor may demand reimbursement or take the merchandise still in stock. It is forbidden for the purchaser to remove the brands featured on the packaging and on the merchandise itself before use. The purchaser is however authorised to convert the delivered merchandise as part of the normal running of his business. In this case, the purchaser agrees to immediately pay the portion of the price remaining owed, and should he fail to do so he transfers to the vendor the ownership resulting from the processing in order to guarantee his entitlement to the price of the merchandise regardless of whose hands this is in, and if the purchaser has resold the merchandise a claim relative to the sales price will be possible under common law. The purchaser also commits himself to inform the vendor in all cases of a cessation of payments, of seizure or intervention by a third party. The authorisation to proceed with the processing of the delivered merchandise is automatically suspended in the event of the financial rehabilitation or legal liquidation of the purchaser. The purchaser agrees that he will not pledge the ownership of the merchandise or transfer this as a guarantee.

ART.15 : MODIFICATIONS TO THE GENERAL SALES CONDITIONS

No modifications to these general sales conditions will be considered valid if these have not been the subject of a written agreement between our company and the client.

ART.16 : INDUSTRIAL PROPERTY RIGHTS

It is forbidden (on pain of legal action) to reuse empty packaging constituting a valid brand and which remains our property.

ART.17 : APPLICABLE LAW - JURISDICTION

Our sales are subject to French law. All litigation concerning an order received by our company will be heard by the Tribunal de Commerce (commercial court) of DIJON, even in the event of multiple defendants or the introduction of third parties. Under no circumstances does the acceptance of payments in the form of cheques, drafts or other such instruments domiciled in another place constitute a dispensation or modification to this attribution of jurisdiction clause. We nevertheless reserve the right to have litigation heard before the courts of the area in which the purchaser is domiciled.