

GENERAL CONDITIONS OF SALE

1. APPLICATION OF THE GENERAL CONDITIONS OF SALE - CONTESTABILITY

In accordance with the provisions of the Law of 2 August 2005, these FLEXELEC Conditions of Sale are integral together with the current price list and relevant regulations or recommendations, as circulated periodically and available to every customer in conjunction with its order requirements. These General Conditions of Sale shall be forwarded or presented to each purchaser to enable that party to place an order.

Consequently, the act of placing an order implies the purchaser's full, unreserved adherence to these General Conditions of Sale to the exclusion of all other documents such as brochures and catalogues issued by the vendor, which are only of an indicative nature.

Unless formally accepted in writing by the vendor, no special condition may prevail over the General Conditions of Sale. In the absence of express acceptance, no contrary condition may be raised in objection by the purchaser, regardless of the time when it may have been brought to its knowledge.

Should the vendor not avail itself of any one of these General Conditions of Sale at a given time, this may not be interpreted as constituting renunciation of availing itself of any of the aforementioned conditions whatsoever at a later date.

2. ORDERS

Orders are final only when they have been confirmed in writing by the vendor in the form of an acknowledgement of receipt, unless otherwise stipulated.

The vendor is only bound by orders taken by its representatives or employees subject to signed, written confirmation.

Benefit from the order is personal to the purchaser and may not be transferred without the vendor's agreement.

3. CHANGING AN ORDER

Any change or cancellation of an order requested by the purchaser may be taken into consideration only if it is received in writing prior to shipment of the products.

At the vendor's discretion, amendments or cancellations shall give rise to additional invoicing or the payment of penalties equal to 25 % of the amount of the initial order.

If the vendor does not accept the change or cancellation, any advance payments made will not be returned.

4. DELIVERY - GOODS DELIVERED

The vendor reserves the right to make any modifications that he deems appropriate for his goods at any time, and reserves the right to modify the models defined in his brochures or catalogues without providing prior notice and without any obligation to modify products either delivered previously or for which an order is pending.

5. DELIVERY

5.1. TERMS

Delivery is carried out either by directly delivering the product to the purchaser, or by delivering it to a forwarding agent or carrier at the vendor's warehouses.

The purchaser undertakes to take delivery within 8 days of notice of the goods' availability being provided. Once this period has elapsed, the vendor may either consider the order to be cancelled and the sale to be unilaterally terminated by the purchaser, or storage costs will be taken into account.

5.2. DELIVERY TIMES

Deliveries are made only depending on availability and following the sequence in which orders arrive. The vendor is allowed to make either full or partial deliveries.

The delivery times are indicated as precisely as possible, but depend on what options the vendor has in terms of procurement and transport.

Should deliveries take longer than the delivery time stated, this shall not give rise to damages, deductions or the cancellation of orders in progress. Nevertheless if, one month after the indicative delivery date, the goods have not been delivered for any reason other than force majeure, the sale may then be cancelled at the request of either party; the purchaser shall have his advance payment returned, but shall not be eligible for any other compensation or damages.

The following are considered to be cases of force majeure which release the vendor from his obligation to deliver: war, riots, fires, strikes, accidents, or it being impossible for the vendor to obtain procure supplies.

The vendor shall, within an appropriate time, keep the purchaser abreast of the cases and events listed above.

In any case, delivery within the delivery times may be made only out if the purchaser has fulfilled his obligations towards the vendor, for whatever reason.

5.3. COSTS

For all deliveries in metropolitan France, the goods are deliverable carriage-paid for any shipment over the value of 750 € before tax.

For shipments under the value of 750 € H.T., before tax, the goods shall be delivered carriage paid in advance.

International sales shall be subject to the Incoterm selected and specified by the parties. Should no Incoterm have been selected, the sales are deemed to be EX WORKS.

5.4. RISKS

Goods travel at the recipient's risk, that party being responsible for making any observations required in the event of damage or short shipment as well as for confirming reservations stated via a deed prepared out of court or via a registered letter with acknowledgement of receipt from the carrier within three days of receipt of the merchandise.

6. RECEPTION

Without prejudice to the provisions to be made in relation to the carrier, complaints regarding conspicuous defects, or non-compliance of the goods delivered with the goods ordered or the dispatch note, must be made in writing within 48 hours of the arrival of the goods.

