

MTS GENERAL TERMS AND CONDITIONS OF SALE

1 - CONCLUSION OF CONTRACT

- 1.1. Any placing of an order, either now or in the future, involves the purchaser's unreserved acceptance of these terms of business notwithstanding any clause to the contrary that may appear in our purchasers' conditions of purchase and correspondence, unless expressly agreed by us.
- 1.2. All information given in catalogues, instructions, notes, price lists and other documents, are given only as a guideline and are not binding for the vendor.
- 1.3. The purchaser's order is considered to be firm and definitive following acceptance by the vendor.
- 1.4. Due to the specific nature of certain products and/or services, the vendor reserves the right to notify the purchaser of any special terms and conditions associated with order fulfillment.
- 1.5. Written offers made by the company are valid only for an immediate response. Prices may be amended without notice, even in the case of an order being delivered in several parts.

2 - RECOMMENDATIONS

Recommendations are given purely as an information guideline. They do not entail the vendor's responsibility. They do not constitute an element of order fulfillment and it is the purchaser's own responsibility to check and verify that they take into consideration the general rules applicable to this type of realisation or production as well as any special conditions for use.

3 - DELIVERY TERMS

3.1. Deadlines

Delivery deadlines are given only as a guideline and without the vendor's guarantee. They are met insofar as it is possible. If a delivery is delayed for any reason beyond our control, it shall be considered to have taken place on the agreed date.

3.2. Suspension of delivery

Any event affecting the vendor or the vendor's suppliers, such as strikes, lockouts, riots, mobilization, war, flooding, fire, material accident, epidemic, total or partial prohibition by national or international administrative bodies, changes to import or exchange conditions, shortages or raw materials and/or of energy, production limitations, interruptions of supplies, etc.... and, generally speaking, any fortuitous events and acts of God, automatically entitles the vendor to suspend the contract in progress, without any compensation or damages being awarded to the purchaser.

3.3. The place

The vendor's goods are considered to be taken and accepted in the vendor's stores, even in the event of carriage-paid total or partial delivery by carrier or by the vendor's own vehicles.

3.4. Loading

Loading takes place under the responsibility of the party that puts the vehicle into circulation.

3.5. Goods collection

Collected goods are transported solely at the purchaser's risk.

3.6. Transportation costs

Unless otherwise specifically agreed, transportation costs shall be borne by the purchaser.

3.7. Unloading

By express agreement, unloading at the place of delivery shall be exclusively taken care of by and under the responsibility of the purchaser, no matter what part is taken at the time of unloading by the vendor company's driver or by the driver of the carrier chosen by the vendor.

3.8. Receipt of goods

Delivery shall only take place if the goods are received by the purchaser, who shall also sign the delivery order. If this is not the case, the vendor reserves the right to claim any corresponding expenses incurred by the return, renewed presentation of goods and any related handling costs.

3.9. Verification of the quantity and nature of the product

No claim can be accepted once the driver has left if not specified on the delivery note.

In the event of a delivery that does not comply with an order, the goods in question shall be returned by the purchaser to the vendor in the condition in which they were supplied and, at most, within 24 hours of delivery.

The vendor's responsibility shall be that set out in § 7.3. below.

3.10. Tolerance

The vendor's deliveries are carried out with the manufacturers' tolerances in terms of quantities, dimensions, thickness and characteristics associated with quantity.

4 - PRICE AND PAYMENT

4.1. Price setting

Unless otherwise agreed, the vendor's prices shall be those in force on the day of delivery and in accordance with the price list available to the purchaser. Prices are set ex works and excluding taxes.

They may form the subject of a price escalation clause, in accordance with the formula accompanying the price estimate. For all deferred payments, a lump sum amount will be added to the invoice to cover the fixed costs of account management.

4.2. Terms and place of payment

4.2.1 The vendor's invoices are payable at the vendor's registered business address, without our drafts, bills of exchange or other methods of payment bringing about either substitution or derogation.

4.2.2 In the absence of special provisions, goods are payable on a cash basis at the time of collection. Credit constitutes a payment facility that may be revoked at any time. Any significant change in the financial or economic situation, even after partial fulfillment of an order, may lead to a revision of the terms of payment, the vendor being the sole master of such a decision and having no need to justify it.

4.3. The non-payment of an amount due may, at the vendor's discretion, result in the following consequences, without formal prior notice being required, fully in accordance with the law and without any formality:

§ Suspension of fulfilment and delivery operations for all orders in progress.

§ Forfeiture of unmatured amounts due.

§ Recovery of any discounts.

§ Implementation of rescissory action,

§ Late payment penalties and bank charges: These shall be automatically invoiced in respect of the total of any outstanding amounts, without prior demand and starting from the date of the original maturity date until the date of actual payment, at the bank base rate increased by 2 points, to which dishonoured bill costs and the cost of proceedings shall be added.

§ Compensatory damages. The vendor reserves all rights to claim them from the purchaser.

All deferred maturity dates and any unilateral modifications to the terms of payment made without the vendor's agreement shall result in the execution of the same provisions on the part of the vendor as the non-payment of an amount due.

