

MAFDEL STANDARD TERMS OF EXPORT SALES



1) CONCLUSION OF THE SALE

These standard terms of sale are applicable to all sales of products for export.

Any order of products, regardless of the origin, entails unconditional acceptance of these standard terms of sale, which cancel any other conflicting clause contained in the client's contracts, documents or correspondence.

It is understood that any clause that appears on the client's contracts, documents or correspondence that contradicts this document's application (and if it contradicts with said documents' provisions) shall be considered as null and void vis-à-vis Mafdel.

2) ORDERS

2.1 The information contained on the catalogues, prospectuses, price lists and diagrams are only given for information purposes by Mafdel, who reserves the right to make any modification, at any time and without notice, unless the shipment has been the subject of a technical dossier supporting a contract to sell.

2.2 Each order is only deemed to have been accepted after written confirmation by our company. Accordingly, no order is considered accepted if it has not been the subject of a document acknowledging receipt. The description of a product, and, where applicable, of the product's characteristics, is included in our confirmations. We reserve the right to reject any order of less than EUR 250, excluding tax.

2.3 Regardless of the circumstances, our acceptance, including written, is subject to the condition that no financial or other risk has emerged that could call it into question, until all or part of the order has been delivered to the buyer's premises. The acceptance of an order may be made conditional upon the setting aside of guarantees by the buyer, especially in the case of the company's insolvency dissolution or modification, or the mortgaging of buildings, or pledging of the client's business.

2.4 Any modification of the order by the buyer will only be taken into account if it reaches us in writing at the latest 24 hours after the order confirmation and if it does not conflict with any technical obstacle and/or timeframe constraints.

Subsequent modifications to the order may:

- give rise to an additional cost, which will be indicated to the buyer for acceptance;
- cause a delay in the delivery of the order in question.

2.5 Any order cancellation by the client shall give rise to its liability and require it to compensate Mafdel for its expenditures and lost gains for the equipment that is currently being manufactured, or that has already been manufactured.

2.6 We reserve the right to make any modifications to the products, without notice, that we deem necessary to improve technical and/or aesthetics issues.

Save for specific technical stipulations agreed between the parties, it is expressly agreed that a geometric tolerance of +/- 1 mm is accepted for sections of belts manufactured by us.

2.7 Unless otherwise agreed between the parties, assembly and commissioning expenses (including travel and lodging expenses) shall be invoiced separately from the purchase price indicated on the overall price, or on the estimate, and are therefore borne by the buyer.

3) STUDIES

Unless they themselves are the subject of a contract to sell, the studies and documents of any submitted or sent by Mafdel shall always remain its entire property, and must be returned to it as soon as requested. Regardless of the circumstances, they cannot be communicated or executed without its written authorisation. Mafdel shall not incur liability as a result of any advice that may be requested of it and/or for usage recommendations, which are provided for information purposes only.

4) PRICE -PRODUCTS

4.1 Price

Prices are understood to be in euros, net, and exclude all taxes and charges. The sending of prices does not constitute a firm offer. Prices are fixed based on current economic conditions and Mafdel reserves the right to modify them at any time, without any notice, should these conditions fluctuate.

The buyer shall bear all additional costs, such as bank transfer charges.

A fixed invoicing cost of EUR 40 shall be charged for any order of less than EUR 500, excluding taxes.

4.2 Products

Our Company reserves the right to cease commercialisation of any product offered to the client and contained on the price list or the commercial documents and/or to modify at any time the characteristics of these products, without any notice, and without creating any right to the payment of any damages.

5) PAYMENT CONDITIONS

Invoices are payable in Saint Georges d'Espéronche, within thirty (30) days of the merchandise's shipping date.

For any specific order or manufacture, we reserve the right to demand a down payment of 30% of the price of the order, 30% at delivery, and the balance on the date that will be agreed between the parties.

Regardless of the stipulated means of payment, the buyer undertakes to take account of the document transmission timeframes, and to pay the price, even if the merchandise is rejected.