It will be the purchaser's responsibility to provide any supporting documentation regarding the real nature of the

defects or anomalies noted. That party shall grant the vendor every leeway for the purpose of assessing these defects and setting them right, and shall refrain from intervening himself, or from asking any third party to intervene for this purpose. For goods sold in packaging, the weights and measurements upon departure shall be valid for ascertaining the quantities delivered.

The lengths invoiced shall be the ones actually delivered. When they are subject to special manufacturing, they may differ from the quantities ordered by 10% without this providing grounds for being contested by the purchaser.

7. REPLACEMENT

7.1. TERMS

Non-compliant or spoiled goods can be replaced.

Returns shall be subject to formal prior agreement between the vendor and the purchaser.

Any goods returned without this agreement would be held for the purchaser and would not lead to a credit being drawn up. The costs and risks involved in such a return shall always be borne by the purchaser.

Merchandise that is returned shall be accompanied by a return slip attached to the package and such merchandise must be in the condition it was in when delivered.

7.2. CONSEQUENCES

In the event of a conspicuous defect or non-compliance of the goods delivered, duly noted by the vendor under the conditions set out hereinabove, the purchaser may obtain a free replacement, or a refund for the goods at the vendor's discretion, to the exclusion of any compensation or damages.

8. WARRANTY FOR CONCEALED DEFECTS

8.1. SCOPE

Goods are guaranteed against concealed defects in pursuance of Article 1641 and subsequent articles in the Civil Code for a period of one month counting from the delivery date.

The vendor's warrantee is limited to defects that are inherent to the goods sold and which existed on the day on which they were sold. The vendor's liability cannot be invoked in the event of abnormal use of the goods or failure to follow safety rules, and notably responsibility transfers to the end user in the case of orders where installation and end use do not follow the FLEXELEC recommendations for installation and use.

Under this warranty, the only obligation incumbent on the vendor shall be free replacement or repair (vendor's choice) of a product or component recognised as being defective by his departments.

To benefit from the warranty, all products must be submitted to the vendor's after-sales service beforehand, which must provide its approval for any replacement to be provided. Any carriage costs shall be borne by the purchaser.

8.2. EXCLUSIONS

The warranty shall not apply to conspicuous defects.

Faults and deterioration due to normal wear and tear or an external accident (incorrect assembly or installation, poor storage conditions, abnormal use, etc.), or due to a modification of the goods which was neither foreseen or specified by the vendor shall also be excluded.

9. PRICES

With the exception of orders with particular specifications where the prices are determined by quotation, FLEXELEC products are subject to the list price currently in force as confirmed by simple notification. Prices are net, before tax. Unless otherwise agreed, any request for the provision of additional services such as studies, engineering, test reports, factory acceptance, approval procedures or miscellaneous certificates shall be subject to additional invoicing by the vendor which is separate from the cost of the products sold. The payment currency shall be the Euro unless otherwise stipulated.

Any tax, duty or other provision of service to be paid for in pursuance of French regulations or the regulations of an importing country or a transit country shall be borne by the purchaser.

Unless the vendor provides written agreement, carriage costs shall always be borne by the purchaser.

10. INVOICING

An invoice shall be drawn up for each delivery and issued when it is made, unless a summary invoice which refers to several delivery slips that have been issued is drawn up.

11. PAYMENT

11.1. TERMS

Unless otherwise agreed, payments shall be made within 30 days of the invoice date.

In the event of deferred payment, for the purposes of this article, a payment does not constitute the mere presentation of a commercial paper or cheque implying an obligation to pay, but settlement thereof by the agreed deadline.

11.2. ADVANCE PAYMENT

The vendor reserves the option of making the order subject to an advance payment.

11.3. LATE PAYMENT OR NON-PAYMENT

In the event of late payment, the vendor may suspend all orders in progress without prejudice to any other course of action.

Any sum not paid by the due date featured on the invoice shall lead to the application of penalties to a sum equal to one and a half times the legal interest rate.

These penalties shall be payable when the vendor so requests.