4.4. Failure to return, within the legal time limit, a commercial paper tendered for acceptance may result in the suspension of delivery operations associated with all orders in progress.

4.5. Rescissory action

In the event of non-compliance with these general terms and conditions or special conditions of sale, the vendor retains the possibility of asking either for cancellation of the sale or for its judicial execution.

4.6. Action for direct payment

Failure by the purchaser to pay an amount due in the case of chain sub-contracting may result in the vendor taking direct action against the initial main contractor, in accordance with the provisions of the corresponding legal act dated 31/12/1975. In the event that the purchaser does not make payment within a month of a formal demand being served, the vendor shall then serve a formal demand on the initial main contractor, who shall also be sent a copy of the proceedings already served on the sub-contractor.

5 - PENALTY CLAUSE

In the event of recovery by legal means, any amounts owed to the vendor shall be increased by a 15% penalty charge with a minimum of €1,500 excluding taxes, in addition to any associated legal expenses and interest stipulated by contract.

6 - RESERVATION OF TITLE CLAUSE

6.1. By express agreement, all goods supplied shall remain the property of the vendor until the last day of their payment in full, in accordance with the terms of legal act N° 80.335 dated 12 May 1980, it being specified that, within the meaning assigned by the present clause, only the effective cashing of cheques and commercial papers shall be construed as payment. Bills of exchange, drafts and any instrument that creates an obligation to pay do not constitute payment.

6.2. In the event of discontinuance of payment in fact and in law, as in the case of the purchaser leaving only one outstanding amount unpaid, either in full or in part, the purchaser shall categorically refrain from continuing to use, transform or sell those goods of which the vendor has retained the right to ownership.

6.3. From such time that the purchaser leaves an amount due unpaid, whether in full or in part, the vendor shall, without forfeiting any rights, be able to demand the return of all goods of which the vendor has reserved the right to ownership, whether it is a question of goods referred to in the present invoice or of goods referred to in other invoices forming the subject of any order placed by the purchaser, within the limit of any amounts remaining outstanding.

6.4. The purchaser's payments, no matter what the latter may subsequently be brought to charge them to and even if their amount corresponds exactly to one of the invoices, shall be attributed, as a priority, in application of the present clause, to those of the vendor's invoices that correspond to goods that have been used or sold (the charging by invoice itself being applied to the extent of the use or resale of the goods referred to in the invoice).

6.5. Notwithstanding the present clause, the risks associated with any goods sold are transferred to the purchaser as soon as they leave the vendor's store. The purchaser shall be under an obligation to insure the said goods against loss and damage of all kinds.

6.6. In the event that the goods forming the subject of the reservation of title are sold on with a payable-in-arrears price, the purchaser undertakes to immediately transfer to the vendor the debt the purchaser is owed by the subsequent purchaser and to bear the costs of notification as set out in article 1690 of the French Code of Civil Law.

7 - PRODUCT QUALITY CONTROL

7.1. Conspicuous defect

All conspicuous defects are covered by the unreserved receipt of the vendor's goods,

7.2. Latent defect

The vendor's responsibilities in this respect are those set out in articles 1641 and thereafter of the French Code of Civil Law.

7.3. Product modification

MTS shall discharge all responsibility in respect of modifications made to the original product. In all events, the safety instructions mentioned shall not be deleted.

7.4. Return of goods

The vendor shall not accept any return of goods without having first given its authorisation. Returns of goods that are not charged off to the company and accepted shall form the subject of a markdown of the trade-in value at least equivalent to 10% of the invoice value.

8 - CONCLUSION OF THE CONTRACT

When a price estimate is drawn up by us, it constitutes the special conditions that modify or complete the General Terms and Conditions herein.

In the event of an order received from the purchaser, we shall not consider it to be definitively accepted until we have accepted it in writing.

In this case, it is this acceptance that shall constitute the special conditions.

9 - CONFIDENTIALITY

Research, studies, plans, drawings and documents given or sent by us remain our property. They cannot therefore be passed on by the purchaser to third parties, for whatever reason.

10 - POWER OF JURISDICTION

In the event of a dispute, only French law shall be applicable. Only the courts governing our registered business address shall entertain jurisdiction, no matter what the terms and conditions of sale and method of payment agreed, even in the event of the introduction of third parties and of the plurality of plaintiffs and defendants.

11 - EQUIPMENT MANAGEMENT

The vendor may offer the purchaser services related to its principal activity and which are governed by the terms and conditions herein. They concern the on-site storage of equipment, which remain the absolute property of the client. Such storage is limited in time. Following acceptance of the price estimate, it may form the subject of periodic invoicing. With the agreement and at the expense of the client, the vendor may proceed with the destruction of the equipment. A document in proof can then be sent to the purchaser upon request.

12 - SAFETY STOCK

A purchaser that requires the constitution of a safety stock to ensure regularity of deliveries, shall not be able to contest the funding of such a stock according to the conditions set forth by the vendor. Ownership shall be transferred upon invoicing of the client. The said client shall be free to carry out any necessary verifications. The cost of storage shall be calculated and invoiced according to duration, the area occupied and any handling costs incurred. Upon termination of the contract, the purchaser shall be sent the balance of the business, including the safety stock.

Updated: December 2005