

LEUCO Production SAS

20, route du Rhin
F-67930 BEINHEIM

R.C.S. STRASBOURG-B 708500897 (70 B 89) – Siret: 708500897000 – APE 2573 B - N°
TVA: FR 00708500897 – Capital: 1 120 000€

October 2013.

GENERAL TERMS OF SALE

All sales by LEUCO Production S.A.S., hereafter named “the Seller”, come under these General Terms of Sale, unless expressly agreed otherwise in writing by “the Seller” and “the Purchaser”.

No special terms can override these General Terms of Sale without “the Seller’s” express written consent. Any clause to the contrary put forward by “the Buyer”, unless expressly agreed, shall be ineffective against “the Seller”, regardless of the time such clause is notified to him.

These General Terms of Sale prevail over all other documents such as publicity leaflets, catalogues, advertisements and so on which are only indicative.

Failure of “The Seller” to enforce his rights under these General Terms of Sale at any particular time shall not be construed as a waiver to enforce any such rights in the future.

I/ OFFERS – ORDERS:

a) General provisions:

1. All orders shall be subject to an offer by the Seller.

Offers are only valid for 30 days after their date of issue. Beyond this time, the offer is no longer binding for the Seller.

2. All orders shall be sent to the Seller in writing. They shall be confirmed in writing.

3. The Seller reserves the possibility to defer or even decline an order when the Buyer’s payments to the Seller are in arrears or when the credit insurance company with which the Seller collaborates refuses to insure the Buyer.

4. The Seller reserves the right to decline any order at a price below production cost.

5. The dimensions, illustrations, drawings or descriptions on the Seller’s specifications and estimate are only meant to be indicative. They have no binding effect whatsoever.

6. Considering the diversity of parameters influencing the cutting quality and edge retention of tools provided by the Seller (machine, operating conditions, machined materials, operator’s qualification and experience), the information communicated to the Buyers can only be indicative as the Seller can only act upon parameters directly under his control.

7. All scale drawings and sketches made by the Seller shall remain his sole and absolute property and must not be passed on to third parties. If, notwithstanding the above, the Buyer passes them on to third parties, the Buyer could be held liable in case of imitation of the delivered Goods by such third parties.

8. The Seller reserves the right to delivery by instalments.

b) Tools and accessories requiring special processing.

1. The Seller will only launch production of tools and accessories requiring special processing after the Buyer has accepted the Seller's offer made in writing.
2. The Seller reserves the right to decline any order if specifications cannot be met using the production equipment currently at the Seller's disposal or if it does not fulfil the safety requirements in use in LEUCO Group.
3. Where production drawings are appended to the Seller's offer, production will only be launched after aforesaid drawings have been duly accepted and returned (Buyer's signature preceded by the date and by "*bon pour acceptation*" (accepted) written by hand in French). Failing this formal acceptance, production of the ordered equipment will not be launched.
4. Specially processed equipment will not be taken back by the Seller insofar as it was processed in accordance with the offer and with the accepted drawings.
5. The Seller reserves the right to request the Buyer to pay a deposit according to the nature and the value of the equipment ordered before confirming the order.
In such case, production of the equipment will only be launched after such deposit is received.
6. Should the order be cancelled after production is launched, all costs incurred to fulfil the aforesaid order shall be borne by the Buyer (including the cost of research).
7. Any changes requested by the Buyer while production is in progress will be invoiced to the Buyer in proportion of the costs incurred.
8. The Seller reserves the possibility of making changes to the ordered equipment when these changes do not affect the functionality of said equipment.

II. TESTS:

a) Testable equipment

All tests are subject to prior express consent of the Seller's technical department. As a rule, only equipment requiring standard processing can be tested. Equipment requiring special processing cannot normally undergo pre-delivery testing unless expressly agreed by the Seller's technical department.

b) Testing period

The testing period is limited to 8 days from reception of the equipment by the Buyer. At the end of this eight-day period, the equipment shall be deemed accepted and thus invoiced automatically to the client.

c) Testing conditions

Testing can only take place in the presence of a technical advisor from the Seller's. Should the tested equipment be damaged as a result of a non-conforming use and outside the presence of the Seller's technical advisor, the cost of repairing the damaged equipment shall be borne by the client who is responsible for carrying out the testing. Should the testing prove inconclusive, the client who has conducted it shall within 8 days of receiving the tested equipment inform the Seller and explain why the testing was inconclusive (giving the exact testing conditions) and hold the equipment at the disposal of the Seller's technical advisor in charge of supervising the testing who will check the returned equipment. Should tested equipment require repairing after being subject to intensive use, the cost thereof will be invoiced to the client who has conducted the testing.

III. DELIVERY

a) Delivery time.

Delivery times given in contractual documents, including order confirmations, are approximate only. Delays in delivery shall not give any right to any damages or deductions or to make changes in or cancellation of ongoing orders. The Buyer shall not be entitled to refuse to accept the Goods.

In any event, delivery on the agreed date is subject to the Buyer being up to date regarding his obligations of whatever nature and cause towards the Seller; given delivery times will be extended for as long as the Buyer will have delayed the return of the accepted drawings or the payment of the pre-order deposit.

Considering that Goods are made available to the Buyer at the Seller's warehouses or factories, transport time must be added to the given delivery times.

Should the delivery date be postponed at the Buyer's own request, the Goods shall be deemed delivered at the date initially stated on the order confirmation. The Goods will be invoiced as per the date initially agreed and stored at the consignee's expense in a place freely chosen by the Buyer. Consequently, risk in the Goods will pass on and the guarantee will also start from that date.

b) Transport - Passing of Risk.

