

GENERAL SALES TERMS

Orders are accepted under the conditions of sale set out below. Unless formally accepted in writing, there may not be any modification whatsoever, to our terms of sale. Only a director of PALAMATIC PROCESS, (forthwith, the Company) has authority to accept any changes. An agent or representative of the Company has no authority to confirm any changes to terms and conditions.

In case of a mismatch between the terms of sale set out in our order and those established by the customer, the terms of our order will prevail, unless said changes have been specifically accepted by the Company, in writing.

1) Specifications:

All dimensions indicated on our technical drawings and documents, are subject to our in house manufacturing tolerances. These manufacturing tolerances are available on demand from our offices.

2) Project Completion:

The Company, acting in good faith, makes every effort to meet completion deadlines. Failure to meet these deadlines may result in claims in the cases below; there will therefore be an extension to these deadlines:

- If the delays are attributable to the Buyer.
- If the delays are due to a case of "force majeure", or attributable to the Seller or the purchaser, including, but not restricted to:
 - a) Civil unrest, civil war, war...
 - b) Weather within the realm of the laws or regulations in place, resulting in a work stoppage.
 - c) Strike occurring at a contractor, subcontractor or supplier of the Seller.
 - d) Fire or destruction of workshops or means of construction of the Seller.
 - e) Failure to meet deadlines cannot result in claims unless they have been specifically mentioned within the sales order.

3) Payments:

The total amount of the order is payable on the due dates, as outlined in our quote. Late payments shall automatically be in favour of the Seller. A monthly interest rate of three (3) times the legal rate will be applied to all late payments.

No discount is given for early payment.

The terms of payment, unless agreed otherwise, and expressly provided for in the quote and the document entitled, "Policies and Guidelines" are the following:

- All Customers agree to make payment for their order
- Payments Are Net, without discount or rebate, to be settled on the dates outlined on the invoices. Bills of exchange and acceptance do not form a transformation or derogation from payment.
- When payment by a 'bill of exchange' or 'negotiable instrument' has been agreed, these must be returned with acceptance within eight (8) days of receipt.

Late penalties are due the day following the settlement date on the invoice, either in principle, unless otherwise agreed between the parties, on the date of reception of the goods or execution of the service requested.

In all cases, there can be no derogation from the provisions contained in the French Law, known as LME (Loi de Modernisation de l'Economie), the Economy Modernisation Act, of 4 August 2008. Also, if the amounts due are paid after the date on the invoice, this delay will incur all payments being enhanced by the fixed interest rate applied by the European Central Bank at the most recent refinancing index rate plus 10 percentage points. In addition, the costs of recovery will be charged to the defaulting company which will not be less than € 40, which may be increased by additional costs on the debtor, if requested and justified in accordance with Article D 441-5 of the Commercial Code.

All payment due is subject to the prior sending of a formal late payment notice in accordance with Article L. 441-6 of the Commercial Code.

Payment delays accepted by the Company, will result in a right of compensation at the legal moratory interest rate, multiplied by a factor of three (3).

In the event of late payment we reserve the right to suspend or cancel pending orders without prejudice to any other remedy and to demand payment of all our debts due or to become due as of right and without prior notice .

PENALTY CLAUSE

By express agreement, except postponement granted by the Company, the failure to pay by the deadline will result, regardless of the payment method provided, in a contentious procedure and application for damages and compensation equal to 15% of the outstanding amount, which will be added to court costs and statutory interest and collection costs as provided

4) Reservation of Title Clause

In some cases, particularly in these listed below, without them be limiting, the Company has the right to claim ownership of the materials sold under the provisions of the Act of 12 May 1980 amending Section 59 of the Act of 13 July 1967.

a) Materials remain the property of PALAMATIC PROCESS until payment of the full amount due, despite the risk of the transfer of the said materials from the Seller to the point of delivery at the customer's plant.

b) If the customer fails to pay for materials on schedule, or if the customer is hit with bankruptcy, liquidation of assets, judicial settlement, adoption and or absorption by a legal entity or a resolution to ban the company, PALAMATIC PROCESS can repossess the goods at any time, and to do so, PALAMATIC PROCESS its representatives or agents, can access all the installations, in all locations of the company concerned.

c) However, upon delivery of the equipment, the Buyer will become responsible for the transfer of ownership involving the transfer of custody. Accordingly, the Buyer will have to take out an insurance policy covering the risk of damage, loss, theft or any other form of damage, including waiver of recourse against the Seller.