In the event of a delay in making total or partial payment a delay penalty shall be applied of an amount equivalent to the amount that would result from the application of a rate equal to 1 1/2 times the legal interest rate, after sending the buyer prior notice to remedy.

Failure to make a single payment by its due date shall cause the immediate possibility of all receivables in progress. In the case of staggered payment, failure to make a single given payment shall cause the immediate payment of the entire credit granted. Our company reserves the right to demand immediate payment of all payments remaining to be covered and reserves the right to suspend any delivery until full payment has been made of all invoices in progress, or to terminate orders in progress. Our company reserves the right not to deliver to a client if the latter is no longer approved by any insurer (such as COFACE - France's Export Credit Guarantee Department).

It is expressly stipulated that in this case, the amounts remain due shall be increased as a penalty clause by a 10% compensation fixed at 15% of the amount of the receivables due, without prejudice to any interest, expenses and fees that could give rise to contentious proceedings.

Regardless of the circumstances, in the event that a client's financial position entails a risk for the collection of our receivables, or if the order was placed by a client who has not discharged all of its obligations resulting from prior business, our company reserves the right to demand payment prior to delivery or to demand any payment guarantee that we deem necessary, such as a documentary credit issued by a well-known bank, in accordance with Uniform Rules and Practices with respect to Documentary Credits published by the International Chamber of Commerce. We reserve the right to terminate orders in progress if we are unable to obtain such guarantees, for any reason whatsoever.

6) DELIVERIES

6.1 Transfer of risks

The merchandise travels at the buyer's risk:

- the risks shall be transferred in accordance with the Incoterm contained on the order acknowledgement of receipt. If no other Incoterm agreed between the parties is mentioned, the "EXW" or "ex-works" Incoterm shall be used. Regardless of the circumstances, any use of an Incoterm must be considered as referring to the version of Incoterm 2010 published by the Chamber of Commerce.
- The covering of costs, notably, for transport, shall not alter the conditions for the transfer of risks specific to the Incoterm used.

The buyer shall bear the risks and expenses of all transport of special tools or from the seller.

6.2 Delivery conditions :

Delivery is made either by direct delivery of the merchandise to the buyer or by a simple delivery notice, or by delivery to a shipper or a carrier on the seller's premises.

6.3 Delivery timeframes

Our delivery timeframes are given solely for information purposes. They are understood as ex-works. Regardless of the circumstances, the delivery timeframes are adjusted on a case-by-case basis to take account of the time needed to ship the merchandise to the agreed place of destination in the country in question. In the case of partial or complete, temporary or final failure to fill an order, for causes outside our control, including if it is impossible to have the company operate under normal conditions or if there is a shortage of materials needed for manufacture in the event of an inability to deliver or to have others deliver, we shall not be held liable as a result, nor win the orders in progress be cancelled or rejected. Such a situation cannot give rise to a revision of prices, or to compensation, indemnity or penalties.

Our company may make complete or partial deliveries. In the case of a partial delivery, each such delivery shall be considered as a complete commercial transaction. A proportional payment must be made for each partial delivery.

6.4 Shipping conditions

In the event of damages, delays, or missing items, the recipient shall be responsible for duly making any protests and communicating any reservations to the carrier, on the receiving document that it is required to sign, have countersigned by the carrier or its driver/employee, and dated and confirmed by registered mail within 3 days, not including bank holidays.

A copy must be sent to us.

If the product is delivered by us, any protests and reservations must be officially noted in writing and sent to our company by registered mail with return receipt.

Complaints are not admissible if they are made in writing within forty-eight (48) hours of the merchandise's arrival at destination, and prior to any processing.

6.5 Returns:

Product returns shall only be accepted after prior approval by our company, which is only required to replace the merchandise that is acknowledged by it to be defective. The buyer cannot demand any unjustified return and taking back of products. Returns duly authorised by our companies must be made in full, carriage free, within eight (8) days following receipt of our consent.