All prices given by the Seller are ex-Beinheim (Bas-Rhin, France), exclusive of packaging and carriage.

Packaging and carriage are offered at the best possible price. If the Buyer requests specific packaging and/or carriage, the Buyer shall bear the additional costs thereof. The packaging invoiced by the Seller shall not be taken back. Risk in the Goods passes when same are dispatched from the Seller's warehouses or factories, regardless of the means of transport or terms of invoicing and payment for transport costs, be it carriage paid or due, and even if transport was done free of charge. As a result, in particular, the Goods are transported at the Buyer's own risks and the Buyer must, in case of average, loss or shortage, make all proper reservations and take action against the relevant carriers either immediately if the damage is visible or within the time limit provided for by the current transport regulations. Should the Buyer not make such reservations within the prescribed time in the prescribed form, the Buyer shall be barred from any remedy against the Seller.

c) Reception of the Goods and return.

Complaints concerning the delivered equipment must be sent to the Seller within 8 days of reception of the Goods. No complaint shall be accepted beyond this time.

The Buyer shall, **upon delivery and before putting equipment into service**, make sure that the delivered equipment conforms with the order (or confirmation in case of equipment requiring special processing) or with the delivery slip enclosed with the Goods.

The Buyer shall give the Seller easy access to allow the Seller to record and remedy any damages, defects or shortage. The Buyer shall not intervene or let any third party do so.

Any complaint regarding the functionality of the equipment must be well grounded.

Costs incurred when controlling unjustified or insufficiently grounded complaints shall be borne by the Buyer.

IV. PAYMENT.

a) General terms of payment.

- 1) The Seller's invoices must be paid at the Seller's head office address for the amount stated on each invoice.
- 2) Invoices are payable within 30 days of the date of issue in accordance with Law NR 2008/776 of 04 August 2008.
- 3) Payment by Bill of Exchange or promissory note is subject to the Seller's express consent; such means of payment must be specified on the order and accepted on the Seller's confirmation of order. In any event, the invoice shall not be deemed settled before the Buyer returns the accepted bill of exchange or promissory note provided such return takes place within 10 days of the invoice being issued. Failure to return the accepted bill of exchange or promissory note within 10 days constitutes a default in payment on the due date. Moreover, the Buyer is hereby reminded that all bills of exchange must be sent to the bank for payment 12 working days before due date.
- 4) No claim of the Buyer against the Seller can be set off against any invoice issued by the Seller.

b) Late payment.

- 1) Lateness of payment shall cause **interest to be charged at a rate of three times the legal interest rate in accordance with Law NR 2008/776 of 04 August 2008**. Late-payment interest is due without any reminder being required.
- 2) Lump-sum compensation for recovery costs : 40 €
- 3) Moreover, in case of late payment, the full amount due by the Buyer to the Seller shall become payable immediately and the Seller have the right to suspend fulfilment of all undelivered on going orders.
- 4) All legal costs which the Seller may incur for collecting his claim shall be borne by the Buyer.

c) Reservation of Title clause

The Seller expressly reserves title to the delivered Goods until payment in full of the price and of all incidentals.

Should the Goods be resold before full payment of the price, the Seller has a right of tracing the Goods; moreover, the Buyer commits himself to pay the outstanding balance immediately to the Seller without prejudice.

The Buyer must inform third parties of the existence of a reservation of title clause to the benefit of LEUCO Production S.A.S. and object by every legal ground to any claim on equipment not fully paid that any such third party may want to enforce by whatever means (distrain, writ of execution, etc.).

V/ GUARANTEE

a) Period of Guarantee

The Seller's tools and accessories are guaranteed against any non-conformity or defect, to the exclusion of natural wear, for three months from their dispatch to the Buyer. This guarantee presupposes that the Buyer has subjected the Goods to normal use and in particular respected the instructions given on the tools or in the documentation supplied by the Seller. Should the equipment be subject to intensive use (by two or three shifts), the period of guarantee will be reduced in due proportion.

The Seller's guarantee shall be void if the equipment did not undergo standard maintenance or was used in a way that does not conform with the Seller's instructions or suffered damages not caused by normal use or if it was modified by the Buyer without the Seller's consent or

generally shows abnormal wear. The guarantee does not cover the Buyer in case of resale of the Goods.

b) Extent of the guarantee.

The guarantee only covers the equipment sold. It does not apply to any work carried out with said equipment and the Seller shall therefore not be held liable for any possible production rejects by the Buyer who must make sure when putting the equipment into service that the result conforms to his expectations. Neither can the Seller be held liable for the Buyer's potential loss of earnings resulting of late delivery or of any indirect damage.

VI. UNFORESEEN EVENTS AND FORCE MAJEURE

The Seller hold harmless and his obligations suspended in case of circumstances preventing the Seller from fulfilling such obligations in normal conditions such as, in particular: war, fire, machine tool breakdown, riots, strikes, transport and/or supply problems, or any event beyond the Seller's control.

VII. CHOICE OF JURISDICTION CLAUSE

Any dispute arising about the fulfilment of an order or the interpretation or enforcement of these General Terms of Sale shall be subject to the exclusive jurisdiction of the courts within the jurisdiction of the *tribunal de grande instance* (district court) in Strasbourg, including in case of a plurality of defendants, introduction of third parties or joint or related claims.

VIII. APPLICABLE LAW

Any question relating to these General Terms and to the sales governed by them shall be subject to French law exclusively.