5) Loss or damage to equipment during transport

Whatever the sales conditions stipulated in the market regarding transfer of ownership, the Buyer shall take delivery of the goods, and report appropriate reserves (for the recognition of any and all damage or default) to the carrier by registered letter with acknowledgement of receipt within 48 hours, with a written copy to PALAMATIC PROCESS, under the same conditions, and this even if underwritten by insurance of the Seller on its behalf, or on behalf of the Buyer.

Regarding loss of material, reserves and claims must be made under the conditions stipulated above, and copies thereof must be sent to the Company in less than 10 days from the date of shipment.

PALAMATIC PROCESS will not accept any claims and refuse any responsibility if delivery is not stipulated in the contract and if no payment has been made. Similarly, the Company will not accept claims made within the time stipulated, as outlined above.

6) Delivery

When the equipment is delivered, the delivery note must be signed by a person in your company or a person in charge of the purchase from PALAMATIC PROCESS. This signature certifies that the delivery is conform and hence complies with the terms of the contract. When the delivery note has been signed the Company will not accept any complaint against PALAMATIC PROCESS.

7) Mechanical Warranty

The Company will repair or replace (at its own choice and discretion) any material or part of equipment exclusively provided by him duly found to be defective, not resulting from a plan, specifications or supplies established by the Customer.

This means that:

- a) This warranty applies only to equipment supplied for this contract.
- b) The client must have completed the installation, and permanently used these materials under normal conditions of use in accordance with our instructions for implementation and operation.
- c) All faults are guaranteed for a period of twelve months from the date of availability of the equipment.
- d) Defective items must be returned to the Company if it so requests.
- e) All payments related to this contract or other contracts have been made.
- f) Any other terms of condition or responsibility, explicitly or implicitly, even if such regulations refer to concepts such as aptitude, suitability, quality, conditions, consistent with the description or samples are specifically excluded under the contract.
- g) When you order our material, the Buyer acknowledges he was not been deceived by the Company or on its behalf, to protect our property as specified in our terms and conditions.
- h) Any exchange or repair done under warranty by the Company shall in no case have the effect of extending the said warranty.
- i) In all cases, any loss of production (including during the warranty period) will not supported by the Company.
- j) Travel expenses during the warranty period are the responsibility of the customer.
- k) The 12 months warranty per-use basis is , one 8 hour day 5 days a week, six months on two times 8 hour day 5 days a week.

8) Production losses, direct or indirect

In no event will the Company accept any liability whatsoever for loss of production be it, direct or indirect, from our equipment, on any defect on our material, or any other reason whatsoever.

9) General Liability

Third party insurance. We will accept our responsibility if there was negligence or if a claim has been made (by you or by a third party) and that this decision has been made. The maximum will be € 1.5 million Euros per year, for all consequential damages combined. We advise you to take out insurance in order to protect yourself against any problems arising from the work and harm caused to goods belonging to you (and for which we are not responsible, except for cases described above).

10) Patents and industrial properties

Patents and patent rights attached to all plans and drawings of each of our installations are the EXCLUSIVE property of PALAMATIC PROCESS Group and may not be reproduced or disclosed to third parties without permission, and will be liable to prosecution and damages.

11) Jurisdiction clause

In case of dispute, the courts of the Registered Address of the Seller shall have exclusive jurisdiction, regardless of the conditions of sale, method of payment, incidental claim, recourse in warranty or for multiple defendants. All bills of exchange, and or, drafts or acceptance of payment by the Seller make no moratory or derogation from this jurisdiction clause.

12) Terms of Cancellation

The buyer may terminate a contract for their own convenience or for any reason, provided that it supports the cancellation fee according to the terms listed here below.

The dates mentioned below are listed in the first schedule of the project submitted to the purchaser upon receipt of the order by the seller.

The various clauses below detail the cost of cancelling a contract, depending on the progress of the said contract. The cancellation charges relating to a contract depends on the cancellation date, only one of the clauses mentioned below applies for cancellation.

The amount of the contract, at the time of cancellation, includes the total amount, and any modifications, additions or suppressions made prior to the contract and approved by the seller.

Cost

1. Contracts terminated between the order date and the date of first submission of plans and / or documents to the buyer, the buyer must pay to the seller 20% of the total contract amount.
2. Contracts terminated between the date of the first submission mentioned above and the date of the first approval of plans and / or documents by the buyer, the buyer must pay to the seller 60% of the total contract amount.
3. contracts terminated between the date of the first approval mentioned above and the date of notice by the seller that the goods have been assembled, inspected and is ready to ship (this notice covers all or any goods that form part of this contract) the buyer must pay to the seller 90% of the contract amount.
4. Contracts terminated between the date of notice mentioned above and the date of notice by the seller that all of the goods are ready for shipment, the buyer must pay to the seller of 100 % of the contract amount.