Under no circumstances may the buyer demand the taking back of merchandise that does not satisfy the criteria that it established by any means whatsoever, unless the latter were expressly accepted in writing by our company. Similarly, failure to satisfy the criteria established by the buyer cannot give rise to the payment of any damages.

7) RESERVATION OF TITLES

Our company reserves ownership of the merchandise delivered until the entire price has been paid.

Pursuant to this Article, the submission of bills of exchange or other documents creating a payment obligation does not constitute payment.

During the reservation of title term as depository, the risks having been transferred in the conditions set out in Article 6.1 above, the buyer must insure the merchandise against any risks of damage or liability. In particular, it must take out an insurance policy covering liability resulting from the products.

The buyer undertakes to allow at all times the identification and claim of merchandise delivered, and must place the words "subject to ownership" on said merchandise that is in its stock.

The buyer, who is authorised to resell the merchandise delivered in the normal execution of its business, is required to immediately inform our Company of the seizure, in favour of a third party, of the merchandise delivered subject to ownership. The buyer further undertakes not to pledge or to assign as guarantee the ownership of the merchandise. If said merchandise is resold, the buyer undertakes to assign to us its receivables on the sub-buyers for the amounts due.

In the event that the price of part or all of any one of the agreed payments is not paid, and fifteen (15) days after notice by registered mail that does not cause said payment to be made, in full or in part, the merchandise must be immediately made available to our Company, unless our Company demands that the merchandise be returned at the buyer's expense. This demand may be made by any means: registered mail, fax, document served by bailiff, joint inventory, etc. of the buyer's expense and risk. The taking back of the merchandise shall not be deemed as termination of the contract to sell, the amounts already paid by the buyer shall be acquired as initial damages and subject to any others.

The above provisions shall not impede the transfer, to the buyer of the risks of loss and damage of the products sold, as well as of the damages that they could cause, as stipulated by Article 6.1 above.

8) WARRANTY - LIABILITY :

8.1 Context :

With the exclusion of resistors and thermostats that are not covered by this document, the products are guaranteed against manufacturing and materials defects for a period of six (6) months as of the delivery date, and within the limits of the provisions below. Actions taken pursuant to the warranty shall not extend the warranty.

8.2 Limits:

Under the warranty, our company's sole obligation will be to replace free of charge the product acknowledged by our company as being defective. Pursuant to this warranty, our company shall only cover the entire cost of the product, excluding any other damage. The buyer shall bear the cost of labour and transport or replacement expenses.

The warranty shall not apply for any damage resulting from force majeure, normal wear and tear, inappropriate use, or for any damages due to accidents, negligence, or to repairs made by the buyer or by a third party or resulting from storage conditions that are incompatible with the nature of the products or if the usage conditions contained on the manufacturer's instructions (notably, the recommended pulley diameters) have not been complied with or have not been made according to industry practice.

Finally, it is expressly stipulated that the service conditions that are exclusively and unilaterally determined by the client and that are not supervised or controlled by Mafdel may have an impact on the lifetime of the products and that, accordingly, Mafdel cannot be held liable as a result.

8.3 Implementation :

In order to be admissible any claim concerning a visible defect or a nonconformity of the product must be made in writing and sent within ten (10) days following the product's delivery by our company.

The warranty request must define the defects in questions – specifically and in writing.

Returns are only authorised if our company has accepted them in advance and they must arrive at our company carriage and packaging free, at domicile, in new condition, and must not have been altered in any way.

The products shall be rejected or exchanged at our company's initiative.

Regardless of the circumstances, in accordance with common law, a claim by the client on all or some of the products, for any reason whatsoever (if the basis of this claim is not acknowledged explicitly and in writing by our company) shall not in any way authorise the client to take the law into its own hands or to withhold payment of any invoice, regardless of whether or not it is associated with the dispute.