In the event of non-payment, if forty-eight hours elapse after notice has been provided without any result, the sale shall automatically be cancelled should the vendor deem fit to do so. The vendor may institute summary proceedings to request the return of the goods, without prejudice to any other damages. Cancellation shall apply not only to the

order in question but also to any prior orders that are unpaid, whether or not deliveries have been made or are being delivered, and whether or not payment for them is due.

In the event of payment using a commercial paper, failure to return the paper shall be considered to constitute refusal of acceptance comparable to failure to pay. Likewise, when payment is staggered, non-payment of a single instalment shall lead to all of the debt becoming immediately payable without need to provide notice of this.

In all the above cases, the sums that may be due for other deliveries, or for any other reason, shall become payable immediately if the vendor does not opt to cancel the relevant orders.

The purchaser shall provide compensation for all expenses incurred due to the disputed recovery of sums owed, including the professional fees for legal officials.

Under no circumstances may payments be suspended or be subject to any compensation whatsoever without the vendor's prior agreement in writing. Any partial payment shall be attributed firstly to the non-preferential part of the debt, and then to the sums that have been outstanding for the longest.

11.4. REQUIREMENT OF GUARANTEES OR PAYMENT

The vendor reserves the option of requiring guarantees, a cash payment, or payment via a bill payable on sight before executing the orders received, notably for international sales.

12. TRANSFER OF RISKS

The transfer of risks for products, even for a sale that is agreed to on a carriage-paid basis, shall occur as of shipment from the vendor's warehouse.

In particular, this means that merchandise shall travel at the purchaser's risk, with that party being responsible for stating any reservations or instituting any proceedings against the carriers responsible in the event of damage, losses or short shipment.

13. RETENTION OF OWNERSHIP

The goods covered by this contract are sold subject to retention of ownership: transfer of ownership is conditional on the purchaser providing full payment of the price by the agreed deadline.

In the event of failure to pay by the deadline, the vendor shall take the merchandise of which he remains the owner back into his possession and may, at his discretion, choose to terminate the contract via a registered letter sent to the purchaser.

The purchaser shall refrain from any conversion, incorporation or assembly of the merchandise before paying for it.

The purchaser must retain the merchandise sold subject to retention of ownership in such a manner that it cannot get mixed up with merchandise of the same nature from other vendors.

14. PACKAGING

Unless otherwise agreed, consignment of the cable drums is invoiced for at the same time as the cables (based on the professional rate in force). A refund is provided for this subject to deduction of a fixed fee if the cable drums are returned carriage-paid and in good condition within a maximum period of 3 months. Beyond this period, the vendor may apply a rental fee of 2.5 % of the price per month.

Packaging and cable drums bearing the vendor's trademark may only be used for his products and may not be used for anyone else's products under any circumstances. Any breach of this rule shall render the party responsible subject to prosecution and the payment of damages

15. INDUSTRIAL PROPERTY

All equipment, models, plans, specifications, technical documents, assembly instructions, user manuals and other items of information provided by the vendor shall remain his property at all times.

The purchaser may not claim any ownership whatsoever over the equipment, models, plans and specifications and other items of information and may not use them outside the context of the sales contract under any circumstances.

The purchaser shall refrain from reproducing the Vendor's products.

All the industrial property rights relating to results stemming from the execution of the order shall remain the vendor's property without any time limits or geographical limits.

16. CONFIDENTIALITY

The Purchaser shall consider any information given, technical formula, or concept it may obtain knowledge of through this contract to be strictly confidential and shall refrain from divulging it.

For the purposes of applying this clause, the purchaser shall be responsible both for himself and his employees. However the purchaser shall not be held responsible for any disclosure if the items divulged were in the public domain or if he had knowledge or them or obtained them from a third party by legitimate means.

Likewise, the vendor undertakes to keep any information he may have had available in the course of executing this contract strictly confidential and not to divulge it to anyone whatsoever, either during execution of the agreement or following its completion.

17. COMPETENCE - APPLICABLE LAW

In the event of litigation of any sort or a dispute regarding the formation or execution of the order, the courts at Thiers - France alone shall be competent, unless the vendor prefers to submit his case to any other competent jurisdiction.

This clause applies even in the case of summary proceedings, incidental claims, or in the event of there being several defendants or the introduction of third parties, regardless of the method and terms of payment, no clauses assigning jurisdiction which may exist in purchasers' documents being able stand in the way of the application of this clause.

The applicable law is French law.