8.4 Liability:

Under no circumstances may our company be held civilly liable for any damages that have occurred to the merchandise for any cause whatsoever (for example: rust, moisture, fire, flood, humidity, etc.) as well as in the case of a total or partial loss, if the merchandise has been made available to the buyer in any place whatsoever in the conditions set out in Article 6.1 above.

In the case of a claim acknowledged to be justified by Mafdel, its liability shall be limited to replacing the part deemed defective, and no compensation can be claimed in any way whatsoever.

Pursuant to Article 17 of Act No. 98-389 of 19 May 1998, we waive any liability for damages caused to objects that are not used by the client primarily for its use or its private consumption.

9) INTELLECTUAL PROPERTY RIGHTS

The buyer undertakes to comply with all of Mafdel's intellectual property rights and declares that it has a full knowledge of said rights.

The buyer undertakes not to reproduce or to have others reproduce, in full or in part, our patents, trademarks, drawings, or any other industrial property rights held by Mafdel, under threat of legal proceedings, and/or not to transmit to third parties any information of any nature whatsoever permitting the total or partial reproduction of these rights.

10) CONFIDENTIALITY :

All documents of any type whatsoever submitted or sent to the buyer shall remain our company's exclusive property.

Unless approved in advance by us, said document cannot be communicated to third parties for any reason whatsoever by the buyer, who undertakes to maintain the secrecy of any information delivered by our company before, during and after the purchase-selling transaction. Said documents must be returned if we so request.

Failure to comply with this clause may, give rise to the cessation of the business relationship, without prejudice to any damages.

11) FORCE MAJEURE

Our Company shall be released from its obligations for any event outside our control that prevents or delays the delivery of the products, which for contractual purposes shall be deemed as the equivalent of force majeure. The same shall apply to events occurring on our premises or on those of our subcontractors, such as: lockout, strike, epidemic, embargo, accident, interruption or delay in transport, inability to procure products, raw materials defect, manifest change in the political situation in the client's country, or any other event outside our control giving rise to a partial or total cessation of operations at our firm, or at our own suppliers.

12) REGULATIONS

At Mafdel's request, the buyer undertakes to provide the latter with all information concerning regulatory provisions applying to the merchandise in the importing country.

13) SUNDRY PROVISIONS

13.1 Should our Company fail to fulfil any one of its obligations as stipulated by the buyer, this failure shall not give rise to the immediate cessation of any relationship, such as the termination of orders in progress, and/or the cancellation of sales of products already delivered by the buyer.

13.2 Should the buyer incur any expenses for any type of legal proceedings (infringements, unfair competition, etc.) concerning our Company, and on the basis of which the buyer could believe that it is justified to demand damages, and if it does not reach an agreement with our company beforehand, the buyer shall bear said expenses but shall not be entitled to demand from our company any reimbursement of the amounts incurred.

14) ASSIGNMENT OF JURISDICTION - GOVERNING LAW

14.1 Assignment of jurisdiction

It is expressly agreed that exclusive jurisdiction is assigned for all disputes arising between the parties during their business relationship to the courts of Vienne (38th department in France), regardless of the place of delivery; or the applicable law shall be French law, in the case of third party proceedings, or

14.2 Governing law :

Sales concluded between our company and the client are governed by French law in its entirety.

With respect to Export sales, any matters concerning the standard terms of sale and the sales that they govern that are not addressed by this document, shall be governed by the Vienna Convention of 11 April 1980 on the international sale of merchandise. French law shall be applicable insofar as the matter in question is not covered by said Convention's scope of application.

In the event of a dispute concerning this document's implementation or interpretation, the French language text shall be authoritative.

Any reference to a publication of the International Chamber of Commerce must be considered as referring to the version in effect on the date that the sale is concluded.

15) SPECIFIC AGREEMENTS :

Any specific agreement and any derogation to any one of these standard terms must be covered by a special written agreement.

All of the standard terms not expressly altered or derogated in this special agreement shall keep their full and complete effect.

16) ENTRY INTO FORCE

These conditions replace all other prior standard terms, if any, contained in our documents or agreed by any other means.